Srl No :_____
Date:

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For Private Circulation Only

ASIRVAD MICRO FINANCE LIMITED

Corporate Identity Number (CIN): U65923TN2007PLC064550
Permanent Account Number: AAGCA5275J
Date and Place of Incorporation: August 29, 2007. Chennai, Tamil Nadu, India
Latest registration / identification number issued by the RBI : N-07-00769]
Registered Office: 47, Whites Road, 1st Floor, Deshbandhu Plaza, Royapettah, Chennai, Tamil Nadu – 600014
Corporate Office: 9th and 10th Floor, No.9, Club House Road, Anna Salai, Chennai - 600 002
Telephone No: +91- 044-43510081 , Website: https://asirvadmicrofinance.co.in/ , Email: treasury@asirvad.in
Compliance Officer: Ms. Aparna Menon Contact details of Compliance Officer: +91-9345960647; cs@asirvad.in
Company Secretary: Ms. Aparna Menon Contact details of Compliance Officer: +91-9345960647; cs@asirvad.in
Chief Financial Officer: Mr. Yogesh Ratnakar Udhoji Contact details of Chief Financial Officer: +91-44-43510081; yogesh.udhoji@asirvad.in
Promoter(s): (1)Manapuram Finance Limited Contact details of Promoter(s):0487 3050 000; mail@manappuram.com (2) Mr. S.V Raja Vaidyanathan Contact details of Promoter(s): 9940222330; svrv@asirvad.in

Date: November 08, 2021

ISSUE OF 500 [RATED, SENIOR, SECURED, TRANSFERABLE, REDEEMABLE, PRINCIPAL, PROTECTED MARKET LINKED, NON-CONVERTIBLE DEBENTURES ("**DEBENTURE(S)**" OR "**NCD(S)**") OF FACE VALUE OF RS.10,00,000 (INDIAN RUPEES TEN LAKHS ONLY) EACH, ISSUED IN ONE OR MORE TRANCHES, AGGREGATING TO RS. 50,00,00,000 /- (INDIAN RUPEES FIFTY CRORES ONLY) WITH GREEN SHOE OPTION OF RS. 50,00,00,000 /- (INDIAN RUPEES FIFTY CRORES ONLY) (THE "**ISSUE**"), ON A PRIVATE PLACEMENT (THE "**ISSUE**"), BY **ASIRVAD MICRO FINANCE LIMITED** (THE "**COMPANY**" OR "**ISSUER**").

Debenture Trustee

Name	**Vardhman Trusteeship Private Limited**
Address	The Capital, A Wing, 412A, Bandra Kurla Complex, Bandra (East), Mumbai 400 051
Logo	VARDHMAN TRUSTEESHIP PVT LTD
Telephone numbers	**+91- 8657900675**
E-mail addresses	nikhil@vardhmantrustee.com
Contact Person	Mr. Nikhil Pradhan

Register & Transfer Agent

Name	**S.K.D.C. Consultants Limited**
Logo	skdc
Address	"Surya", 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641 028
Telephone number	+91 422 4958995
Fax number	+91 422 2539837
Website address	https:// www.skdc-

Credit Rating Agency

Name	**CRISIL Ratings Limited**
Address	Hiranandani Business Park, Central Avenue, Hiranandani Gardens, Powai, Mumbai, Maharashtra - 400 076
Logo	CRISIL An S&P Global Company
Telephone number	+91 22 3342 3000
E-mail addresses	poonam.upadhyay@crisil.com
Contact Person	Ms. Poonam Upadhyay

		consultants.com	
	E-mail addresses	info@skdc-consultants.com	

[Insert any other details obtained for private placement]

Placement Memorandum:

Date of Placement Memorandum	November 08, 2021
Type of Placement Memorandum	Private placement of non-convertible debentures

ISSUE SCHEDULE	
Issue Opens on:	November 09, 2021
Issue Closes on:	November 09, 2021
Date of earliest closing of the issue, if any	N.A.
Pay in Date	November 09, 2021
Deemed date of allotment	November 09, 2021

ISSUE DETAILS	
Nature	Rated SENIOR Secured Transferable Redeemable Listed Principal protected non-convertible market linked debentures
Number	1,000 (One thousand)Debentures
Price	10,00,000(Indian Rupees Ten Lakh) per debentures
Amount	100,00,00,000 (Indian Rupees One Hundred Crore Only)
Issue size (base issue or green shoe)	Rs. 50,00,00,000 /- (Indian Rupees Fifty Crore Only) with green shoe option of Rs. 50,00,00,000 /- (Indian Rupees Fifty Crores Only)
Coupon	Coupon will be paid at the Annualised Interest Rate as follows: (a) 9.70% (nine decimal seven zero percent) (XIRR) (i.e., 9.3% (nine decimal three percent) per annum, compounded monthly), if the Final Fixing Level is greater than 25% (twenty five percent) of the Initial Fixing Level; and/or (b) 0% (zero percent) (XIRR), if the Final Fixing Level is lesser than or equal to 25% (twenty five percent) of the Initial Fixing Level., where: (i) "**Initial Fixing Date**" means 3 days prior to Issue Open Date (ii) "**Initial Fixing Level**" means the official closing level of the Reference Index on the Initial Fixing Date; (iii) "**Final Fixing Date**" means the date occurring 30 (thirty) days prior to the Final Redemption Date,; (iv) "**Final Fixing Level**" means the official closing level of the Reference Index on the Final Fixing Date; and

	(v) "**Reference Index**" means the 6.10% GS 2031 (ISIN IN0020210095) as published by Financial Benchmarks India Private Limited (available at www.fbil.org.in)
Coupon Payment Frequency	Bullet
Redemption Date	May 09, 2024
Redemption Amount	Redemption at Par
Credit Rating	"CRISIL PP-MLD AA- r (Outlook: Stable)
Details of Eligible Investors	As provided Section 8 of this Information Memorandum
Listing	The Debentures are proposed to be listed on the wholesale debt market segment of the BSE Limited ("**BSE**" or the "**Stock Exchange**").
Electronic Book Provider Platform	Not Applicable
Details of Debenture Trustee	As specified above

The aggregate amount proposed to be raised through all the stages of offers of non-convertible securities made through the shelf placement memorandum:

Not Applicable

Details about underwriting of the issue including the amount undertaken to be underwritten by the underwriters:

Not Applicable

Specific declaration requested by BSE: non-equity regulatory capital

This issue of Debentures does not form part of non-equity regulatory capital mentioned under Chapter V of the SEBI ILNCS Regulations. The face value of each Debenture is INR 10,00,000 (Indian Rupees Ten Lakh)

Issue Details:

Nature	Rated SENIOR Secured Transferable Redeemable Listed Principal protected non-convertible market linked debentures
Issue size (base issue and green shoe option, if any)	Rs. 50,00,00,000 /- (Indian Rupees Fifty Crore Only) with green shoe option of Rs. 50,00,00,000 /- (Indian Rupees Fifty Crores Only)
Shelf or tranche size	100,00,00,000 (Indian Rupees One Hundred Crore)

GENERAL RISK

Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The Debentures have not been recommended or approved by Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this document.

Specific attention of investors is invited to statement of risk factors contained under **SECTION 4 – RISK FACTORS** of this Disclosure Document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the debt securities/non-convertible redeemable preference shares or investor's decision to purchase such securities.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this placement memorandum contains all information with regard to the issuer and the issue which is material in the context of the issue, that the information contained in the placement memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.

CREDIT RATING

CRISIL has assigned **CRISIL PP-MLD AA- r (Outlook: Stable)** to the Issue by the Company by a letter dated October 27, 2021. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. For more details on credit rating of the Issuer refer to press release at https://www.crisil.com/en/home/our-businesses/ratings/company-factsheet.AVMFPL.html.

The copies of the press release and the rating rationale in respect of the rating for the Debentures is provided in Annexure II of this Placement Memorandum

The above rating is not a recommendation to buy, sell or hold securities and Investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning Credit Rating Agency and rating should be evaluated independently of any other rating. The rating obtained is subject to revision at any point of time in the future.

No other ratings have been obtained for the purposes of this Issue.

LISTING

The Debentures are proposed to be listed on the wholesale debt market segment of the BSE Limited ("BSE" or the "Stock Exchange"). The Company will obtain "in principle" approvals from BSE for listing the Debentures offered through this Issue.

RECOVERY EXPENSE FUND

The Issuer has created the Recovery Expense Fund in accordance with the SEBI REF Circular with the BSE. In this regard, please also refer to the section on "Creation of recovery expense fund" under Section 8 below.

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SECTION 1 DISCLAIMERS

GENERAL DISCLAIMER

This Disclosure Document is neither a prospectus nor a statement in lieu of a prospectus and does not constitute an offer to the public to subscribe to the Issue.

The Debentures are to be listed on BSE and is being made strictly on a private placement basis. The Disclosure Document is not intended to be circulated to more than 200 (two hundred) persons. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. No invitation is being made to any persons other than to those to whom Application Form along with this Disclosure Document have been sent. Any application by a person to whom the Disclosure Document and Application Form have not been sent by the Company shall be rejected without assigning any reason. The person who is in receipt of the Disclosure Document shall maintain utmost confidentiality regarding the contents of the Disclosure Document and shall not reproduce or distribute in whole or in part or make any announcement in public or to a third party regarding the contents without the consent of the Issuer.

This Disclosure Document has been prepared in conformity with the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended up to date and other applicable laws. Therefore, as per the applicable provisions, a copy of this Disclosure Document has not been filed or submitted to the SEBI for its review and/or approval. It is the responsibility of potential investors to also ensure that any sale by them of the NCDs/Debentures does not constitute an offer to the public within the meaning of the Companies Act.

Apart from the Disclosure Document, no offer document or prospectus has been prepared in connection with this Issue and that no prospectus in relation to the Issuer or the NCDs relating to this Issue has been delivered for registration nor such a document is required to be registered under the applicable laws.

The Disclosure Document issued by the Company and the views contained in Disclosure do not necessarily reflect the views of its directors, employees, affiliates, subsidiaries, or representatives and should not be taken as such. The Disclosure Document have been prepared to provide general information about the Issuer to potential Eligible Investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. The Disclosure Document do not purport to contain all the information that any potential Eligible Investor may require. Where the Disclosure Document summarize the provisions of any other document, that summary should not be relied upon and the relevant document should be referred to for the full effect of the provisions.

Neither the Disclosure Document nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Disclosure Document should not consider such receipt a recommendation to purchase any Debentures. Each

investor contemplating purchasing any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential Investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such investor's particular circumstances.

This Information Memorandum and the contents hereof are intended only for recipients who have been addressed to directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue. The contents of this Disclosure Document is intended to be used only by those investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

DISCLAIMER TO THE ISSUER

The Issuer confirms that, as of the date hereof, this Information Memorandum (including the documents incorporated by reference, if any) contains all information that is material in the context of the Issue, is accurate in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made, are not misleading. The sale or transfer of these Debentures outside India may require regulatory approvals in India, including without limitation, the approval of the RBI.

The Issuer confirms that all information considered adequate for and relevant to the Issue and the Issuer has been made available in this Information Memorandum for the use and perusal of the potential investors and no selective or additional information would be made available to any section of investors in any manner whatsoever. The information relating to the Company contained in the Disclosure Document is believed by the Company to be accurate in all respects as of the date hereof.

The Issuer does not undertake to update the Information Memorandum to reflect subsequent events after the date of the Information Memorandum and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer.

Neither the delivery of this Information Memorandum nor any Issue of Debentures made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

The Issuer having made all reasonable enquiries, accepts responsibility for and confirms that the information contained in this Disclosure Document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Company or any of its directors, employees, advisors, affiliates, subsidiaries or representatives do not

accept any responsibility and/ or liability for any loss or damage however arising and of whatever nature and extent in connection with the said information.

DISCLAIMER TO THE STOCK EXCHANGE

As required, a copy of this Disclosure Document has been submitted to the BSE for hosting the same on its website as per the applicable law.

It is to be distinctly understood that filing of this Disclosure Document with the BSE should not in any way be deemed or construed that the same has been cleared or approved by the BSE, nor does the BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Disclosure Document, nor does the BSE warrant that the Issuer's Debentures will be listed or will continue to be listed on the Stock Exchange; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer. Every person who desires to apply for or otherwise acquire any Debentures of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

DISCLAIMER CLAUSE OF SEBI

This Disclosure Document has not been filed with the SEBI. The securities have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy this Information Memorandum. It is to be distinctly understood that filing of this Information Memorandum should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility for the purpose for which the issue is proposed to be made or for the correctness of the statements made or opinions expressed in this Information Memorandum. The issue of Debentures being made on private placement basis, filing of this document is not required with SEBI, however SEBI reserves right to take up at any point of time, with the Company, any irregularities or lapses in this document.

DISCLAIMER TO THE DEBENTURE TRUSTEE

The Debenture Trustee or its agents or advisers associated with the Issue of the Debentures do not undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Disclosure Document and shall not have any responsibility to advise any investor or prospective Investor in the Debentures of any information available with or subsequently coming to the attention of the Debenture Trustee, its agents or advisors.

The Debenture Trustee and its agents or advisors associated with the issue of the /Debentures have not separately verified the information contained herein. Accordingly, no representation, warranty or

undertaking, express or implied, is made and no responsibility is accepted by Debenture Trustee as to the accuracy or any other information provided by the Issuer. Accordingly, the Debenture Trustee shall have no liability in relation to the information contained in this Disclosure Document or any other information provided by the Issuer in connection with the Issue. The Debenture Trustee is neither a principal debtor nor a guarantor of the /Debentures.

DISCLAIMER IN RESPECT OF CREDIT RATING AGENCY

The ratings of the Credit Rating Agency should not be treated as a recommendation to buy, sell or hold the Debentures. The Credit Rating Agency ratings are subject to a process of surveillance which may lead to a revision in ratings. Please visit the Credit Rating Agency's website https://www.crisil.com/ or contact the Credit Rating Agency's office for the latest information on the Credit Rating Agency's ratings. All information contained herein has been obtained by the Credit Rating Agency from sources believed by it to be accurate and reliable. Although reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and the credit rating agency in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or opinion and Credit Rating Agency shall not be liable for any losses incurred by users from any use of this publication and completeness of any such information. All information contained herein must be construed solely as statements or its contents**.**

DISCLAIMER IN RESPECT OF VALUATION AGENCY

In accordance with the provisions of Structured Products Guidelines, the third party valuation agency has been appointed to provide the investors with a third party valuation of the Debentures. The Valuation Agency will publish a valuation on its website at least once every calendar week, commencing no later than one week after the listing of the Debenture. The valuation shall be available on the website of the Valuation Agency. The Issuer will also make available, as soon as practicable after the listing of the debentures, the valuation provided by the Valuation Agency on the website of the issuer at https://asirvadmicrofinance.co.in/mld-valuation/ upon request by the debenture holder, the issuer shall arrange to provide such holder the value of the Debentures as determined by the valuation agency. all valuation shall be done by the Valuation Agency on an independent basis and the issuer shall not be responsible for the same in any manner whatsoever. investors may kindly note that the actual value of the debentures are dependent on several factors. investors may kindly note that the valuation provided by the third party valuation agency shall be its independent valuation and shall not be binding on the Issuer.

valuation done by the Valuation Agency could be based on simple or complex methodologies adopted for arriving at a fair valuation. Valuation would depend amongst others, on various factors, circumstances, assumptions and the extent to which information is available. Valuation is subjective and due to various dependencies the conclusion or results drawn may not be exact or similar if somebody else were to adopt and apply the same methods.

Valuation Agency the valuation agency could be based on simple or complex met the issuer. Valuation agency will rely upon the publicly available information and any information or clarification or explanations provided by the issuer. Valuation agency therefore will not be responsible either for the

genuineness or accuracy of the information provided. it is the Issuer's responsibility to keep the valuation agency informed of any material change or adverse circumstances which may impact the current scope of work.

DISCLAIMER OF RESERVE BANK OF INDIA

The Debentures have not been recommended or approved by the RBI nor does RBI guarantee the accuracy or adequacy of this Disclosure Document. It is to be distinctly understood that this Disclosure Document should not, in any way, be deemed or construed that the Debentures have been recommended for investment by the RBI. RBI does not take any responsibility either for the financial soundness of the Issuer, or the Debentures being issued by the Issuer or for the correctness of the statements made or opinions expressed in this Disclosure Document. The potential investors may make investment decision in respect of the Debentures offered in terms of this Disclosure Document solely on the basis of their own analysis and RBI does not accept any responsibility about servicing/repayment of such investment

SECTION 2 DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Disclosure Document.

Act	means the Companies Act, 2013, and shall include any re-enactment, amendment or modification of the Companies Act, 2013, as in effect from time to time.
Application Form	The form which shall be circulated to the prospective investors along with the Information Memorandum/ Disclosure document for the purpose of applying for the debentures and marked as Annexure IX.
Allot/ Allotment/ Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to this Issue
Account Bank	ICICI Bank
Beneficial Owner(s)	means the holder(s) of the Debentures in dematerialized form whose name is recorded as such with the Depository.
Board/ Board of Director(s)	Board of Director(s) of the Issuer
BSE Limited/BSE	Stock Exchange / Designated Stock Exchange
Business Day	Business Day shall mean a day (other than a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) or a Sunday) on which banks are normally open for business and the money market is functioning in Mumbai.
CERSAI	means the Central Registry of Securitisation Asset Reconstruction and Security Interest of India.
CDSL	Central Depository Services (India) Limited
Company / Issuer	**Asirvad Micro Finance Limited**
Coupon	means the coupon payable on the Debentures on the Coupon Payment Date(s), at the Coupon Rate.
Coupon Payment Date	mean the date(s) as specified in **Section 6- Issue Details** of this Information Memorandum.
Date of Subscription	Date of realization of proceeds of subscription money in the bank account of the Company.
Debentures or NCDs	500 Rated SENIOR Secured Transferable Redeemable Principal protected - market linked, non-convertible debentures having a face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, aggregating to Rs. 50,00,00,000 /- (Rupees Fifty Crores Only) with green shoe option of Rs. 50,00,00,000 /- (Rupees Fifty Crores Only).
Debenture Holder(s)/Investors	Person(s) holding Debenture(s) and whose name is recorded as beneficial owner with the Depository (if the Debentures are in dematerialized form) as defined under Section 2 of the Depositories Act, 1996) or the person(s) whose name appears as holder of Debentures

	in the Register of Debentures (if the Debentures are in the physical form)
Debenture Trust Deed / DTD	The Debenture trust deed dated on or about the date of this Disclosure Document entered / to be entered into between the Company and the Debenture Trustee.
Debenture Trustee	Trustee for the Debenture Holder(s), in this case being VARDHMAN TRUSTEESHIP PRIVATE LIMITED
Debenture Trustee Agreement	means the agreement entered into by and between the Issuer and the Debenture Trustee and dated November 02, 2021
Deed of Hypothecation	means the deed of hypothecation executed and delivered by the Issuer in favour of the Debenture Trustee to evidence creation of first ranking exclusive charge by the Issuer in favour of the Debenture Trustee (for the benefit of the Debenture Holders) over the Hypothecated Property (in a form acceptable to the Majority Debenture Holders).
Deemed Date of Allotment	means November 09, 2021
Depositary Participant / DP	A Depositary participant as defined under Depositories Act, 1996 as amended from time to time
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996 as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Disclosure Document / Information Memorandum	This document dated November 08, 2021 which sets out the information regarding the Debentures being issued on a private placement basis.
EFT	Electronic Fund Transfer
Financial Year / FY	Financial year the of Company i.e. a period commencing from 1st April and ending on 31st March of the next calendar year
Insolvency Filing Event	The filing of any petition for insolvency resolution or liquidation against the Company under the Insolvency and Bankruptcy Code, 2016
Issue Opening Date	November 09,2021
Issue Closing Date	November 09,2021
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate(s)
NSDL	National Securities Depository Limited
PAN	Permanent Account Number
Private Placement Offer Cum Application Letter/ PPOL	The letter issued by the Issuer pursuant to the provisions of Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and

	Allotment of Securities) Rules, 2014, as amended, to the Investors in the format set out in the said rules
POA	Power of Attorney
Rating Agency/ Credit Rating Agency	CRISIL Ratings Limited with SEBI pursuant to SEBI (Credit Rating Agencies) Regulations 1999, as amended from time to time and having its office at Hiranandani Business Park, Central Avenue, Hiranandani Gardens, Powai, Mumbai, Maharashtra - 400 076
Record Date	shall mean the date being 15 (Fifteen) calendar days prior to the due date on which any payments are to be made to the Debenture Holder(s) in accordance with the terms of the Debentures on the basis of which the determination of the persons entitled to receive redemption of principal, Coupon, and other Payments, if any, as the case may be, in respect of the Debentures shall be made.
REF / Recovery Expense Fund	means recovery expense fund created/to be created by the Issuer with the BSE.
R&T Agent	Registrar and Transfer Agent to the Issue, in this case being S.K.D.C. Consultants Limited
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India
SEBI Centralized Database Circular	means the SEBI circular bearing reference number SEBI/HO/DDHS1/P/CIR/2021/572 dated June 4, 2021 on "Centralized Database for Corporate Bonds/Debentures".
SEBI Defaults (Procedure) Circular	means the circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020 on "Standardisation of procedure to be followed by Debenture Trustee(s) in case of 'Default' by Issuers of listed debt securities" issued by SEBI.
SEBI Due Diligence Circular	means the SEBI circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 on "Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)".
SEBI Listing Timelines Requirements	means the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (Standardization of timelines for listing of securities issued on a private placement basis) of the Listed NCDs Operational Circular.
SEBI REF Circular	means the circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 on "Contribution by Issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund" issued by SEBI
SEBI NCS Regulations	Securities And Exchange Board Of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time.

SEBI LODR Regulations	means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
TDS	Tax Deduction at Source
TL	Term Loan
Valuation Agency	ICRA Analytics Limited
WDM	Wholesale Debt Market

SECTION 3 UNDERTAKING OF THE ISSUER

Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document.

Specific attention of investors is invited to the statement of 'Risk factors' given under the section '**General Risks'**." "The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Disclosure Document contains all information with regard to the issuer and the issue, that the information contained in the offer document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The issuer has no side letter with any debt securities holder except the one(s) disclosed in the offer document/offer document. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed."

SECTION 4 RISK FACTORS

An investment in the Debentures involves risks. These risks may include, among others, equity market, bond market, interest rate, market volatility and economic, political and regulatory risks and any combination of these and other risks. Prospective Investors should be experienced with respect to transactions in instruments such as the Debentures. Prospective Investors should understand the risks associated with an investment in the Debentures and should only reach an investment decision after careful consideration of, (a) the suitability of an investment in the Debentures in the light of their own particular financial, tax and other circumstances; and (b) the information set out in this Disclosure Document.

More than one risk factor may simultaneously affect the Debentures such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Debentures.

Investors are advised to read the following risk factors carefully before making an investment in the Debentures offered in this Issue. Each investor must rely on its own examination of the Issuer and this Issue, including the risks and uncertainties involved. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

RISKS RELATING TO THE DEBENTURES

I. Changes in the interest rates may affect the price of the Debentures

All securities where a fixed rate of interest is offered, such as Debentures are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fluctuation in the prices is a function of the existing coupon/yield to maturity, days to maturity and the increase or decrease in the level of prevailing interest rates. Any increase in rates of interest is likely to have a negative effect on the price of the Debentures.

II. Secondary market for the Debentures may be Illiquid

It is not possible to predict if and to what extent a secondary market may develop in the Debentures or at what price the Debentures will trade in the secondary market or whether such market will be liquid or illiquid. As specified in the Disclosure Document, an application has been made to list or quote or admit to trading the Debentures on the WSD Segment of the BSE and an in-principle approval has been obtained. If the Debentures are so listed or quoted or admitted to trading on the BSE no assurance is given that any such listing or quotation or admission to trading will be maintained. The fact that the Debentures may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity than if they were not so listed or quoted or admitted to trading.

The Issuer may, but is not obliged to, at any time purchase the Debentures at any price in the open market or by tender or private agreement. Any Debentures so purchased may be resold or surrendered for cancellation. The more limited the secondary market is, the more difficult it may be for holders of the Debentures to realize value for the Debentures prior to redemption of the Debentures.

III. Credit risk and rating downgrade risk

The Credit Rating Agency has assigned the credit rating to the Debentures. In the event of deterioration in the financial health of the Issuer, there is a possibility that the rating agency may downgrade the rating of the Debentures. In such cases, potential investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms. The Issuer cannot guarantee that this rating will not be downgraded. Such a downgrade in the credit rating may lower the value of the Debentures and may also affect the Issuer's ability to raise further debts.

IV. The Debentures may not be a suitable investment for all potential Investors

Potential Investors should ensure that they understand the nature of the Debentures and the extent of their exposure to risk, that they have sufficient knowledge, experience and access to professional advisers such as legal, tax, accounting and other advisers to make their own legal, tax, accounting and financial evaluation of the merits and risks of investment in the Debentures and that they consider the suitability of the Debentures as an investment in the light of their own circumstances and financial condition.

V. Exercise of powers by the Debenture Trustee is subject to equitable principles and supervisory powers of courts

The exercise by the Debenture Trustee of the powers and remedies conferred on it under the Debentures and this Disclosure Document or otherwise vested in it by applicable law, will be subject to general equitable principles regarding the enforcement of security, the general supervisory powers and discretion of the Indian courts in the context thereof and the obtaining of any necessary governmental or regulatory consents, approvals, authorisations or orders.

VI. The right of the Debenture Holders to receive payments under the Debentures will be junior to certain tax and other liabilities preferred by law on an insolvency of the Issuer

The Debentures will be subordinated to certain liabilities preferred by applicable law such as claims of the Government of India on account of taxes and certain liabilities incurred in the ordinary course of the Issuer's business (including workmen's dues). Upon an order for winding-up in India, the assets of a company are vested in a liquidator who has wide powers to liquidate such company to pay its debt and administrative expenses.

VII. Receipt of coupon or principal is subject to the credit risk of the Issuer.

Investors should be aware that the receipt of any coupon payment and principal amount at maturity is subject to the credit risk of the Issuer. Any stated credit rating of the Issuer reflects the independent opinion of the referenced rating agency as to the creditworthiness of the rated entity but is not a guarantee of credit quality of the Issuer. Any downgrading of the credit ratings of the Issuer by the rating agency may lower the value of the Debentures

Potential Investors should be aware that receipt of the principal amount, (i.e. the redemption amount) and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Issuer. Potential Investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

The payment of the principal and coupon on the Debentures is subject to the credit risk of the Issuer whereby the investors may or may not recover all or part of the principal or coupon amount of the funds invested in case of default by the Issuer. Debenture Holders assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures and may or may not recover all or part of the principal and/or coupon amount in case of default by the Issuer.

VIII. Security may be insufficient to redeem the Debentures

In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee may enforce the Security as per the terms of security documents, and other related documents. The Debenture Holder(s)' recovery in relation to the Debentures will be subject to (i) the market value of such secured property, (ii) finding willing buyers for the Security at a price sufficient to repay the Debenture Holder(s)' amounts outstanding under the Debentures. The value realised from the enforcement of the Security may be insufficient to redeem the Debentures.

While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of Information Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained. However, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

IX. Payment of penalty

In case of outstanding debt instruments or deposits or borrowings, any default in compliance with the material covenants such as creation of security as per terms agreed, default in payment of interest, default in redemption or repayment, non-creation of debenture redemption reserve, default in payment of penal interest wherever applicable.

X. Prospective investors are advised to carefully read these key risks associated with the Debentures. These risks are not, and are not intended to be, a complete list of all risks and consider

The Debentures being structured debentures are sophisticated instruments which involve a significant degree of risk and are intended for sale only to those investors capable of understanding the risks involved in such instruments. The Debentures are structured and are complex and an investment in such a structured product may involve a higher risk of loss of a part of the initial investment as compared to investment in other securities unless held till Maturity Date as set out in this Offer Letter. Prior to investing in the Debentures, a prospective investor should ensure that such prospective investor understands the nature of all the risks associated with the investment in order to determine whether the investment is suitable for such prospective investor in light of such prospective investor's experience, objectives, financial position and other relevant circumstances. Prospective investors should independently consult with their legal, regulatory, tax, financial and/or accounting advisors to the extent the prospective investor considers necessary in order to make their own investment decisions.

XI. Model Risk

Investment in Debentures is subject to model risk. The Debentures are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behaviour of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models.

INTERNAL RISKS

Risk Factor in relation to the Issuer's business

A. ***If the Issuer is unable to control the level of non-performing loans ("NPAs") in the future, or if the Issuer's loan loss reserves are insufficient to cover future loan losses, the financial condition and results of operations may be materially and adversely affected.***

The Client Loans are secured against hypothecation of stock, receivables and other current assets and the clients of these loans are of the high-risk category. There is uncertainty on the client's ability to fulfil its loan obligations. Such non-performing or low credit quality loans can negatively impact our results of operations.

As on June 30, 2021, the gross NPA was Rs. 109.34 on a gross portfolio of Rs. 6052.60 Crore (including managed / securitized portfolio of Rs. 914.84 Crore.

The Issuer cannot assure that the Issuer will be able to effectively control and reduce the level of NPAs in its total loan portfolio. The amount of the Issuer's reported non-performing loans may increase in the future as a result of growth in the total loan portfolio, and also due to factors beyond the Issuer's control. Failure to manage NPAs or effect recoveries will result in operations being adversely affected.

The Issuer's current loan loss reserves may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of the Issuer's total loan portfolio. As a result, if the quality of the Issuer's total loan portfolio deteriorates the Issuer may be required to increase the loan loss reserves, which will adversely affect the Issuer's financial condition and results of operations.

B. ***The Issuer's business operates through a large number of rural and semi urban branches and is exposed to operational risks including fraud***

The Issuer is exposed to operational risks, including fraud, petty theft and embezzlement, as it handles a large amount of cash due to high volume of small transactions. This could harm its operations and its financial position.

As the Issuer handles a large amount of cash through a high volume of small transactions taking place in its network, the Issuer is exposed to the risk of fraud or other misconduct by its employees or outsiders. These risks are further compounded due to the high level of delegation of power and responsibilities that the Issuer's business model requires. Given the high volume of transactions processed by the Issuer, certain instances of fraud and misconduct may go unnoticed before they are discovered and successfully rectified. Even when the Issuer discovers such instances of fraud or theft and pursue them to the full extent of the law or with its insurance carriers, there can be no assurance that the Issuer will recover any such amounts. In addition, the Issuer's dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect.

The Issuer maintains an internal audit process to ensure the operations team follows the defined procedures and reports any deviations to the operations staff and management team. The Issuer also has a strong MIS system that has a wide range of data that can be used to monitor financial and operational performance.

To mitigate the above risk, the Issuer maintains an internal audit process to ensure the operations team follows the defined procedures and reports any deviations to the operations staff and management team. The Issuer also has a MIS system able to generate data analysis that can be used to monitor financial and operational performance.

C. ***Loans due within two years account for almost all of the Issuer's interest income, and a significant reduction in short term loans may result in a corresponding decrease in its interest income***

A majority of the loans the Issuer issues are due within approximately two years of disbursement. The relatively short-term nature of the Issuer's loans means that the Issuer's long-term interest income stream is less certain than if a portion of its loans were for a longer term. In addition, the Issuer's customers may not obtain new loans from the Issuer upon maturity of their existing loans, particularly if competition increases. The potential instability of the Issuer's interest income could materially and adversely affect the Issuer's results of operations and financial position.

The loans given by the issuer are at fixed interest rate, and the tenor of the underlying asset has increased from one year to two year which has provided stability to the portfolio and interest income and has also smoothened operating expense.

D. ***The Issuer is exposed to certain political, regulatory and concentration of risks***

Due to the nature of its operations, the Issuer is exposed to political, regulatory and concentration risks. The Issuer believes a mitigant to this is to expand its geographical reach and may consequently expand its operations other states. If it is not effectively able to manage such operations and expansion, it may lose money invested in such expansion, which could adversely affect its business and results of operations.

E. ***Large scale attrition, especially at the senior management level, can make it difficult for the Issuer to manage its business.***

If the Issuer is not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain the Issuer's quality and reputation, it will be difficult for the Issuer to manage its business and growth. The Issuer depends on the services of its executive officers and key employees for its continued operations and growth. In particular, the Issuer's senior management has significant experience in the [microfinance and financial services industries]. The loss of any of the Issuer's executive officers, key employees or senior managers could negatively affect its ability to execute its business strategy, including its ability to manage its rapid growth. The Issuer's business is also dependent on its team of personnel who directly manage its relationships with its members. The Issuer's business and profits would suffer adversely if a substantial number of such personnel left the Issuer or became ineffective in servicing its members over a period of time. The Issuer's future success will depend in large part on its ability to identify, attract and retain highly skilled managerial and other personnel. Competition for individuals with such specialized knowledge and experience is intense in this industry, and the Issuer may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain its quality and reputation or to sustain or expand its operations. The loss of the services of such personnel or the inability to identify, attract and retain qualified personnel in the future would make it difficult for the Issuer to manage its business and growth and to meet key objectives.

F. ***The Issuer's business and results of operations would be adversely affected by strikes, work stoppages or increased wage demands by employees***

The employees are not currently unionized. However, there can be no assurance that they will not unionize in the future. If the employees unionize, it may become difficult to maintain flexible labour policies, and could result in high labour costs, which would adversely affect the Issuer's business and results of operations.

G. ***The Issuer's insurance coverage may not adequately protect it against losses. Successful claims that exceed its insurance coverage could harm the Issuer's results of operations and diminish its financial position***

The Issuer maintains insurance coverage of the type and in the amounts that it believes are commensurate with its operations and other general liability insurances. The Issuer's insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage.

In addition, there are various types of risks and losses for which the Issuer does not maintain insurance, such as losses due to business interruption and natural disasters, because they are either uninsurable or because insurance is not available to the Issuer on acceptable terms. A successful assertion of one or more large claims against the Issuer that exceeds its available insurance coverage or results in changes in its insurance policies, including premium increases

or the imposition of a larger deductible or co-insurance requirement, could adversely affect the Issuer's business, financial condition and results of operations.

H. ***Issuer requires certain statutory and regulatory approvals for conducting business and failure to obtain or retain them in a timely manner, or at all, may adversely affect operations.***

NBFCs in India are subject to strict regulation and supervision by the RBI. The Issuer requires certain approvals, licenses, registrations and permissions for operating its business, including registration with the RBI as a NBFC pursuant to Section 45-IA of the RBI Act, 1934. Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change and the Issuer may not be aware of or comply with all requirements all of the time. In particular, the Issuer is required to obtain a certificate of registration for carrying on business as a NBFC-MFI that is subject to numerous conditions. Additionally, RBI has issued detailed directions on prudential norms *inter alia* prescribing guidelines on income recognition, asset classification and provisioning requirements applicable to NBFCs, exposure norms, disclosures in the balance sheet, requirement of capital adequacy, restrictions on investments in land and building and unquoted shares besides others. In addition, its branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishments laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If the Issuer fails to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, its business may be adversely affected. If the Issuer fails to comply, or a regulator claims that it has not complied, with any of these conditions, the Issuer's certificate of registration may be suspended or cancelled, and it shall not be able to carry on such activities. If the Issuer fails to comply with any directions issued applicable on NBFCs and fails to maintain the status of NBFC it may attract penal provisions under the RBI Act, 1934 for non-compliance. The penal action can also result in RBI cancelling the certificate of registration issued to the NBFC.

EXTERNAL RISK FACTORS

I. Future legal and regulatory obstructions

Future government policies and changes in laws and regulations in India and comments, statements or policy changes by any regulator, including but not limited to RBI or SEBI, may adversely affect the Debentures. The timing and content of any new law or regulation is not within the Issuer's control and such new law, regulation, comment, statement or policy change could have an adverse effect on the market for and the price of the Debentures.

Further, SEBI or any other regulatory authorities may require clarifications on this Disclosure Document, which may cause a delay in the issuance of the Debentures or may result in the Debentures being materially affected or even rejected.

Further, the exercise by the Debenture Trustee of the powers and remedies conferred on it under the Debenture Trust Deed, or otherwise vested in them by applicable law, will be subject to general

equitable principles regarding the enforcement of security, the general supervisory powers and discretion of the Indian courts in the context thereof and the obtaining of any necessary governmental or regulatory consents, approvals, authorizations or orders.

II. Political instability or changes in the government could delay further liberalization of the Indian economy and adversely affect economic conditions in India generally

Since 1991, successive Indian governments have pursued policies of economic liberalization. The role of the Central Government and State Governments in the Indian economy as producers, consumers and regulators has remained significant. If there is a slowdown in economic liberalization, or a reversal of steps already taken, it could have an adverse effect on the debt market which is as such exposed to the risks of the Indian regulatory and policy regime.

III. Company's growth depends on the sustained growth of the Indian economy. An economic slowdown in India and abroad could have direct impact on the Company's operations and profitability.

Macroeconomic factors that affect the Indian economy and the global economic scenario have an impact on Company's business. Recent trends suggest that the economy may grow at a flat pace which may have a direct impact on our business and a slowdown in the economy as a whole can increase such an impact thereby adversely impacting the Company's growth plans.

A sustained slowdown in the Indian economy could adversely affect Company's business; India's economy could be adversely affected by a general rise in interest rates, or various other factors affecting the growth of industrial, manufacturing and services sector or general down trend in the economy

IV. Civil unrest, terrorist attacks and war could affect our business.

Terrorist attacks and other acts of violence, war, or conflicts, particularly those involving India, as well as the jurisdictions where the Company's business is situated, may adversely affect Indian and global financial markets. Such acts may negatively impact business sentiment, which could adversely affect the Company's business and profitability. India has from time to time experienced, and continues to experience, social and civil unrest, terrorist attacks and hostilities with neighboring countries. Also, some of India's neighboring countries have experienced, or are currently experiencing internal unrest. This, in turn, could have a material adverse effect on the market for securities including the Debentures. The consequences of any armed conflicts are unpredictable, and the Company may not be able to foresee events that could have an adverse effect on Company's business and the price and yield of the NCDs.

V. Company's business may be adversely impacted by natural calamities or unfavorable climatic changes.

India, Nepal, Bangladesh, Pakistan, Indonesia, and other Asian countries have experienced natural calamities such as earthquakes, floods, droughts, and a tsunami in recent years. Some of these countries have also experienced pandemics notably the ongoing Covid-19 pandemic in India and Globally including the outbreak of avian flu/ swine flu. The extent and severity of these natural disasters and pandemics determines their impact on these economies and in turn affects the Company's business and operation. Prolonged spells of abnormal rainfall and other natural calamities could have an adverse impact on the economies in which the Company has operations, which could adversely affect its business and the price of the Debentures.

VI. Any downgrading of India's sovereign rating by an international rating agency (ies) may affect the Company's business and its liquidity to a great extent.

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact Company's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on Company's financial performance and its ability to obtain financing to fund our growth on favorable terms, or at all.

GENERAL RISKS

I. Investment risks

Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The Debentures have not been recommended or approved by Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this document.

II. Early Termination for Extraordinary Reasons, Illegality and Force Majeure

If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Debentures has become illegal or impractical in whole or in part for any reason, the Issuer may, at its discretion and without obligation, redeem the Debentures early.

III. Taxation

Potential purchasers and sellers of the Debentures should be aware that they may be required to pay stamp duties or other documentary charges/taxes in accordance with the laws and practices of India. Payment and/or delivery of any amount due in respect of the Debentures will be conditional upon the payment of all applicable taxes, duties and/or expenses.

Potential Investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, potential Investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time

IV. Delays in court proceedings in India

If any dispute arises between the Issuer and any other party including Debenture Holders, the Issuer or such other party may need to take recourse to judicial proceedings before courts in India. It is not unusual for court proceedings in India to continue for extended periods. Disposition of cases may be further subject to various delays including multiple levels of appellate adjudication.

V. Accounting Considerations

Special accounting considerations may apply to certain types of taxpayers. Potential investors are urged to consult with their own accounting advisors to determine implications of this investment.

VI. Breach of contract.

A failure to observe the covenants under our financing arrangements or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under our other financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. Any of these circumstances

OTHERS RISKS UNDER NCS LISTING REGULATION

A. RISKS IN RELATION TO THE SECURITY CREATED IN RELATION TO THE DEBT SECURITIES AND RISKS IN RELATION TO MAINTENANCE OF SECURITY COVER OR FULL RECOVERY OF THE SECURITY IN CASE OF ENFORCEMENT

Refer to Risk Factor- VIII under "*Risks relating to Debentures*".

B. REFUSAL OF LISTING OF ANY SECURITY OF THE ISSUER DURING LAST THREE YEARS BY ANY OF THE STOCK EXCHANGES IN INDIA OR ABROAD

As on the date of this Placement Memorandum, no stock exchange in India or abroad has refused listing of any equity or debt security issued by the Issuer.

C. IN CASE OF OUTSTANDING DEBT INSTRUMENTS OR DEPOSITS OR BORROWINGS:

ANY DEFAULT IN COMPLIANCE WITH THE MATERIAL COVENANTS SUCH AS CREATION OF SECURITY AS PER TERMS AGREED: As on the date of this Placement Memorandum, the Issuer has not committed any default in compliance with the material covenants such as creation of security as per terms agreed in respect of any outstanding borrowings.

DEFAULT IN PAYMENT OF INTEREST: As on the date of this Placement Memorandum, the Issuer has not committed any default in payment of interest in respect of any outstanding borrowings.

DEFAULT IN REDEMPTION OR REPAYMENT: As on the date of this Placement Memorandum, the Issuer has not committed any default in redemption or repayment in respect of any outstanding borrowings.

NON-CREATION OF DEBENTURE REDEMPTION RESERVE: Pursuant to Rule 18 (7) of the Companies (Share Ca pital and Debentures) Rules, 2014, a non-banking financial company is not required to maintain debenture redemption reserve for debentures issued on a private placement basis.

DEFAULT IN PAYMENT OF PENAL INTEREST WHEREVER APPLICABLE: As on the date of this Placement Memorandum, the Issuer has not committed any default in payment of interest penal in respect of any outstanding borrowings.

SECTION 5 REGULATORY DISCLOSURES

This Disclosure Document is prepared in accordance with the provisions of the SEBI NCS Regulations and in this section, the Issuer has set out the details required as per Schedule II of the SEBI NCS Regulations:

LIST OF DOCUMENTS TO BE FILED WITH THE STOCK EXCHANGE AND DEBENTURE TRUSTEE

List of disclosures to be filed along with the listing application to the Stock Exchange:

I. This Placement Memorandum;

II. Memorandum and articles of association of the Issuer and necessary resolution(s) for the allotment of the debt securities;

III. Copy of last three years audited and adopted annual reports;

IV. Statement containing particulars of, dates of, and parties to all material contracts and agreements;

V. Copy of the Board / Committee Resolution dated January 23, 2020 and May 14, 2021 read together with the resolution dated September 27, 2021 authorizing the issuance of the Debentures and list of authorized signatories.

VI. Certified true copy of the resolution passed by the Company at the Annual General Meeting under Section 180 (1)(c) of the Act, held September 08, 2021 authorising the Company to borrow, upon such terms as the Board may think fit, up to an aggregate limit of Rs. 120,00,00,00,000 /- (Rupees Twelve Thousand Crore only);

VII. An undertaking from the Issuer stating that the necessary documents for the creation of the charge, where applicable, including the Debenture Trust Deed would be executed within the time frame prescribed in the relevant regulations/ act/ rules etc. and the same would be uploaded on the website of the Stock exchange, where the debt securities have been listed, within five working days of execution of the same.

VIII. Any other particulars or documents that the BSE may call for as it deems fit.

IX. Due diligence certificates from the Debenture Trustee as per the format specified in Annexure B of the SEBI Due Diligence Circular and Schedule IV of the SEBI ILNCS Regulations.

X. An undertaking that permission/ consent from the existing creditor for an exclusive/ first or *pari passu* charge being created, where ever applicable, in favour of the trustees to the proposed issue has been obtained.

The following documents have been / shall be submitted to BSE at the time of filing the draft of this Placement Memorandum:

XI. Due diligence certificates from the Debenture Trustee as per the format specified in Annexure A of the SEBI Due Diligence Circular and Schedule IV of the SEBI ILNCS Regulations.

Material contracts and agreements

S. No.	Nature of Contract
1.	Certified true copy of the Memorandum & Articles of Association of the Issuer.
2.	Board Resolution dated January 23, 2020 and May 14, 2021 read with the borrowing and securities allotment committee resolution dated September 27, 2021 authorizing the issue of Debentures offered under the terms of this Disclosure Document.
3.	Shareholder Resolution under Section 180 (1) (a) and Section 180 (1) (c) dated September 08, 2021 authorizing the borrowing by the Company and the creation of security.
4.	Copies of Annual Reports of the Company for the last three financial years.
5.	Credit rating letter from the Rating Agency dated October 27, 2021.
6.	Letter from Debenture Trustee dated October 30, 2021 giving its consent to act as Debenture Trustee. ("Consent Letter")
7.	Letter for Register and Transfer Agent dated November 25, 2016
8.	Certified true copy of the certificate of incorporation of the Company.
9.	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and the NSDL/CDSL dated November 28 ,2016
10.	Debenture Trustee Agreement dated November 02, 2021 executed between the Issuer and the Debenture Trustee.
11.	Debenture Trust Deed dated November 09, 2021 executed between the Issuer and the Debenture Trustee.
12.	Deed of Hypothecation dated November 09, 2021 executed between the Issuer and the Debenture Trustee.

SECTION 6 ISSUER INFORMATION

I. PROMOTERS OF THE COMPANY

Details of Promoters of the Issuer Company

A complete profile of all the promoters, including their name, date of birth, age, personal addresses, educational qualifications, experience in the business or employment, positions/posts held in the past, directorships held, other ventures of each promoter, special achievements, their business and financial activities, photograph, Permanent Accountant Number:

The details of the Promoters of the Issuer are set out below:

	Particulars	**Details**
	Insert Photograph/Logo	
1)	**Name**	**Manappuram Finance Limited (MFL)**
2)	Date of Birth:	MFL was incorporated on July 15, 1992
3)	Age:	N.A.
4)	Personal Address/ Registered Office:	MFL has its registered office at IV/470A(old) W638A(new) Manappuram House Valapad Thrissur - 680567
5)	Educational Qualifications:	N.A.
6)	Experience in the business or employment:	N.A.
7)	Positions/posts held in the past:	N.A.

8)	Directorships held:	N.A.
9)	Other ventures of the promoter:	N.A.
10)	Special achievements:	N.A.
11)	Their business and financial activities:	Gold Loan Business
12)	Permanent Accountant Number:	AABCM6882E
13)	Other details:	N.A.

	Particulars	**Details**
	Insert Photograph/Logo	
14)	**Name**	**Mr. S.V Raja Vaidyanathan**
15)	Date of Birth:	May 02, 1955
16)	Age:	66
17)	Personal Address/ Registered Office:	7/4, Central Avenue, Kesavaperumalpuram, Raja Annamalaipuram, Chennai, Tamil Nadu- 600028
18)	Educational Qualifications:	B.Tech (IIT Madras), MBA (IIM Calcutta), AICWAI, ACS

19)	Experience in the business or employment:	More than 42 years of experience in the field of Financial Services, Infrastructure, Media, Telecom & Retail sectors
20)	Positions/posts held in the past:	Chairman and Managing Director of Asirvad Micro Finance Ltd
21)	Directorships held:	Abirami Consultants And Securities Private Limited; Proficient Investment And Financial Consultancy Private Ltd; Acsys Investments Private Limited; Green Quotient Systems Private Limited; Media Works Private Limited; Farvision Securities Pvt. Ltd
22)	Other ventures of the promoter:	N.A.
23)	Special achievements:	Founder Chairman and former Managing Director of Asirvad Micro Finance Limited
24)	Their business and financial activities:	Serving on the Board of many companies
25)	Permanent Accountant Number:	AAGPV6350C
26)	Other details:	8413 1012 7475 (Aadhar)

Declaration of the Promoter:

A declaration confirming that the Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the promoters and Permanent Account Number of directors have been submitted to the stock exchanges on which the nonconvertible securities are proposed to be listed, at the time of filing the draft Disclosure Documents as stated in **ANNEXURE XI**.

II. Credit Rating of Debenture

The detailed rating rationale (s) adopted (not older than one year on the date of opening of the issue)/ credit rating letter issued (not older than one month on the date of opening of the issue) by the rating agencies shall be disclosed.

CRISIL has assigned **CRISIL PP-MLD AA- r (Outlook: Stable)** rating to these Debentures by a letter dated October 27, 2021. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk

The copies of the press release and the rating rationale in respect of the rating for the Debentures is provided in Annexure II of this Placement Memorandum.

III. Listing

Name(s) of the stock exchange(s) where the non-convertible securities are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s). If non-convertible securities are proposed to be listed on more than one stock exchange(s) then the issuer shall specify the designated stock exchange for the issue. The issuer shall specify the stock exchange where the recovery expense fund is being/has been created as specified by the Board.

The Debentures are proposed to be listed on the WDM segment of the BSE. The Issuer shall comply with the requirements of the listing agreement for debt securities to the extent applicable to it on a continuous basis. The Issuer has obtained the in-principle approval for the listing of the Debentures on the WDM segment of the BSE.

The Debentures are not proposed to be listed on more than one stock exchange.

The Issuer has created the Recovery Expense Fund for a maximum limit 25,00,000 (Indian Rupees Twenty-Five Lakh) in accordance with the SEBI REF Circular with the BSE. In this regard, please also refer to the section on "*Creation of recovery expense fund*" under Section 8 below.

IV. Issue schedule

ISSUE SCHEDULE	
Issue Opens on:	November 09, 2021
Issue Closes on:	November 09, 2021
Pay in Date	November 09, 2021
Deemed date of allotment	Novemeber 09, 2021

I. Name, logo, addresses, website URL, email address, telephone number and contact person of the following:

<table>
<tr><td></td><td></td></tr>
<tr><td>Arrangers, if any</td><td>None</td></tr>
<tr><td>Debenture Trustee:</td><td>
<table>
<tr><td>Name</td><td>Vardhman Trusteeship Private Limited</td></tr>
<tr><td>Logo</td><td>VARDHMAN TRUSTEESHIP PVT LTD</td></tr>
<tr><td>Address</td><td>The Capital, A Wing, 412A, Bandra Kurla Complex, Bandra (East), Mumbai 400 051</td></tr>
<tr><td>Website</td><td>https://vardhmantrustee.com/</td></tr>
<tr><td>E-mail address</td><td>nikhil@vardhmantrustee.com</td></tr>
<tr><td>Telephone Number</td><td>+91- 8657900675</td></tr>
<tr><td>Contact Person Details</td><td>Mr. Nikhil Pradhan</td></tr>
</table>
</td></tr>
<tr><td>Register and Transfer Agent</td><td>
<table>
<tr><td>Name</td><td>S.K.D.C. Consultants Limited</td></tr>
<tr><td>Logo</td><td>skdc</td></tr>
<tr><td>Address</td><td>“Surya”, 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028</td></tr>
<tr><td>Website</td><td>https:// www.skdc-consultants.com</td></tr>
<tr><td>E-mail address</td><td>info@skdc-consultants.com</td></tr>
<tr><td>Telephone Number</td><td>+91 422 4958995</td></tr>
<tr><td>Contact Person Details</td><td>Mr. K. Narendra</td></tr>
</table>
</td></tr>
<tr><td>Credit Rating Agency</td><td>
<table>
<tr><td>Name</td><td>CRISIL Ratings Limited</td></tr>
<tr><td>Logo</td><td>CRISIL An S&P Global Company</td></tr>
<tr><td>Address</td><td>Hiranandani Business Park, Central Avenue, Hiranandani Gardens, Powai, Mumbai, Maharashtra - 400 076</td></tr>
<tr><td>Website</td><td>https://www.crisil.com</td></tr>
<tr><td>E-mail address</td><td>poonam.upadhyay@crisil.com</td></tr>
<tr><td>Telephone Number</td><td>+91 22 3342 3000</td></tr>
<tr><td>Contact Person</td><td>Ms. Poonam Upadhyay</td></tr>
</table>
</td></tr>
</table>

	Details	
Auditors:	M.P. Chitale & Co., Chartered Accountants **M. P. Chitale & Co.** 759/70, Vatsala Bhawan, Prabhat Road, Lane No.1, Pune, Maharashtra - 411004https://www.walkerchandiok.in sanat@mpchitale.org +91 20 24450 156 Mr. Sanat Ullas Chitale	
Valuation Agency	ICRA ANALYTICS A Group ICRA Company SOLUTIONS THAT WORK ICRA Analytics Infinity Benchmark, 17th & 18th Floors, Plot – G-1, Block GP, Sector V, Salt Lake, Kolkata – 700091, West Bengal, India.	
Guarantor	None	

V. About the Issuer

A brief summary of the business/ activities of the Issuer and its subsidiaries with the details of branches or units if any and its line of business containing at least following information:-

a. Overview of the Business of the Issuer:

The Issuer was incorporated on August 29, 2007 as a private limited company under the provisions of the Companies Act 1956. The RBI granted the Issuer operating license, certificate of registration No. N-07-00769 on December 14, 2007. The Issuer is a microfinance non-banking financial institution. Microfinance is the practice of extending financial services to the poor, similar to what banks and financial institutions extend to other economic segments.

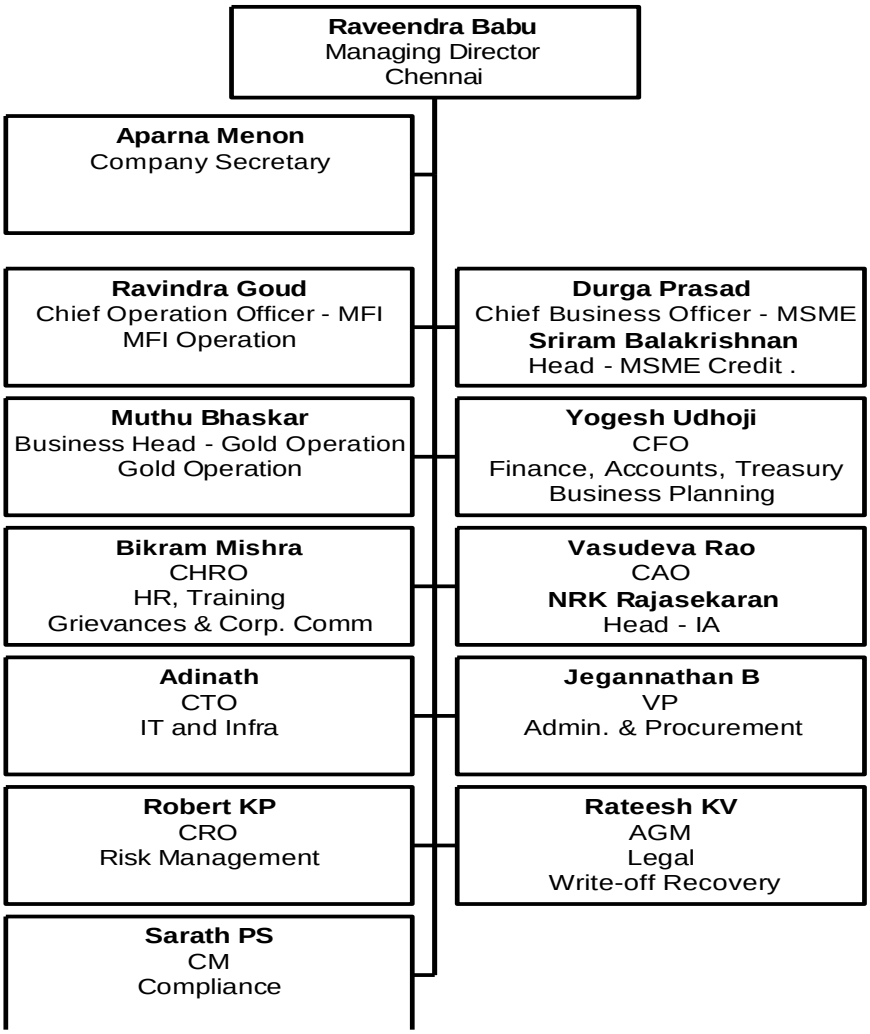
The Issuer has set up itself as an NBFC-MFI, rather than an NGO as it operates with adequate capital. The Issuer operates strictly within the legal and regulatory framework in India for financial institutions and is absolutely transparent.

The Issuer is based in Chennai with the mission 'To organize groups of committed poor women and provide innovative financial services in a sustainable manner with a view to Alleviate poverty through viable income generation activities. The Issuer's unique venture combines successful models in microfinance with the technology and efficiencies of modern retail banking.

The Issuer focuses on the poor and its target customers include salaried women working in garment factories, hospitals, or as house maids, cooks, or office workers, and self-employed women working as vegetable or fruit vendors, small shop owners, tailors, or agar bathi or beedi rollers. As of March 2021, the Issuer operates in 1025 branches 22 states/union territories. The Issuer's active customer base is 24,12,147 with a gross loan portfolio outstanding of Rs. 5940.88 crores.

b. Corporate Structure of the Issuer

The corporate structure of the Company is given below:



c. Branch details:

As of March 2021, the Issuer operates in 1025 branches across 22 states/union territories.

d. Subsidiary details:

As on the date of this Placement Memorandum, the Issuer has no subsidiaries.

e. Project cost and means of financing, in case of funding of new projects:

Not Applicable

VI. Financial Information

a. A columnar representation of the audited financial statements (i.e. Profit & Loss statement, Balance Sheet and Cash Flow statement) both on a standalone and consolidated basis for a period of three completed years which shall not be more than six months old from the date of the draft offer document or offer document or issue opening date, as applicable.

Please refer Annexure I for the required details mentioned above.

However if the issuer being a listed REIT/listed InvIT has been in existence for a period less than three completed years and historical financial statements of such REIT/InvIT are not available for some portion or the entire portion of the reporting period of three years and interim period, then the combined financial statements need to be disclosed for the periods when such historical financial statements are not available.- **Not applicable**

b. Listed issuers (whose debt securities or specified securities are listed on stock exchange(s)) in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, may disclose unaudited financial information for the stub period in the format as prescribed therein with limited review report in the offer, as filed with the stock exchanges, instead of audited financial statements for stub period, subject to making necessary disclosures in this regard in offer document including risk factors.

The unaudited financial results along with Limited Review Report for the quarter ended June 30, 2021 is attached as Annexure XIII

c. Issuers other than unlisted REITs / unlisted InvITs desirous of issuing debt securities on private placement basis and who are in existence for less than three years may disclose financial statements mentioned at (a) above for such period of existence, subject to the following conditions:

i. The issue is made on the EBP platform irrespective of the issue size; and
ii. ii. The issue is open for subscription only to Qualified Institutional Buyers.

Not applicable

d. The above financial statements shall be accompanied with the Auditor's Report along with the requisite schedules, footnotes, summary etc.

Please refer Annexure I for the financial statements for the financial years ending March 31, 2021, March 31, 2020 and March 31, 2019 along with the auditor's report along with the requisite schedules, footnotes, summary etc.

e. **Key Operational and Financial Parameters**

A brief overview of the financial performance of the Issuer for post three years is given below:

(INR in Lakhs)

	31-Mar-21	**31-Mar-20**	**31-Mar-19**	**Quarter Ended 30-Jun-21**
	Audited	**Audited**	**Audited**	**Unaudited**
Balance Sheet				
Net Fixed Assets	1,904.94	1,516.82	235.01	N. A
Current Assets	3,85,207.10	4,01,126.46	2,92,643.73	N. A
Non-Current Assets	1,95,447.34	1,88,602.26	1,32,887.05	N. A
Total Assets	5,82,559.38	5,91,245.54	4,25,765.79	N. A
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Deferred tax liabilities (net) Other non-current liabilities	2,82,834.23	2,04,862.25	1,25,108.05	N. A
Current Liabilities (including maturities of long-term borrowings) Financial (borrowings, trade payables, and	1,81,444.61	2,45,401.73	2,16,696.59	N. A

	31-Mar-21	31-Mar-20	31-Mar-19	Quarter Ended 30-Jun-21
	Audited	Audited	Audited	Unaudited
other financial liabilities) Provisions Current tax liabilities (net)				
Other current liabilities	12,737.05	37,029.70	3,519.32	N. A
Equity (equity and other equity)	1,05,543.49	1,03,951.87	80,441.86	N. A
Total equity and liabilities	5,82,559.38	5,91,245.55	4,25,765.82	N. A
Profit and Loss				
Total revenue from operations	1,05,296.89	1,05,505.94	68,690.48	29,690.22
Other income	2,421.47	4,638.46	5,354.18	565.40
Total Expenses	1,06,030.22	86,611.60	58,880.89	29,490.15
Total comprehensive income	1,598.85	23,509.56	15,185.02	326.73
Profit / loss	1,688.14	23,532.80	15,163.77	765.47
Other comprehensive income	-89.29	-23.24	21.25	-438.74
Profit / loss after tax	1,598.85	23,509.56	15,185.02	326.73
Earnings per equity share: (a) basic; and	3.17	44.14	35.86	1.44
(b) Diluted	3.17	44.14	35.86	1.44
Continuing operations Discontinued operations Total Continuing and discontinued	1,598.85 0 1,598.85	23,509.56 0 23,509.56	15,185.02 0 15,185.02	326.73 0 326.73
Cash Flow				
Net cash generated from operating activities	-26,755.54	2,675.90	-74,734.02	N. A
Net cash used in / generated from investing activities	4,336.56	-2,507.97	-620.29	N. A
Net cash used in financing activities	-32,808.59	67,316.49	1,08,918.08	N. A
Cash and cash equivalents	1,20,074.44	52,590.02	19,026.25	N. A
Balance as per statement of cash flows	64,846.87	1,20,074.44	52,590.02	N. A

	31-Mar-21	31-Mar-20	31-Mar-19	Quarter Ended 30-Jun-21
	Audited	Audited	Audited	Unaudited
Additional information				
Net Worth	1,05,543.49	1,03,951.87	80,441.86	N. A
Cash and Cash equivalents	64,846.87	1,39,063.94	61,914.00	N. A
Current investments	-	-	-	-
Assets Under Management	5,12,660.22	5,48,767.28	3,83,877.61	6,05,259.59
Off balance sheet assets	85,801.60	1,07,246.23	1,47,336.83	91,484.25
Total Debts to Total assets	82%	82%	81%	N. A
Debt Service Coverage Ratios	N. A	N. A	N. A	N. A
Interest Income	95,762.88	89,342.61	57,954.19	26,442.48
Interest Expense	45,754.14	40,354.76	27,344.95	11,921.54
Interest service coverage ratio	N. A	N. A	N. A	N. A
Provisioning & write Offs	29,980.94	9,234.97	1,977.89	9,047.57
Bad debts to Account receivable ratio	N. A	N. A	N. A	N. A
Gross NPA (%)	1.77%	1.76%	0.48%	N. A
Net NPA (%)	0.00%	0.00%	0.00%	N. A
Tier I Capital Adequacy Ratio (%)	19.65%	24.32%	29.60%	19.39%
Tier II Capital Adequacy Ratio (%)	3.69%	1.05%	2.22%	3.28%

f. GROSS DEBT/ EQUITY RATIO OF THE COMPANY

Particulars	Value
Before the issue of debt securities	4.29
After the issue of debt securities	4.39

g. Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability. As Given Below.

Nature of Liability	As at 31 March 2021	As at 31 March 2020

(i) Income Tax		
- Income Tax (A.Y. 2015-16)	1,124.50	1,124.50
- Income Tax (A.Y. 2016-17)	1,978.91	1,978.91
- Income Tax (A.Y. 2017-18)	1,521.37	1,521.37
	4,624.78	**4,624.78**

VII. BRIEF HISTORY OF THE ISSUER

i. Capital Structure

The capital structure of the Company as on last quarter ended on June 30, 2021 is given below:

Share Capital	**Amount (INR)**
Authorised	
Equity Share Capital	90,00,00,000
Preference	10,00,00,000
TOTAL	**100,00,00,000**
Issued, Subscribed and Paid-up Share Capital	
Equity Shares	533,118,870
Preference Shares	-
TOTAL	**533,118,870**

ii. Change in Capital Structure

Change in the capital structure as on last quarter ended on June 30, 2021, for the last 3 (three) years:

Year	Date of Change (AGM/EGM)	Existing (Rs.)	Revised (Rs.)	Remark/Particulars
2011	August 8, 2011	10,00,00,000	20,00,00,000	Increase in Authorized equity Share Capital from Rs.10.00 Crores to Rs. 15.00 Crores (1,50,00,000 equity shares of Rs. 10 each) and 5,00,000 Redeemable preference share of Rs.100 /- Rs.5.00 Crores
2014	September 12, 2014	20,00,00,000	30,00,00,000	Increase in Authorized equity Share Capital from Rs.15.00 Crores to Rs. 20.00 Crores (2,00,00,000 equity shares of Rs. 10 each) and Redeemable preference share from

				Rs.5.00 Crores to Rs 10.00 Crores (10,00,000 redeemable preference shares of Rs 100 each).
2015	October 29, 2015	30,00,00,000	40,00,00,000	In the Extra-Ordinary General Meeting held on 29th October, 2015, the equity share capital of the Company increased from 20,000,000 equity shares of Rs. 10 each amounting to Rs. 200,000,000 to 30,000,000 equity shares of Rs. 10 each to Rs. 300,000,000
2017	December 04, 2017	40,00,00,000	50,00,00,000	In the Extra-Ordinary General Meeting held on 04th December, 2017, the equity share capital of the company increased from 3,00,00,000 equity shares of Rs. 10 each amounting to Rs. 30,00,00,000 to 4,00,00,000 equity shares of Rs. 10 each amounting to Rs. 40,00,00,000
2018	April 27, 2018	50,00,00,000	70,00,00,000	In the Extra-Ordinary General Meeting held on 27th April, 2018, the equity share capital of the company increased from 40,000,000 equity shares of Rs.10 each amounting to Rs.40,00,00,000 to 60,000,000 equity shares of Rs.10 each amounting to Rs.60,00,00,000
2019	March 16, 2019	70,00,00,000	100,00,00,000	Increase in Authorized Share Capital by increasing Equity Share Capital from Rs. 70,00,00,000/- to Rs.100,00,00,000/-.

iii. History of Equity Share Capital

Equity Share Capital History of the Company, for the last three years:

Date of Allotment	Name of Investor	No of Equity Shares	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration	Form of consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative Paid-Up Capital			Remarks
								No of Equity Shares	EquityShare Capital (Rs. In Cr.)	Equity Share Premium (Rs. In Cr)	
12.07.2010	Lok Capital LLC	888889	8888890	10	8888890	Cash	Ordinary	888889	0.888889	-	Nil
06.06.2013	S.V. RajaVaidyanathan	10000	100000	11.17	1,11,700	Cash	ESOP	10000	0.01	0.00117	Nil
28.02.2014	S.V. RajaVaidyanathan	20000	200000	11.17	2,23,400	Cash	ESOP	20000	0.02	0.00234	Nil
06.11.2014	S.V. RajaVaidyanathan	20000	200000	11.17	2,23,400	Cash	ESOP	20000	0.02	0.00234	Nil
06.11.2014	G. Srikanth	20000	200000	11.17	2,23,400	Cash	ESOP	20000	0.02	0.00234	Nil
06.11.2014	S. Gopinath	20000	200000	11.17	2,23,400	Cash	ESOP	20000	0.02	0.00234	Nil
06.11.2014	Tolerance Samuel. M. P	10000	100000	11.17	1,11,700	Cash	ESOP	10000	0.01	0.00117	Nil
06.11.2014	S. Muthukumar	10000	100000	11.17	1,11,700	Cash	ESOP	10000	0.01	0.00117	Nil
06.11.2014	Shylasree Padmanabhan	4000	40000	11.17	44,680	Cash	ESOP	4000	0.004	0.000468	Nil
06.11.2014	T. Sabarinathan	4000	40000	11.17	44,680	Cash	ESOP	4000	0.004	0.000468	Nil
06.11.2014	K. Suthakaran	4000	40000	11.17	44,680	Cash	ESOP	4000	0.004	0.000468	Nil
06.11.2014	NRK. Rajasekaran	4000	40000	11.17	44,680	Cash	ESOP	4000	0.004	0.000468	Nil

Date of Allotment	Name of Investor	No of Equity Shares	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration	Form of consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative Paid-Up Capital			Remarks
								No of Equity Shares	EquityShare Capital (Rs. In Cr.)	Equity Share Premium (Rs. In Cr)	
06.11.2014	Ramesh. T	1500	15000	11.17	16,755	Cash	ESOP	1500	0.0015	0.000175	Nil
06.11.2014	Mr.R. Muthuramalingam	1500	15000	11.17	16,755	Cash	ESOP	1500	0.0015	0.000175	Nil
06.11.2014	Ms. Nethaji.K	1500	15000	11.17	16,755	Cash	ESOP	1500	0.0015	0.000175	Nil
06.11.2014	Mr. Lakshmi Narayanan	1500	15000	11.17	16,755	Cash	ESOP	1500	0.0015	0.000175	Nil
06.11.2014	Mr. R. Premkumarthambiraj	1,500	15000	11.17	16,755	Cash	ESOP	1500	0.0015	0.000175	Nil
06.11.2014	Mr.N.Ravikumar	1,500	15000	11.17	16,755	Cash	ESOP	1500	0.0015	0.000175	Nil
06.11.2014	Mr.J.Kannan	1,500	15000	11.17	16,755	Cash	ESOP	1500	0.0015	0.000175	Nil
06.11.2014	Mr.D.Santhakumar	1,500	15000	11.17	16,755	Cash	ESOP	1500	0.0015	0.000175	Nil
06.11.2014	Mr.Parthasarathi.C	1,500	15000	11.17	16,755	Cash	ESOP	1500	0.0015	0.000175	Nil
19.01.2015	Mr. Thangappan V	4,000	40000	11.17	44,680	Cash	ESOP	4000	0.004	0.000468	Nil

Date of Allotment	Name of Investor	No of Equity Shares	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration	Form of consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative Paid-Up Capital			Remarks
								No of Equity Shares	EquityShare Capital (Rs. In Cr.)	Equity Share Premium (Rs. In Cr)	
19.01.2015	Mr. Gunaseelan S	1,500	15000	11.17	16,755	Cash	ESOP	1500	0.0015	0.000175	Nil
19.01.2015	Mr. ChellapandiS	1,500	15000	11.17	16,755	Cash	ESOP	1500	0.0015	0.000175	Nil
19.01.2015	Mr. Rajendran M	1,500	15000	11.17	16,755	Cash	ESOP	1500	0.0015	0.000175	Nil
19.01.2015	Mr. Krishnamoorthy S	1,500	15000	11.17	16,755	Cash	ESOP	1500	0.0015	0.000175	Nil
19.01.2015	Mr. Ayyanar K	1,500	15000	11.17	16,755	Cash	ESOP	1500	0.0015	0.000175	Nil
19.01.2015	Mr. Mahesh Kannan K	1,500	15000	11.17	16,755	Cash	ESOP	1500	0.0015	0.000175	Nil
19.01.2015	Mr. Rajasekar K	1,500	15000	11.17	16,755	Cash	ESOP	1500	0.0015	0.000175	Nil
12.02.2015	Manappuram Finance Limited	75,61,126	75611260	83.3209	63,00,00,038	Cash	Pari-passu	7561126	7.561126	55.438878	Nil
03.02.2015	S.V. RajaVaidyanathan	10,000	10,000	11.17	1,17,000	Cash	ESOP	10,000	0.01	0.00117	Nil

Date of Allotment	Name of Investor	No of Equity Shares	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration	Form of consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative Paid-Up Capital			Remarks
								No of Equity Shares	EquityShare Capital (Rs. In Cr.)	Equity Share Premium (Rs. In Cr)	
04.03.2016	Manappuram Finance Limited	10351966	10351966	96.60	99,99,99,915	Cash	Pari-passu	10351966	1.03	89.65	Nil
17.03.2016	Mr.GautamSaigal	20,000	20.000	96.60	19,32,000	Cash	Pari-passu	20,000	.02	.17	Nil
17.03.2016	Mr.Aramanathan	15,000	15,000	96.60	14,49,000	Cash	Pari-passu	15,000	.015	.13	Nil
17.03.2016	Mr.V P Nanadakumar	93,689	93,689	96.60	90,50,357.40	Cash	Pari-passu	93,689	.09	.81	Nil
17.03.2016	Mr.Raveendra Babu	25,000	25,000	96.60	24,15,000	Cash	Pari-passu	25,000	.025	.24	Nil
17.03.2016	Mr.V R Rajiven	5,000	5,000	96.60	4,83,000	Cash	Pari-passu	5,000	.05	.04	Nil
22.12.2017	Mr. S.V. Raja Vaidyanantha n	5,13,900	51,13,900	85.34	4,89,95,210	Cash	Rights Issue	5,13,900	0.51	4.38	Nil
22.12.2017	Mr. S. Gopinath	2,943	29,430	85.34	2,80,585.62	Cash	Rights Issue	2,943	0.002	0.025	Nil
22.12.2017	Mr. Tolerance Samuel M.P.	1,472	14,720	85.34	1,40,340.48	Cash	Rights Issue	1,472	0.001	0.012	Nil
22.12.2017	Mr. S. Muthukumar	1,472	14,720	85.34	1,40,350	Cash	Rights Issue	1,472	0.001	0.012	Nil
22.12.2017	M/s. Manappuram Finance Limited	52,42,821	5,24,28,210	85.34	49,98,50,560	Cash	Rights Issue	5242,821	5.24	44.74	Nil
22.12.2017	Mr. Gautam Saigal	4,415	44,150	85.34	4,20,930	Cash	Rights Issue	4,415	0.0044	0.037	Nil

Date of Allotment	Name of Investor	No of Equity Shares	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration	Form of consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative Paid-Up Capital			Remarks
								No of Equity Shares	EquityShare Capital (Rs. In Cr.)	Equity Share Premium (Rs. In Cr)	
22.12.2017	Mr. A. Ramanathan	5,000	50,000	85.34	4,76,700	Cash	Rights Issue	5,000	0.005	0.042	Nil
22.12.2017	Mr. V.P. Nandakumar	20,682	2,06,820	85.34	19,71,830	Cash	Rights Issue	20,682	0.020	0.176	Nil
22.12.2017	Mr. B.N. Raveendra Babu	5,519	55,190	85.34	5,26,190	Cash	Rights Issue	5,519	0.0055	0.0471	Nil
27.04.2018	Mr. S.V. Raja Vaidyanantha n	1,68,100	16,81,000	85.34	1,60,26,654	Cash	Rights Issue	1,68,100	0.1681	1.4346	Nil
27.04.2018	Mr. S. Muthukumar	2,660	26,600	85.34	2,53,604	Cash	Rights Issue	2,660	0.0027	0.2227	Nil
27.04.2018	M/s. Manappuram Finance Limited	1,02,91,894	10,29,18,940	85.34	98,12,29,173	Cash	Rights Issue	1,02,91,894	10.29	87.83	Nil
27.04.2018	Mr. Gautam Saigal	7,979	79,790	85.34	7,60,718	Cash	Rights Issue	7,979	0.0080	0.0681	Nil
27.04.2018	Mr. A. Ramanathan	6,536	65,360	85.34	6,23,142	Cash	Rights Issue	6,536	0.0065	0.0558	Nil
27.04.2018	Mr. B.N. Raveendra Babu	9,974	99,740	85.34	9,50,922	Cash	Rights Issue	9,974	0.0100	0.0851	Nil
27.04.2018	Mr.V R Rajiven	1,634	16,340	85.34	1,55,785	Cash	Rights Issue	1,634	0.0016	0.0139	Nil
27.04.2018	Manappuram Finance Limited	1,04,88,777	10,48,87,770	95.34	99,99,99,999	Cash	Rights Issue	10,48,87,770	10.48	89.51	Nil

Date of Allotment	Name of Investor	No of Equity Shares	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration	Form of consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative Paid-Up Capital			Remarks
								No of Equity Shares	EquityShare Capital (Rs. In Cr.)	Equity Share Premium (Rs. In Cr)	
16.03.2019	M/s. Manappuram Finance Limited	1,07,48,250	10,74,82,500	252	2,70,85,59,000	Cash	Rights Issue	10,74,82,500	107.48	260.11	Nil

iv. Amalgamation/ Acquisition

Details of any Acquisition or Amalgamation in the last 1 year: Nil

v. Reorganization or Reconstruction

Details of any Reorganization or Reconstruction in the last 1 year: **Nil**

vi. Details Of The Shareholding Of The Company As On The Latest Quarter End

Details of the shareholding of the Company as at the latest quarter end, i.e., June 30, 2021 as per the format specified under the listing regulations:-

Sl.	Name of the Shareholder/Particulars	Total Number of equity shares	Total Shareholding as % of total no of equity shares	Number of shares held in Demat Form
1	S V Raja Vaidyanathan	24,51,977	4.60	24,51,977
2	Ramanathan Annamalai	32,000	0.06	32,000
3	S Muthukumar	14,023	0.03	14,023
4	G Srikanth	13,334	0.03	13,334
5	Gautam Saigal	40,993	0.08	40,993

Sl.	Name of the Shareholder/Particulars	Total Number of equity shares	Total Shareholding as % of total no of equity shares	Number of shares held in Demat Form
6	S Gopinath	16,277	0.03	16,277
7	Tolerance Samuel	8,139	0.02	8,139
8	Nandakumar V P	1,43,391	0.27	1,43,391
9	Raveendra Babu B N	50,166	0.09	50,166
10	Manappuram Finance Limited	5,05,33,878	94.79	5,05,33,878
11	Sheela Rajiven	7,709	0.01	7,709
	Total	**5,33,11,887**	**100.00**	**5,33,11,887**

vii. Top 10 shareholders of the Company

The list of top 10 holders of equity shares of the Company as on the latest quarter ended June 30, 2021 ;

A. Equity Shares

Sl.	Name of the Shareholder/ Particulars	Class	Total Number of equity shares	Total Shareholding as % of total no of equity shares	Number of shares held in Demat Form
1	S V Raja Vaidyanathan	Promoter	24,51,977	4.60	24,51,977
2	Ramanathan Annamalai	Non-Promoter	32,000	0.06	32,000
3	S Muthukumar	Non-Promoter	14,023	0.03	14,023
4	G Srikanth	Non-Promoter	13,334	0.03	13,334
5	Gautam Saigal	Non-Promoter	40,993	0.08	40,993
6	S Gopinath	Non-Promoter	16,277	0.03	16,277
7	Tolerance Samuel	Non-Promoter	8,139	0.02	8,139
8	Nandakumar V P	Non-Promoter	1,43,391	0.27	1,43,391
9	Raveendra Babu B N	Non-Promoter	50,166	0.09	50,166
10	Manappuram Finance Limited	Promoter	5,05,33,878	94.79	5,05,33,878
11	Sheela Rajiven	Non-Promoter	7,709	0.01	7,709
	Total		**5,33,11,887**	**100.00**	**5,33,11,887**

VIII. DIRECTORS OF THE COMPANY

i. The details of the current directors of the Company is given below:

Sl.	Name of the Directors, Designation & DIN	Date of Birth	Age (in years)	Address	PAN	Date of Appointment	Details Of Other Directorships	Whether willful defaulter (Yes/No)
S. No.	**Name of the Directors, Designation & DIN**	**Date of Birth**	**Age (in years)**	**Address**	**PAN**	**Date of Appointment**	- **Details Of Other Directorships**	- **Whether willful defaulter (Yes/No**
1	Mr. S.V. Raja Vaidyanathan Director 01467098	02/05/1955	66	OLD - 4, New - 7, Central Avenue, Kesava Perumal Puram, Chennai - 600028, Tamil Nadu	AAGPV6350C	29/08/2007	- Abirami Consultants & Securities Private Limited; - Media works Private Limited; - Acsys Investments Private Limited; - Farvision Securities P Ltd; - Proficient Investment and Financial Consultancy Private Limited	- No
2.	Mr. V.P. Nanda Kumar Chairman & Director 00044512	18/05/1954	67	3/564, Vazhapully Valappad Grama Panchayat, Valappad, Kerala- 680567	ABGPN8092A	10/02/2015	- Manappuram Finance Limited - Manappuram Agro Farms Ltd; - Manappuram Health Care Ltd; - Manappuram Jewellers Ltd; - Manappuram Construction And Consultants Ltd;	- No

Sl.	Name of the Directors, Designation & DIN	Date of Birth	Age (in years)	Address	PAN	Date of Appointment	Details Of Other Directorships	Whether willful defaulter (Yes/No)
							- Manappuram Home Finance Ltd; - Manappuram Chits (Karnataka) Pvt Ltd; - Manappuram Chit Funds Co. Pvt Ltd; Manappuram Chits (India) Ltd; - Manappuram Insurance Brokers Limited; - Manappuram Comptech And Consultants Limited; - Adlux Medicity And Convention Centre Private Limited; - Finance Industry Development Council; - SNST Advisories Pvt Ltd; - DTB Advisory Pvt Ltd; - DTA Advisory Pvt Ltd - DT3 Advisory Pvt Ltd	
3	Mr. B.N. Raveendra Babu Managing Director 00043622	10/02/1952	69	4/181, Blangatt, Thalikulxm Grama Panchayat, Thalikulam, Kerala – 680681	ABMPR2273B	10/02/2015	- Manappuram Finance Ltd; - Manappuram Insurance Brokers Ltd; - Manappuram Comptech And Consultants Limited	- No
4	Mr. Gautam Saigal	20/10/1965	55	Fl.2505, Ashok Tower C Wing, Dr Baba Saheb	AJAPS2719M	- 18/03/2015	- Manappuram Home Finance Limited,	- No

Sl.	Name of the Directors, Designation & DIN	Date of Birth	Age (in years)	Address	PAN	Date of Appointment	Details Of Other Directorships	Whether willful defaulter (Yes/No)
	Director 00640229			Ambedkar Marg Parel, Mumbai- 12			- Bonanza Business Services Private Limited	
5	Mr. A. Ramanathan Independent Director 02645247	25/12/1948	72	28 Tansi Ngr 18th St, Velacher y, Chennai, 600042, Tamil Nadu,	AEHP A1356C	18/03/2015	- IIFL Samasta Microfinance Limited; - Hindustan Microfinance Pvt Ltd; - Five-Star Business Finance Ltd; - Mangal Credit And Fincorp Ltd; - South India Finvest Pvt Ltd; - Svasti Microfinance Pvt Ltd; - Tattva Fincorp Limited; - Magalir Micro Capital Private Limited	- No
6	Mr. D.R. Dogra Independent Director 00226775	21/09/1954	66	Flat No 402, Somerset Bldg, Adishankara Coharya RD, CTS No 15C, Near Hiranandani Garden, Powai, Mumbai – 76	ADZP D5926E	09/09/2016	- S Chand and Company Ltd; - Welspun Corp Ltd; - AMPL Cleantech Pvt Ltd; - M Power Micro Finance Private Limited; - Microfinance Institutions Network; - Aham Housing Finance Private Ltd.; - Axiscades Engineering Technologies Ltd; - IFB Industries Ltd;	- No

Sl.	Name of the Directors, Designation & DIN	Date of Birth	Age (in years)	Address	PAN	Date of Appointment	Details Of Other Directorships	Whether willful defaulter (Yes/No)
							- Capri Global Capital Ltd - G R Infraprojects Ltd	
7	Mr. T. Balakrishnan Independent Director 00052922	03/10/1951	69	9 -C, SFS Kings Wood Jawahar Ngr, Kowdiar P O, Thiruvanant Hapuram – 695 003	ACSPT2762Q	15/05/2018	- Western India Plywoods Ltd; - Muralya Dairy Products Private Limited; - EICL Limited; - Cheraman Financial Services Ltd; - Manappuram Home Finance Ltd; - Southern Veneers and Woodworks Limited	- No
8	Mr. T. M. Manoharan Independent Director 00225640	03/05/952	69	Gowre Esank Aram, Unichi RA- T. Road Chang Ampuz Ha Nagar, P.O.- Kalam Assery Ernakulam – 682 033	ADRPM4387L	15/05/2018	NIL	No
9	Mrs. Pushya Sitaraman Independent Director 06537196	23/12/1953	67	No 5, Subba Rayar Avenue Abhira Mapuram Chennai– 600018	AABPS6033J	02/02/2019	- Western India Plywoods Ltd; - Kohinoor Saw Mills Co Ltd; - Mayabandar Doors Limited; - Shiksha Financial Services India Private Limited; - Southern Veneers And Woodworks Limited	- No
10	Mr, Subrata Kumar Mitra Independent	16-01-1948	73	1201 B, Phoenix Towers, Lower Parel,	ACPPM8147D	17/03/2020	- Centrum Capital Limited; - ;	-

Sl.	Name of the Directors, Designation & DIN	Date of Birth	Age (in years)	Address	PAN	Date of Appointment	Details Of Other Directorships	Whether willful defaulter (Yes/No)
	Director 00029961			Mumbai – 400 013			- North Karnataka Expressway Limited; - Centrum Financial Services Limited; - Onward Technologies Limited; - Inditrade Fincorp Limited; - Centrum Broking Limited (CN); - IL&FS Transportation Networks Limited; - IL&FS ENGINEERING AND CONSTRUCTION COMPANY LIMITED - AGS Transact Technologies Limited	
11	Mr. Abhijit Sen Independent Director 00002593	17-11-1950	70	A-92, Gand Paradi, 572 Dadyseth Hill, August Kranti Marg, Near Kemps Corner, Mumbai – 400036	AAHPS6626D	17/03/2020	- Natafim Agricultural Financing Agency Private Limited; - Cashpor Micro Credit - Kalyani Forge Limited; - Veritas Finance Private Limited; - Ugro Capital Limited; - Tata Investment Corporation Limited; - Manappuram Finance Limited; - Booker Satnam Wholesale Private Limited; - Booker India Private Limited;	- No

Sl.	Name of the Directors, Designation & DIN	Date of Birth	Age (in years)	Address	PAN	Date of Appointment	Details Of Other Directorships	Whether willful defaulter (Yes/No)
							- Pramerica Life Insurance Limited	
12	Mr. Harshan Kollara Sankarakutty Independent Director 01519810		70	Flat 16, Cricket court 13, elderberry way, London E66JJ	AAHPK1955D	07/08/2021	Manappuram Finance Limited	- No

ii. Change in directors

The details of change in directors since last three years,:-

Name	Designation	DIN	Date of Appointment	Date of Cessation, if applicable	Date of resignation, if applicable	Remarks
Ms. Kalpana Iyer	Director	01874130	18.10.2007	NA	15.05.2018	Resignation
Mr. Shailesh Jayantilal Mehta	Director	01633893	02.11.2016	NA	16.05.2018	Resignation
Mr. Rajiven Vayalil Raveendran	Independent Director	06503049	19.02.2015	19.10.2019	NA	Cessation due to sudden demise
Mr. T. Balakrishnan	Independent Director	00052922	15.05.2018	NA	NA	Appointment
Mr. T. M. Manoharan	Independent Director	00225640	15.05.2018	NA	NA	Appointment

Name	Designation	DIN	Date of Appointment	Date of Cessation, if applicable	Date of resignation, if applicable	Remarks
Mrs. Pushya Sitaraman	Independent Director	06537196	02.02.2019	NA	NA	Appointment
Mr. Subrata Kumar Atindra Mitra	Independent Director	00029961	17.03.2020	NA	NA	Appointment
Mr. Abhijit Sen	Independent Director	00002593	17.03.2020	NA	NA	Appointment
Mr. B. N. Raveendra Babu	Managing Director	00043622	01.07.2021	NA	NA	Appointment as Managing Director
Mr. S. V. Raja Vaidyanathan	Director	01467098	01.07.2021	NA	NA	Appointment as Non-Independent Non-Executive Director
Mr. Harshan Kollara	Independent Director	01519810	07.08.2021	NA	NA	Appointment

IX. AUDITORS OF THE COMPANY

i. Current auditor

The details of the auditors of the Company:

Name	Address	Auditor Since
M. P. Chitale & Co. Registration No: 101851W	759/70, Vatsala Bhawan, Prabhat Road, Lane No.1, Pune, Maharashtra - 411004	F.Y 2021-22

ii. Details of change in auditors:

Details of change in auditor since last three years,:-

Name of the Auditor	Address	Date of appointment	Date of cessation, if applicable	Date of Resignation, if applicable	Remarks
Deloitte Haskins & Sells, Chartered Accountants	ASV N Ramana Tower, 52, Venkatnarayana Road T. Nagar, Chennai – 600 017	2018-19	NA	2019-20	Completion of tenure
Walker Chandiok & Co LLP Firms Registration No: 001076N/N500013	7th Floor, Prestige Polygon, 471, Annasalai, Teynampet, Chennai 600 018, India	2020-21	NA	NA	Resignation
M. P. Chitale & Co	759/70, Vatsala Bhawan, Prabhat Road, Lane No.1, Pune, Maharashtra - 411004	2021-22	NA	2021-22	Appointment

X. DETAILS OF THE BORROWING OF THE COMPANY AS ON THE LATEST QUARTER END

The details of the borrowing of the Company, as on the latest quarter ended on June 30, 2021 is as under:

i. Secured Loan Facilities

Details of the following liabilities of the issuer, as at the end of the last quarter, i.e June 30, 2021,

Lender's Name	Type of Facility	Amount Sanctioned Rs in Lakhs	Principal Amount Outstanding Rs in Lakhs	Repayment Date / Schedule	Security
Oriental Bank of Commerce	TL Bank	5,000.00	1,526.83	20-08-2022	Charge over receivables
Woori Bank	TL Bank	5,600.00	1,866.67	11-06-2022	Charge over receivables
Sumitomo Mitsui Banking Corporation	TL Bank	5,000.00	625.00	11-07-2021	Charge over receivables
Kotak Mahindra Bank	TL Bank	1,000.00	41.67	15-07-2021	Charge over receivables
HDFC bank	TL Bank	7,500.00	340.91	19-07-2021	Charge over receivables
RBL Bank Ltd	TL Bank	3,100.00	287.50	22-07-2021	Charge over receivables
ICICI Bank	TL Bank	16,900.00	805.68	31-07-2021	Charge over receivables
Union Bank of India	TL Bank	6,000.00	1,833.33	28-11-2022	Charge over receivables
RBL Bank Ltd	TL Bank	2,500.00	312.50	30-09-2021	Charge over receivables
United Bank of India	TL Bank	2,000.00	990.40	21-10-2022	Charge over receivables
Axis Bank	TL Bank	6,000.00	950.00	31-10-2021	Charge over receivables

Oriental Bank of Commerce	TL Bank	5,000.00	2,916.67	03-12-2022	Charge over receivables
RBL Bank Ltd	TL Bank	2,500.00	625.00	27-12-2021	Charge over receivables
Bank of Baroda	TL Bank	15,000.00	1,666.67	30-12-2022	Charge over receivables
ICICI Bank	TL Bank	2,500.00	714.29	31-12-2021	Charge over receivables
Indian Bank	TL Bank	3,000.00	1,750.00	31-12-2022	Charge over receivables
The Federal Bank	TL Bank	3,000.00	875.00	29-01-2022	Charge over receivables
Bandhan Bank	TL Bank	10,000.00	3,809.52	31-01-2022	Charge over receivables
Axis Bank	TL Bank	1,500.00	562.50	31-01-2022	Charge over receivables
SBM Bank	TL Bank	2,000.00	583.00	27-01-2022	Charge over receivables
State Bank of India	TL Bank	5,000.00	2,915.00	30-01-2022	Charge over receivables
Bank of Baroda	TL Bank	5,000.00	833.33	07-02-2023	Charge over receivables
Andhra Bank	TL Bank	5,000.00	1,818.18	10-02-2023	Charge over receivables
HSBC	TL Bank	5,000.00	1,666.67	28-02-2022	Charge over receivables
Syndicate Bank	TL Bank	2,500.00	1,590.91	18-03-2023	Charge over receivables
State Bank of India	TL Bank	15,000.00	8,750.00	26-03-2022	Charge over receivables
Bandhan Bank	TL Bank	5,000.00	2,380.95	19-03-2022	Charge over

					receivables
Bank of Baroda	TL Bank	40,000.00	18,000.00	19-02-2023	Charge over receivables
HSBC	TL Bank	5,000.00	1,875.00	19-03-2022	Charge over receivables
Bank of India	TL Bank	7,500.00	4,091.80	26-03-2023	Charge over receivables
Syndicate Bank	TL Bank	2,500.00	1,590.91	18-03-2023	Charge over receivables
Small Industries Development Bank of India (SIDBI)	TL Bank	20,000.00	14,666.72	22-05-2023	Charge over receivables
Sumitomo Mitsui Banking Corporation	TL Bank	5,000.00	2,500.00	21-05-2022	Charge over receivables
RBL Bank Ltd	TL Bank	4,500.00	2,250.00	30-06-2022	Charge over receivables
Equitas Small Finance Bank	TL Bank	1,900.00	1,029.13	30-06-2022	Charge over receivables
The Federal Bank	TL Bank	5,000.00	3,125.00	30-09-2022	Charge over receivables
Woori Bank	TL Bank	3,500.00	2,187.50	30-09-2022	Charge over receivables
Karnataka Bank	TL Bank	5,000.00	5,000.00	30-12-2022	Charge over receivables
Bank of Baroda	TL Bank	15,000.00	15,000.00	27-01-2024	Charge over receivables
SBM Bank	TL Bank	3,500.00	2,770.83	29-01-2023	Charge over receivables
Standard Chartered Bank	TL Bank	7,500.00	7,500.00	29-01-2022	Charge over receivables
HSBC	TL Bank	6,000.00	5,000.00	08-02-2023	Charge over

					receivables
IDBI	TL Bank	10,000.00	4,583.34	19-05-2023	Charge over receivables
Axis Bank	TL Bank	5,000.00	4,318.18	26-02-2023	Charge over receivables
Standard Chartered Bank	TL Bank	5,000.00	5,000.00	26-02-2022	Charge over receivables
IDBI	TL Bank	10,000.00	4,583.34	23-06-2023	Charge over receivables
Axis Bank	TL Bank	5,000.00	4,545.45	23-03-2023	Charge over receivables
Punjab & Sind Bank	TL Bank	10,000.00	10,000.00	30-03-2024	Charge over receivables
Indian Bank	TL Bank	20,000.00	2,500.00	30-06-2024	Charge over receivables
Kotak Mahindra Bank	TL Bank	15,000.00	4,375.00	30-03-2023	Charge over receivables
ICICI Bank	TL Bank	40,000.00	7,500.00	31-03-2023	Charge over receivables
HSBC	TL Bank	4,000.00	3,666.67	15-04-2023	Charge over receivables
ICICI Bank	TL Bank	40,000.00	16,000.00	29-04-2023	Charge over receivables
ResponsAbility	NCD	10,000.00	500.00	09-08-2023	Charge over receivables
Blue Orchard	NCD	7,000.00	7,000.00	09-03-2025	Charge over receivables
CDC Group	NCD	5,000.00	5,000.00	30-03-2025	Charge over receivables
Bank of India	NCD	5,000.00	5,000.00	28-04-2023	Charge over receivables
Bank of	NCD	2,000.00	2,000.00	29-05-2023	Charge

Maharashtra					over receivables
Canara Bank	NCD	2,500.00	2,500.00	12-06-2023	Charge over receivables
Bandhan Bank	NCD	5,000.00	4,166.67	22-03-2023	Charge over receivables
Union Bank of India	NCD	3,500.00	3,500.00	26-05-2023	Charge over receivables
Punjab National Bank	NCD	5,000.00	5,000.00	26-05-2023	Charge over receivables
Indian Bank	NCD	2,500.00	2,500.00	25-04-2023	Charge over receivables
State Bank of India	NCD	10,000.00	10,000.00	06-02-2022	Charge over receivables
Union Bank of India	NCD	5,000.00	5,000.00	08-03-2022	Charge over receivables
Bank of Baroda	NCD	10,000.00	10,000.00	19-05-2022	Charge over receivables
Punjab National Bank	NCD	5,000.00	5,000.00	19-05-2022	Charge over receivables
State Bank of India	NCD	10,000.00	10,000.00	14-06-2022	Charge over receivables
Bank of India	NCD	7,500.00	7,500.00	30-06-2022	Charge over receivables
IIV Impact Investing Funds -DKM MicroFinzfond	TL ECB	4,400.00	4,400.00	27-08-2023	Charge over receivables
IIV Impact Investing Funds -DKM MicroFinzfond	TL ECB	8,620.00	8,620.00	29-09-2023	Charge over receivables
IIV Impact Investing Funds -DKM MicroFinzfond	TL ECB	8,625.00	8,625.00	13-10-2023	Charge over receivables

World Business Capital	TL ECB	11,115.00	11,115.00	03-05-2028	Charge over receivables
WaterCredit Investment Fund 3, LP	TL ECB	2,840.00	2,840.00	12-03-2025	Charge over receivables
HLF	TL NBFC	3,000.00	288.77	27-09-2021	Charge over receivables
Bajaj Finance Ltd	TL NBFC	5,000.00	375.00	27-09-2021	Charge over receivables
Nabsamruddhi Finance Ltd	TL NBFC	2,000.00	833.33	01-10-2022	Charge over receivables
Hero Fincorp	TL NBFC	5,000.00	1,574.74	27-12-2021	Charge over receivables
Hero Fincorp	TL NBFC	2,000.00	802.26	11-02-2022	Charge over receivables
Bajaj Finance Ltd	TL NBFC	2,000.00	1,583.33	29-01-2023	Charge over receivables
Bajaj Finance Ltd	TL NBFC	4,000.00	3,333.33	25-02-2023	Charge over receivables
MAS Financials	TL NBFC	7,500.00	3,000.00	30-06-2024	Charge over receivables
NABARD	REFINANCE	7,000.00	280.00	15-09-2021	Charge over receivables
NABARD	REFINANCE	5,000.00	300.00	30-12-2021	Charge over receivables
NABARD	REFINANCE	5,000.00	300.00	16-03-2022	Charge over receivables
NABARD	REFINANCE	10,000.00	1,000.00	19-09-2022	Charge over receivables
NABARD	REFINANCE	11,100.00	2,775.00	23-10-2023	Charge over receivables
NABARD	REFINANCE	6,500.00	5,200.00	29-03-2024	Charge over

					receivables
NABARD	REFINANCE	20,000.00	16,000.00	27-06-2024	Charge over receivables
NABARD	REFINANCE	5,000.00	3,500.00	31-01-2025	Charge over receivables
NABARD	REFINANCE	25,000.00	12,500.00	30-06-2022	Charge over receivables
NABARD	REFINANCE	10,000.00	9,300.00	26-02-2026	Charge over receivables
NABARD	REFINANCE	10,000.00	9,300.00	26-03-2026	Charge over receivables
Total		7,19,200.00	3,89,209.49		

ii. Details of Unsecured Loan

The Company has availed unsecured loan as on the latest quarter end on **June 30, 2021** :

Lender's Name	**Type of Facility**	**Amount Sanctioned Rs in Lakhs**	**Principal Amount Outstanding Rs in Lakhs**	**Repayment Date / Schedule**
Aditya Birla Finance Ltd	NBFCs	5,000.00	5,000.00	26-07-2021
Karvy capital	Debentures	5,000.00	5,000.00	20-06-2024
IFMR Capital Finance Pvt. Ltd	Debentures	4,000.00	2,500.00	27-06-2022
A K Capital	Debentures	7,500.00	6,562.50	05-02-2023
Northern Arc	Debentures	10,000.00	8,750.00	03-03-2023
Anand Rathi Global Finance Limited	Debentures	2,500.00	2,500.00	08-03-2023
Caspian Investments	Debentures	1,000.00	1,000.00	08-03-2023
A K Capital	Debentures	1,000.00	1,000.00	08-03-2023
Catholic Syrian Bank	Debentures	500.00	500.00	08-03-2023

Nippon India Mutual Fund	Debentures	5,000.00	5,000.00	25-05-2023
Royal Sundaram General Ins. Co. Ltd	Tier II NCD	1,500.00	1,500.00	28-06-2023
IFMR Capital Finance Pvt. Ltd	Tier II NCD	5,000.00	5,000.00	29-06-2022
Reliance Home Finance Ltd	Tier II NCD	3,500.00	3,500.00	15-07-2022
Reliance Home Finance Ltd	Tier II NCD	1,500.00	1,500.00	15-07-2022
A K Capital	Tier II NCD	10,000.00	10,000.00	26-06-2026
TOTAL		63,000.00	59,312.50	

iii. **Non-Convertible Debentures**

Details of Debentures

The details of NCDs as on the latest quarter end on **June 30, 2021 :**

Series of NCS	**Tenor / Period of Maturity (in months)**	**Coupon**	**Amount (Rs. In Lakhs)**	**Date of allotment**	**Redemption Date / Schedule**	**Credit Rating**	**Secured / Unsecured**	**Security**
State Bank of India	18		10,000.00	06-08-2020	06-02-2022	CARE A+ / Stable	SECURED	Charge over receivables
Bank of Baroda	18		10,000.00	19-11-2020	19-05-2022	BRW AA-/Stable	SECURED	Charge over receivables
State Bank of India	18		10,000.00	14-12-2020	14-06-2022	CARE A+ / Stable	SECURED	Charge over receivables
A K Capital	63		10,000.00	26-03-	26-06-	CRISIL AA-	UNSEC	N.A

				2021	2026	/Stable	URED	
IFMR Capital Finance Pvt. Ltd	24		8,750.00	03-03-2021	03-03-2023	CRISIL AA-/Stable	UNSECURED	N.A
Bank of India	18		7,500.00	31-12-2020	30-06-2022	Crisil AA-/Stable	SECURED	Charge over receivables
Blue Orchard	60		7,000.00	09-03-2020	09-03-2025	CRISIL AA-/Stable	SECURED	Charge over receivables
A K Capital	24		6,562.50	05-02-2021	05-02-2023	CRISIL AA-/Stable	UNSECURED	N.A
Karvy capital	60		5,000.00	20-06-2019	20-06-2024	CRISIL AA-/Stable	UNSECURED	N.A
Nippon India Mutual Fund	24		5,000.00	25-05-2021	25-05-2023	CRISIL AA-/Stable	UNSECURED	N.A
CDC Group	48		5,000.00	30-03-2021	30-03-2025	CARE A+ / Stable	SECURED	Charge over receivables
Bank of India	35		5,000.00	28-05-2020	28-04-2023	Crisil AA-/Stable	SECURED	Charge over receivables
Punjab National Bank	35		5,000.00	26-06-2020	26-05-2023	Crisil AA-/Stable	SECURED	Charge over receivables
Union Bank of India	18		5,000.00	08-09-2020	08-03-2022	CARE A+ / Stable	SECURED	Charge over receivables
Punjab National Bank	18		5,000.00	19-11-2020	19-05-2022	Crisil AA-/Stable	SECURED	Charge over receivables
IFMR Capital Finance Pvt. Ltd	66		5,000.00	29-12-2016	29-06-2022	CRISIL AA-/Stable	UNSECURED	N.A
Bandhan Bank	33		4,166.67	22-06-2020	22-03-2023	Crisil AA-/Stable	SECURED	Charge over receivables
Union Bank of India	35		3,500.00	26-06-2020	26-05-2023	Crisil AA-/Stable	SECURED	Charge over receivables

Reliance Home Finance Ltd	64		3,500.00	15-03-2017	15-07-2022	CRISIL AA-/Stable	UNSECURED	N.A
IFMR Capital Finance Pvt. Ltd	30		2,500.00	27-12-2019	27-06-2022	CRISIL AA-/Stable	UNSECURED	N.A
Anand Rathi Global Finance Limited	24		2,500.00	08-03-2021	08-03-2023	CRISIL AA-/Stable	UNSECURED	N.A
Indian Bank	33		2,500.00	25-07-2020	25-04-2023	Crisil AA-/Stable	SECURED	Charge over receivables
Canara Bank	36		2,500.00	12-06-2020	12-06-2023	Crisil AA-/Stable	SECURED	Charge over receivables
Bank of Maharashtra	36		2,000.00	29-05-2020	29-05-2023	Crisil AA-/Stable	SECURED	Charge over receivables
Royal Sundaram General Ins. Co. Ltd	78		1,500.00	28-12-2016	28-06-2023	CRISIL AA-/Stable	UNSECURED	N.A
Reliance Home Finance Ltd	64		1,500.00	15-03-2017	15-07-2022	CRISIL AA-/Stable	UNSECURED	N.A
Caspian Investments	24		1,000.00	08-03-2021	08-03-2023	CRISIL AA-/Stable	UNSECURED	N.A
A K Capital	24		1,000.00	08-03-2021	08-03-2023	CRISIL AA-/Stable	UNSECURED	N.A
ResponsAbility	72		500.00	09-08-2017	09-08-2023	CRISIL AA-/Stable	SECURED	Charge over receivables
Catholic Syrian Bank	24		500.00	08-03-2021	08-03-2023	CRISIL AA-/Stable	UNSECURED	N.A
TOTAL			1,38,979.17					

iv. List of Top 10 debenture in terms of value (in cumulative basis) as on latest quarter end on June 30, 2021:

Sr. No.	Name of holders of Non-convertible Securities	Amount (Rs. In Lakhs)	% of total NCS outstanding
1	State Bank of India	20,000.00	14%
2	A K Capital	17,562.50	13%
3	IFMR Capital Finance Pvt. Ltd	16,250.00	12%
4	Bank of India	12,500.00	9%
5	Punjab National Bank	10,000.00	7%
6	Bank of Baroda	10,000.00	7%
7	Union Bank of India	8,500.00	6%
8	Blue Orchard	7,000.00	5%
9	Reliance Home Finance Ltd	5,000.00	4%
10	Nippon India Mutual Fund	5,000.00	4%

v. Commercial Papers

The total Face Value of Commercial Papers Outstanding as on the latest quarter end **June 30, 2021** to be provided and its breakup in following table:

Maturity Date	Amount Outstanding
Nil	

vi. Other Borrowings

Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as **on June 30, 2021**:

Party Name	Type of Facility / Instrument	Amount Sanctioned / Issue	Principal Amount outstanding	Redemption Date	Credit Rating	Secured / Unsecured	Security
Nil							

vii. Other outstanding borrowing (other than in cash)

Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash. This information shall be disclosed whether such borrowing/ debt securities have been taken/ issued:

i. **in whole or part,**
ii. **at a premium or discount, or**
iii. **in pursuance of an option or not:**

Nil

XI. Non-Banking Finance Company/ Housing Finance Company to make the following disclosures on Asset Liability Management shall be provided for the latest audited financials:

a. Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities (whether public issue or private placement)by NBFC:

(i) Lending Policy: Should contain overview of origination, risk management, monitoring and collections;
Please refer to Annexure XIV

(ii) Classification of Loans given to associate or entities related to Board, Senior management, promoters, etc.
No Loans / advances has been given to associates, entities/ person relating to board, senior management, promoters, others

(iii) Classification of loans into several maturity profile denomination
Please refer to Annexure XIV

(iv) Aggregated exposure to the top 20 borrowers with respect to the concentration of advances, exposures to be disclosed in the manner as prescribed by RBI in its stipulations on Corporate Governance for NBFCs or HFCs, from time to time;
Not applicable since MFI loans are small ticket size loans with the disbursement amount of 15,000- 60,000 Rupees per customer.

(v) Details of loans, overdue and classified as non-performing in accordance with RBI stipulations:

Classification	As on 30 Jun 2021(Rs. In Lakhs)
Standard	5,02,841.53
NPA	10,933.81
Off Book	91,484.25
Total	6,05,259.59

XII. In order to allow investors to better assess the debt securities issued by the NBFC/ HFC, the following disclosures shall also be made by such issuers in their offer documents:

(i) Classification of loans/ advances given, according to type of loans, denomination of loan outstanding by loan to value, sectors, denomination of loans outstanding by ticket size, geographical classification of borrowers, maturity profile, etc.

a. Portfolio Summary of borrowings made by NBFC Quantum and percentage of Secured vs. Unsecured borrowings

Type of Institution	Outstanding as at 30th June 2021(Rs. In Lakhs)
ECB	35,600.00
Term Loans - Foreign Banks	35,241.33
Term Loans - NBFCs	17,608.28
Term Loans - Private Banks	59,848.29
Term Loans - PSU Banks	1,01,607.43
Refinance	60,455.00
Securitization	94,144.09
Debentures	1,17,479.17
Tier II NCD	21,500.00
Total	5,43,483.58

b. NPA exposures of the issuer for the last three financial years (both gross and net exposures) and provisioning made for the same as per the last audited financial statements of the issuer:

Particulars	Mar-21	Mar-20	Mar-19
GNPA Outstanding	9,086.78	8,610.13	1,814.16
GNPA-Provision	9,068.68	8,610.13	1,814.16
NNPA Outstanding	18.10	-	-
NNPA-Provision	18.10	-	-

c. Quantum and percentage of secured vis-à-vis unsecured borrowings made:

Type of Borrowing	**Outstanding as at 30th June 2021 (Rs. In Lakhs)**	%
Secured Borrowings	3,90,026.99	72%
Unsecured Borrowings	59,312.50	11%
Off Book	94,144.09	17%
	5,43,483.58	100%

d. Any change in promoters' holdings during the last financial year beyond the threshold, as prescribed by RBI:

Nil

(ii) Classification of loans/ advances given according to:

a. Type of loans:

Sl. No.	Type of loans	Rs. In Lakhs
1	Secured	7,034.76
2	Unsecured	5,98,224.82
	Total assets under management (AUM)*^	6,05,259.58

*Information required at borrower level (and not by loan account as customer may have multiple

loan accounts); ^Issuer is also required to disclose off balance sheet items;

b. Denomination of loans outstanding by loan-to-value:

Sl. No.	LTV (at the time of origination)	Percentage of AUM
1	Upto 40%	N.A
2	40-50%	N.A
3	50-60%	N.A
4	60-70%	N.A
5	70-80%	N.A
6	80-90%	N.A
7	>90%	N.A
	Total	N.A

c. Sectoral exposure:

Sl. No.	Segment-wise break-up of AUM	Percentage of AUM
1.	**Retail**	
A	Mortgages (home loans and loans against property)	0%
B	Gold loans	0.42%
C	Vehicle finance	0%
D	MFI	98.84%
E	MSME	0.73%
F	Capital market funding (loans against shares, margin funding)	0%
G	Others	0.01%
2	**Wholesale**	0%
A	Infrastructure	0%
B	Real estate (including builder loans)	0%
C	Promoter funding	0%
D	Any other sector (as applicable)	0%
E	Others	0%
	Total	100%

d. Denomination of loans outstanding by ticket size*:

Sl. No.	Ticket size (at the time of origination)	Percentage of AUM
1	Upto Rs. 2 lakh	100%
2	Rs. 2-5 lakh	0%
3	Rs. 5 - 10 lakh	0%
4	Rs. 10 - 25 lakh	0%
5	Rs. 25 - 50 lakh	0%
6	Rs. 50 lakh - 1 crore	0%
7	Rs. 1 - 5 crore	0%
8	Rs. 5 - 25 crore	0%
9	Rs. 25 - 100 crore	0%

10	>Rs. 100 crore	0%
	Total	100%

* Information required at the borrower level (and not by loan account as a customer may have multiple loan accounts);

e. Geographical classification of borrowers:

Top 5 states borrower wise

Sl. No.	Top 5 states	Percentage of AUM
1	Tamil nadu	20.46%
2	Bihar	11.14%
3	West Bengal	10.97%
4	Karnataka	9.79%
5	Uttar pradesh	6.99%
	Total	59.34%

f. Details of loans overdue and classified as non-performing in accordance with RBI's stipulations:

Movement of gross NPA:

Movement of gross NPA*	Rs. Crore
Opening gross NPA	86.10
- Additions during the year	148.23
- Reductions during the year	(143.46)
Closing balance of gross NPA	**90.86**

*Please indicate the gross NPA recognition policy (Day's Past Due)

g. Movement of provisions for NPA

Movement of provisions for NPA	Rs. Crore
Opening balance	185.10
- Provisions made during the year	299.81
- Write-off/ write-back of excess provisions	(143.46)
Closing balance	**341.45**

h. Segment-wise gross NPA:

Sl. No.	Segment-wise gross NPA	Gross NPA Rs Crore
1	**Retail**	
A	Mortgages (home loans and loans against property)	
B	Gold loans	
C	Vehicle finance	
D	MFI	90.86
E	MSME	
F	Capital market funding (loans against shares, margin funding)	

G	Others	
2	**Wholesale**	
A	Infrastructure	
B	Real estate (including builder loans)	
C	Promoter funding	
D	Any other sector (as applicable)	
E	Others	
	Total	90.86

i. **Residual maturity profile of assets and liabilities (in line with the RBI format):**

Residual maturity profile of assets and liabilities:

Category	Up to 30/31 days	>1 month – 2 months	>2 months – 3 months	>3 months – 6 months	>6 months – 1 year	>1 years – 3 years	>3 years – 5 years	>5 years	Total
Deposit	0	0	0	0	0	0	0	0	0
Advances	439.93	269.42	380.89	1,044.37	1,768.91	2,033.85	6.16	-	5943.53
Investments	594.38	8.23	1.33	53.36	43.16	31.89	-	0.05	732.40
Borrowings	413.59	318.42	265.53	628.67	1,682.36	1,750.52	331.28	44.46	5434.84
FCA*									
FCL*									

*FCA – Foreign Currency Assets; FCL – Foreign Currency Liabilities;

b. Disclosure of latest ALM statements to stock exchange:

Please refer to Annexure XIII.

c. Details of change in shareholding: Any change in promoters holding in NBFC during last financial year beyond the threshold prescribed by Reserve Bank of India.

Nill

f. In order to allow investors to better assess the debt securities issued by the NBFC/ HFC, the following disclosures shall also be made:

a. A portfolio summary with regard to industries/ sectors to which borrowings have been made;

Type of Institution	**Outstanding as at 30th June 2021**
ECB	35,600.00
Term Loans - Foreign Banks	35,241.33
Term Loans - NBFCs	17,608.28
Term Loans - Private Banks	59,848.29

Term Loans - PSU Banks	1,01,607.43
Refinance	60,455.00
Securitization	94,144.09
Debentures	1,17,479.17
Tier II NCD	21,500.00
Total	5,43,483.58

b. NPA exposures of the issuer for the last three financial years (both gross and net exposures) and provisioning made for the same as per the last audited financial statements of the issuer;

Particulars	**Mar-21**	**Mar-20**	**Mar-19**
GNPA Outstanding	9,086.78	8,610.13	1,814.16
GNPA-Provision	9,068.68	8,610.13	1,814.16
NNPA Outstanding	18.10	-	-
NNPA-Provision	18.10	-	-

c. Quantum and percentage of secured vis-à-vis unsecured borrowings made; and

Type of Borrowing	Outstanding as at 30th June 2021	%
Secured Borrowings	3,90,026.99	72%
Unsecured Borrowings	59,312.50	11%
Off Book	94,144.09	17%
	5,43,483.58	100%

d. Any change in promoters' holdings during the last financial year beyond the threshold, as prescribed by RBI.
Nil

g. Defaults in borrowing

The details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 3 years including the current financial year:

Nil

XIII. Material event/ development affecting investment decision

Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.

The Issuer hereby declares that there has been no material event, development or change at the time of issue from the position as on the date of the last audited financial statements of the Issuer, which may affect the Issue or the Investor's decision to invest/ continue to invest in the non-convertible securities of the Issuer.

XIV. Any litigation or legal action pending or taken by a Government Department or a statutory body during the last three years immediately preceding the year of the issue of prospectus against the promoter of the Company.

Nil

XV. Details of default and non-payment of statutory dues;

Nil

XVI. The names of the debenture trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given its consent for appointment along with the copy of the consent letter from the debenture trustee.

Vardhman Trusteeship Private Limited has been appointed as Debenture Trustee for the proposed Issue. The Debenture Trustee has given their consent to the Issuer for its appointment under the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended up to date, and a copy of the consent letter is enclosed as **Annexure III** to this Disclosure Document. The Company will enter into a Trusteeship Agreement/ Debenture Trust Deed, inter-alga, specifying the powers, authorities and obligations of the Company and the Debenture Trustee in respect of the Debenture.

The Debenture Holders shall, by signing the Application Form and without any further act or deed, be deemed to have irrevocably given their consent to and authorized the Debenture Trustee or any of their Agents or authorized officials to do, inter cilia, all such acts, deeds and things necessary in

respect of or relating to the security to be created for securing the Debentures being offered in terms of this Disclosure Document. All rights and remedies under the Debenture Trust Deed / Trusteeship Agreement and/or other security documents shall rest in and be exercised by the Debenture Trustee without having it referred to the Debenture holders. Any payment made by the Company to the Debenture Trustee on behalf of the Debenture holder(s) shall discharge the Company to that extent to the Debenture holder(s). No Debenture holder shall be entitled to proceed directly against the Company unless the Debenture Trustee, having become so bound to proceed, fails to do so.

Company reserves the rights to appoint any other SEBI registered Trustee.

XVII. If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.

N.A.

XVIII. Disclosure of Cash flow with date of interest/dividend/ redemption payment as per day count convention.

a. The day count convention for dates on which the payments in relation to the debt securities /non- convertible redeemable preference shares which need to be made, should be disclosed.

Coupon and all other charges shall accrue based on actual/actual day count convention in accordance with the SEBI Circular on day count convention dated November 11, 2016, as may be amended from time to time.

b. Procedure and time schedule for allotment and issue of securities should be disclosed;

The issue schedule for the issue of the Debentures is as follows:

PARTICULARS	DATE
Issue Opening Date	**November 09, 2021**
Issue Closing Date	**November 09, 2021**
Pay In Date	**November 09, 2021**
Deemed Date of Allotment	**Novemeber 09, 2021**

Please also refer Section 8 (*Issue Procedure*).

c. Cash flows emanating from the debt securities / non- convertible redeemable preference shares shall be mentioned in the offer document, by way of an illustration.

A. Illustration of Cash Flow

The cash flows emanating from the non-convertible securities according to the day count convention (Actual/ Actual) shall be mentioned in the Disclosure document, by way of an illustration.
For the purpose of standardization, if the coupon/ dividend payment date of the non- convertible securities falls on a Sunday or a holiday, the coupon payment shall be made on the next working day. However, the dates of the future payments would continue to be as per the schedule originally stipulated in the offer document. If the maturity date of the debt securities, falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day. In order to ensure consistency, a uniform methodology shall be followed for calculation of interest/ dividend payments in the case of leap year. If a leap year (i.e. February 29) falls during the tenor of a security, then the number of days shall be reckoned as 366 days (Actual/ Actual day count convention) for the entire year, irrespective of whether the interest/ dividend is payable annually, half yearly, quarterly or monthly.

A sample illustration is given below:

Company	ASIRVAD MICRO FINANCE LIMITED
Face Value (per Debenture)	Rs.10,00,000 each
Issue Date/Deemed Date of Allotment	The date on which the board of directors of the Issuer passes the resolution to allot the Debentures
Maturity Date	30 months from Deemed Date of Allotment
Coupon Rate	Effective Coupon Amount per Debenture shall be paid by the Company to the Debenture Holders as interest on the Final Redemption Date or the Early Redemption Date i.e. (the date on which the Debentures are redeemed prior to the Final Redemption Date in terms of the Transaction Documents), as the case may be. The said 'Effective Coupon Amount' being the interest amount to be paid per Debenture by the Issuer to the Debenture Holders shall be determined in accordance with the method of calculation set out below (Method of calculation of Effective Coupon Amount) hereto.
Frequency of the Interest Payment with specified dates	Bullet
Day Count Convention	Actual/Actual

Sr. No	Cash Flow	Day and Date for coupon redemption becoming due	No of days in coupon period	Interest Amount per debenture (in Rs)	Principal Repayment per debenture (in Rs)	Total Cash Flow per debenture (in Rs)
	1	09-May-2024	912	2,60,264	10,00,000	12,60,264

Wherever the coupon payment date is falling on a Sunday, the coupon is paid on the following working day and coupon payment period has been calculated for 366/367 days accordingly (after increasing 1 day),
The interest payment has been rounded to nearest rupee as per FIMMDA 'Handbook on market practices', Whenever maturity date of principal falls on a holiday, such principal/redemption amount and accrued interest are calculate as payable on the immediately previous working day and accordingly calculation has been adjusted.

Note
The Issuer requested to note that the above cash flow is only illustrative in nature„ The deemed date of allotment, Coupon rate, redemption date and frequency of the interest payment shall vary in nature and aforesaid dates may be modified upon receipt of consent/ permission from existing lender,
In case of early redemption of any principle repayment as per the provisions of early redemption option in Debenture Trust Deed, the above cash flow may be changed accordingly.

XIX. Disclosures pertaining to wilful defaulter:

The disclosures pertaining to wilful defaulter is as provided in Section 9 of this Placement Memorandum.

XX. UNDERTAKING BY THE ISSUER

Please refer to Section 11 of this Placement Memorandum.

XXI. Risk Factors

Please refer to Section 4 (*Risk Factors*) of this Placement Memorandum.

XXII. Other Details

1. DRR creation - relevant regulations and applicability

The Issuer shall maintain the DRR in accordance with the provisions of Section 74 of the Companies Act, 2013 read with Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, as amended up to date and circulars issued by Central Government in this regard. However, under the Companies (Issuance of Share Capital and Debentures) Rules, 2014, non-banking financial companies are exempt from this requirement in respect of privately placed debentures. Pursuant to this exemption, the Company does not intend to create any reserve funds for the redemption of the Debentures.

2. Issue/ instrument specific regulations

The Debentures are governed by and will be construed in accordance with the Indian Law. The Issuer, the Debentures and Issuer's obligations under the Debentures shall, at all times, be subject

to the directions of the Reserve Bank of India (RBI), Securities & Exchange Board of India (SEBI), Stock Exchanges, Companies Act, 2013 and other applicable laws and regulations from time to time. Over and above, the said debentures shall be subject to the term and conditions as contained in the offer letter /term sheet, application form and the Debenture Trust Deed / Trustee Agreement.

3. Default in Payment;

In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of atleast @ 2% p.a. over the coupon rate shall be payable by the Company for the defaulting period

4. Delay in Listing:

The Debentures are proposed to be listed on BSE Limited, being the Designated Stock Exchange. The details of BSE Limited are as below:

The BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001
Phone: +91 22 2272 1233/4
Fax: +91 22 2272 1919

In accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, read together with the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (Standardization of timelines for listing of securities issued on a private placement basis) of the SEBI circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 on "Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper ", the Issuer confirms that in the event there is any delay in listing of the Debentures beyond 4 (four) Business Days from the date of closure of the issue for the Debentures, the Company (i) will pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the Coupon Rate for the period of delay from the date of closure of the issue for the Debentures until the listing of the Debentures is completed, and (ii) shall be permitted to utilise the issue proceeds of its 2 (two) subsequent privately placed issuances of securities only after receiving final listing approval from the stock exchange(s).

5. Delay in allotment of securities:

(i) The Issuer shall ensure that the Debentures are allotted to the respective Debenture Holders and are credited into the demat accounts of the relevant Debenture Holders within the timelines prescribed under the SEBI Listing Timelines Requirements.

(ii) If the Issuer fails to allot the Debentures to the Applicants within 60 (sixty) calendar days

from the date of receipt of the Application Money ("**Allotment Period**"), it shall repay the Application Money to the Applicants within 15 (fifteen) calendar days from the expiry of the Allotment Period ("**Repayment Period**").

(iii) If the Issuer fails to repay the Application Money within the Repayment Period, then Issuer shall be liable to repay the Application Money along with interest at 12% (twelve percent) per annum from the expiry of the Allotment Period.

6. Issue details:

As detailed in Section 8 of this Disclosure Document.

7. Application process

Please refer Section 7 of this Placement Memorandum

8. Disclosure prescribed under PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 but not contained in this schedule, if any.

The finalised form of the PPOA prepared in accordance with the Form PAS 4 prescribed under the Companies (Prospectus and Allotment of Securities), Rules, 2014 is provided as Annexure X. Please refer Annexure X for all disclosures required under the Companies (Prospectus and Allotment of Securities), Rules, 2014 are set out therein.

9. Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project;

Not applicable

SECTION 7 APPLICATION PROCESS

I. Who can invest /apply?

The investors, who specifically approached, who are eligible to apply for this private placement of Debentures are mentioned in the Term Sheet. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue.

All such Investors / transferees are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of / purchasing the Debentures and with respect to any subsequent transfer of the Debentures and shall be bound by the terms and conditions of the Debentures as set out in this Disclosure Document. It is clarified that applications are not to be made by a 'person resident outside India' as defined under the Foreign Exchange Management Act, 1999 (including foreign portfolio investors, non-resident Indians, overseas corporate bodies, etc.)

Only Eligible Investors as given hereunder may apply for the Debentures by completing the Application Form as set out in **Annexure IX** in the prescribed format in BLOCK LETTERS in English as per the instructions contained therein. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in the relevant Application Form. No application can be made for a fraction of a Debenture. The series of Debentures applied for must be clearly indicated in the Application Form. Application Forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be duly completed by the applicant. This is required for the applicant's own safety and these details will be printed on the refund orders and interest/ redemption warrants.

An Application Form must be accompanied by either demand draft(s) or cheque(s) drawn or made payable in favour of the Issuer or otherwise as may be set out in the Application Form and crossed "Account Payee Only". Cheque(s) or demand (s) may be drawn on any bank including a co-operative bank, which is a member or a sub-member of the bankers clearing house located at If permitted, the applicant may transfer payments required to be made in relation to any by electronic transfer of funds/RTGS, to the bank account of the Issuer as per details mentioned in the Application Form.

Force Majeure: The Company reserves the right to withdraw the issue prior to the closing date in the event of any unforeseen development adversely affecting the economic and regulatory environment. The Company reserves the right to change the Issue Schedule.

Right to Accept or Reject Applications: The Company reserves its full, unqualified and absolute right to accept or reject the application, in part or in full, without assigning any reason thereof. The rejected applicant will be intimated along with the refund warrant, if applicable. No interest on application money will be paid on rejected applications. The application form that is not complete in all respects is liable to be rejected and would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

A. Number of Debentures applied for is less than the minimum application size;
B. Application exceeding the issue size;
C. Bank account details not given;
D. Details for issue of Debentures in electronic or dematerialised form not given; PAN or GIR and IT Circle or Ward or District not given;
E. In case of applications under Power of Attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted;
F. In the event, if any Debentures applied for is or are not allotted in full, the excess application monies of such Debentures will be refunded, as may be permitted.

Basis of Allotment:

Notwithstanding anything stated elsewhere, the Company reserves the right to accept or reject any application, in part or in full, without assigning any reason. Subject to the aforesaid, in case of over subscription, priority will be given to Investors on a first cum first serve basis. The Investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to the Company by the Deemed date of allotment.

Deemed date of allotment for the issue is November 2nd, 2021 by which date Investors would be intimated of allotment.

Payment Instructions

Upon receipt of intimation of allotment, application form along with cheque(s)/drafts favouring ASIRVAD MICRO FINANCE LIMITED, crossed Account Payee only the entire amount of Rs. 10,00,000 (Indian Rupees Ten Lakhs only) per debenture is payable on the application. Applicants can alternatively, remit the application amount through RTGS on Account Bank. The RTGS details of the Issuer are as under:

Name of the beneficiary	Asirvad Micro Finance Limited
Name of the Bank	ICICI Bank
Branch Address:	Nungambakkam High Road, Chennai
IFSC Code	ICIC0000009
Account Number	000905027410

II. Documents to be provided by Investors / applicants

Investors need to submit the following documents, along with the Application Form, as applicable

a. Memorandum and Articles of Association along with Certificate of Incorporation/Documents Governing Constitution
b. Board Resolution / letter authorizing the investment and containing operating instructions
c. Certified true copy of the Power of Attorney, if applicable
d. PAN card

e. Form 15AA for investors seeking exemption from Tax Deduction at Source (TDS) — both on Interest on Application Money as well as annual interest payments
f. Specimen signature of the authorized signatories, duly certified by an appropriate authority
g. SEBI Registration Certificate, as applicable
h. Application form (including RTGS details)

III. Applications to be accompanied with bank account details

Every application shall be required to be accompanied by the bank account details of the applicant and the magnetic ink character reader code of the bank for the purpose of availing direct credit of interest and all other amounts payable to the Debenture Holder(s) through electronic transfer of funds or RTGS.

IV. Applications under Power of Attorney

In case of applications made under a Power of Attorney or by a Limited Company or a Body Corporate etc., the relevant Power of Attorney or the relevant resolution or authority to make the application, as the case may be, together with the certified true copy thereof along with the certified copy of the Memorandum and Articles of Association and/or Bye-Laws as the case may be must be attached to the Application Form or lodged for scrutiny separately with the photocopy of the Application Form, quoting the serial number of the Application Form at the Company's branch where the application has been submitted failing which the applications are liable to be rejected.

V. Interest on Application Money

Interest on Application Money will be paid at the applicable coupon rate (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of Income Tax Act, 1961 or any statutory modification or re-enactment thereof) and will be paid on the entire application money on all valid applications.

Such interest shall be paid for the period commencing from the date of credit by way of funds transfer / Real time gross settlement up to one day prior to the date of allotment.
No interest on application money would be payable in cases of invalid applications.

VI. Letters of Allotment

The Debentures will be credited in dematerialised form within 2 (two) Business Days from the Deemed Date of Allotment

VII. Record Date

The record date for payment of Coupon or repayment of principal shall be prior 15 calendar days of redemption of such Debentures.

VIII. Refunds

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 7 (seven) days from the Deemed Date of Allotment of the Debentures.

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the Registrar shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

IX. Payment on Redemption

Payment on redemption will be made by way of cheque(s)/ redemption warrant(s)/ demand draft(s)/ credit through RTGS system/ funds transfer in the name of the relevant Debenture Holder(s) whose names appear on the List of beneficial owners given by the Depository to the Company as on the Record Date. The Debentures shall be taken as discharged on payment of the redemption amount by the Company on relevant maturity date(s) to the respective registered Debenture Holder(s) whose name appears in the register of debenture holder(s) on the Record Date. Such payment will be a legal discharge of the liability of the Company towards the Debenture Holder(s) of such series. On such payment being made, the Company will inform NSDL/CDSL and accordingly the account of the Debenture Holder(s) with NSDL/CDSL will be adjusted. The Company's liability to the Debenture Holder(s) towards all their rights including for payment or otherwise shall cease and stand extinguished from the due dates of redemption in all events. Further the Company will not be liable to pay any interest or compensation from the dates of such redemption. On the Company dispatching the amount as specified above in respect of the Debentures, the liability of the Company shall stand extinguished.

X. Mode of Payment

All payments must be made through cheque(s)/draft(s)/transfers/RTGS as set out in the application form.

XI. Effect of Holidays

In the event that any date on which any Coupon payment is required to be made by the Issuer is not a Business Day, the immediately succeeding Business Day shall be considered as the effective date(s) for that payment. In the event that the Redemption Date(s) in respect of the Debentures is not a Business Day, the immediately preceding Business Day shall be considered as the effective date for redemption of Debentures.

XII. Payment of Coupon

Coupon for each of the Coupon periods shall be computed on an actual/actual days a year basis on the principal outstanding on the Debentures at the Coupon Rate.If the Coupon period from start date to end date includes February 29, then interest shall be paid on the basis of (end date-start date)/366.

XIII. Tax Deduction at Source

Income tax will be deducted as applicable as per the provisions of Income Tax Act, 1961. Where any deduction of Income Tax is made at source, the Company shall send to the Debenture holder a Certificate of Tax Deduction at Source.

XIV. PAN/GIR Number

Applicant should mention their Permanent Account Number or the GIR Number allotted under Income Tax Act, 1961 and the Income Tax Circle / Ward / District. In case where neither the PAN nor the GIR Number has been allotted, the fact of such a non-allotment should be mentioned in the Application Form in the space provided.

XV. Signatures

Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by an authorized official of a Bank or by a Magistrate/Notary Public under his/her official seal.

XVI. Basic terms of the present offer

Refer Issue Details / Term sheet for issue specific details.

XVII. Minimum Subscription

Minimum subscription is not applicable for privately placed debentures.

XVIII. Deemed Date of Allotment

Deemed Date of Allotment All the benefits under the Debentures, including but not limited to the payment of Coupon, will accrue to the Investor from the deemed date of allotment. The deemed date of allotment for the Issue is November 09,2021.

All benefits related to the Debentures will be available to the Debenture Holders from the Deemed Date of Allotment. The actual allotment of the Debentures may take place on a date other than the Deemed Date of Allotment. The Company reserves the right to keep multiple allotment date(s)/Deemed date(s) of Allotment at its sole and absolute discretion without any notice to the Debenture holders. In case the Issue Closing Date is revised, the Deemed Date of Allotment may also be revised by the Company at its sole and absolute discretion.

XIX. Market Lot will be one Debenture

Contributions being made by the promoters or directors either as part of the Issue or separately in furtherance of such objects- **None**

XX. Security

The Debentures are proposed to be secured by the assets and security details as given in Issue Detail/ Term Sheet.

XXI. Debentures in Dematerialized Form

The Company is issuing the Debentures only in dematerialized form and hence no Debentures are being issued in physical form in terms of the Information Memorandum. The Company has entered in to Depository Arrangements with NSDL for dematerialization of the Securities.
Applicants have to mention their Depository Participant's name, DP-ID and Beneficiary Account Number/Client ID in the appropriate place in the Application Form. Debentures of successful Debenture Holders having Depository Account shall be credited to their Depository Account.

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by way of cheque(s)/ redemption warrant(s)/ demand draft(s)/ credit through RTGS system/ funds transfer to those Debenture Holder(s) whose names appear on the list of Beneficiaries provided by the Depositories to the Issuer. The names would be as per the Depositories' records on the relevant record date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action. The list of beneficiaries as of the relevant record date setting out the relevant beneficiaries' name and account number, address, bank details and DP's identification number will be given by the Depositories to the Issuer and the Registrar. Based on the information provided above, the Issuer/Registrar will dispatch the cheque for interest / Coupon payments to the beneficiaries. If permitted, the Issuer may transfer payments required to be made in relation to any by electronic transfer of funds/RTGS, to the bank account of the Debenture Holder for redemption and interest/ Coupon payments.

XXII. Joint-Holders

Where two or more persons are holders of any Debenture(s), they shall be deemed to hold the same as joint holders with benefits of survivorship in the same manner and to the same extent and be subject to the same restrictions and limitations as in the case of the existing equity shares of the Company, subject to other provisions contained in the Articles of Association of the Company.

XXIII. Mode of Transfer

The Debentures shall be transferable and transmittable in the same manner and to the same extent and be subject to the same restrictions and limitations as in the case of the existing equity shares of the Company. The provisions relating to transfer and transmission, nomination and other related matters in respect of equity shares of the Company, contained in the Articles of Association of the Company, shall

apply mutatis mutandis to the transfer and transmission of the Debentures and nomination in this respect.

The Debentures held in dematerialised form shall be transferred subject to and in accordance with the rules/ procedures as prescribed by NSDL/CDSL and the relevant Depositories of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, Coupon will be paid/ redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in electronic form. The transferor should give delivery instructions containing details of the transferee's depository account to his Depository. Investors may note that subject to applicable law, the Debentures of the Issuer would be issued and traded in dematerialised form only.

XXIV. Succession

In the event of demise of the sole holder of the Debentures, the Company will recognize the executor or administrator of the deceased Debenture holder, or the holder of succession certificate or other legal representative as having title to the Debentures. The Company shall not be bound to recognize such executor, administrator or holder of the succession certificate, unless such executor or administrator obtains probate or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a court in India having jurisdiction over the matter. The Directors of the Company may, in their absolute discretion, where they think fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Debentures standing in the name of the deceased Debenture holder on production of sufficient documentary proof and / or indemnity.

XXV. Governing law

The Debentures shall be construed to be governed in accordance with Indian Law.

The courts and tribunals at Chennai shall have exclusive jurisdiction in connection with any dispute arising out of or in connection with this Debentures. The Debenture Holders and the Debenture Trustee shall not be prevented from taking proceedings relating to a dispute in any other courts and tribunals with jurisdiction. To the extent allowed by applicable law, the Debenture Holders and the Debenture Trustee may take concurrent proceedings in any number of jurisdictions. Over and above the aforesaid Terms and Conditions, the said Debentures shall be subject to the Terms and Conditions to be incorporated in the Debentures to be issued to the Debenture Holders and the Debenture Trust Deed.

SECTION 8 ISSUE DETAILS

The following term sheet summarizes the principal items with respect to the financing facility to be provided to Asirvad Micro Finance Limited ("**Borrower**" or "**Company**" or "**Issuer**") by the Investor for Debentures.

For the avoidance of the doubt, except as specifically stated, this term sheet does not attempt to describe all terms and conditions of the transaction contemplated herein. The term sheet is intended to outline certain basic terms around which transaction could be structured. All proposed terms and conditions are subject to execution of mutually satisfactory transaction documents, satisfactory legal, technical & financial diligences, meeting of stipulations as contained herein etc.

Particulars	Terms and Conditions
Security Name	AMFL MLD 2024
Borrower/Issuer	ASIRVAD MICRO FINANCE LIMITED
Type of Instrument	Rated SENIOR Secured Transferable Redeemable Listed Principal protected non-convertible market linked debentures
Nature of Instrument (Secured or Unsecured)	Secured
Seniority	SENIOR
Mode of Issue	Private Placement
Series / Distinctive number	1 to 1,000
Eligible Investors	The following categories of investors, when specifically approached and have been identified upfront, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form ("**Eligible Investors**"): A. Mutual Funds; B. Public financial institutions as defined in Section 2(72) of the Companies Act, 2013; C. Scheduled banks and Non-banking financial companies; D. Insurance companies; E. Cooperative banks, regional rural banks and infra-financing companies authorised to invest in debentures; F. Provident Funds, Gratuity Funds, Superannuation Funds and Pension Funds; G. Corporates; H. Banks; I. Foreign Portfolio Investors (FPIs) (subject to compliance with the SEBI/ RBI norms);

	J. Foreign Institutional Investors (FIIs) (subject to compliance with the SEBI/ RBI norms); K. Qualified Foreign Investors (QFIs); L. Insurance Companies; M. Investment holding companies of high net worth individuals; N. Trusts authorised to invest in debentures; O. Statutory corporations/ undertakings established by Central/ State legislature authorized to invest in Debentures; and P. Any other person / investor (not being an individual or a group of individuals) eligible to invest in the Debentures as per extant rules and regulations. All potential Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures. **Note:** Participation by potential investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	The Debentures are to be listed on the WDM of the BSE within a maximum period of 4 (four) trading days from the date of closure of the Issue for the Debentures. In the event there is any delay in listing of the Debentures beyond the Listing Period, the Issuer shall: (i) pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the Annualised Interest Rate, from the Deemed Date of Allotment until the listing of the Debentures is completed; and (ii) be permitted to utilise the issue proceeds of its 2 (two) subsequent privately placed issuances of securities only after receiving final listing approval from the stock exchange(s).
Rating of Instrument	"CRISIL PP-MLD AA- r (Outlook: Stable) by CRISIL Ratings Limited
Option to retain oversubscription (Amount)	N.A.

	However, there is a green shoe option of Rs.50,00,00,000 (Indian Rupees Fifty Crore only). Please refer the section named "Issue Size" below.
Issue Size	Rs. 50,00,00,000 /- (Rupees Fifty Crore Only) with green shoe option of Rs. 50,00,00,000 /- (Rupees Fifty Crores Only)
Minimum Subscription	N.A.
Objects of the Issue/ Purpose for which there is requirement of funds	The proceeds of this issue shall be utilized for providing debt financing for expanding the microfinance loan portfolio of the Issuer. The Company undertakes that the proceeds of the current Issue shall not be used for any purpose which may be in contravention of the regulations/guidelines/norms issued by RBI/SEBI/RoC/BSE.
Details of the utilization of the Proceeds	The Company shall utilize the amounts received from the subscription of the Debentures for the Purpose. No part of the proceeds from the Issue will be used towards: i. any capital market instrument such as equity and equity linked instruments or any other capital market related activities; ii. any speculative purposes; iii. investment in the real estate sector; or in contravention of any applicable law.
Coupon Rate (Annualized on XIRR basis)	Coupon will be paid at the Annualised Interest Rate as follows: (a) 9.70% (nine decimal seven zero percent) (XIRR) (i.e., 9.3% (nine decimal three percent) per annum, compounded monthly), if the Final Fixing Level is greater than 25% (twenty five percent) of the Initial Fixing Level; and/or (b) 0% (zero percent) (XIRR), if the Final Fixing Level is lesser than or equal to 25% (twenty five percent) of the Initial Fixing Level., where: (i) "**Initial Fixing Date**" means 3 days prior to Issue Open Date (ii) "**Initial Fixing Level**" means the official closing level of the Reference Index on the Initial Fixing Date; (iii) "**Final Fixing Date**" means the date occurring 30 (thirty) days prior to the Final Redemption Date,; (iv) "**Final Fixing Level**" means the official closing level of the Reference Index on the Final Fixing Date; and (v) "**Reference Index**" means the 6.10% GS 2031 (ISIN IN0020210095) as published by Financial Benchmarks India Private Limited (available at www.fbil.org.in)
Distribution Fee	The Issuer shall pay to the distributor, fees (if any) as per mutual agreement between the Issuer and Distributor

<table>
<tr><td>Step Up/ Step Down Coupon Rate</td><td>N.A.</td></tr>
<tr><td>Coupon Payment Frequency</td><td>Bullet</td></tr>
<tr><td>Coupon Payment Dates</td><td>May 09, 2024</td></tr>
<tr><td>Coupon Type (Fixed, floating or other structure)</td><td>The interest/coupon is linked to the Reference Index.</td></tr>
<tr><td>Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.).</td><td>Not Applicable</td></tr>
<tr><td>Day Count Basis (Actual/Actual)</td><td>Actual/Actual</td></tr>
<tr><td>Interest on Application Money</td><td>Interest on application money will be paid to investors at 9.70% per annum from the date of realization of subscription money up to the allotment date.</td></tr>
<tr><td>Default Interest Rate</td><td>Coupon Rate plus 2.0% (Two Percent)</td></tr>
<tr><td>Tenor</td><td>30 months from the deemed date of allotment</td></tr>
<tr><td>Redemption Date</td><td>May 09, 2024</td></tr>
<tr><td>Redemption Amount</td><td>Each Debenture shall be redeemed at par.</td></tr>
<tr><td>Redemption Premium / Discount</td><td>Nil</td></tr>
<tr><td>Issue Price</td><td>At Par</td></tr>
<tr><td>Face Value</td><td>Rs.10,00,000 per debenture instrument</td></tr>
<tr><td>Discount at which security is issued and the effective yield as a result of such discount</td><td>Nil</td></tr>
<tr><td>Put Date</td><td>N.A.</td></tr>
<tr><td>Put Price</td><td>N.A.</td></tr>
<tr><td>Call Date</td><td>N.A.</td></tr>
<tr><td>Call Price</td><td>N.A.</td></tr>
<tr><td>Put Notification Tie</td><td>N.A.</td></tr>
<tr><td>Call Notification Time</td><td>N.A.</td></tr>
<tr><td>Minimum Application and in multiples of Debt securities thereafter</td><td>1 Debentures and in multiple of 1 thereafter</td></tr>
<tr><td>Issue Timing

1. Issue Opening Date
2. Issue Closing Date
3. Pay-in Date[●]
4. Deemed Date of Allotment</td><td><table><tr><td>Issue Opening Date</td><td>November 09, 2021</td></tr><tr><td>Issue Payin Date</td><td>November 09, 2021</td></tr><tr><td>Issue Closing Date</td><td>November 09, 2021</td></tr><tr><td>Deemed Date of Allotment</td><td>Novemeber 09, 2021</td></tr></table></td></tr>
<tr><td>Issuance mode of the Instrument</td><td>Dematerialised form</td></tr>
</table>

Trading Mode of the Instrument	Dematerialised form
Settlement mode of the Instrument	RTGS / NEFT
Depository	NSDL and CDSL
Disclosure of Interest/Dividend / redemption dates	
Business Day Convention	(a) If the date of payment of any interest in respect of the Debentures falls on a day that is not a Business Day, such payment of interest shall be made on the next occurring Business Day; (b) If the date of payment of any redemption amount falls on a day that is not a Business Day, such payment of installment shall be made on the immediately preceding Business Day; and © If the Final Redemption Date or the Early Redemption Date (the date on which the Debentures are redeemed prior to the Final Redemption Date in terms of the Transaction Documents), as the case may be, falls on a day that is not a Business Day, such payment of interest and redemption amount shall be made on the immediately preceding Business Day.
Record Date	15 (Fifteen) calendar days prior to each Coupon Payment /Redemption date.
All covenants of the issue (including side letters, accelerated payment clause, etc.)]	Refer to Section 10 of this Disclosure Document
Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed in	The Company hereby further agrees, declares and covenants with the Debenture Trustee as follows: (i) the Debentures shall be secured with first ranking exclusive continuing security by way of a first ranking exclusive charge on the Hypothecated Assets in favour of the Debenture Trustee for the benefit of the Debenture Holders; (ii) that all the Assets that shall be charged to the Debenture Trustee under the Hypothecation Agreement shall always be kept distinguishable and held as the exclusive property of the Company specifically appropriated to this security and be dealt with only under the directions of the Debenture Trustee. PROVIDED THAT the charge on the monies lying in the

the Offer Document/ Information Memorandum		Designated Proceeds Account shall be a floating charge with the intent that the Company may use the proceeds lying therein or to the credit thereof for the origination of Loans and the charging of the Receivables thereof in favour of the Debenture Trustee in accordance with the terms of the Transaction Documents and the floating charge shall convert to a fixed charge in accordance with the terms of the Hypothecation Agreement. The Company shall not create any charge, lien or other encumbrance upon or over the same or any part thereof except in favour of the Debenture Trustee nor suffer any such charge, lien or other encumbrance or any part thereof nor do or allow anything that may prejudice this security and the Debenture Trustee shall be at liberty to incur all costs and expenses as may be necessary to preserve this security and to maintain the same undiminished and claim reimbursement thereof;
	(iii)	shall, on the First Security Cover Determination Date and at all times thereafter, ensure that the Security Cover Ratio is maintained and towards this end, it shall on or before each Monthly Security Cover Determination Date, Top-up the Hypothecated Assets with additional Receivables and/or Replace any Receivables constituting the Hypothecated Assets in accordance with the Hypothecation Agreement so as to ensure that Security Cover Ratio is maintained at all times from the First Security Cover Determination Date until the redemption of the Debentures in full and perfect the first ranking and exclusive charge of the Debenture Trustee over such modified Hypothecated Assets by filing Form CHG-9 with the concerned ROC and the required filing with the Central Registry in relation thereto as soon as practicable and no later than 30 (thirty) days therefrom;
	(iv)	shall, on the First Security Cover Determination Date and every Reporting Date, as also whenever required by the Debenture Trustee, give full particulars to the Debenture Trustee of all the Hypothecated Assets from time to time and shall furnish and verify all statements, reports (including Monitoring Reports as prescribed in the Hypothecation Agreement), returns, certificates and information from time to time and as required by the Debenture Trustee

	and furnish and execute all necessary documents to give effect to the Hypothecated Assets; (v) the security interest created on the Hypothecated Assets shall be a continuing security as described in the Hypothecation Agreement; (vi) the Hypothecated Assets shall satisfy the eligibility criteria set out in **Schedule VIII** (*Eligibility Criteria*) in the Debenture Trust Deed; (vii) nothing contained herein shall prejudice the rights or remedies of the Debenture Trustee and/ or the Debenture Holders in respect of any present or future security, guarantee obligation or decree for any Financial Indebtedness or liability of the Company to the Debenture Trustee and/ or the Debenture Holders; and (viii) the Debenture Holders shall have a beneficial interest in the moveable Assets of the Company which have been charged to the Debenture Trustee to the extent of the Outstanding Principal Amounts of the Debentures under this Deed; (ix) to maintain the value of security at all times equal to 1.05 (one decimal point zero five) time or 105% (one hundred and five- Percent) the aggregate amount of principal outstanding of the NCDs where at least 1.05 (one decimal point zero five) time or 105.0% (one hundred and five percent) of the security cover is from principal receivables ("Security Cover")
Transaction Documents	Including but not limited to the following documents: 1. Debenture Trust Deed 2. Information Memorandum 3. Debenture Trustee Appointment Agreement; 4. Deed of Hypothecation; 5. Term Sheet; 6. Board and Shareholders Resolution authorising the Issue; and Any other documentation as may be desired by the Debenture Trustee and mutually agreed with Issuer
Conditions Precedent to Disbursement	(i) A certified true copy of the constitutional documents of the Company (being its Memorandum and Articles of

	Association and Certificate of Incorporation) shall have been submitted to the Debenture Trustee. (ii) All corporate approvals from the Board of Directors and shareholders of the Company, if applicable, shall have been received for the issuance of the Debentures and the execution, delivery and performance by the Company of the Transaction Documents in accordance with the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed. (iii) Execution of the Debenture Trustee Agreement and Debenture Trust Deed, in a form and manner satisfactory to the Debenture Trustee shall have taken place; (iv) Rating of the Debentures being completed and the rating agency having provided a minimum rating of 'CRISIL PPMLD AA-/r Stable' for the Debentures and the rating letter issued by the Rating Agency being in a form and manner satisfactory to the Debenture Trustee; (v) The Company shall have provided to the Debenture Trustee a certificate from a director/company secretary of the Company certifying that:- a. the Company and its Directors have the necessary powers under the Memorandum and Articles of Association of the Company to borrow moneys pursuant to the issuance of the Debentures; b. the borrowing of moneys pursuant to the issuance of the Debentures will not cause any limit binding on the Company to be exceeded; c. no Material Adverse Effect has occurred in the Company, and/or the business of the Company; (vi) The delivery by the Company to the Debenture Trustee, of certificates signed by authorized signatories of the Company, in a form and substance satisfactory to the Debenture Trustee, with respect to: a. incumbency and signatures; b. absence of any Event of Default, any potential Event of Default, any force majeure event and any Material Adverse Effect; c. all representations and warranties contained in this Deed are true and correct in all material respects on and as of the Deemed Date of Allotment, before and after giving effect to the Issue and to the application of the proceeds therefrom; and

	d. the Debenture Trustee shall have received from the Company its audited account statements for the Previous Year. (vii) Due execution of the Depository Agreements by, inter-alia, the Depository and the Company; (viii) Due execution of the Tripartite Agreement by, inter-alia, the Registrar and Transfer Agent, Depository and the Company; (ix) The Company shall have submitted to the Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements; (x) The Company shall have submitted to the Debenture Trustee, its audited account statements for the most recent financial year or financial half-year.
Conditions Subsequent to Disbursement	Company shall fulfil each of the following conditions within the stipulated timelines: (i) The Company shall immediately on receipt of funds, take on all necessary steps to, including making all applicable filings in the Registrar of Companies and obtaining all necessary approvals including filing Form PAS 5, in e-Form PAS 3 along with requisite fee within the timelines prescribed by the Act and Rules thereunder; (ii) Information Memorandum with BSE within the timelines prescribed by the Act and Rules thereunder; and (iii) Credit the demat account of the Applicants with such number of Debentures which have been allotted to them within 2 (Two) Business Days from the Deemed Date of Allotment.
Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)[1]	Refer to Section 10 of this Disclosure Document
Creation of recovery expense fund[2]	Details and purpose of the recovery expense fund The Issuer shall create and maintain the Recovery Expense Fund up to the amounts prescribed under the SEBI REF

[1]Disclosures to be provided as per circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020 on "Standardisation of procedure to be followed by Debenture Trustee(s) in case of 'Default' by Issuers of listed debt securities" issued by SEBI.

[2] Disclosures has to be made as per circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 on "Contribution by Issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund"" issued by SEBI.

	Circular, in accordance with and within the timelines prescribed in the SEBI REF Circular. The Recovery Expense Fund shall be created to enable the Debenture Trustee to take prompt action in relation to the enforcement of the Security in accordance with the Transaction Documents. The amounts in the Recovery Expense Fund shall be utilised in the manner as may be prescribed by the Debenture Holders by a Special Resolution duly passed at the meeting of the Debenture Holders held in accordance with the provisions set out in the Transaction Documents. On the occurrence of an Event of Default, if the Security is proposed to be enforced, the Debenture Trustee shall follow the procedure set out in the SEBI REF Circular for utilisation of the Recovery Expense Fund.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Refer to Section 10 of this Disclosure Document
Provisions related to Cross Default Clause	The Company (i) defaults in any payment of any Financial Indebtedness beyond the period of grace (not to exceed 30 days), if any, provided in the instrument or agreement under which such Financial Indebtedness was created; (ii) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity; or (iii) any Financial Indebtedness of the Company shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof.
Valuation Agency/ Calculation Agent, Valuation Agency Fees	ICRA Analytics Limited has been appointed as the valuation agent by the Issuer in respect of the Debentures. The Issuer shall pay fees to the valuation agent as follows: The valuation fees shall not exceed 2 bps p.a.

	The fees of the valuation agent shall be paid by the Issuer and the Issuer shall not charge any of the investors/Debenture Holders for such services.
Role and Responsibilities of Debenture Trustee	Refer to Section 10 of this Disclosure Document
Risk factors pertaining to the issue/ Risk factors associated with MLD	Refer to Section 3 of the Disclosure Document

Early Redemption	(a) On occurrence of an Early Redemption Event (in the sole determination of any Debenture Holders, any Debenture Holder (acting on its own or through the Debenture Trustee) shall have the option (but not the obligation) to require the Issuer to redeem the Debentures held by it and all other Outstanding Amounts within 7 (seven) calendar days from the date of receipt by the Issuer of the notice regarding the occurrence of an Early Redemption Event from a Debenture Holder/Debenture Trustee. It is clarified that following the occurrence of an Early Redemption Event, any Debenture Holder can exercise the rights set out in this Paragraph without requiring the consent of the Majority Debenture Holders. (b) [No prepayment penalty or prepayment premium will be applicable to any redemption in accordance with this Paragraph].
Governing Law and Jurisdiction	Indian laws. Non-exclusive jurisdiction of the courts of Gujarat
Additional Disclosures (MLD Guidelines)	(a) **Confirmations from the Issuer**: The Issuer confirms as follows: (i) The Debentures issued are principal protected and promise the return of the principal amount of the Debentures in full on the Final Redemption Date. (ii) The Issuer has a Net Worth of more than INR 100,00,00,000 (Indian Rupees One Hundred Crore). (b) **Credit rating**: The Debentures have been rated " CRISIL PPMLD AA- r / Stable " by CRISIL Ratings Limited in accordance with the MLD Guidelines. (c) **Scenario analysis/valuation matrix**: The detailed scenario analysis/valuation matrix showing value of the Debentures under different market conditions such as rising, stable and falling market conditions (along with a suitable graphic representation) has been set out under Annexure XI of Disclosure Document. (d) **Risk Factor (Model Risk):** The Debentures are subject to model risk, i.e., the Debentures are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behavior of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models. Please also refer Section 4.XI(*Structure Risks/Model Risk*) above. (e) **Risk Factor (Other):** The principal amount is subject to the credit risk of the issuer whereby the investor(s) may or may not recover all or part of the funds in case of default by the Issuer. Please also refer Section 4.VII (*Repayment is Subject to the Credit Risk of the Issuer*) above.

	(f) **Interest on annualised basis:** Please refer the definitions of "Annualised Interest Rate" and "Interest Amounts". Please also refer Annexure VII of Disclosure Document. (g) **Valuation**: The latest and historical valuation for the Debentures shall be made available on the websites of the Issuer www.asirvadmicrofinance.co.in and of the Valuation Agent appointed for the Debentures https://icraanalytics.com/home/MidValuation. (h) **Commissions**: Details of the commissions (by whatever name called), paid by the Issuer to persons acting as the distributor for selling/distribution/ placement of the Debentures shall be as per the fee letters/engagement letters/arrangement letters entered into/to be entered into with such persons. (i) **Premature Redemption**: Please refer section named "Early Redemption" above.

Notes:

a. If there is any change in coupon rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new coupon rate and events which lead to such change should be disclosed.
b. The list of documents which has been executed in connection with the issue and subscription of debt securities shall be annexed.
c. While debt securities are secured to the tune of 100% of the principal and interest amount or such higher amount as per the terms of offer document in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that such security is maintained.
d. The issuer shall provide granular disclosures in their offer document, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the “object of the issue”. Further, the amount earmarked for "General Corporate Purposes", shall not exceed 25% of the amount raised by the issuer in the proposed issue.

PROPOSED CASH FLOWS

COUPON PAYMENT DATES, PRINCIPAL PAYMENT DATE AND PRINCIPAL AMOUNTS

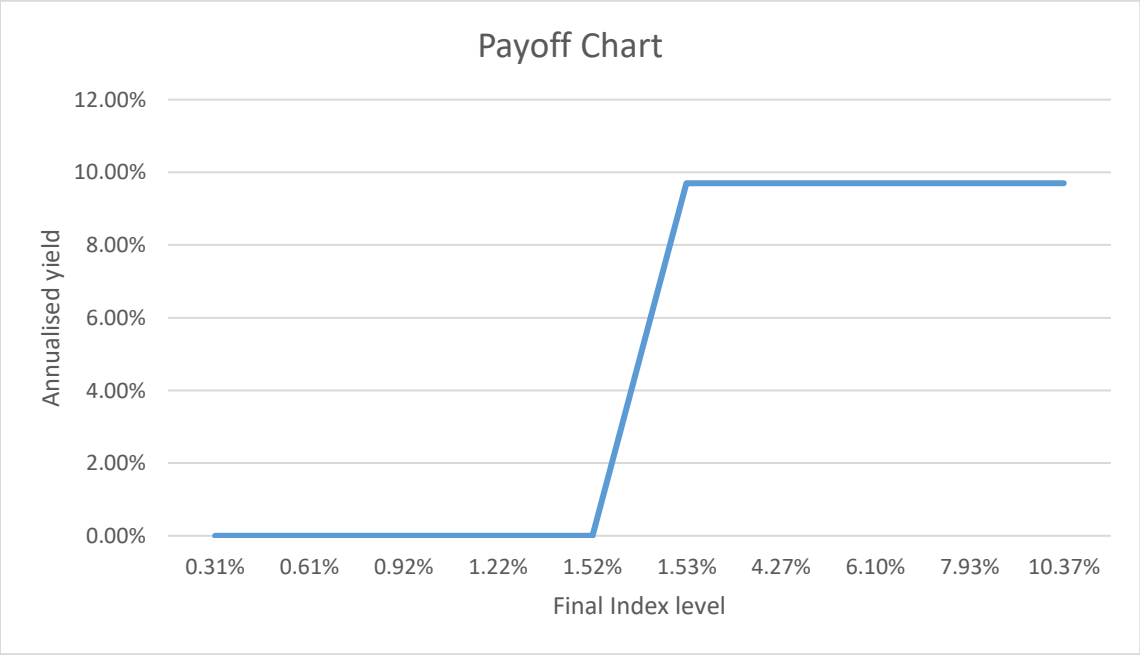
Sr. No	Cash Flow	Day and Date for coupon redemption becoming due	No of days in coupon period	Interest Amount per debenture (in Rs)	Principal Repayment per debenture (in Rs)	Total Cash Flow per debenture (in Rs)
	1	09-May-2024	912	2,60,264	10,00,000	12,60,264

VALUATION MATRIX FOR MLD

A detailed scenario analysis/ valuation matrix showing value of the security under different market conditions such as rising, stable and falling market conditions shall be disclosed in a table along with a suitable graphic representation

Assuming Initial Index level of 6.10%				
Initial Index Level	**Final Index Level**	**Performance of Index Level**	**Initial Investment on Debentures (INR)**	**Annualized yield on Debentures**
6.10%	0.31%	-95.00%	1,000,000	0.00%
6.10%	0.61%	-90.00%	1,000,000	0.00%
6.10%	0.92%	-85.00%	1,000,000	0.00%
6.10%	1.22%	-80.00%	1,000,000	0.00%
6.10%	1.52%	-75.10%	1,000,000	0.00%
6.10%	1.53%	-74.90%	1,000,000	9.70%
6.10%	4.27%	-30.00%	1,000,000	9.70%
6.10%	6.10%	0.00%	1,000,000	9.70%
6.10%	7.93%	30.00%	1,000,000	9.70%
6.10%	10.37%	70.00%	1,000,000	9.70%

Graphical representation of Payoff



The issuer shall provide granular disclosures in their placement memorandum, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the "object of the issue".

Issue proceed will be utilized for following purposes:

- General Corporate Purpose
- for ordinary course of business of Issuer including repayment/re-financing of existing debt
- For deployment in business & growth of asset book

A. While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of offer document/ information Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

   Debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.

B. Before making the application for listing of debt securities, the Issuer shall create charge as specified in the Debenture Trust Deed/ Disclosure Document, in favour of the debenture trustee and also execute debenture trust deed (DTD) with the Debenture trustee. The Stock Exchange(s) shall list the debt

securities only upon receipt of a due diligence certificate as per format specified in SEBI NCS Regulations from debenture trustee confirming creation of charge and execution of the Debenture Trust Deed. The charge created by Issuer shall be registered with Sub-registrar, Registrar of Companies, CERSAI, Depository etc., as applicable, within 30 days of creation of such charge. In case the charge is not registered anywhere or is not independently verifiable, then the same shall be considered a breach of covenants/ terms of the issue by the Issuer.

SECTION 9 DISCLOSURE PERTAINING TO WILFUL DEFAULT

The following disclosures shall be made if the issuer or its promoter or director is declared wilful defaulter:

a) Name of the bank declaring the entity as a willful defaulter:
NIL

b) The year in which the entity is declared as a willful defaulter:
N.A.

c) Outstanding amount when the entity is declared as a willful defaulter:
N.A.

d) Name of the entity declared as a willful defaulter:
N.A.

e) Steps taken, if any, for the removal from the list of willful defaulters:
N.A.

f) Other disclosures, as deemed fit by the issuer to enable Investors to take informed decisions:
N.A.

g) Any other disclosure as specified by the Board:
N.A.

SECTION 10 KEY TERMS OF THE ISSUE

I. Transaction Documents

The following documents shall be executed in relation to the Issue ("Transaction Documents"):

- Debenture Trustee Agreement, which will confirm the appointment of Vardhman Trusteeship Private Limited as the Debenture Trustee ("Debenture Trustee Agreement");
- Debenture Trust Deed, which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer ("Debenture Trust Deed");
- Hypothecation Agreement pursuant to which the Issuer will create an [exclusive and first ranking charge] by way of hypothecation over the Hypothecated Assets in favour of the Debenture Trustee to secure its obligations in respect of the Debentures ("Hypothecation Agreement"); and
- Such other documents as agreed between the Issuer and the Debenture Trustee.

The Debenture Trustee Agreement, the Debenture Trust Deed and the Hypothecation Agreement shall be executed on or prior to the Issue Closing Date.

II. AFFIRMATIVE COVENANTS

(a) ***Notice of winding up or other legal process***

Company shall promptly inform the Debenture Trustee if it has notice of any application for winding up having been made or any statutory notice of winding up under the provisions of the Act or any other notice under any other statute relating to winding up or otherwise of any suit or other legal process intended to be filed or initiated against the Company;

(b) ***Loss or damage by uncovered risks***

Company shall promptly inform the Debenture Trustee of any material loss or significant damage which the Company may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. against which the Company may not have insured its properties;

(c) ***Costs and expenses***

Company shall pay all costs, charges and expenses in any way incurred by the Debenture Trustee towards protection of Debenture Holders' interests, including traveling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating to the Debentures subject to such expenses, costs or charges being approved in writing by the Company before they are incurred and shall not include any foreign travel costs;

(d) ***Payment of Rents, etc.***

Company shall punctually pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Company as and when the same shall become payable and when required by the Debenture Trustee produce the receipts of such payment and also punctually pay and discharge all debts and obligations and liabilities which may have priority over the Debentures and observe, perform and comply with all covenants and obligations which ought to be observed and performed by the Company under this Deed;

(e) ***Preserve corporate status; authorisations***

Company shall

(i) diligently preserve and maintain its corporate existence and status and all rights, contracts privileges, franchises and concessions now held or hereafter acquired by it in the conduct of its business and comply with each and every term of the said franchises and concessions and all acts, authorizations, consents, permissions, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to its Assets or any part thereof PROVIDED THAT the Company may contest in good faith the validity of any such acts, rules, regulations, orders and directions and pending the determination of such contest may postpone compliance therewith if the rights enforceable under the Debentures are not thereby materially endangered or impaired. The Company will not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the principal of or interest on the Debentures might or would be hindered or delayed; and

(ii) conduct its business with due diligence and efficiency and in accordance with sound technical, managerial and financial standards and business practices with qualified and experienced management and personnel;

(iii) promptly obtain all consents and authorizations as maybe necessary for performing its obligations in relation to the issue of the Debentures;

(f) ***Pay stamp duty***

Company shall pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Company may be required to pay according to the applicable state laws and in the event of the Company failing to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Debenture Trustee will be at liberty (but shall not be bound) to pay the same and the Company shall reimburse the same to the Debenture Trustee on demand;

(g) ***Furnish information to trustee***

Company shall give to the Debenture Trustee or its nominee(s)/ agent(s) such information/copies of relevant extracts as they shall require as to all matters relating to the business of the Company or any part thereof and to investigate the affairs thereof and the Company shall allow the Debenture Trustee to make such examination and investigation as and when felt necessary and shall furnish him with all such information as they may require and shall pay all reasonable costs, charges and expenses incidental to such examination and investigation;

(h) ***Grievance***

Promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders. The Company further undertakes that it shall promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of the compliance;

(i) ***Specific Information to be provided to the Debenture Trustee***

Company shall inform and provide the Debenture Trustee with applicable documents in respect of the following:

(i) notice of any Event of Default or potential Event of Default, each as listed in **Schedule XII** (*Events of Default*) in the Debenture Trust Deed;

(ii) periodic review of the ratings obtained by the Company by the credit rating agencies and any revision in the rating as per the listing agreement entered into with the stock exchange (if the Debentures are listed);

(iii) details of any material litigation, arbitration or administrative proceedings, etc. including those that are required to be disclosed to the stock exchange under the listing agreement entered into with the stock (if the Debentures are listed);

(iv) any and all information required to be provided to the Debenture Holders under the listing agreement that may be entered into between the Company and the BSE; and

(v) the declaration or distribution of dividend;

(j) ***Comply with Investor Education and Protection Fund requirements***

Company shall comply with the provisions of the Act relating to transf er of unclaimed/ unpaid amounts of interest on Debentures and redemption of Debentures to Investor Education and Protection Fund (IEPF), if applicable to it;

(k) ***Further assurances***

Company shall

(i) execute and/or do, at their own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Debenture Trustee may reasonably or by Law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Debenture Trustee;

(ii) furnish to the Debenture Trustee details of all grievances received from the Debenture Holders and the steps taken by the Company to redress the same. At the request of any Debenture Holder, the Debenture Trustee shall, by notice to the Company call upon the Company to take appropriate steps to redress such grievance and the Company shall comply with the instructions of the Debenture Trustee issued in this regard;

(iii) obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations necessary to enable it to lawfully enter into and perform its obligations under this Deed or to ensure the legality, validity, enforceability or admissibility in evidence in India of this Deed;

(iv) comply with:

(A) all Laws, rules, regulations and guidelines (including but not limited to environmental, social and taxation related Laws), as applicable in respect of the Debentures and obtain such regulatory approvals as may be required from time to time, including but not limited, in relation to the following (if the Debentures are listed) (i) [Issue and Listing of Structured Debt Securities Market Linked Debt Securities under Operational Circular read with NCS Listing Regulations, as may be in force from time to time during the tenor of the Debentures; (ii) the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ((v) NCS Listing Regulation and (iv) the provisions of the listing agreement to be entered into by the Company with the BSE in relation to the Debentures;

(B) the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 as in force from time to time, in so far as they are applicable to the Debentures and furnish to the Debenture Trustee such data, information, statements and reports as may be deemed necessary by the Debenture Trustee in order to enable them to comply with the provisions of

Regulation 15 thereof in performance of their duties in accordance therewith to the extent applicable to the Debentures;

(C) the provisions of the Act in relation to the issue of the Debentures;

(D) procure that the Debentures are rated and continued to be rated until the redemption of the Debentures; and

(E) The Company shall ensure that, at time of making any payment of interest or repayment of the principal amount of the Debentures in full or in part, the Company shall do so in the manner that is most tax efficient for the Debenture Holders (including withholding tax benefit) but without, in any way, requiring the Company to incur any additional costs, expenses or taxes and the Company shall avail of all the benefits available under any treaty applicable to the Company and/or the Debenture Holders.

(l) ***Security***

The Company hereby further agrees, declares and covenants with the Debenture Trustee as follows:

(i) the Debentures shall be secured with first ranking exclusive continuing security by way of a first ranking exclusive charge on the Hypothecated Assets in favour of the Debenture Trustee for the benefit of the Debenture Holders;

(ii) that all the Assets that shall be charged to the Debenture Trustee under the Hypothecation Agreement shall always be kept distinguishable and held as the exclusive property of the Company specifically appropriated to this security and be dealt with only under the directions of the Debenture Trustee. PROVIDED THAT the charge on the monies lying in the Designated Proceeds Account shall be a floating charge with the intent that the Company may use the proceeds lying therein or to the credit thereof for the origination of Loans and the charging of the Receivables thereof in favour of the Debenture Trustee in accordance with the terms of the Transaction Documents and the floating charge shall convert to a fixed charge in accordance with the terms of the Hypothecation Agreement. The Company shall not create any charge, lien or other encumbrance upon or over the same or any part thereof except in favour of the Debenture Trustee nor suffer any such charge, lien or other encumbrance or any part thereof nor do or allow anything that may prejudice this security and the Debenture Trustee shall be at liberty to incur all costs and expenses as may be necessary to preserve this security and to maintain the same undiminished and claim reimbursement thereof;

(iii) shall, on the First Security Cover Determination Date and at all times thereafter, ensure that the Security Cover Ratio is maintained and towards this end, it shall on or before each Monthly Security Cover Determination Date, Top-up the Hypothecated Assets with additional Receivables and/or Replace any Receivables constituting the Hypothecated Assets in accordance with the Hypothecation Agreement so as to ensure that Security Cover Ratio is maintained at all times from the First Security Cover Determination Date until the redemption of the Debentures in full and perfect the first ranking and exclusive charge of the Debenture Trustee over such modified Hypothecated Assets by filing Form CHG-9 with the concerned ROC and the required filing with the Central Registry in relation thereto as soon as practicable and no later than 30 (thirty) days therefrom;

(iv) shall, on the First Security Cover Determination Date and every Reporting Date, as also whenever required by the Debenture Trustee, give full particulars to the Debenture Trustee of all the Hypothecated Assets from time to time and shall furnish and verify all statements, reports (including Monitoring Reports as prescribed in the Hypothecation Agreement), returns, certificates

and information from time to time and as required by the Debenture Trustee and furnish and execute all necessary documents to give effect to the Hypothecated Assets;

(v) the security interest created on the Hypothecated Assets shall be a continuing security as described in the Hypothecation Agreement;

(vi) the Hypothecated Assets shall satisfy the eligibility criteria set out in **Schedule VIII** (*Eligibility Criteria*) in the Debenture Trust Deed;

(vii) nothing contained herein shall prejudice the rights or remedies of the Debenture Trustee and/ or the Debenture Holders in respect of any present or future security, guarantee obligation or decree for any Financial Indebtedness or liability of the Company to the Debenture Trustee and/ or the Debenture Holders; and

(viii) the Debenture Holders shall have a beneficial interest in the moveable Assets of the Company which have been charged to the Debenture Trustee to the extent of the Outstanding Principal Amounts of the Debentures under this Deed;

(m) ***Filings***

If the Debentures are listed, the Company shall file with the BSE such information as required under Chapter V of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

(n) ***Amounts to be reimbursed to the Debenture Trustee***

Company shall, forthwith upon demand by the Debenture Trustee, reimburse to the Debenture Trustee all amounts paid by the Debenture Trustee to reasonably protect the Hypothecated Assets and such amounts shall be deemed to be secured by the Hypothecated Assets;

(o) ***Where Debenture Holder is a Foreign Investor***

Company shall in the event a Debenture Holder is a foreign portfolio investor, foreign institutional investor or sub-account of foreign institutional investors, or qualified foreign investor, the Company shall, in relation to each Interest Payment Date and in relation to each date when any other payment is due by the Company under the Debentures (each a "**Relevant Payment Date**"), courier to the Debenture Holders (or their designated agent, as confirmed by the Debenture Holders) within 1 (One) Business Day after a Relevant Payment Date, the duly completed and signed Form 15 CA/CB. A scanned copy of such duly completed and signed Form 15 CA/CB shall be sent to the Debenture Holders on the Relevant Payment Date by e-mail;

(p) ***Delay in Security Creation***

Company shall in the event of any delay in the creation of first ranking and exclusive charge over the Hypothecated Assets within the timelines stipulated in the Hypothecation Agreement or in the event the Security Cover Ratio is not met on or prior to the First Security Cover Determination Date, the Company will, at the option of the Debenture Holders, either:

(i) refund the Application Money as set out in Clause 2.5 of this Deed, to the Debenture Holders; or

(ii) pay to the Debenture Holders additional interest at Default Interest Rate on the Outstanding Principal Amounts from the Deemed Date of Allotment till the creation of first ranking and exclusive charge over the Hypothecated Assets pursuant to the terms of the Hypothecation Agreement such that the Security Cover Ratio is met.

(q) ***Books of Account***

Company shall maintain proper books of account as required by the Act and therein make true and proper entries of all dealings and transactions of and in relation to the Hypothecated Assets and the business of the Company and keep such books of account and all other books, registers and other documents relating to the affairs of the Company at its registered office or, where permitted by Law, at other place or places where the books of account and documents of a similar nature may be kept. The Company will ensure that all entries in the same relating to the Hypothecated Assets and the business of the Company shall at all reasonable times be open for inspection of the Debenture Trustee and such person or persons as the Debenture Trustee shall, from time to time, in writing for the purpose, appoint.

(r) ***Material Adverse Effect***

Company shall promptly inform the Debenture Trustee in writing of the occurrence of any, or the occurrence of any event that is likely to have a, Material Adverse Effect, together with explanation of the reasons thereof;

(s) ***Insurance***

Company shall maintain insurances on and in relation to its business and assets with insurance companies against those risks and to the extent as is usual for companies carrying on the same or substantially similar business and any other insurances as may be required by Law and ensure that all premiums are paid on time and other obligations of the Company under the insurance policies are duly complied with;

(t) ***Corporate Governance***

(i) the Company shall maintain the highest standards of corporate governance in accordance with the NBFC Master Directions;

(ii) shall at all times until the redemption of all outstanding Debentures, ensure that there is at least 2/1 (two/ one) independent director **[Note: Minimum of 2 independent director for public companies and one for private companies as per Companies Act]** ; and

(iii) the Company shall at all times comply with the NBFC Master Directions.

(u) ***General***

(i) the Company shall perform all of its obligations under the terms of the Transactions Documents and maintain in full force and effect each of the Transaction Documents;

(ii) the Company shall promptly pay and discharge all its financial obligations and regularly make all payments due and payable by the Company, including but not limited to taxes and also such payment due and payable under or in respect of the Issue or any documents executed in connection there with;

(iii) the Company shall give the Debenture Trustee any information, relating to the business, property, affairs of the Company, that materially impacts the interests of the Debenture Holders;

(iv) the Company shall comply with the 'Guidelines on Fair Practices Code for Non-Banking Financial Companies' as prescribed by the RBI from time to time; and

(v) the Company shall at all times act and proceed in relation to its affairs and business in compliance with applicable Law.

(v) ***Access***

Company shall permit the Debenture Trustee (and the Debenture holders) and/or accountants or other professional advisers and contractors appointed by the Debenture Trustee access at all reasonable times and on reasonable notice of the Company to:

(i) check the management of the funds made available through subscription to the Debentures;

(ii) inspect and take copies and extracts from the books, accounts and records of the Company;

(iii) visit and inspect the premises of the Company; and

(iv) meet and discuss matters with senior management employees of the Company.

(w) ***Conditions Subsequent***

Company shall comply with the conditions stipulated in **Schedule XIII** (*Conditions Subsequent*) in the Debenture Trust Deed.

(x) ***Financial Covenants***

Company shall comply with the financial covenants stipulated in **Schedule IX** (*Financials Covenants*) in the Debenture Trust Deed.

(y) ***Issue Terms and Conditions***

At all times during the term of these presents comply with each of the Issue Terms and Conditions.

(z) ***Internal Controls***

Company shall maintain appropriate internal controls for the purpose of (i) preventing fraud on monies lent by the Company; and (ii) preventing money being used for money laundering or illegal purposes.

(bb) ***Information to Debenture Trustee***

The Company shall promptly provide all assistance, documents and information to the Debenture Trustee as may be required by it to enable the Debenture Trustee to fulfill its obligations as laid out in Clause 5.14 and as may be required by SEBI from time to time.

III. NEGATIVE COVENANTS

(a) ***Change of business; Role of Promoter***

(i) Change the general nature of its business from that which is permitted by the RBI.

(ii) Change or make any alteration to its Constitutional Documents where (i) such change might in the opinion of the Debenture Trustee detrimentally affect the interests of the Debenture Holder(s) and (ii) the Company refuses or neglects to or is unable to rescind such alteration

(b) ***Dividend***

Declare or pay any dividend or make any distributions on its share capital (other than dividends or distributions payable on shares of the Company), unless:

(i) the proposed payment or distribution is out of net income of the current Financial Year (excluding any amount resulting from the revaluation of any of the Company's assets);

(ii) no Event of Default has occurred and is then continuing, or could occur or is reasonably likely to occur, as a result of such payment or declaration of any dividend or distribution and after giving effect to any such action;

(iii) the Company is in compliance with the financial covenants set forth in **Schedule IX** (*Financial Covenants*) in the Debenture Trust Deed; and

(iv) the company has paid or made satisfactory provision for the payment of the installments of principal and interest due on the Debentures.

(c) ***Merger, consolidation, etc.***

Undertake or permit any merger, consolidation, re-organisation, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction.

(d) ***Associates, Subsidiaries, and Joint Ventures***

Dispose of, acquire or incorporate any associates (as defined in the Act), subsidiary (as defined in the Act) or joint ventures.

(e) ***Acquisition***

Acquire, without the prior written consent of the Majority Debenture Holders, any company, business or undertaking if the amount of the acquisition cost, whether paid by cash or otherwise, when aggregated with the aggregate acquisition cost of any other companies, business or undertaking acquired by it during that financial year exceeds 10% (ten percent) of the Equity.

(f) ***Joint Venture***

Without the prior written consent of the Majority Debenture Holders:

(i) acquire (or agree to acquire) any shares, stocks, securities or other interest in any joint venture; or

(ii) transfer any assets or lend to or guarantee or indemnify or give security for the obligations of a joint venture (or agree to transfer, lend, guarantee, indemnify or give security for the obligations of a joint venture).

(g) ***Loans and Guarantees***

The Company shall not:

(i) extend a loan to any single individual or entity amounting to greater than 10% (ten percent) of its Tangible Net Worth; or

(ii) undertake to guarantee the liabilities of any individual or entity (unless the entity is a wholly owned subsidiary of the Company).

(h) ***Arm's length basis; No profit sharing arrangements***

The Company shall not, without the prior written consent of the Majority Debenture Holders:

(i) enter into any transaction with any person or enter into or continue business relations with its shareholders, employees, affiliate(s), holding company(ies), and/or subsidiary(ies) except on proper commercial terms negotiated on an arm's length basis;

(ii) enter into or establish any partnership, profit sharing, royalty agreement or other similar other arrangement whereby the Company's income or profits are, or might be, shared with any other person; or

(iii) enter into any management contract or similar arrangement whereby its business or operations are managed by any other person.

(i) ***Immunity***

Claim any immunity or limitation of liability against any payment obligations arising towards the Debenture Holders.

(j) ***Auditor***

Change its auditor without the prior written consent of the Majority Debenture Holders. The Company shall authorize its auditors to communicate directly with the Debenture Trustee and the Debenture Holders.

(k) ***Liabilities***

Incur, create, assume, or allow any Financial Indebtedness that ranks prior to the Debentures or subordinates the Debentures.

(l) ***Change of control***

Issue any additional shares or equity interests and shall not have its existing shares or equity interests transferred, sold, pledged or otherwise encumbered, if such action results in change in Control of the Company. PROVIDED THAT if the written consent of the Debenture Trustee/ the Majority Debenture Holder(s) is withheld for the proposed change of control, the Company will, upon the instructions of the Debenture Trustee, redeem the Debentures forthwith within 45 (Forty five) days of receiving such written instructions from the Debenture Trustee and pay prepayment penalty on such redemption in accordance with the terms of the Transaction Documents.
No prior written consent of the Debenture Trustee is required if the issue of any additional shares or equity interests, transfer, sale, pledge or encumbrance of its existing shares or equity interests does not result in change in Control of the Company.

(m) ***Disposal of Assets***

Sell, transfer, or otherwise dispose of in any manner whatsoever any material Assets of the Company, other than any securitization/portfolio sale of assets undertaken by the Company in its ordinary course of business.

(n) ***Management Control***

Any change in Management Control of the Company.

(o) ***Material compromise or Settlement***

Enter into material compromise or arrangement or settlement with any of its creditors (secured and unsecured) that would prejudicially affect the interest of the Debenture Holders.

(p) ***Anti-money laundering***

Permit any of the Debenture proceeds to be used to fund any form of violent political activity, terrorists or terrorist organizations, nor any money laundering process or scheme to disguise illegally obtained funds, nor any other criminal activity including arms sales, drug trafficking, robbery, fraud or racketeering.

(q) ***Related Party Transactions***

Without the prior written consent of the Debenture Holders, the Company shall not enter into any transaction(s) in the nature of loans or advances to a related party(s) whereby the overall outstanding amount owed to the Company under all such transactions exceeds 10% of its net worth (as defined in the Act). Debenture Trustee or its representatives will have access to any additional information that it/they deem(s) necessary to monitor and evaluate the mentioned covenant till the Final Settlement Date.

(r) ***Financial Year***

Company shall not change its financial year-end from 31st March (or such other date as may be approved by Majority Debenture Holders) without the prior written consent of the Debenture Trustee.

(s) ***Others***

Without prejudice to Clause (a) (*Change of business; Role of Promoter*) of this **Schedule XI** (*Negative Covenants*) in the Debenture Trust Deed, permit sale/ transfer/ disposal of (i) equity shares of the Company, or (ii) instruments that are compulsorily and mandatorily convertible into equity shares of the Company, by the Promoter(s) and/ or (iii) permit the Promoter(s) to exit from management activities in relation to the Company.

IV. REPORTING COVENANTS

Company shall provide or cause to be provided to the Debenture Trustee (and to the Debenture Holders if so requested), in form and substance reasonably satisfactory to the Debenture Trustee, each of the following items:

(a) <u>Monthly Reports</u>

As soon as available and in any event within 10 (ten) calendar days after the end of each calendar month, the list of assets hypothecated under the Hypothecation Agreement in form and substance satisfactory to the Debenture Trustee and the Debenture Holders.

(b) Quarterly Reports

As soon as available and in any event within 45 (Forty five) calendar days after the end of each quarterly reporting period of the Company, the quarterly reporting required and in form and substance satisfactory to the Debenture Trustee and the Debenture Holders. Such reporting will include information detailing:

(i) financials, operations, portfolio growth and asset quality including static portfolio cuts, collection efficiency and portfolio at risk data, funding in formats acceptable to the Investor;

(ii) the shareholding structure and composition of the board of directors in the Company;

(iii) if applicable, the financial and other returns filed by the Company with the RBI (including without limitation, the form DNBS01 filed with the RBI);

(iv) a compliance certificate regarding the financial covenants set forth in **Schedule IX** (*Financial Covenants*) in the Debenture Trust Deed in form and substance reasonably satisfactory to the Debenture Trustee and the Debenture Holders;

(iv) The Company shall furnish quarterly report to the Debenture Trustee containing the following particulars:

(a) Updated list of the names and addresses of the Debenture Holders.
(b) Details of the Coupon due, but unpaid and reasons thereof.
(c) The number and nature of grievances received from the Debenture Holders and (A) resolved by the Company (B) unresolved by the Company and the reasons for the same.
(d) A statement that the Hypothecated Assets is sufficient to discharge the claims of the Debenture Holders as and when they become due

(v) information on:

(1) any new product being introduced, including a loan product or any other financial product or any new business correspondent relationship is established or discontinuance of existing relationship;

(2) expansion of operations into any new district, city or state;

(3) any change in a service or feature change in an existing product;

(4) if the Company is proposing to expand to any location other than those specifically mentioned in the business plan submitted to the Debenture Trustee and/or the Debenture Holders;

(5) if the Company makes any material changes to the information system or loan management software, in terms of upgrade or installing a new software, other than those specifically mentioned in the business plan submitted to the Debenture Trustee and/or the Debenture Holders;

(6) if the Company conducts a credit check using any other credit bureau apart from the credit bureaus currently being used by the Company;

(7) any revisions in the business plan submitted to the Debenture Trustee and/or the Debenture Holders;

(8) any changes in the accounting policy of the Company from that followed as on the Deemed Date of Allotment;

(9) if there is any fraud, amounting to more than 1% of Gross Loan Portfolio; and

(10) such other information, as may be required by the Debenture Trustee.

(c) Annual Reports

As soon as available, and in any event within 120 (One Hundred and Twenty) calendar days after the end of each Financial Year of the Company, the annual reporting required and in form and substance satisfactory to the Debenture Trustee and the Debenture Holders. Such reporting will include information detailing:

(i) certified copies of its audited consolidated and non-consolidated (if any) financial statements for its most recently completed fiscal year, prepared in accordance with Indian GAAP including its balance sheet, income statement and statement of cash flow. All such information shall be complete and correct in all material respects and fairly represents the financial condition, results of operation and changes in cash flow of the Company as of the date thereof;

(ii) a certificate of the Chief Financial Officer or a Director of the Company confirming that his or her review has not disclosed the existence of any potential Event of Default or Event of Default;

(iii) all annual information submitted to the RBI; and

(iv) the corporate social responsibility report confirming adherence by the Company to its corporate social responsibility policy.

(d) Event Based Reports

(i) As soon as available and in any event within 5 (Five) Business Days of the occurrence of such event, the details of any change in the shareholding structure of the Company, in form and substance satisfactory to the Debenture Trustee and the Debenture Holders.

(ii) As soon as available and in any event within 5 (Five) Business Days of the occurrence of such event, the details of any change in board of directors and other senior management officials like Chief Executive Officer, Chief Financial Officer/Head of Finance and Treasury, Chief Risk Officer, Chief Operations Officer/Head of Business and the Head of Audit;

(iii) As soon as available and in any event within 5 (Five) Business Days after receiving approval by the board of the Company, the annual business plan of the Company including a detailed investment budget and forecast accounts for the following Financial Year and financial projections for at least the next 5 (five) years;

(iv) The Company shall provide/cause to be provided information to the Debenture Trustee (and to the Debenture Holders, if so requested) as soon as practicable, and in any event within 5 (Five) Business Days from the occurrence of such event:

(a) the Company obtains or reasonably should have obtained actual knowledge thereof, notice of the occurrence of any event or circumstance that could reasonably be expected to result in a Material Adverse Effect;

(b) the Company obtains or reasonably should have obtained actual knowledge thereof, notice of any dispute, litigation, investigation or other proceeding affecting the Company or its property or operations, which, if adversely determined, could result in a Material Adverse Effect;

(c) the Company obtains actual knowledge thereof, notice of the occurrence of any Event of Default or potential Event of Default, specifying the nature of such event and any steps the Company is taking and proposes to take to remedy the same;

(d) the Company makes any prepayment or receives a notice of any prepayment of any Financial Indebtedness of the Company;

(e) the Company alters its Constitutional Documents; and

(f) any notice of any application for winding up having been made or receipt of any statutory notice of winding up under the provisions of the Act or any other notice under any other law or otherwise of any suit or legal process intended to be filed and affecting the title to the property of the Company.

(e) Reporting to stock exchanges

(i) The Issuer shall while submitting half yearly/annual financial results to the BSE, in accordance with Regulation 52 of the LODR Regulations, disclose the following line items along with the financial results accompanied by a certificate from the Debenture Trustee confirming that it has taken note of the said content and the same shall be communicated to the Debenture Holder(s) on a half yearly basis:

A. debt to equity ratio accompanied with a certificate of a practising chartered accountant confirming the said debt to equity ratio;

B. *debt service coverage ratio (if required);*

C. interest service coverage ratio (if required);

D. outstanding redeemable preference shares (quantity and value);

E. debenture redemption reserve;

F. net worth;

G. net profit after tax; and

H. earnings per share.

(ii) In accordance with Regulation 52 of the LODR Regulations, the Issuer shall file with the BSE the prescribed statements, financial statements and noting certificate of the Debenture Trustee within the timelines prescribed therein.

(iii) In accordance with Regulation 56 of the LODR Regulations, the Issuer shall submit the following to the Debenture Trustee:

A. *a copy of the annual report at the same time as it is issued and a copy of the certificate from the Issuer's auditors in respect of utilisation of funds raised by the issue of the Debentures, at the same time or at the end of each financial year until such funds have been fully utilized or the purpose for which such funds were intended has been achieved;*

B. *a copy of all notices, resolutions and circulars relating to any new issue of non-convertible debt securities (at the same time as they are sent to shareholders/holders of non-convertible debt securities), the meetings of holders of non-convertible debt securities (at the same time as they are sent to the holders of non-convertible debt securities or advertised in the media including those relating to proceedings of the meetings);*

C. intimations regarding any revision in the rating, any default in timely payment of interest or redemption or both in respect of the non-convertible debt securities issued by the Issuer, any failure to create charge on the assets, and/or all covenants of the Issue (including side letters, accelerated payment clause, etc.);

D. a copy of the statement, if any filed with the BSE in compliance of Regulation 52(7) of the LODR Regulations indicating material deviations, if any, in the use of funds raised by the issue of the Debentures from the object stated in the Placement Memorandum.

(iv) In accordance with Regulation 58 of the LODR Regulations, the Issuer shall furnish the following (to the extent applicable) to the Debenture Holders in the manner prescribed therein:

A. Soft copies of th e full annual reports to all the holders of non- convertible securities who have registered their email address(es) either with the listed entity or *with any depository*

B. Hard copy of statement containing the salient features of all the documents, as specified in Section 136 of Companies Act, 2013 and rules made thereunder to those holders of non convertible securities who have not so registered

C. *physical copies of full annual reports to those Debenture Holders who request the same;*

D. *notice of all meetings of the Debenture Holders specifically stating that the provisions for appointment of proxy in accordance with Section 105 of the Companies Act, 2013 shall be applicable for such meeting; and*

E. proxy forms for the Debenture Holders clearly providing the Debenture Holders to vote for each resolution in such a manner that they may vote either for or against each resolution;

(v) The Issuer will submit to the BSE, on a periodical basis and/or on an 'as and when' basis (depending upon the occurrence of any event), such information as prescribed under Annex-II of the SEBI Centralized Database Circular, in such format as may be prescribed

by the BSE.

(vi) The Issuer will provide/fill all such information as prescribed in Annex-I of the SEBI Centralized Database Circular at the time of allotment of the International Securities Identification Number (ISIN) in respect of the Debentures.

(vii) The Issuer will submit to the Debenture Trustee, on a half yearly basis, a certificate from the statutory auditor of the Issuer giving the value of receivables/book debts including compliance with the covenants set out in the Placement Memorandum in such manner as may be specified by SEBI from time to time.

(f) Additional Reporting to Trustee in case of listed issuance

a. on a half-yearly basis obtain a certificate from the statutory auditor of the issuer giving the value of receivables/book debts including compliance with the covenants of the Offer Document/Information Memorandum in the manner as may be specified by the Board from time to time.

b. Inform and provide the Debenture Trustee with applicable documents in respect of any and all information required to be provided to the Debenture Holders under the listing agreement entered/to be entered into between the Company and the stock exchange, in case the Debentures are proposed to be listed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

c. Issuer hereby covenant and undertake that it shall furnish documents/information/reports/certification as required by SEBI circular SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230 November 12, 2020 to the Debenture Trustee to enable the Debenture Trustee to submit to the Stock Exchange the documents within the timelines specified therein.

V. FINANCIAL COVENANTS

The Company shall comply with each of the following financial covenants at all times until the redemption of all outstanding Debentures:

(a) maintain Capital Adequacy Ratio of 16% (sixteen percent) or the capital adequacy ratio prescribed by the RBI, whichever is higher.

For the purpose of the calculations of the Capital Adequacy as mentioned above:

i. the first loss credit enhancement provided by the Company on securitization shall be reduced from Tier I Capital and Tier II Capital without any ceiling and the deduction shall be capped at 15% of the outstanding securitized portfolio].

ii. the first loss credit enhancement provided by the Company on Loans originated on behalf of other institutions shall be reduced from Tier I Capital and Tier II Capital without any ceiling.

iii. The deduction shall be made at 50% (Fifty percent) from Tier I Capital and 50 per cent from Tier II Capital.

iv. It is also clarified that in computing the amount of subordinated debt eligible for inclusion in Tier II Capital, the aforementioned subordinated debt shall be subject to discounting as prescribed by RBI.

(b) maintain a ratio of A:B not greater than 2% (two percent) where A is PAR-90 net of Loan Loss provision and B is the Gross Loan Portfolio from December 30, 2021 onwards ;

(c) Maintain a ratio of A: B not greater than 15% where A is PAR-90 net off Loan Loss Provisions and B is the Tangible Net Worth to be tested from December 30, 2021;

(d) To maintain positive after-tax net income; to be tested on a semi-annual basis;

(e) Maintain positive cumulative mismatch in all the buckets up to 1 year in the structural liquidity statement at the end of every quarter;

(f) Maintain Tier 1 Capital ratio (as defined in NBFC Regulations) of 10% or higher at all points in time;

For the purpose of aforementioned Financial Covenants, following terms shall have the following meanings:

"**Capital Adequacy Ratio**" means the capital adequacy ratio prescribed by the RBI for non-banking financial companies from time to time, currently being the aggregate of Tier I Capital and Tier II Capital divided by Risk Weighted Assets.

"**Equity**" means the total equity of the Company, including shareholders' equity (including premium), reserves, retained earnings or losses, current year cumulated net income or loss adjusted against collateral provided against Off-Balance Sheet Portfolio;

"Gross Loan Portfolio" means and includes the outstanding principal amounts of the loans originated by the Borrower on its own books, securitized portfolio as well as loans originated on behalf of other entities by entering into partnership agreements but not included on the Borrower's own book.

"NBFC Master Directions" means the master directions issued by the RBI on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 or Non-Banking Financial Company Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as may be applicable for the Borrower (as amended or modified or restated from time to time).

"**Off-Balance Sheet Portfolio**" shall mean principal balance of (i) loans securitized by the Company, (ii) loans assigned by the Company and (iii) loans originated on behalf of other institutions.

"**Off-Balance Sheet Liabilities**" shall mean (i) any repurchase obligation or liability of the Company with respect to accounts or notes receivable sold by the Company; (ii) any liability of the Company under any sale and leaseback transactions that do not create a liability on the balance sheet of the Company, and (iii) any obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheet of the Company.

"**Operating Income**" shall mean revenue from interest earned, fees, and commissions on the Gross Loan Portfolio and investments.

"**Operating Expense**" shall mean the sum of administrative and personnel expenses, financial costs and Loan Loss Provision during the reporting quarter.

"**Own Loan Portfolio** means Gross Loan Portfolio less Off-Balance Sheet Portfolio;

Portfolio at Risk greater than 30 days or PAR > 30 shall mean, in a district or a branch or on the Borrower's Gross Loan Portfolio at any point of time, as the case may be, the outstanding principal value of the Borrower's portfolio that has one or more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 30 days or more and includes restructured loans.

Portfolio at Risk greater than 90 days or PAR > 90 shall mean, in a district or a branch or on the Borrower's Gross Loan Portfolio at any point of time, as the case may be, the outstanding principal value of the Borrower's portfolio that has one or more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 90 days or more and includes restructured loans.

"**Risk Weighted Assets**" shall be calculated as per the method prescribed in the NBFC Master Directions;

Tangible Networth means, with respect to any person, the amount paid up on such person's issued equity share capital, compulsorily convertible instruments and any amount standing to the credit of its reserves, less equity or equity-like investments, goodwill, deferred tax assets and other intangible assets.

"**Tier I Capital**" has the meaning ascribed to it in the NBFC Master Directions.

"**Tier II Capital**" has the meaning ascribed to it in the NBFC Master Directions.

"**Net Income**" shall mean, for any particular period and with respect to the Compny, all revenue (including donations and grants) less all expenses (including taxes, if any for such period).

"**Net Owned Funds**" has the meaning ascribed to it under Section 45IA of the RBI Act, 1934.

"**Net NPA**" shall be calculated as gross non-performing assets less provisioning for non-performing assets. For the purpose of this definition, the terms ‘non-performing assets’ and 'gross non-performing assets' shall have the meanings stipulated by the RBI to such terms from time to time as may be applicable for the Company.

"**Net Worth**" means aggregate value of the paid-up equity capital and free reserves (excluding reserves created out of revaluation) reduced by the aggregate value of accumulated losses and deferred expenditure not written off (including miscellaneous expenses not written off) as per the latest audited balance sheet.

"**Liability**" means, for any date of determination, the liabilities of the Company on such date as the same would be determined in accordance with the Indian GAAP at such date.

"**Loan Loss Provision**" means the outstanding provision in the balance sheet of the Company pertaining to on book and securitised book assets to provide for potential losses.

"**Loan Loss Reserve**" shall mean a contra asset account on the balance sheet of the Company created in anticipation of losses due to default.

"**Net Assets**" means, for any date of determination, the Total Assets of the Company on such date as the same would be determined in accordance with the generally accepted accounting principles applicable in India, excluding any securitized assets or managed (non-owned) loan portfolio of the Company.

"**Total Assets**" means, for any date of determination, the total assets of the Company on such date as the same would be determined in accordance with the generally accepted accounting principles applicable in India, including owned, securitised and managed (non-owned) loan portfolio of Company.

"**Total Liabilities**" means, for any date of determination, the total liabilities of the Company on such date as the same would be determined in accordance with the generally accepted accounting principles applicable in India.

VI. EVENTS OF DEFAULT

(a) ***Payment Defaults***

The Company does not pay on the Due Date any amount payable pursuant to this Deed and the Debentures (including but not limited to penal interest, if any) at the place at and in the currency in which it is expressed to be payable, unless its failure to pay is caused by administrative or technical error and payment is made within 3 (Three) Business Days of its Due Date.

(b) ***Insolvency / Inability to Pay Debts / Distress***

(i) The Company is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness.

(ii) The Company is (or deemed by Law or a court to be) insolvent or bankrupt or unable to pay its debts or stops or suspends payments of all its debts, makes a general assignment or an arrangement or composition with or for benefit of the relevant creditors in respect of any such debts or a moratorium is agreed or declared in respect of or affecting all the debts of the Company.

(iii) Any distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets, or revenues of the Company and is not discharged or quashed or stayed within 15 (fifteen) days.

(c) ***Charge over Hypothecated Assets***

The Company creates or attempts to create any charge on the Hypothecated Assets or any part thereof, in addition to the charge created pursuant to the Hypothecation Agreement without the consent of the Special Majority Debenture Holders.

(d) ***Business***

The Company without obtaining the prior consent of the Special Majority Debenture Holders ceases to carry on its business or gives notice of its intention to do so.

(e) ***Security in Jeopardy***

(i) In the opinion of the Debenture Trustee the Hypothecated Assets is in jeopardy;

(ii) If, the security provided pursuant to the Hypothecation Agreement depreciates in value to such an extent that in the reasonable opinion of the Trustee further security should be given and on advising the Company to that effect such security has not been given to the Debenture Trustee to their satisfaction;

(iii) If, without the prior written approval of the Debenture Trustee, the Hypothecated Assets or any part thereof is transferred, assigned, charged, encumbered or alienated but no prior approval shall require for the replacement of assets comprising the Hypothecated Assets with other similar assets; or

(iv) the value of the Hypothecated Assets is insufficient to maintain the Security Cover Ratio and Company fails to maintain the minimum Security Cover Ratio specified in the Hypothecation Agreement within the stipulated timelines in the Hypothecation Agreement.

(f) ***Misrepresentation***

Any representation or warranty made by the Company in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/Debenture Holders by the Company shall prove to have been incorrect, false or misleading in any material respect when made or deemed made.

(g) ***Material Adverse Change***

There shall have occurred a change in the business, operations, property, Assets, liabilities, condition (financial or otherwise) or prospects of the Company since the date hereof that has resulted in a Material Adverse Effect and such Material Adverse Effect has not been remedied or rectified for a period of 30 (Thirty) Business Days.

(h) ***Liquidation or Dissolution of the Company / Appointment of Receiver or Liquidator***

(i) Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(A) the suspension of payments, a moratorium of any Indebtedness, winding-up, dissolution, administration or re-organisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company or its Affiliate;

(B) a composition, compromise, assignment or arrangement with any creditor of the Company or its Affiliate;

(C) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Company or its Affiliate; or

(D) the Company or its Affilate, in respect of any reference or enquiry or proceedings commenced, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the RBI's circular no. DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on "Prudential Framework for Resolution of Stressed Assets" (as amended or modified or restated from time to time));

(E) the commencement of an insolvency resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016 (to the extent applicable) or under any other applicable Law, in respect of the Company or its Affiliate; or

(F) enforcement of any security over any Assets of the Company or its Affiliate.

Any other event occurs or proceeding instituted under any applicable Law that would have an effect analogous to any of the events listed in sub-Clauses (A) to (F) above.

(ii) An order is made or an effective resolution passed for the winding up or dissolution, judicial management or administration of the Company, or the Company ceases to carry on all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, re-organization, merger or consolidation on terms approved by Special Resolution of Debenture Holders.

(i) ***Cross Default***

The Company (i) defaults in any payment of any Financial Indebtedness beyond the period of grace (not to exceed 30 days), if any, provided in the instrument or agreement under which such Financial Indebtedness was created; (ii) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity; or (iii) any Financial Indebtedness of the Company shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof.

(j) ***Creditors' Process***

(i) All or a material part of the undertaking, Assets, rights or revenues of the Company are condemned, seized, nationalised, expropriated or compulsorily acquired, or shall have assumed custody or control of the business or operations of the Company, or shall have taken any action for the dissolution of the Company, or any action that would prevent the Company, their member, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Government or any Government Authority.

(ii) The Company does not inform the Debenture Trustee of one or more of the other creditors of the Company accelerating the payment obligations on the grounds of a material adverse change (howsoever described) or a material adverse effect (howsoever described) in the financial, operational or regulatory conditions governing the Company.

(iii) The Company has voluntarily or involuntarily becomes the subject of proceedings under any bankruptcy or insolvency laws and such proceedings have been admitted by a competent court or the Company is voluntarily or involuntarily dissolved.

(iv) The Company is adjudged insolvent or takes advantage of any law for the relief of insolvent debtors.

(v) Any expropriation, attachment, garnishee, sequestration, distress or execution affects any Receivables constituting Hypothecated Assets or part thereof.

(k) ***Judgments Defaults***

One or more judgments or decrees entered against the Company involving a liability (not paid or not covered by a reputable and solvent insurance company), individually or in the aggregate, exceeding 5% (five percent) of the Total Assets of the Company PROVIDED THAT such judgments or decrees are either final and non-appealable or have not been vacated, discharged or stayed pending appeal for any period of 30 (thirty) consecutive calendar days.

(l) ***Transaction Documents***

(i) This Deed or any other Transaction Document in whole or in part, are terminated or cease to be effective or cease to be a legally valid, binding and enforceable obligation of the Company.

(ii) In the opinion of the Debenture Trustee, any of the Transaction Documents fails to provide the security interest, rights, title, remedies, power or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests do not have the priority contemplated under the Transaction Documents, or the security interest created thereunder become unlawful, invalid, or unenforceable.

(m) ***Unlawfulness***

It is or becomes unlawful for the Company to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Company under any Transaction Document are not or cease to be valid, binding or enforceable.

(n) ***Repudiation***

The Company repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents.

(o) ***Information Covenants***

The failure to comply with any reasonably monitoring and/or servicing requests from Debenture Holders, including its monthly, quarterly, annual and event-based reporting requirements as required under the reporting covenants prescribed in **Schedule XI** (*Reporting Covenants*) in the Debenture Trust Deed.

(p) ***Government Intervention***

(i) Any step is taken by Governmental Authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or (in the opinion of the Debenture Trustee) a material part of the assets of the Company which is material to the Company;

(ii) Any Governmental Authority having assumed custody or control of the business or operations of the Company or having taken any action for the dissolution of the Company or any action that would prevent the Company or its officers from carrying on its business or operations thereof; or

(iii) The Company's organizational or legal status, or any license or franchise is revoked or suspended by any Governmental Authority or authority after the Company has exhausted all remedies and appeals relating thereto.

(q) ***Delisting***

If the Debentures are listed and any Debenture is subsequently delisted from any exchange on which it is listed without the prior written consent of the Debenture Trustee.

(r) ***Cessation***

The Company ceases or threatens to cease to carry on the main business it is currently engaged in.

(s) ***Alteration in Constitutional Documents***

The Company, without the previous consent in writing of the Debenture Trustee, makes or attempts to make any alteration in the provisions of its Constitutional Documents where (i) such change might in the opinion of the Debenture Trustee detrimentally affect the interests of the Debenture Holder(s) and (ii) the Company refuses or neglects to or is unable to rescind such alteration.

(t) ***Non-compliance with judicial order***

The Company fails to comply with or fulfil any judicial order passed against it provided however that such order shall not include any order against which appeal is available or for which an appeal is pending.

(u) ***Erosion of Net Worth***

The Debenture Holders' assessment from quarterly or annual financial reporting from the company, or at any time certified by an accountant of a firm or chartered accountant appointed by the Debenture Trustee (which the Debenture Trustee is entitled and hereby authorized to do so at any time), that the net worth (as defined in the Act) of the Company has eroded by 50% or more.

(v) ***Merger***

The rearrangement or consolidation or amalgamation with or merger with or into, or receiving of all or substantially all the assets or obligations of, another entity, or any action for reorganisation of capital without the prior written consent of the Debenture Trustee.

(w) ***Sale, disposal***

Sale, transfer, or other disposition of all or substantially all of the Company's Assets other than in the normal course of business of the Company.

(x) ***Third party***

A default or Event of Default occurs on account of a breach of representation or breach of an information covenant under the terms of any other agreement involving borrowed money or the extension of credit or any other Financial Indebtedness under which the Company may be obligated as a borrower or guarantor and pursuant to which the Company is called upon to and makes a prepayment to a 3rd party without the prior written consent of the Debenture Holder. Such consent shall not be unreasonably delayed or withheld by the Debenture Holders.

(y) ***Wilful default***

Any Promoters or directors or key management personnel of the Company is/are declared as wilful defaulter by any competent authority or accused of, charged with, arrested or convicted a criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the promoter/s and/or director, including any accusations, charges and/or convictions of any offence relating to bribery.

(z) ***Breach of Financial Covenants***

Any breach of financial covenants stipulated in **Schedule IX** (*Financial Covenants*) in the Debenture Trust Deed and such breach is not remedied (if capable of remedy) within the expiry of Cure Period for breach of Financial Covenants from the date of such breach.

(aa) ***Breach of Negative Covenants***

Any breach of negative covenants mentioned in **Schedule XI** (*Negative Covenants*) in the Debenture Trust Deed.

(bb) ***Breach of other terms of this Deed***

A breach by the Company of any of its obligations and covenants provided in terms of this Deed or other Transaction Documents (other than (a) to (aa) above) and such breach is not remedied (if capable of remedy) within the expiry of Cure Period for breach of Other Covenants from the date of such breach.

SECTION 11 DECLARATION

The Issuer undertakes and confirms that this Disclosure Document does not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made, misleading. The Disclosure Document also does not contain any false or misleading statement.

The Issuer accepts no responsibility for the statement made otherwise than in the Disclosure Document or in any other material issued by or at the instance of the issuer and that any one placing reliance on any other source of information would be doing so at his own risk.

Without prejudice to the above, the Company and each of the directors of the Company, confirm that:

a. The Issuer undertake that this Disclosure Document contain full disclosures in accordance with SEBI NCS Regulations, as amended, and Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended and Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992,.
b. the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, is guaranteed by the Central Government;
c. the monies received under the offer shall be used only for the purposes and objects indicated in the Offer document
d. whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

I, Yogesh Ratnakar Udhoji , is authorized by the Board of Directors of the Company vide Resolution dated May 14, 2021, read together with the borrowing and securities allotment committee resolution dated September 27, 2021 to sign this Information Memorandum and declare that all the requirements of the Companies Act, 2013 and the rules made there under in respect of the subject matter of this Information Memorandum and matters incidental thereto have been complied with. Whatever is stated in this Information Memorandum and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Disclosure Document has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum and Articles of Association.

It is further declared and verified that all the required attachments have been completed, correctly and legibly attached to this form.

For ASIRVAD MICRO FINANCE LIMITED

YOGESH RATNAKAR UDHOJI

Date: Chennai
Place: November 08, 2021

ANNEXURE I: LAST AUDITED FINANCIAL STATEMENTS

The audited financial statements for FY 2020-21, FY 2019-20 and FY 2018-19 and the auditor's report along with the requisite schedules, footnotes, summary etc. are enclosed separately.

A summary of the audited financial statements for FY 2020-21, FY 2019-20 and FY 2018-19 is set out below:

Balance Sheet:

Asirvad Micro Finance Limited				
Balance Sheet		**As at**	**As at**	**As at**
(All amounts in ₹ lakhs unless otherwise stated)		**31 March 2021**	**31 March 2020**	**31 March 2019**
I	**Assets**			
1	**Financial assets**			
	(a) Cash and cash equivalents	64,846.87	1,20,074.44	52,590.02
	(b) Bank balance other than (a) above	18,721.99	20,229.57	16,224.19
	(c) Derivative financial instruments			
	(d) Receivables			
	(c) Loans	4,79,519.17	4,34,327.51	2,32,235.30
	(d) Loans given to staff	76.52	102.30	80.41
	(e) Investments	5.00	5.00	5.00
	(f) Other financial assets	6,566.94	9,524.34	3,328.95
		5,69,736.49	5,84,263.16	3,04,463.87
2	**Non-financial Assets**			

	(a) Current tax assets (net)	1,858.88	1,544.24	1,466.86
	(b) Deferred tax assets (net)	8,282.84	3,424.70	2,261.20
	(c) Investment property	8.64	8.64	8.64
	(d) Property, plant and equipment	687.63	786.04	205.14
	(e) Right of use asset	894.48	721.14	-
	(f) Other intangible assets	259.69	1.00	-
	(g) Intangible assets under development	54.50	-	21.23
	(h) Other non financial assets	776.23	410.09	310.85
		12,822.89	6,895.85	4,273.92
	Total assets	**5,82,559.38**	**5,91,159.01**	**3,08,737.79**
II	**Liabilities and equity**			
1	Financial liabilities			
	(a) Derivative financial instruments	135.30	-	-
	(b) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,447.22	1,762.70	1,656.06
	(c) Debt securities	1,21,905.45	56,881.96	78,537.03

	(d) Borrowings (other than debt securities)	3,19,334.54	3,81,549.11	1,33,699.47
	(e) Subordinated liabilities	21,476.92	11,633.90	11,414.15
	(f) Other financial liabilities	6,043.41	4,299.67	4,209.10
		4,71,342.84	4,56,127.34	2,29,515.81
2	**Non-financial liabilities**			
	(a) Current tax liabilities (net)	725.91	-	
	(b) Provisions	1,506.75	1,157.18	236.48
	(b) Deferred tax liabilities (net)			
	(c) Other non-financial liabilities	3,440.39	29,922.61	739.78
		5,673.05	31,079.79	976.26
3	**Equity**			
	(a) Equity share capital	5,331.19	5,331.19	5,331.19
	(b) Other equity	1,00,212.30	98,620.69	72,914.53
		1,05,543.49	1,03,951.88	78,245.72
	Total Liabilities and equity	**5,82,559.38**	**5,91,159.01**	**3,08,737.79**

Statement of Profit and Loss :

Asirvad Micro Finance Limited				
Statement of Profit and Loss		**Year ended**	**Year ended**	**Year ended**
(All amounts in ₹ lakhs unless otherwise stated)		**31 March 2021**	**31 March 2020**	**31 March 2019**
I	Revenue from operations			
	Interest income	95,762.88	91,338.06	60,660.71
	Net Gain on derecognition of financial instruments under amortised cost category	7,147.98	12,590.98	
	Dividend income	1,286.86	947.06	
	Other operating income	1,099.17	629.84	1,157.47
		1,05,296.89	1,05,505.94	61,818.18
II	Other income	2,421.47	4,638.46	5,906.82
III	Total income (I + II)	1,07,718.36	1,10,144.40	67,725.00
IV	Expenses			
	Finance cost	45,754.14	40,943.86	27,344.95
	Impairment of financial instruments	29,980.94	9,234.97	1,977.89

	Employee benefit expenses	18,852.94	15,020.44	11,348.19
	Depreciation and amortisation expense	1,183.72	714.45	588.50
	Other expenses	8,878.60	7,697.99	6,324.11
	Total expenses (IV)	1,04,650.34	73,611.71	47,583.64
V	Profit before exceptional items and tax (III - IV)	3,068.02	36,532.69	20,141.36
VI	Exceptional items	-	5,502.64	-
VII	Profit before tax (V- VI)	3,068.02	31,030.05	20,141.36
VIII	Tax expense			
	(1) Current tax	6,618.90	9,832.60	4,711.00
	(2) Deferred tax	-4,828.08	-2,335.35	2,171.99
	(3) Tax relating to earlier years	-410.94	-	
		1,379.88	7,497.25	6,882.99
IX	Profit for the year (VII - VIII)	1,688.14	23,532.80	13,258.37
X	Other comprehensive income			

A	(i) Items that will not be reclassified to profit or loss:			
	a. Remeasurement gains and (losses) on defined benefit obligations (net)	-184.28	-31.06	32.71
	b. Fair value changes on derivatives designated as cash flow hedge, (net)	64.95	-	
	(ii) Income tax relating to items that will not be reclassified to profit or loss	30.04	7.82	-11.46
	Subtotal (A)	-89.29	-23.24	21.25
B	(i) Items that will be reclassified to profit or loss	-	-	
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	
	Subtotal (B)	-	-	
	Other comprehensive income (A + B)	-89.29	-23.24	21.25
XI	Total comprehensive income for the year (IX + X)	1,598.85	23,509.56	13,279.62

Statement of cash flow:

Asirvad Micro Finance Limited			
Statement of cash flow	**Year ended**	**Year ended**	**Year ended**
(All amounts in ₹ lakhs unless otherwise stated)	**31 March 2021**	**31 March 2020**	**31 March 2019**
Cash flow from operating activities			
Profit before income tax	3,068.02	31,030.05	20,141.36
Adjustments for:			
Depreciation and amortisation expense	1,183.72	714.45	588.50
Impairment of financial instruments	29,980.94	14,737.61	
Provision for insurance claim receivable	301.70	86.31	1,977.89
Loss/(Profit) on sale of fixed assets (net)	0.06	(1.36)	(2.21)
Dividend income	(1,286.86)	(947.06)	(507.64)
Finance cost	45,754.14	40,943.86	27,344.95
Interest on deposits	(2,774.95)	(1,968.94)	(1,381.03)
Share based payments to employees	(7.24)	-	(6,724.05)
Operating profit before working capital changes	76,219.53	84,594.92	41,442.19

Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Loans	-75,172.60	-99,160.27	-38,925.00
Loans given to staff	-25.78	-21.89	-26.95
Other financial assets	-2,655.70	-6,287.05	-1,071.93
Other non financial assets	-366.14	-135.29	-159.55
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables	684.52	530.73	620.16
Other financial liabilities	1,341.34	2,957.75	2,696.28
Other non financial liabilities	-26,482.21	29,965.70	163.53
Other provisions	165.29	141.29	52.19
Cash flow generated used in operations	-20,928.79	12,585.90	4,790.92
Interest Income on deposits			8,004.58
Net cash flow (used in) operations	-20,928.79	12,585.90	12,795.50
Refund received from income tax	-	-	
Net Income tax paid	-5,826.75	-9,910.00	-5,360.43

Net cash (used in) in operating activities (A)	**-26,755.54**	**2,675.90**	**7,435.07**
Cash flow from investing activities			
Capital Expenditure	-	-	
Proceeds from sale of property, plant and equipment	25.00	8.50	163.18
Purchase of property, plant and equipment	-801.33	-2,010.63	-287.13
Purchase of other intangible assets	-456.50	-	
Net movement in bank deposits	1,013.48	-2,887.99	
Dividend received	1,286.86	947.06	507.64
Interest income on deposits	3,269.05	1,435.09	
Net cash flow generated from investing activities (B)	**4,336.56**	**-2,507.97**	**383.69**
Cash flow from financing activities			
Proceeds from long term borrowings - term loans	1,92,545.00	3,05,669.30	-646.85
Repayment of long term borrowings - term loans	-2,02,517.37	-1,16,935.68	
Interest paid on term loans	-31,042.46	-21,864.68	-15,379.82
Hedge liability	-	-	
Prepaid processing charges	-	-	222.35

Proceeds from long term borrowings - debentures	1,11,500.00	29,450.00	
Repayment of long term borrowings - debentures	-35,575.00	-47,283.00	12,593.00
Interest paid on debentures	-9,133.79	-9,895.26	-10,303.55
Prepaid processing charges		-	83.09
Proceeds from securitisation borrowings	-	58,987.62	3,477.75
Repayment of securitisation borrowings	-52,241.91	-1,18,053.81	
Interest paid on securitisation	-3,378.55	-8,956.58	
Prepaid Processing Charges	-		
Proceeds from short term borrowings - commercial paper	-	21,973.42	
Repayment of short term borrowings - commercial paper	-2,266.55	-24,644.92	
Interest paid on CP	-233.45	-438.11	
Repayment of short term borrowings - cash credit	-	-0.28	0.28
Proceeds from finance lease	-	-8.98	-86.53
Proceeds from Issue of Equity Shares	-	-	37,085.59
Other interest and charges paid	-464.51	-682.56	-1,300.31
Net cash flow from financing activities (C)	**-32,808.59**	**67,316.49**	**25,745.00**

Net increase in cash and cash equivalents (A+B+C)	**-55,227.57**	**67,484.42**	**33,563.76**
Cash and cash equivalents at the beginning of the period	1,20,074.44	52,590.02	19,026.25
Cash and cash equivalents at the end of the period	**64,846.87**	**1,20,074.44**	**52,590.02**

LIMITED REVIEW REPORT – JUNE 2021

Walker Chandiok & Co LLP

Walker Chandiok & Co LLP
9th floor, A wing, Prestige Polygon,
471 Anna Salai, Mylapore Division,
Teynampet,
Chennai – 600 035
Tamil Nadu, India
T +91 44 4294 0099
F +91 44 4294 0044

Independent Auditor's Review Report on Unaudited Financial Information of the Company for the period ended 30 June 2021

To the Board of Directors of Asirvad Micro Finance Limited

Introduction

1. We have reviewed the accompanying statement of unaudited financial information ('the Statement') of Asirvad Micro Finance Limited ('the Company') for the quarter ended 30 June 2021, prepared by the Company's management, pursuant to the requirements of SEBI circular no. CIR/CFD/CMD1/44/2019 dated 29 March 2019, solely to assist the Management of the Holding Company in the preparation of its consolidated financial results for the quarter ended 30 June 2021 pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. The Statement is the responsibility of the Company's Management and has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review of the Statement, which has been prepared by the management 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 (the 'Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time, which is applicable to the Holding Company.

Scope of Review

2. 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. 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 the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, 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.



Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-0966 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

Conclusion

3. 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 the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), which is applicable to the Holding Company as specified in paragraph 1 above, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

4. We draw attention to Note 3 to the accompanying Statement, which describes the uncertainties relating to the effects of Covid-19 pandemic on the Company's operations and the impact on the impairment provision recognized on towards the loan assets outstanding as at 30 June 2021, the extent of which is dependent on future developments, as they evolve. Our conclusion is not modified in respect of this matter.

Other Matter

5. The review of unaudited quarterly financial information for the period ended 30 June 2020 included in the Statement was carried out and reported by Deloitte Haskins & Sells LLP who have expressed unmodified conclusion vide their review report dated 24 July 2020, whose report have been furnished to us and which have been relied upon by us for the purpose of our review of the Statement. Our conclusion is not modified in respect of this matter.

Restriction on distribution or use

6. The Statement have been prepared by the Company's Management solely to assist the Management of the Holding Company in the preparation of its consolidated financial results for the quarter ended 30 June 2021 pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time, and therefore, it may not be suitable for other purpose. This review report is issued solely for the aforementioned purpose, and accordingly should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this review report is shown or into whose hands it may come without our prior consent in writing.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

WALKER CHANDIOK & CO LLP * CHENNAI * CHARTERED ACCOUNTANTS

Sumesh E S
Partner
Membership No.: 206931
UDIN: 21206931AAAACU2481

Place: Chennai
Date: 07 August 2021

Ashrad Micro Finance Limited
(Subsidiary of Manappuram Finance Limited)
CIN: U65923TN2007PLC064550
Regd Office: 1st Floor, Deshabandhu Plaza, 47, Whites Road, Chennai - 600014
Statement of Unaudited Interim Financial Results for the Quarter Ended 30 June 2021

(In ₹ lakhs, except for Earnings Per Share)

S.No	Particulars	Quarter Ended			Year ended
		30 June 2021	31 March 2021	30 June 2020	31 March 2021
		Unaudited	Audited (Refer note 5)	Unaudited	Audited
(I)	**Revenue from operations**				
	(a) Interest income	26,442.48	24,962.42	23,431.82	96,762.88
	(b) Dividend income	256.94	140.09	530.32	1,286.86
	(c) Net gain on derecognition of financial instruments under amortised cost category	2,049.23	1,915.91	2,346.36	7,147.96
	(d) Other operating income	931.57	859.79	25.33	1,099.17
	Total revenue from operations	29,680.22	27,869.20	26,133.85	1,05,296.89
(II)	Other income	565.40	508.68	281.71	2,421.47
	Total income (I + II)	30,255.62	28,377.88	26,815.56	1,07,718.36
(III)	**Expenses**				
	(a) Finance cost	11,921.54	10,604.29	12,384.82	45,754.14
	(b) Employee benefit expenses	5,356.35	5,196.91	3,646.93	18,852.94
	(c) Depreciation, amortization and impairment	352.98	411.16	198.86	1,183.72
	(d) Impairment of financial instruments	9,047.57	9,486.52	1,507.11	28,960.94
	(e) Other expenses	2,470.22	2,118.66	1,738.02	8,878.60
	Total expenses	29,147.66	27,817.54	19,475.74	1,04,630.34
(IV)	**Profit/(Loss) before tax and exceptional item (I + II - III)**	1,107.96	560.31	7,139.82	3,088.02
(V)	**Exceptional item**	-	-	7,557.46	-
(VI)	**Profit/(Loss) before tax (IV - V)**	1,107.96	560.31	(417.64)	3,088.02
(VII)	**Tax Expense**	342.49	147.92	(158.15)	1,379.88
(VIII)	**Profit/(Loss) after tax (VI - VII)**	765.47	412.39	(259.49)	1,688.14
(IX)	**Other Comprehensive Income**				
	(i) Items that will not be classified to profit or loss				
	a. Remeasurement gains and (losses) on defined benefit obligations (net)	-	(178.51)	(7.77)	(184.28)
	b. Fair value changes on derivatives designated as cash flow hedge, (net)	(586.32)	64.95	-	64.95
	(ii) Income tax relating to items that will not be reclassified to profit or loss	147.58	28.09	1.96	30.04
	Total Other Comprehensive Income (I+II)	(438.74)	(83.48)	(5.81)	(89.29)
(X)	**Total Comprehensive Income/Loss for the period/year (VIII + IX)**	326.73	328.91	(265.30)	1,598.86
(XI)	Paid-up equity share capital	5,331.19	5,331.19	5,331.19	5,331.19
(XII)	Reserves (excluding revaluation reserves)	Not Applicable	Not Applicable	Not Applicable	1,00,212.30
(XIII)	Earnings per Share of Rs.10 each (not annualised)				
	- Basic	1.44	0.77	(0.49)	3.17
	- Diluted	1.44	0.77	(0.49)	3.17

Notes :

1. The above Interim Financial Results for the quarter ended 30 June 2021 were reviewed by the Audit Committee and upon their recommendation, approved by the Board of Directors in their respective meetings held on 07 August 2021. The Statutory Auditors of the Company have carried out a Limited Review on the Interim Financial Results for the quarter ended 30 June 2021.

2. The Interim Financial Results for the quarter ended 30 June 2021 has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.



Aasrvad Micro Finance Limited
(Subsidiary of Manappuram Finance Limited)
CIN: U65923TN2007PLC064550
Regd Office: 1st Floor, Deshabandhu Plaza, 47, Whites Road, Chennai - 600014
Statement of Unaudited Interim Financial Results for the Quarter Ended 30 June 2021

Notes (continued):

3. Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. During the quarter ended June 30, 2021, India experienced a "second wave" of COVID-19, including a significant surge of COVID-19 cases following the discovery of mutant coronavirus variants in the country.

The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The disruptions following the outbreak, have led to a decrease in loan originations and the efficiency in collection efforts. This may lead to a continued rise in the number of customer defaults and consequently an increase in expected credit loss there against. The extent to which the COVID-19 pandemic will continue to impact the Company's results will depend on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

4. Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) are given below (excluding write off and fully repaid loan accounts):

Type of Borrower	Number of accounts where resolution plan has been implemented under this window (A)	Exposure to accounts mentioned at (A) before implementation of the plan (B)	Of (B), aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Increase in provisions on account of the implementation of the resolution (E)
MSME Loans	-	-	-	-	-
Others	62,396	8,528.23	-	-	4,772.36
Total	**62,396**	**8,528.23**	-	-	**4,772.36**

None of the above borrower's accounts, where the resolution plans has been implemented as per RBI circular dated 06 August 2020 (Resolution Framework 1.0), have been modified under Resolution Framework 2.0 announced by RBI on 05 May 2021.

In addition, the Company has restructured during the current quarter, in accordance with Resolution Framework 2.0 announced by RBI on 05 May 2021, an aggregate loan exposure of ₹ 110,881.02 Lakhs and have made an expected credit loss of ₹ 11,086.10 Lakhs on these restructured loans.

5. Figures for the quarter ended 31 March 2021 is balancing figure between audited figures in respect of full financial year and the unaudited figures for 9 months ended 31 December 2020, which were approved by the Board of Directors and subjected to limited review by the auditors.

6. The Company is primarily engaged in the business of Micro Finance and hence, does not have any additional disclosures to be made under Ind AS 108 - Operating Segments.

7. Previous period figures have been regrouped / reclassified wherever necessary to conform with the current period presentation.

For and on behalf of the Board of Directors

B N Raveendra Babu
Managing Director
(DIN No.00043622)

Place : Chennai
Date : 07 August 2021

ANNEXURE II: CREDIT RATING LETTER

Ratings

CRISIL
An S&P Global Company

CONFIDENTIAL

RL/AVMFPL/275127/LTPPMLD/0821/15405/95933679/1
October 27, 2021

Mr. Yogesh Udhoji
Chief Financial Officer
Asirvad Microfinance Limited
9th & 10th Floor,No.9,
Club House Road,
Anna Salai,
Chennai - 600002
7806800161

Dear Mr. Yogesh Udhoji,

Re: CRISIL Rating on the Rs. 300 Crore Long Term Principal Protected Market Linked Debentures of Asirvad Microfinance Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.
Please refer to our rating letter dated August 11, 2021 bearing Ref. no: RL/AVMFPL/275127/LTPPMLD/0821/15405/95933679

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Long Term Principle Protected Market Linked Debentures	300	CRISIL PP-MLD AA-r/Stable

A prefix of 'PP-MLD' indicates that the instrument is a principal-protected market-linked debenture. The terms of such instruments indicate that while the issuer promises to pay back the face value/principal of the instrument, the coupon rates of these instruments will not be fixed, and could be linked to one or more external variables such as commodity prices, equity share prices, indices, or foreign exchange rates. A suffix of 'r' indicates investments carrying non-credit risk. The 'r' suffix indicates that payments on the rated instrument have significant risks other than credit risk. The terms of the instrument specify that the payments to investors will not be fixed, and could be linked to one or more external variables such as commodity prices, equity indices, or foreign exchange rates. This could result in variability in payments, including possible material loss of principal, because of adverse movement in value of the external variables. The risk of such adverse movement in price/value is not addressed by the rating.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralised database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Ajit Velonie
Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a

Rating Rationale

July 26, 2021 | Mumbai

Asirvad Microfinance Limited

'CRISIL PPMLD AA-r/Stable' assigned to Long Term Principal Protected Market Linked Debentures

Rating Action

Total Bank Loan Facilities Rated	**Rs.4000 Crore**
Long Term Rating	**CRISIL AA-/Stable (Reaffirmed)**

Rs.250 Crore Long Term Principal Protected Market Linked Debentures	**CRISIL PPMLD AA- r /Stable (Assigned)**
Rs.300 Crore Long Term Principal Protected Market Linked Debentures	**CRISIL PPMLD AA- r /Stable (Reaffirmed)**
Rs.50 Crore Long Term Principal Protected Market Linked Debentures	**CRISIL PPMLD AA- r /Stable (Reaffirmed)**
Rs.250 Crore Non Convertible Debentures	**CRISIL AA-/Stable (Reaffirmed)**
Rs.250 Crore Non Convertible Debentures	**CRISIL AA-/Stable (Reaffirmed)**
Rs.300 Crore Non Convertible Debentures	**CRISIL AA-/Stable (Reaffirmed)**
Rs.200 Crore Non Convertible Debentures	**CRISIL AA-/Stable (Reaffirmed)**
Rs.300 Crore Non Convertible Debentures	**CRISIL AA-/Stable (Reaffirmed)**
Rs.125 Crore Non Convertible Debentures	**CRISIL AA-/Stable (Reaffirmed)**
Rs.500 Crore Non Convertible Debentures	**CRISIL AA-/Stable (Reaffirmed)**
Rs.125 Crore Subordinated Debt	**CRISIL AA-/Stable (Reaffirmed)**
Rs.300 Crore Subordinated Debt	**CRISIL AA-/Stable (Reaffirmed)**
Rs.400 Crore Commercial Paper	**CRISIL A1+ (Reaffirmed)**

1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has assigned its '**CRISIL PPMLD AA-r/Stable**' rating on the Rs 250 crore long term principal protected market linked debentures of Asirvad Microfinance Limited and reaffirmed its rating on the company's long term bank facilities and outstanding debt instruments at 'CRISIL AA-/CRISIL PP-MLD AA-r/Stable/CRISIL A1+'.

The ratings centrally factor in strong management and financial support from Manappuram Finance Ltd (MAFIL; rated 'CRISIL AA/CRISIL PPMLD AAr/Stable/CRISIL A1+'), and Asirvad's earnings profile and its adequate capital position. These strengths are partially offset by concentration in operations, despite steady reduction in southern India and risks related to regulatory and legislative changes in the microfinance sector.

As on March 31, 2020, Asirvad's assets under management (AUM) stood at Rs 5,488 crore (including off-book of Rs 1072 crore), registering a two-year compound annual growth rate (CAGR) of 50%. However, this momentum was curbed by lower disbursements in the first half of fiscal 2021, on account of the Covid-19 pandemic. With a gradual revival in business activity through the second half of the fiscal, the AUM increased to Rs 5,985 crore as on March 31, 2021, registering an on-year growth of 9.1%.

The company's collection efficiency (including over-dues but excluding prepayments) revived towards the end of the first quarter of fiscal 2021, and reached 85% in September 2020. Efficiency improved to 99.9% in March 2021 but then dropped to around 89% in April 2021 and further to 57% in May 2021 given the sharp spike in cases due to the second wave of Covid-19 and localised lockdown by states to curb the pandemic. While the collection efficiency has improved in June 2021, the company's ability to improve its current collections in the coming months and eventually reach the pre-Covid levels of around 99% on a steady state basis will be a key monitorable. In fiscal 2021, with steady improvement in collections and revival in economic activity from July onwards, Asirvad started disbursing from August 2020, and with significant improvement in collections, disbursements also increased and stood at about Rs 3,596 crore in fiscal 2021. However, the pace slowed in April and May 2021 due to lockdown restrictions. Sustainability of collections for the incremental disbursements will be closely monitored.

Given the disruption in the cash flows of many borrowers amid the pandemic and considering the potential challenges in recovering overdues, the company made a provision of Rs 300 crore (including write-off of Rs 143 crore) in fiscal 2021. Further, under the RBI Resolution framework 1.0, Asirvad had undertaken restructuring worth Rs 211 crore. Nevertheless, asset quality remained moderate and the 90+ days past due (dpd) stood at 2.5% as on March 31, 2021, compared with 1.8% a year earlier. Asirvad is expected to carry out restructuring of its book under the RBI Resolution Framework 2.0. The performance of the restructured portfolio besides overall book, in the coming months will be a key monitorable. The intermittent lockdowns and localised restrictions because of the second wave of the pandemic could delay collections in upcoming months due to the impact on the cash flows of borrowers. Any change in the payment discipline of borrowers will also affect delinquency levels and hence Asirvad's ability to manage asset quality and maintain healthy collections will remain a monitorable.

On a standalone basis, Asirvad has sufficient liquidity buffer to cover total debt obligation and operating expenses in the coming months. As on May 31, 2021, Asirvad had liquidity of Rs 715 crore (excluding term loans and securitisation lines). Against this, total debt obligation (including operating expense and excluding PTC/DA) was around Rs 554 crore until July 2021. This represents liquidity cover of 1.29 times for two months even after assuming nil collections. Total collection was around Rs 271 crore in May 2021. These monthly collections are adequate to take care of Asirvad's monthly debt obligation and operating expenses. Furthermore, Asirvad should receive timely need-based financial support from its parent, MAFIL, in case of any exigency. Nevertheless, the ability to enhance collection efficiency in the coming months to pre-Covid-19 levels will remain a key monitorable.

Analytical Approach

CRISIL Ratings has assessed the standalone financial and business risk profiles of Asirvad and has factored in the company's strategic importance to, and expectation of strong financial support from, MAFIL.

Key Rating Drivers & Detailed Description

Strengths:

- **Expectation of strong support from MAFIL**

  The ratings on Asirvad's debt centrally factor in the company's strategic importance to, and expectation of financial support from, MAFIL. The microfinance segment is strategically important to the Manappuram group, as it is the largest business after gold loans. Asirvad accounted for around 22% of the overall asset mix of MAFIL on a consolidated basis as on March 31, 2021. As the business is scalable and has been profitable, it shall be a key growth driver for the group over the medium term.

  MAFIL holds 94.78% equity in Asirvad and has infused growth capital in the latter and will continue to do so when required. In fiscal 2019, the parent infused equity of Rs 371 crore. In addition, Mr VP Nandakumar (managing director of MAFIL) and two other directors of MAFIL are on the board of Asirvad. MAFIL will continue to hold a majority stake in Asirvad.

- **Adequate capital position**

  Asirvad's capital position has witnessed substantial improvement owing to capital infusion by the parent. MAFIL infused Rs 371 crore in Asirvad in fiscal 2019. Networth and adjusted gearing stood at Rs 1055 crore and 5.5[1] times, respectively, as on March 31, 2021, against Rs 278 crore and 10.3 times, respectively, as on March 31, 2018. The capital position is supported by healthy internal accrual; in fiscal 2020, Asirvad reported profit of Rs 235 crore against profit of Rs 133 crore in the previous fiscal. However, the net profit dropped to Rs 16.9 in fiscal 2021, because the company incurred a net loss of Rs 5 crore for the first half of fiscal 2021, primarily because of provision of Rs 157 crore, of which Rs 142 crore was against Covid-19. For the full fiscal 2021, the company made a provision of Rs 300 crore (including write-off of Rs 143 crore). Gearing should remain around 7 times on a steady-state basis over the medium term. Given that microfinance is the second largest business of MAFIL, the parent will likely infuse capital at regular intervals to support growth in Asirvad's operations.

- **Above-average earnings historically, albeit moderation on account of higher provisioning to combat the pandemic**

  After reporting losses of Rs 10 crore in fiscal 2018 due to high provisioning cost, the company reported healthy profit of Rs 133 crore in fiscal 2019 and Rs 235 crore in fiscal 2020. Return on managed assets (RoMA) thus stood at 3.6% in fiscal 2019 and 4.1% in fiscal 2020. However, the company reported net profit of just Rs 16.9 crore in fiscal 2021, primarily due to Rs 300 crore provisioning (including write-off of Rs 143 crore) considering the potential challenges in recovering overdues amid the pandemic. Consequently, the RoMA dropped to 0.3% during fiscal 2021. Along with the growth in portfolio, the company maintained net interest margin (NIMs) of 7.0-9.5% in the past four fiscals. Operating cost has also benefitted from the operating leverage attained with high growth in portfolio. Increase in the AUM per branch and per district, also indicates a ramp-up in portfolio at the same branch cost.

  Credit cost rose to 4.4% in fiscal 2021, compared with 2.6% in fiscal 2020, on account of the company's aggressive provisioning policy. Given the aggressive provisioning implemented by the company in fiscal 2020 and fiscal 2021, profitability is expected to improve in the coming quarters of fiscal 2022. Nevertheless, in the near term, Asirvad's ability to manage recoveries to pre-pandemic level would be a key rating sensitivity factor.

Weaknesses:

- **Concentration in operations, despite steady reduction, in southern India**

  Despite presence in 22 states through 1,028 branches, the southern states accounted for around 37% of the company's portfolio as on March 31, 2021. However, this concentration has reduced from 49% as on March 31, 2018, and around 63% as on March 31, 2017. Also, the portfolio is well diversified across districts, with the top five districts accounting for only 7.2% of the portfolio as on March 31, 2021. The company is increasing focus on the eastern and north-eastern states to drive growth and reduce the share of southern states. Amidst fast growth in the portfolio, the ability to diversify

geographically and maintain stable systems and processes to avoid any asset quality pressures, remain critical and hence, a key rating sensitivity factor.

- **Moderation in the asset quality**
  Asset quality improved substantially in fiscal 2019, with 90+ dpd reducing to 0.5% as on March 31, 2019, from 2.3% as on March 31, 2018, and 4.4% as on March 31, 2017. The improvement was aided by write-off of around Rs 180 crore in fiscals 2017 and 2018, and the base effect caused by portfolio growth of over 60% in fiscal 2019. However, the company has taken steps to strengthen its internal processes, such as branch grading, based on collection efficiency, end-to-end process notes, zero cash policy at branches and pin code analysis for new branch identification. The company is focused on building a more robust portfolio with customers who have a proven repayment track record. However, in fiscal 2020, asset quality saw some moderation primarily on account of political unrest in Karnataka and floods in several districts, which led to 90+ dpd of 1.8% as on March 31, 2020. This further weakened on account of the pandemic, and the proforma 90+ dpd stood at 2.5% as on March 31, 2021. As the situation regarding the severity and longevity of the Covid-19 impact evolves, sustainability of asset quality in the near-to-medium term will be monitored closely. Besides, with the risk of potential increase in credit losses in the near-to-medium term, profitability will remain closely monitored.

- **Potential risks from legislative and regulatory changes in the microfinance sector**
  The microfinance sector witnessed two major disruptive events in the past decade. The first was the crisis promulgated by the ordinance passed by the government of Andhra Pradesh in 2010, and the second was demonetisation in 2016. Promulgation of the ordinance on MFIs by the government of Andhra Pradesh in 2010 exposed them to regulatory and legislative risks. The ordinance triggered a chain of events that adversely affected the business models of MFIs by impairing their growth, asset quality, profitability and solvency. The sector witnessed high levels of delinquencies post demonetisation and subsequent socio-political events. The MFI Bill, 2020 passed recently by the Assam Assembly may increase asset-quality challenges for MFIs. Further, announcement of any loan waivers may worsen matters, due to their impact on repayment discipline. The sector also remains susceptible to regional issues such as elections, natural calamities and borrower protests among others, which may result in momentary spurt in delinquencies. This indicates the fragility of the business model to external risks. As the business involves lending to the poor and downtrodden sections of society, MFIs will remain exposed to socially sensitive factors, including high interest rates, tighter regulations and legislations.

[1]*Includes off-book borrowings*

Liquidity: Strong
Asirvad had cash and equivalents, including liquid investments, of Rs 715 crore as on May 31, 2021. As against this, debt obligation due for servicing over the two months through July 2021, aggregated to Rs 554 crore. In addition, the company had unutilised term loan of Rs 903 crore and Rs 400 crores worth of securitisation as on May 31, 2021. Liquidity is also supported by steady collections (Rs 271 crore) over the past 2-3 months. Liquidity is further cushioned by availability of funding lines of Rs 250 crore from MAFIL, which has not been utilised yet.

Outlook: Stable
CRISIL Ratings believes Asirvad will receive strong financial and managerial support from its parent over the medium term, and maintain adequate capitalisation.

Rating Sensitivity factors
Upward factors
- Improvement in scale and geographic diversity of operations with top five states accounting for not more than 50% of loan portfolio.
- Upward revision in the credit rating of MAFIL

Downward factors
- Downward revision in the credit rating, or change in the support philosophy of, MAFIL
- Increase in steady-state adjusted gearing at over 7 times for a prolonged period
- Significant weakening in asset quality or earnings profile, leading to stressed profitability and capital position

About the Company
Asirvad, an NBFC microfinance institution, is a majority-owned subsidiary of MAFIL. Mr SV Raja Vaidyanathan, who was the managing director until June 30, 2021, set it up in 2007. Mr. Ravindra Babu is the current managing director of the company. MAFIL acquired a stake in Asirvad in February 2015, which it increased to 94.78% as on June 30, 2020. Asirvad had 1,028 branches across 316 districts in 22 states as on March 31, 2021.

Asirvad reported profit after tax of Rs 16.9 crore on total income of Rs 1,077 crore in fiscal 2021. Loan portfolio increased to Rs 5,985 crore as on March 31, 2021, from Rs 5488 crore as on March 31, 2020, with a gradual revival in business activity through the second half of fiscal 2021 even as the momentum was curbed by lower disbursements in the first half, on account of the Covid-19 pandemic.

Key Financial Indicators

As On/For The Period Ended	Unit	March-2021	March-2020	March-2019
Total managed assets	Rs crore	6684	6985	4,558
Total income	Rs crore	1077	1101	677
Gross NPA	%	2.5	1.8	0.5
Adjusted gearing^	Times	5.5	5.4	4.9
Profit after tax	Rs crore	16.9	235	133

Return on managed assets	**%**	**0.3**	**4.1**	**3.6**

^includes off-book borrowings

Any other information: Not applicable

Note on complexity levels of the rated instrument:
CRISIL Ratings' complexity levels are assigned to various types of financial instruments. The CRISIL Ratings' complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL Ratings' complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs Crore)	Complexity Level	Rating Assigned with Outlook
NA	Subordinated debt^	NA	NA	NA	210	Complex	CRISIL AA-/Stable
INE516Q08331	Subordinated debt	26-Mar-21	11.90%	26-Jun-26	100	Complex	CRISIL AA-/Stable
INE516Q08158	Subordinated debt	28-Dec-16	13%	28-Jun-23	15	Complex	CRISIL AA-/Stable
INE516Q08166	Subordinated debt	29-Dec-16	13%	28-Jun-23	50	Complex	CRISIL AA-/Stable
INE516Q08182	Subordinated debt	15-Mar-17	13%	15-Jul-22	35	Complex	CRISIL AA-/Stable
INE516Q08174	Subordinated debt	15-Mar-17	13%	15-Jul-22	15	Complex	CRISIL AA-/Stable
NA	Commercial paper programme	NA	NA	7-365 days	400	Simple	CRISIL A1+
NA	Long-term principal-protected market-linked debentures^	NA	NA	NA	250	Highly complex	CRISIL PPMLD AA-r/Stable
NA	Long-term principal-protected market-linked debentures^	NA	NA	NA	300	Highly complex	CRISIL PPMLD AA-r/Stable
NA	Long-term principal-protected market-linked debentures^	NA	NA	NA	25.5	Highly complex	CRISIL PPMLD AA-r/Stable
NA	Non-convertible debenture^	NA	NA	NA	217	Simple	CRISIL AA-/Stable
NA	Non-convertible debenture^	NA	NA	NA	250	Simple	CRISIL AA-/Stable
INE516Q08315	Non-convertible debenture	03-Mar-21	10.50%	03-Mar-23	100	Simple	CRISIL AA-/Stable
INE516Q08323	Non-convertible debenture	08-Mar-21	10.50%	08-Mar-23	50	Simple	CRISIL AA-/Stable
INE516Q08349	Non-convertible debenture	25-May-21	10.50%	25-May-23	50	Simple	CRISIL AA-/Stable
INE516Q07275	Non-convertible debenture	09-Mar-20	11.8	09-Mar-25	70	Simple	CRISIL AA-/Stable
INE516Q08281	Non-convertible debenture	30-May-19	11.63%	20-Jun-24	50	Simple	CRISIL AA-/Stable
INE516Q07226	Non-convertible debenture	09-Aug-17	12%	09-Aug-23	100	Simple	CRISIL AA-/Stable
INE516Q08265	Non-convertible debenture	24-Apr-19	12%	24-Apr-22	250	Simple	CRISIL AA-/Stable
INE516Q08166	Non-convertible debenture	29-Dec-16	13%	29-Jun-22	50	Simple	CRISIL AA-/Stable
INE516Q08182	Non-convertible debenture	15-Mar-17	13%	15-Jul-22	35	Simple	CRISIL AA-/Stable
INE516Q08174	Non-convertible debenture	15-Mar-17	13%	15-Jul-22	15	Simple	CRISIL AA-/Stable
INE516Q08158	Non-convertible debenture	28-Dec-16	12.42%	28-Jun-23	15	Simple	CRISIL AA-/Stable
INE516Q07267	Non-convertible debenture	27-Dec-19	12%	27-Jun-22	40	Simple	CRISIL AA-/Stable
INE516Q07283	Non-convertible debenture	28-May-20	10.50%	28-Apr-23	50	Simple	CRISIL AA-/Stable

INE516Q07291	Non-convertible debenture	29-May-20	11%	29-May-23	20	Simple	CRISIL AA-/Stable
INE516Q07291	Non-convertible debenture	12-Jun-20	11%	12-Jun-23	25	Simple	CRISIL AA-/Stable
INE516Q07309	Non-convertible debenture	22-Jun-20	11.25%	22-Mar-23	50	Simple	CRISIL AA-/Stable
INE516Q07317	Non-convertible debenture	26-Jun-20	11%	26-May-23	35	Simple	CRISIL AA-/Stable
INE516Q07317	Non-convertible debenture	26-Jun-20	11%	26-May-23	50	Simple	CRISIL AA-/Stable
INE516Q07283	Non-convertible debenture	18-Jul-20	10.25%	24-Apr-23	25	Simple	CRISIL AA-/Stable
INE516Q07333	Non-convertible debenture	08-Sep-20	9%	08-Mar-22	50	Simple	CRISIL AA-/Stable
INE516Q07341	Non-convertible debenture	19-Nov-20	8.60%	19-May-22	50	Simple	CRISIL AA-/Stable
INE516Q07366	Non-convertible debenture	31-Dec-20	8.40%	30-Jun-22	75	Simple	CRISIL AA-/Stable
INE516Q08307	Non-convertible debenture	04-Feb-21	11.10%	05-Feb-23	75	Simple	CRISIL AA-/Stable
NA	Term loan	NA	NA	15-Apr-23	122.08	NA	CRISIL AA-/Stable
NA	Term loan	NA	NA	23-Mar-23	103.76	NA	CRISIL AA-/Stable
NA	Term loan	NA	NA	19-Mar-22	61.90	NA	CRISIL AA-/Stable
NA	Term loan	NA	NA	27-Jan-24	355.00	NA	CRISIL AA-/Stable
NA	Term loan	NA	NA	26-Mar-23	40.92	NA	CRISIL AA-/Stable
NA	Term loan	NA	NA	30-Jun-22	10.29	NA	CRISIL AA-/Stable
NA	Term loan	NA	NA	19-Jul-21	3.41	NA	CRISIL AA-/Stable
NA	Term loan	NA	NA	29-Apr-23	250.20	NA	CRISIL AA-/Stable
NA	Term loan	NA	NA	23-Jun-23	91.67	NA	CRISIL AA-/Stable
NA	Term loan	NA	NA	30-Jun-24	42.50	NA	CRISIL AA-/Stable
NA	Term loan	NA	NA	11-Feb-22	23.77	NA	CRISIL AA-/Stable
NA	Term loan	NA	NA	30-Mar-23	44.17	NA	CRISIL AA-/Stable
NA	Term loan	NA	NA	30-Dec-22	50.00	NA	CRISIL AA-/Stable
NA	Term loan	NA	NA	03-Dec-22	54.34	NA	CRISIL AA-/Stable
NA	Term loan	NA	NA	30-Mar-24	100.00	NA	CRISIL AA-/Stable
NA	Term loan	NA	NA	30-Jun-22	34.75	NA	CRISIL AA-/Stable
NA	Term loan	NA	NA	29-Jan-23	33.54	NA	CRISIL AA-/Stable
NA	Term loan	NA	NA	22-May-23	146.67	NA	CRISIL AA-/Stable
NA	Term loan	NA	NA	21-May-22	31.25	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	26-Feb-22	125.00	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	26-Mar-22	116.65	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	18-Mar-23	31.82	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	10-Feb-23	36.52	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	30-Sep-22	40.54	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	30-Sep-	40.00	NA	CRISIL

				22			AA-/Stable
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	2009.25	NA	CRISIL AA-/Stable

^*Yet to be issued*

Annexure - Rating History for last 3 Years

	Current			2021 (History)		2020		2019		2018		Start of 2018
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	4000.0	CRISIL AA-/Stable	12-07-21	CRISIL AA-/Stable	27-11-20	CRISIL AA-/Stable	31-08-19	CRISIL AA-/Stable	17-08-18	CRISIL A+/Positive	CRISIL A+/Stable
			--	17-02-21	CRISIL AA-/Stable	24-06-20	CRISIL AA-/Stable	10-06-19	CRISIL A+/Positive	04-06-18	CRISIL A+/Stable	--
			--		--	14-05-20	CRISIL AA-/Stable		--	21-05-18	CRISIL A+/Stable	--
			--		--	14-04-20	CRISIL AA-/Stable		--	02-05-18	CRISIL A+/Stable	--
			--		--	31-03-20	CRISIL AA-/Stable		--	13-03-18	CRISIL A+/Stable	--
			--		--	06-01-20	CRISIL AA-/Stable		--		--	--
Commercial Paper	ST	400.0	CRISIL A1+	12-07-21	CRISIL A1+	27-11-20	CRISIL A1+	31-08-19	CRISIL A1+	17-08-18	CRISIL A1+	CRISIL A1+
			--	17-02-21	CRISIL A1+	24-06-20	CRISIL A1+	10-06-19	CRISIL A1+	04-06-18	CRISIL A1+	--
			--		--	14-05-20	CRISIL A1+		--	21-05-18	CRISIL A1+	--
			--		--	14-04-20	CRISIL A1+		--	02-05-18	CRISIL A1+	--
			--		--	31-03-20	CRISIL A1+		--	13-03-18	CRISIL A1+	--
			--		--	06-01-20	CRISIL A1+		--		--	--
Non Convertible Debentures	LT	1925.0	CRISIL AA-/Stable	12-07-21	CRISIL AA-/Stable	27-11-20	CRISIL AA-/Stable	31-08-19	CRISIL AA-/Stable	17-08-18	CRISIL A+/Positive	CRISIL A+/Stable
			--	17-02-21	CRISIL AA-/Stable	24-06-20	CRISIL AA-/Stable	10-06-19	CRISIL A+/Positive	04-06-18	CRISIL A+/Stable	--
			--		--	14-05-20	CRISIL AA-/Stable		--	21-05-18	CRISIL A+/Stable	--
			--		--	14-04-20	CRISIL AA-/Stable		--	02-05-18	CRISIL A+/Stable	--
			--		--	31-03-20	CRISIL AA-/Stable		--	13-03-18	CRISIL A+/Stable	--
			--		--	06-01-20	CRISIL AA-/Stable		--		--	--
Subordinated Debt	LT	425.0	CRISIL AA-/Stable	12-07-21	CRISIL AA-/Stable	27-11-20	CRISIL AA-/Stable	31-08-19	CRISIL AA-/Stable	17-08-18	CRISIL A+/Positive	CRISIL A+/Stable
			--	17-02-21	CRISIL AA-/Stable	24-06-20	CRISIL AA-/Stable	10-06-19	CRISIL A+/Positive	04-06-18	CRISIL A+/Stable	--
			--		--	14-05-20	CRISIL AA-/Stable		--	21-05-18	CRISIL A+/Stable	--
			--		--	14-04-20	CRISIL AA-/Stable		--	02-05-18	CRISIL A+/Stable	--
			--		--	31-03-20	CRISIL AA-/Stable		--	13-03-18	CRISIL A+/Stable	--
			--		--	06-01-20	CRISIL AA-/Stable		--		--	--
Long Term Principal Protected Market Linked Debentures	LT	600.0	CRISIL PPMLD AA- r /Stable	12-07-21	CRISIL PPMLD AA- r /Stable	27-11-20	CRISIL PPMLD AA- r /Stable	31-08-19	CRISIL PPMLD AA- r /Stable		--	--
			--	17-02-21	CRISIL PPMLD AA- r /Stable	24-06-20	CRISIL PPMLD AA- r /Stable	10-06-19	CRISIL PPMLD A+ r /Positive		--	--
			--		--	14-05-20	CRISIL PPMLD AA- r /Stable		--		--	--
			--		--	14-04-20	CRISIL PPMLD AA- r /Stable		--		--	--

			--		--	31-03-20	CRISIL PPMLD AA- r /Stable		--		--	--
			--		--	06-01-20	CRISIL AA-/Stable		--		--	--

All amounts are in Rs.Cr.

Annexure - Details of various bank facilities

Current facilities			Previous facilities		
Facility	**Amount (Rs.Crore)**	**Rating**	**Facility**	**Amount (Rs.Crore)**	**Rating**
Proposed Long Term Bank Loan Facility	**2009.25**	**CRISIL AA-/Stable**	**Proposed Long Term Bank Loan Facility**	**2009.25**	**CRISIL AA-/Stable**
Term Loan	**1990.75**	**CRISIL AA-/Stable**	**Term Loan**	**1990.75**	**CRISIL AA-/Stable**
Total	**4000**	**-**	**Total**	**4000**	**-**

Criteria Details

Links to related criteria
CRISILs Bank Loan Ratings - process, scale and default recognition
Rating Criteria for Finance Companies
Criteria for Notching up Stand Alone Ratings of Companies based on Parent Support

Media Relations	Analytical Contacts	Customer Service Helpdesk
Saman Khan Media Relations **CRISIL Limited** D: +91 22 3342 3895 B: +91 22 3342 3000 saman.khan@crisil.com **Naireen Ahmed** Media Relations **CRISIL Limited** D: +91 22 3342 1818 B: +91 22 3342 3000 naireen.ahmed@crisil.com	Krishnan Sitaraman Senior Director and Deputy Chief Ratings Officer **CRISIL Ratings Limited** D:+91 22 3342 8070 krishnan.sitaraman@crisil.com Ajit Velonie Director **CRISIL Ratings Limited** D:+91 22 4097 8209 ajit.velonie@crisil.com Amith Varghese Kurian Rating Analyst **CRISIL Ratings Limited** B:+91 22 3342 3000 Amith.Kurian@crisil.com	Timings: 10.00 am to 7.00 pm Toll free Number:1800 267 1301 For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com For Analytical queries: ratingsinvestordesk@crisil.com

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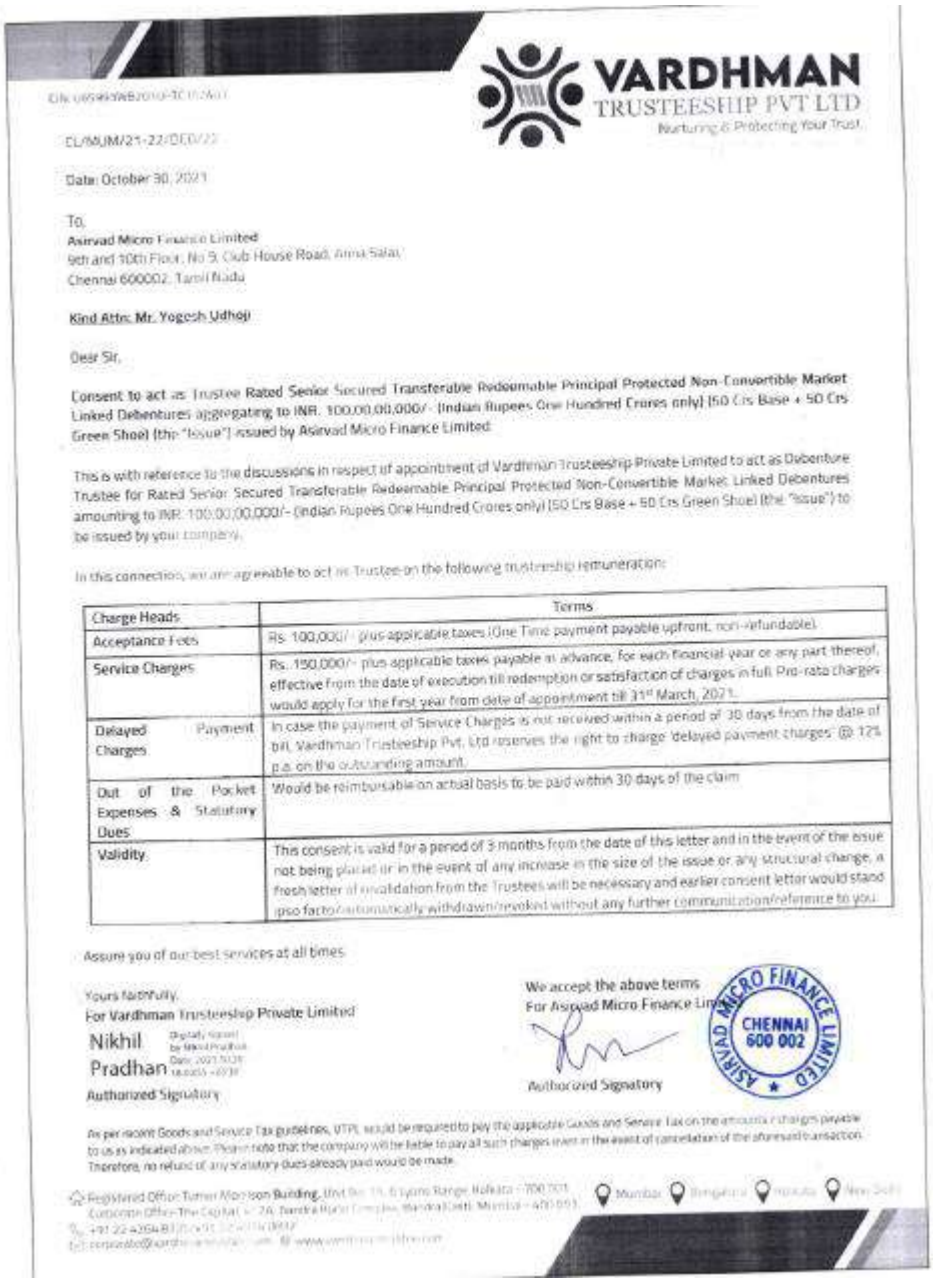
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ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE



VARDHMAN
TRUSTEESHIP PVT LTD
Nurturing & Protecting Your Trust

CIN: U65999WB2010PTC151401

CL/MUM/21-22/DEC/22

Date: October 30, 2021

To,
Asirvad Micro Finance Limited
9th and 10th Floor, No 9, Club House Road, Anna Salai,
Chennai 600002, Tamil Nadu

Kind Attn: Mr. Yogesh Udhoji

Dear Sir,

Consent to act as Trustee Rated Senior Secured Transferable Redeemable Principal Protected Non-Convertible Market Linked Debentures aggregating to INR. 100,00,00,000/- (Indian Rupees One Hundred Crores only) (50 Crs Base + 50 Crs Green Shoe) (the "Issue") issued by Asirvad Micro Finance Limited

This is with reference to the discussions in respect of appointment of Vardhman Trusteeship Private Limited to act as Debenture Trustee for Rated Senior Secured Transferable Redeemable Principal Protected Non-Convertible Market Linked Debentures amounting to INR. 100,00,00,000/- (Indian Rupees One Hundred Crores only) (50 Crs Base + 50 Crs Green Shoe) (the "Issue") to be issued by your company.

In this connection, we are agreeable to act as Trustee on the following trusteeship remuneration:

Charge Heads	Terms
Acceptance Fees	Rs. 100,000/- plus applicable taxes (One Time payment payable upfront, non-refundable).
Service Charges	Rs. 150,000/- plus applicable taxes payable in advance, for each financial year or any part thereof, effective from the date of execution till redemption or satisfaction of charges in full. Pro-rata charges would apply for the first year from date of appointment till 31st March, 2021.
Delayed Payment Charges	In case the payment of Service Charges is not received within a period of 30 days from the date of bill, Vardhman Trusteeship Pvt. Ltd reserves the right to charge 'delayed payment charges' @ 12% p.a. on the outstanding amount.
Out of the Pocket Expenses & Statutory Dues	Would be reimbursable on actual basis to be paid within 30 days of the claim
Validity	This consent is valid for a period of 3 months from the date of this letter and in the event of the issue not being placed or in the event of any increase in the size of the issue or any structural change, a fresh letter of invalidation from the Trustees will be necessary and earlier consent letter would stand ipso facto/automatically withdrawn/revoked without any further communication/reference to you.

Assure you of our best services at all times.

Yours faithfully,
For Vardhman Trusteeship Private Limited

Nikhil Pradhan
Authorized Signatory

We accept the above terms
For Asirvad Micro Finance Limited

Authorized Signatory

ASIRVAD MICRO FINANCE LIMITED
CHENNAI
600 002

As per recent Goods and Service Tax guidelines, VTPL would be required to pay the applicable Goods and Service Tax on the amounts / charges payable to us as indicated above. Please note that the company will be liable to pay all such charges even in the event of cancellation of the aforesaid transaction. Therefore, no refund of any statutory dues already paid would be made.

Registered Office: Turner Morrison Building, Unit No. 1A, 6 Lyons Range, Kolkata - 700 001
Corporate Office: The Capital, 1 - 70, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
Mumbai Bengaluru Kolkata New Delhi
+91 22 4250 8181
corporate@vardhmanventures.com www.vardhmanventures.com

ANNEXURE IV: BOARD RESOLUTION

ASIRVAD MICRO FINANCE LIMITED
Subsidiary of MANAPPURAM FINANCE LTD.
Small Loans... Big Dreams...

Corporate Office:
9th & 10th Floor,
No: 9, Club House Road,
Anna Salai, Chennai - 600 002.
T : 044 3529 8100

EXTRACT OF THE MINUTES OF THE 89TH MEETING OF THE BOARD OF DIRECTORS OF ASIRVAD MICRO FINANCE LIMITED HELD THROUGH VIDEO CONFERENCING ON FRIDAY, MAY 14, 2021, AT IV/470A(OLD) W638A(NEW), MANAPPURAM HOUSE, VALAPAD, THRISSUR – 680 567 (KERALA), WHICH COMMENCED AT 10:00 A.M.

REVISED THE BORROWING LIMITS OF THE COMPANY

Revised the total Borrowing limit and authorized for creation of charge on the assets of the Company

"RESOLVED THAT pursuant to Section 179(3) and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the approval of Members of the Company, the consent of Board of Director be and is hereby accorded to enhance the total borrowing limit of the Company from INR 7,500.00 Crores (Rupees Seven Thousand and Five Hundred Crores Only) to INR 12,000 Crores (Rupees Twelve Thousand Crores Only), which can be borrowed in one or more than one tranches.

RESOLVED FURTHER THAT the consent be and is hereby accorded to do securitisation deals as per the Securitisation Policy of the Company as amended from time to time.

RESOLVED FURTHER THAT Mr. S. V. Raja Vaidyanathan, Managing Director, Mr. B. N. Raveendra Babu, Joint Managing Director and Mr. Yogesh Ratnakar Udhoji, Chief Financial Officer (hereinafter referred to as "Authorized Persons") of the Company be and are hereby authorized severally to negotiate and finalize the terms and conditions of all such sums to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion think fit, keeping in view the interest of the Company.

For ASIRVAD MICRO FINANCE LIMITED

Aparna Menon
Company Secretary

Regd. Office : Ist Floor, Deshabandhu Plaza 47, Whites Road, Chennai - 600 014
Web : www.asirvadmicrofinance.co.in E-mail : info@asirvad.org CIN : U65923TN2007PLC064550

Corporate Office:
9th & 10th Floor,
No: 9, Club House Road,
Anna Salai, Chennai - 600 002.
T : 044 3529 8100

RESOLVED FURTER THAT the Board, subject to the approval of members, be and is hereby accorded its consent to create charge/ hypothecate/ mortgage the assets/ properties of the Company for the purpose of securing the borrowing in favour of the lenders for a sum not exceeding INR 12,000 Crore.

RESOLVED FURTHER THAT any one of the "Authorized Persons" of the Company be and are hereby authorized severally to finalize, settle, sign and execute and/ or cause to sign and execute and/ or forward, file such documents deed(s)/ writing(s)/ agreement(s), Loan Agreement(s), Deed(s) of Mortgage, Charge, Hypothecation, Lien, Undertaking(s), Declarations, letters of application and Undertaking(s), Certificate(s), Guarantee(s) and other writing(s) and amendment(s)/ modification(s)/ alteration(s) thereto as may be necessary or required by Lender for this purpose

RESOLVED FURTHER THAT Mr. S. V. Raja Vaidyanathan, Managing Director, Mr. B. N. Raveendra Babu, Joint Managing Director and Ms. Aparna Menon, Company Secretary of the Company be and are hereby authorized severally to do the necessary e-filing (for securitizing the said borrowings), to issue the certified true copy of this resolution(s) and also to do all such acts, deeds and things and to execute all documents and writings as may be necessary, incidental, consequential, proper, desirable or expedient to give effect to above resolution."

//Certified True Copy//

For Asirvad Micro Finance Limited

Aparna Menon

Company Secretary

ASIRVAD MICRO FINANCE LIMITED
Subsidiary of MANAPPURAM FINANCE LTD.
Small Loans... Big Dreams...

Corporate Office:
9th & 10th Floor,
No: 9, Club House Road,
Anna Salai, Chennai - 600 002.
T : 044 3529 8100

EXTRACT OF THE MINUTES OF THE 89TH MEETING OF THE BOARD OF DIRECTORS OF ASIRVAD MICRO FINANCE LIMITED HELD THROUGH VIDEO CONFERENCING ON FRIDAY, MAY 14, 2021, AT IV/470A(OLD) W638A(NEW), MANAPPURAM HOUSE, VALAPAD, THRISSUR – 680 567 (KERALA), WHICH COMMENCED AT 10:00 A.M.

REVISED THE BORROWING LIMITS OF THE COMPANY

Revised the borrowing limits for Non-Convertible Debentures (NCDs") and Commercial Papers ("CPs")

RESOLVED THAT pursuant to Section 179(3) and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the approval of Members of the Company, consent of Board be and is hereby accorded to revise the limits for fund raising by way of issuing Non-Convertible Debentures ("NCDs") and Commercial Papers ("CPs"), which shall not exceed INR 4,800 Crores and INR 500 Crores, respectively and these limits shall be within the overall borrowing limit of INR 12,000 Crores.

RESOLVED FURTHER THAT any one of Mr. S. V. Raja Vaidyanathan, Managing Director, Mr. B. N. Raveendra Babu, Joint Managing Director and Ms. Aparna Menon, Company Secretary of the Company be and are hereby authorized to do the necessary e-filing and all such other acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper and desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, incidental, consequential, proper, desirable or expedient to give effect to above resolution."

//Certified True Copy//

For Asirvad Micro Finance Limited

Aparna Menon

Company Secretary

ASIRVAD MICRO FINANCE LIMITED
Subsidiary of MANAPPURAM FINANCE LTD.
Small Loans... Big Dreams

Corporate Office:
9th & 10th Floor,
No:9, Club House Road,
Anna Salai, Chennai - 600 002.
T : 044 4212 4493

EXTRACTS OF THE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF ASIRVAD MICRO FINANCE LIMITED HELD ON THURSDAY, THE 23RD DAY OF JANUARY, 2020 AT THE COPRORATE OFFICE OF THE COMPANY SITUATED AT DOOR NO.9, 10TH FLOOR, CLUB HOUSE ROAD, ANNA SALAI, CHENNAI – 600 002 AT 02.00 P.M.

RENAMED THE BORROWING COMMITTEE AS BORROWING & SECURITIES ALLOTMENT COMMITTEE AND CONSIDERED THE REVISION IN THE POWERS DELEGATED TO THE COMMITTEE

"RESOLVED THAT the consent be and is hereby accorded to rename the Borrowing Committee as Borrowing & Securities Allotment Committee".

RESOLVED FURTHER THAT in supersession to all the previous resolution(s) and pursuant to the provisions of Section 179(3) of the Companies Act, 2013 read with relevant rules made thereunder, the Borrowing & Securities Allotment Committee of the Company be and is hereby authorized to do the following:

a) To consider and approve the borrowings/ loans/ financial assistance to be availed by the Company from any Bank/ Financial Institutions/ firms/ bodies corporate/ Company(ies)/ Mutual Fund(s)/ any such other entity within the overall limit as approved by the Board of Directors as well as Members of the Company from time to time;

b) To consider and approve any modification(s)/ renewals in the existing borrowings/ loans/ financial assistance as availed by the Company from any such above mentioned entity;

c) To approve creation of any mortgages/ charge or other encumbrance over the Company properties or assets for the above purpose;

d) To raise funds in any form including term loan, issue of debentures, Commercial Paper, securitization etc., within the overall borrowing limit of the Company as set from time to time;

For ASIRVAD MICROFINANCE LIMITED

29.01.21

Aparna Menon
Company Secretary

Corporate Office:
9th & 10th Floor,
No:9, Club House Road,
Anna Salai, Chennai - 600 002.
T : 044 4212 4493

e) To approve the allotment of securities to any identified investors as proposed by the Company from time to time except allotment of equity under ESOP;

f) To authorize any officer(s) of the Company to sign /execute loan documents and other papers, documents ancillary to it;

g) To appoint/ authorize any individual as Authorized Signatory(ies) with limit or without limit in respect of bank accounts maintained by the Company with any banks and other financial institutions;

h) To authorize any officer/staff for opening. Operation and closing of bank accounts in different centres for different branches;

i) To authorize any officer/ employee to apply for net banking facilities and operate the same for online transaction;

j) To affix the Common Seal of the Company on any one or all documents/ instruments on behalf of the Company.

k) To appoint Debenture trustee(s), RTA, Credit Rating Agency (ies) and Legal counsel.

-//CERTIFIED TRUE COPY//-

For **Asirvad Micro Finance Limited**

(Aparna Menon)
Company Secretary

Date: 29.01.2021

ANNEXURE V: SHAREHOLDERS RESOLUTION

ASIRVAD MICRO FINANCE LIMITED
Subsidiary of MANAPPURAM FINANCE LTD.
Small Loans... Big Dreams...

Corporate Office:
9th & 10th Floor,
No: 9, Club House Road,
Anna Salai, Chennai - 600 002.
T : 044 3529 8100

CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED BY THE MEMBERS OF ASIRVAD MICRO FINANCE LIMITED AT THE 14TH ANNUAL GENERAL MEETING HELD ON WEDNESDAY, THE 08TH DAY OF SEPTEMBER, 2021 THROUGH VIDEO CONFERENCING AT 4.00 PM.

INCREASED THE BORROWING POWER OF THE COMPANY U/S 180(1)(C) OF THE COMPANIES ACT, 2013 UPTO RS.12,000 CRORES.

"RESOLVED THAT in supersession to the earlier resolutions passed in the Annual General Meeting dated August 25, 2020 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with relevant rules made thereunder (including any statutory modifications, variations or/ and re-enactments thereof, for the time being in force), the consent of the Members of the Company be and are hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution), to borrow from time to time, any such sum or sums of monies , which together with moneys already borrowed by the Company, as they may deem appropriate for the purpose of the Company from any Bank(s), Public Financial Institution(s), Non-Banking Finance Companies, Co-Operative Banks, Investment Institutions, Banks, Mutual Funds, Companies and other Bodies Corporate or any Foreign Financial Institution(s) and/or any other entity/ entities or authority/ authorities either in Indian Rupees or equivalent thereof in any foreign currency(ies), whether by way of advances, loans, issue of debentures/ bonds and/or other instruments however, that the total borrowings may exceed the aggregate of paid-up capital, free reserves and securities premium of the Company, provided that the outstanding amount so borrowed at any time (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed an amount of Rs.12,000 Crores (Rupees Twelve Thousands Crores Only), which may be borrowed in one or more than one tranches."

For ASIRVAD MICRO FINANCE LIMITED

Aparna Menon
Company Secretary

Corporate Office:
9th & 10th Floor,
No: 9, Club House Road,
Anna Salai, Chennai - 600 002.
T : 044 3529 8100

RESOLVED FURTHER THAT the consent be and is hereby accorded to do securitisation deals as per the Securitisation Policy of the Company as amended from time to time.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things, arrange, give such directions as may be deemed necessary or expedient, or settle the terms and conditions of such instrument, securities, loan, debt instrument as the case may be, on which all such sums of money as are borrowed, or to be borrowed, from time to time, as to interest, repayment, security or otherwise howsoever as it may think fit, and to execute all such documents, instruments and writings as may be required to give effect to this Resolution and for matters connected therewith or incidental thereto, including intimating the concerned authorities or other regulatory bodies and also to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to the Borrowing & Securities Allotment Committee or to any Committee of Directors or to any officer or officers of the Company in this regard."

//Certified True Copy//

For Asirvad Micro Finance Limited

Aparna Menon

Company Secretary

ASIRVAD MICRO FINANCE LIMITED
Subsidiary of MANAPPURAM FINANCE LTD.
Small Loans... Big Dreams...

Corporate Office:
9th & 10th Floor,
No: 9, Club House Road,
Anna Salai, Chennai - 600 002.
T : 044 3529 8100

CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED BY THE MEMBERS OF ASIRVAD MICRO FINANCE LIMITED AT THE 14TH ANNUAL GENERAL MEETING HELD ON WEDNESDAY, THE 08TH DAY OF SEPTEMBER, 2021 THROUGH VIDEO CONFERENCING AT 4.00 PM.

CREATION OF CHARGES ON THE MOVABLE AND IMMOVABLE PROPERTIES OF THE COMPANY, BOTH PRESENT AND FUTURE, IN RESPECT OF BORROWINGS U/S 180(1) (A) OF THE COMPANIES ACT, 2013 UPTO RS.12,000 CRORES

"RESOLVED THAT in supersession to the earlier resolutions passed in the Annual General Meeting dated August 25, 2020 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013 read with relevant rules (including any statutory modifications, variations or/ and re-enactments thereof, for the time being in force), the consent of the Members of the Company be and are hereby accorded to the Board of Directors of the Company or the Committee of the Board to create such charges, mortgages, hypothecations in all or any movable or immovable properties of the Company both present and future and/ or the whole or any part of the undertaking of the Company in favour of Banks, Trustees, Agents, Financial Institutions or any other lenders to secure the amount borrowed/ to be borrowed by way of loan in foreign currency and/or in rupee currency and securities comprising of fully/ partly convertible debentures and/ or secured premium notes and/ or floating rates notes, bonds or other debt instruments issued/ to be issued by the Company from time to time in one or more tranches, for the due payment of the principal together with interest at the respective agreed rates, additional interest and in case of default accumulated interest, liquidated damages, commitment charges on pre-payment, remuneration of the agents and/ or trustees, premium if any on redemption, all other costs, charges and expenses including any increase as a result of devaluation, revaluation, fluctuation in the rates of exchange and all other moneys payable by the company in terms of the respective loan agreement, debentures, trust deed or any other document entered into/ to

For ASIRVAD MICRO FINANCE LIMITED

Aparna Menon
Company Secretary

Corporate Office:
9th & 10th Floor,
No: 9, Club House Road,
Anna Salai, Chennai - 600 002.
T : 044 3529 8100

be entered into between the Company and the lenders, investors, agents and/or trustees in respect of the said loans, borrowings, debentures and continuing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the board of directors or any committees thereof and the lenders, agents and/ or trustees, provided that maximum amount of the indebtedness secured by the properties of the Company shall not exceed Rs.12,000 Crores (Rupees Twelve Thousand Crores Only) at any time.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to any member the Borrowing & Securities Allotment Committee or to any Committee of Directors or to any officer or officers of the Company in this regard and to do all such other acts/ deeds/ matters and/ or things as may be deemed necessary, expedient, essential and consequential to give effect to this resolution(s)."

//Certified True Copy//

For Asirvad Micro Finance Limited

Aparna Menon

Company Secretary

ANNEXURE VI[3]: DUE DILIGENCE CERTIFICATE FROM DEBENTURE TRUSTEE



CIN: U65993WB2010PTC152401

VARDHMAN TRUSTEESHIP PVT LTD
Nurturing & Protecting Your Trust
(Formerly known as Aloni Stock Broking Pvt. Ltd.)

Ref: 66/OPR/VTPL/2021-22

Date: 3rd November, 2021

To,

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

Dear Sir/Madam,

SUB: Issue of Rated Senior Secured Transferable Redeemable Principal Protected Non-Convertible Market Linked Debentures aggregating to INR. 100,00,00,000/- (Indian Rupees One Hundred Crores only) (50 Crs Base + 50 Crs Green Shoe) (the "Issue") issued by Asirvad Micro Finance Limited.

We, the debenture trustee(s) to the above-mentioned forthcoming issue state as follows:

1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.

2) On the basis of such examination and of the discussion with the issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications, WE CONFIRM that

   a) The issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued

   b) The issuer has obtained the permissions/consents necessary for creating security on the said property (ies) – Not Applicable as the security provided is receivables.

   c) The issuer has made all the relevant disclosures about the security and also its continued obligations towards the holders of debt securities

   d) Issuer has adequately disclosed all consents/permissions required for creation of further charge on assets in offer document or private placement memorandum/information memorandum and all disclosures made in the offer document or private placement memorandum/information memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement

   e) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document or private placement memorandum/information memorandum.

   f) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application

We have satisfied ourselves about the ability of the Issuer to service the debt securities.

Place: MUMBAI

For Vardhman Trusteeship Pvt Ltd

Date: 20-09-2021

Authorized Signatory

Vardhman Trusteeship Pvt. Ltd.

Registered Office Turner Morrison Building, Unit No. 15, 6 Lyons Range, Kolkata - 700001.
Corporate Office The Capital, 412A, Bandra Kurla Complex, Bandra (East), Mumbai - 400051.
+91 22 4264 8335/+91 22 4014 0832
corporate@vardhmantrustee.com www.vardhmantrustee.com

Mumbai Bengaluru Kolkata New Delhi

[3]As per SEBI Circular No. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 03, 2020 at the time of listing application a Due Diligence certificate has to be provided by debenture trustee confirming creation of charge and execution of the DTD.

ANNEXURE VII: UNDERTAKING PURSUANT TO REGULATION 43 (2) OF THE SEBI NCS REGAULTIONS

Undertaking on Creation of Security

The Issuer hereby undertakes that the assets on which charge is proposed to be created as security for the Debentures are free from any encumbrances. The Issuer further undertakes that the charge proposed to be created is a first ranking exclusive charge and therefore no permission or consent to create a second or pari-passu charge on the assets of the Issuer is required to be obtained from any creditor (whether or not existing) of the Issuer.

For ASIRVAD MICRO FINANCE LIMITED

Authorised Signatory

YOGESH RATNAKAR UDHOJI

Name: Mr. Yogesh Ratnakar Udhoji

Title: CFO

Date: November 09, 2021

ANNEXURE VIII: TERM SHEET

As Provided in Section 10 above.

ANNEXURE IX- TRANSACTION DOCUMENTS

The list of documents which has been executed in connection with the issue and subscription of debt securities shall be annexed.

ANNEXURE X: APPLICATION FORM

ASIRVAD MICRO FINANCE LIMITED

A public limited company incorporated under the Companies Act, 1956
Date of Incorporation: August 29, 2007
Registered Office: 47, Whites Road, 1st Floor, Deshbandhu Plaza, Royapettah, Chennai, Tamil Nadu - 600014
Telephone No.: +91- 044-43510081
Website: **https://asirvadmicrofinance.co.in/**

DEBENTURE SERIES APPLICATION FORM SERIAL NO.									

Issue of 500 (five hundred) secured, rated, listed, redeemable, transferable, non-convertible Debentures of face value of INR 10,00,000/- (Indian Rupees Ten Lakhs only) each, aggregating up to INR 50,00,00,000 (Indian Rupees Fifty Crore) with a green shoe option of INR 50,00,00,000 (Indian Rupees Fifty Crore) on a private placement basis (the "Issue").

DEBENTURE SERIES APPLIED FOR:

Number of Debentures: ____In words: _____-only
Amount INR_____/-In words Indian Rupees :_____Only

DETAILS OF PAYMENT:

Cheque / Demand Draft / RTGS
No. _____ Drawn on_____

Funds transferred to **Asirvad Micro Finance Limited**
Dated _____

Total Amount Enclosed
(In Figures) INR_/- (In words) _Only

APPLICANT'S NAME IN FULL (CAPITALS) **SPECIMEN SIGNATURE**

APPLICANT'S ADDRESS

ADDRESS																			
STREET																			
CITY																			
PIN							**PHONE**								**FAX**										

APPLICANT'S PAN/GIR NO. _____ IT CIRCLE/WARD/DISTRICT ____

I AM/ WE ARE ( ) COMPANY ( ) OTHERS ( ) SPECIFY _____

We have read and understood the Terms and Conditions of the issue of Debentures including the Risk Factors described in the placement memorandum dated November 08, 2021 ("**Placement Memorandum**") issued by the Issuer and have considered these in making our decision to apply. We bind ourselves to these Terms and Conditions and wish to apply for allotment of these Debentures. We request you to please place our name(s) on the Register of Debenture Holders.

Name of the Authorised Signatory(ies)	Designation	Signature

Applicant's Signature:

We the undersigned, are agreeable to holding the Debentures of the Company in dematerialised form. Details of my/our Beneficial Owner Account are given below:

DEPOSITORY	**NSDL/CDSL**
DEPOSITORY PARTICIPANT NAME	
DP-ID	
BENEFICIARY ACCOUNT NUMBER	
NAME OF THE APPLICANT(S)	

Applicant Bank Account: (Settlement by way of Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT/RTGS/other permitted mechanisms)	

FOR OFFICE USE ONLY DATE OF RECEIPT _____ DATE OF CLEARANCE _____

(Note: Cheque and Drafts are subject to realisation)

We understand and confirm that the information provided in the Placement Memorandum is provided by the Issuer and the same has not been verified by any legal advisors to the Issuer, and other intermediaries and their agents and advisors associated with this Issue. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

We understand that: i) in case of allotment of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allotted Debentures, ii) we must ensure that the sequence of names as mentioned in the Application Form matches the sequence of name held with our Depository Participant, iii) if the names of the Applicant in this application are not identical and also not in the same order as the Beneficiary Account details

with the above mentioned Depository Participant or if the Debentures cannot be credited to our Beneficiary Account for any reason whatsoever, the Company shall be entitled at its sole discretion to reject the application or issue the Debentures in physical form.

Applicant's
Signature

FOR OFFICE USE ONLY
DATE OF RECEIPT _____ DATE OF CLEARANCE _____

(Note : Cheque and Drafts are subject to realisation)

----------(TEAR HERE)----------

ACKNOWLEDGMENT SLIP

(To be filled in by Applicant) **SERIAL NO.**	**1**	-	-	-	-	-	-	-	-

Received from _____

Address_____

_____

Cheque/Draft/UTR # _____ Drawn on _____ for INR _____
on account of application of _____ Debenture

INSTRUCTIONS

1. Application form must be completed in full, IN ENGLISH.

2. Signatures must be made in English or in any of the Indian languages. Thumb Impressions must be attested by an authorized official of the Bank or by a Magistrate/Notary Public under his/her official seal.

3. Application form, duly completed in all respects, must be submitted with the respective Collecting Bankers. The payment is required to be made to the following account by way of an electronic transfer:

Name of the beneficiary	Asirvad Micro Finance Limited
Name of the Bank	ICICI Bank
Branch Address:	Nungambakkam High Road, Chennai
IFSC Code	ICIC0000009
Account Number	000905027410

The Company undertakes that the application money deposited in the above-mentioned bank account shall not be utilized for any purpose other than
a) for adjustment against allotment of securities; or
b) for the repayment of monies where the company is unable to allot securities.

4. Receipt of applicants will be acknowledged by the Company in the “Acknowledgement Slip” appearing below the application form. No separate receipt will be issued.

5. All applicants should mention their Permanent Account No. or their GIR No. allotted under Income Tax Act, 1961 and the Income Tax Circle/Ward/District. In case where neither the PAN nor the GIR No. has been allotted, the fact of non-allotment should be mentioned in the application form in the space provided. Income Tax as applicable will be deducted at source at the time of payment of interest including interest payable on application money.

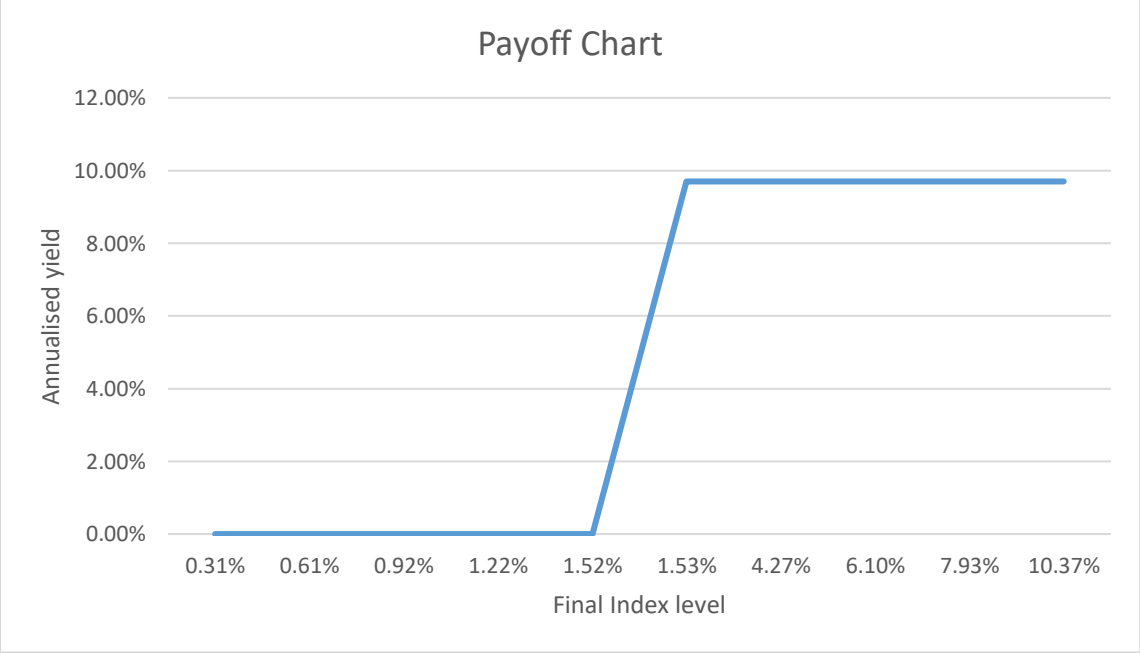
6. The application would be accepted as per the terms of the manner outlined in the transaction documents for the private placement.

ANNEXURE XI- VALUATION MATRIX FOR MLD

A detailed scenario analysis/ valuation matrix showing value of the security under different market conditions such as rising, stable and falling market conditions shall be disclosed in a table along with a suitable graphic representation

Assuming Initial Index level of 6.10%				
Initial Index Level	**Final Index Level**	**Performance of Index Level**	**Initial Investment on Debentures (INR)**	**Annualized yield on Debentures**
6.10%	0.31%	-95.00%	1,000,000	0.00%
6.10%	0.61%	-90.00%	1,000,000	0.00%
6.10%	0.92%	-85.00%	1,000,000	0.00%
6.10%	1.22%	-80.00%	1,000,000	0.00%
6.10%	1.52%	-75.10%	1,000,000	0.00%
6.10%	1.53%	-74.90%	1,000,000	9.70%
6.10%	4.27%	-30.00%	1,000,000	9.70%
6.10%	6.10%	0.00%	1,000,000	9.70%
6.10%	7.93%	30.00%	1,000,000	9.70%
6.10%	10.37%	70.00%	1,000,000	9.70%

Graphical representation of Payoff



ANNEXURE XII- DECLARATION OF PROMOTER

We/ hereby declare that the that the Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the promoters and Permanent Account Number of directors have been submitted to the stock exchanges on which the nonconvertible securities are proposed to be listed.

Authorized Signatory

_____

ANNEXURE XIII- PAS 4

Addressed to: Northern Arc Capital Limited

November 08, 2021

FORM NO PAS-4 PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER ("PPOA")

[Pursuant to Section 42 of the Companies Act, 2013 and Rule 14(3) of the Companies (Prospectus and Allotment of Securities) Rules, 2014]

Note: This Form No PAS-4 is prepared in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014.

Issue of 1,000 (One Thousand) secured, rated, listed, redeemable, principal protected, non-convertible marked linked debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakh) each, aggregating up to Rs. 100,00,00,000 (Indian Rupees One hundred Crores Only) with Green Shoe Option of 500 (Five Hunderd) marked linked debentures of face value of Rs 10,00,000/- (Rupees Ten Lakh) each, aggregating up tp Rs 50,00,00,000/- (Indian Rupees Fifty Crores Only) on a private placement basis (the "**Issue**").

PART A

1.1 General Information:

I. **Name, address, website, if any, and other contact details of the Company, indicating both registered office and the corporate office:**

Issuer / Company:	Asirvad Micro Finance Limited (the "**Issuer**", "**Company**" or "**Asirvad"**)
Registered Office:	47, Whites Road, 1st Floor, Deshbandhu Plaza, Royapettah, Chennai, Tamil Nadu - 600014, India
Corporate Office:	9th and 10th Floor, No.9, Club House Road, Anna Salai, Chennai - 600 002, India
Telephone No.:	+91- 044-43510081
Website:	https://asirvadmicrofinance.co.in/
Fax:	+91- 044-43510081
Contact Person:	Ms. Aparna Menon
Email:	cs@asirvad.in

J. **Date of Incorporation of the Company:**

August 29, 2007

K. **Business carried on by the Company and its subsidiaries with the details of branches or units, if any;**

The Issuer was incorporated on August 29, 2007 as a private limited company under the provisions of the Companies Act 1956. The RBI granted the Issuer operating license, certificate of registration No. N-07-00769 on December 14, 2007. The Issuer is a microfinance non-banking financial institution. Microfinance is the practice of extending financial services to the poor, similar to what banks and financial institutions extend to other economic segments.

The Issuer has set up itself as an NBFC-MFI, rather than an NGO as it operates with adequate capital. The Issuer operates strictly within the legal and regulatory framework in India for financial institutions and is absolutely transparent.

The Issuer is based in Chennai with the mission 'To organize groups of committed poor women and provide innovative financial services in a sustainable manner with a view to Alleviate poverty through viable income generation activities. The Issuer's unique venture combines successful models in microfinance with the technology and efficiencies of modern retail banking.

The Issuer focuses on the poor and its target customers include salaried women working in garment factories, hospitals, or as house maids, cooks, or office workers, and self-employed women working as vegetable or fruit vendors, small shop owners, tailors, or agar bathi or beedi rollers. As of March 2021, the Issuer operates in 1025 branches 22 states/union territories. The Issuer's active customer base is 24,12,147 with a gross loan portfolio outstanding of Rs. 5940.88 crores.

Branch details:

As of March 2021, the Issuer operates in 1025 branches across 22 states/union territories.

Subsidiary details:

As on the date of this PPOA, the Issuer has no subsidiaries.

L. **Brief particulars of the management of the Company:**

Brief Profile of Key Managerial Personnel's		
Name	**Designation**	**Experience**
Mr. Ravindra Goud	Chief Operating Officer	He holds a master's degree in commerce, LLB and Master of Business Administration at Hault International Business School (USA). He comes with 23+ years of rich experience across Microfinance, MSME, Retail Banking, Accounts, Credit, Audit and Risk management.

Brief Profile of Key Managerial Personnel's		
Name	**Designation**	**Experience**
Mr. Yogesh Ratnakar Udhoji	Chief Financial Officer	He is a chartered accountant rank holder (37th all over India) with more than 25 rich Experience in Corporate finance, Treasury, MIS & Accounting. He has worked with aadhar housing finance ltd, Tata Capital Ltd, 3i Infotech Ltd & Patni computers
Mr. Adinadh K R	Chief Technology officer	Dr. Adinadh K R Ph.D in CSE (Karpagam Academy of Higher Education) ME in CSE (Anna University), MBA in Finance (Bharathiar University), brings 8+ long periods of rich and differing involvement with Information Technology and FinTech. He has in excess of a multi-year of experience particularly in Credit Risk Management Solutions, Strategic Planning in the financial IT Solution in Manappuram Comptech and consultant Limited and educational training experience as Assistant Professor in SNM institute of management and technology, Kochi (EKM), Kerala.
Mr. Bikram Mishra	Executive Vice President - HR	He is a MBA Graduate from IIT and has overall 20 Years of Experience in Various IT, ITES & Banking Sectors
Ms. Aparna Menon	Company Secretary & Compliance Officer	Aparna Menon is a qualified Company Secretary with 6+ years of experience. She joined Asirvad in December 2020 and prior to joining us, she has worked with Manappuram Finance Limited, Prestige Mysore Retail Ventures Private Limited and Prestige Estates Projects Limited.
Mr. Robert K P	Chief Risk officer	Robert K P is a Chartered Accountant with more than 8 years of experience in the field of Risk Management, Marketing and Internal Audit in Manappuram Finance Limited (2012 to 2019). He joined the Company in January, 2020 in Risk Management Group.

M. **Name, addresses, Director Identification Number (DIN) and occupations of the directors**:

Sl.	Name of the Directors, Designation & DIN	Address	Occupation
1	Mr. S.V. Raja Vaidyanathan	OLD - 4, New - 7, Central Avenue, Kesava Perumal Puram, Chennai -600028, Tamil Nadu	Professional

Sl.	Name of the Directors, Designation & DIN	Address	Occupation
	Non-Executive Non-Independent Director 01467098		
2.	Mr. V.P. Nanda Kumar Chairman & Director 00044512	3/564, Vazhapully Valappad Grama Panchayat, Valappad, Kerala- 680567	Professional
3	Mr. B.N. Raveendra Babu Managing Director 00043622	4/181, Blangatt, Thalikulxm Grama Panchayat, Thalikulam, Kerala – 680681	Executive Director
4	Mr. Gautam Saigal Director 00640229	Fl.2505, Ashok Tower C Wing, Dr Baba Saheb Ambedkar Marg Parel, Mumbai- 12	Professional
5	Mr. A. Ramanathan Independent Director 02645247	28 Tansi Ngr 18th St, Velacher y, Chennai, 600042, Tamil Nadu,	Professional
6	Mr. D.R. Dogra Independent Director 00226775	Flat No 402, Somerset Bldg, Adishankara Coharya RD, CTS No 15C, Near Hiranandani Garden, Powai, Mumbai –76	Professional
7	Mr. T. Balakrishnan Independent Director 00052922	9 -C, SFS Kings Wood Jawahar Ngr, Kowdiar P O, Thiruvanant Hapuram – 695 003	Professional
8	Mr. T. M. Manoharan Independent Director 00225640	Gowre Esank Aram, Unichi RA-T. Road Chang Ampuz Ha Nagar, P.O.- Kalam Assery Ernakulam – 682 033	Professional

Sl.	Name of the Directors, Designation & DIN	Address	Occupation
9	Mrs. Pushya Sitaraman Independent Director 06537196	No 5, Subba Rayar Avenue Abhira Mapuram Chennai– 600018	Professional
10	Mr, Subrata Kumar Mitra Independent Director 00029961	1201 B, Phoenix Towers, Lower Parel, Mumbai – 400 013	Professional
11	Mr. Abhijit Sen Independent Director 00002593	A-92, Gand Paradi, 572 Dadyseth Hill, August Kranti Marg, Near Kemps Corner, Mumbai – 400036	Professional
12	Mr. Harshan Kollara Independent Director 01519810	Flat 16, Cricket court 13, elderberry way, London E66JJ	Professional

F. MANAGEMENT PERCEPTION OF RISK FACTORS:

1.1 REPAYMENT IS SUBJECT TO THE CREDIT RISK OF THE ISSUER.

Potential investors ("**Investors**") should be aware that receipt of the principal amount (i.e. the redemption amount) and any other amounts that may be due in respect of the Debentures (as defined below) is subject to the credit risk of the Issuer. Potential Investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

1.2 THE SECONDARY MARKET FOR DEBENTURES MAY BE ILLIQUID.

The Debentures may be very illiquid and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debentures, it is not likely to provide significant liquidity. Potential investors may have to hold the Debentures until redemption to realize any value.

1.3 CREDIT RISK & RATING DOWNGRADE RISK

The rating agency, CRISIL Ratings Limited has assigned the credit ratings to the Debentures. In the event of deterioration in the financial health of the Issuer, there is a possibility that the rating agency may downgrade the rating of the Debentures. In such cases, potential investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

1.4 CHANGES IN INTEREST RATES MAY AFFECT THE PRICE OF DEBENTURES.

All securities where a fixed rate of interest is offered, such as this Issue, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the pricing of the Debentures.

1.5 TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS

Special tax considerations and legal considerations may apply to certain types of investors. Potential Investors are urged to consult with their own financial, legal, tax and other advisors to determine any financial, legal, tax and other implications of this investment.

1.6 ACCOUNTING CONSIDERATIONS

Special accounting considerations may apply to certain types of taxpayers. Potential Investors are urged to consult with their own accounting advisors to determine implications of this investment.

1.7 SECURITY MAYBE INSUFFICIENT TO REDEEM THE DEBENTURES

In the event that the Company is unable to meet its payment and other obligations towards Investors under the terms of the Debentures, the Debenture Trustee (as defined below) may enforce the security as per the terms of security documents, and other related documents. The Debenture Holder(s)'(as defined below) recovery in relation to the Debentures will be subject to (i) the market value of such secured property, (ii) finding willing buyers for the security at a price sufficient to repay the potential investors amounts outstanding under the Debentures. The value realised from the enforcement of the security may be insufficient to redeem the Debentures.

1.8 MATERIAL CHANGES IN REGULATIONS TO WHICH THE ISSUER IS SUBJECT COULD IMPAIR THE ISSUER'S ABILITY TO MEET PAYMENT OR OTHER OBLIGATIONS.

The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect

the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

1.9 LEGALITY OF PURCHASE

Potential investors of the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates or for compliance by that potential investor with any law, regulation or regulatory policy applicable to it.

1.10 POLITICAL AND ECONOMIC RISK IN INDIA

The Issuer operates only within India and, accordingly, all of its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a further slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

1.11 RISKS RELATED TO THE BUSINESS OF THE ISSUER

(a) Majority of the Issuer's loans are unsecured and the clients of these unsecured loans are of the high risk category and if the Issuer is unable to control the level of non-performing loans ("NPAs") in the future, or if the Issuer's loan loss reserves are insufficient to cover future loan losses, the financial condition and results of operations may be materially and adversely affected.

A majority of the Issuer's loans are unsecured and the clients of these unsecured loans are of the high-risk category. There is uncertainty on the client's ability to fulfil its loan obligations as MFI clients typically do not have bank accounts or proper income proof verification so it can be difficult to verify all client details and assess the risk. Such non-performing or low credit quality loans can negatively impact our results of operations.

The Issuer has various procedures and process controls in place to mitigate the risk. All group lending loans are provided under the Grameen Model and based on the joint liability of the group.

As at June 30, 2021, the gross NPA was INR 109.34 Crore on a gross portfolio of INR 6,052.60 Crore (including managed / securitized portfolio of INR 914.84 Crore).

The Issuer cannot assure that the Issuer will be able to effectively control and reduce the level of the impaired loans in its total loan portfolio. The amount of the Issuer's reported non-performing loans may increase in the future as a result of growth in the total loan portfolio, and also due to factors beyond the Issuer's control, such as over-extended member credit that we are unaware of. Failure to manage NPAs or effect recoveries will result in operations being adversely affected.

The Issuer's current loan loss reserves may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of the Issuer's total loan portfolio. As a result, if the quality of the Issuer's total loan portfolio deteriorates the Issuer may be required to increase the loan loss reserves, which will adversely affect the Issuer's financial condition and results of operations. The Issuer's members largely belong to low-income segment and, as a result, might be vulnerable if economic conditions worsen or growth rates decelerate in India, or if there are natural disasters such as floods and droughts in areas where the Issuer's members live. Moreover, there is no precise method for predicting loan and credit losses, and the Issuer cannot assure that the Issuer's monitoring and risk management procedures will effectively predict such losses or that loan loss reserves will be sufficient to cover actual losses. If the Issuer is unable to control or reduce the level of its NPAs or poor credit quality loans, the Issuer's financial condition and results of the Issuer's operations could be materially and adversely affected.

(b) The Issuer's business operates through a large number of rural and semi urban branches and is exposed to operational risks including fraud

The Issuer is exposed to operational risks, including fraud, petty theft and embezzlement, as it handles a large amount of cash due to high volume of small transactions. This could harm its operations and its financial position.

As the Issuer handles a large amount of cash through a high volume of small transactions taking place in its network, the Issuer is exposed to the risk of fraud or other misconduct by its employees or outsiders. These risks are further compounded due to the high level of delegation of power and responsibilities that the Issuer's business model requires. Given the high volume of transactions processed by the Issuer, certain instances of fraud and misconduct may go unnoticed before they are discovered and successfully rectified. Even when the Issuer discovers such instances of fraud or theft and pursue them to the full extent of the law or with its insurance carriers, there can be no assurance that the Issuer will recover any such amounts. In addition, the Issuer's dependence upon automated systems to record and process transactions may

further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect.

The Issuer maintains an internal audit process to ensure the operations team follows the defined procedures and reports any deviations to the operations staff and management team. The Issuer also has a strong MIS system that has a wide range of data that can be used to monitor financial and operational performance.

To mitigate the above risk, the Issuer maintains an internal audit process to ensure the operations team follows the defined procedures and reports any deviations to the operations staff and management team. The Issuer also has a MIS system able to generate data analysis that can be used to monitor financial and operational performance.

(c) ***The Issuer is exposed to certain political, regulatory and concentration of risks***

Due to the nature of its operations, the Issuer is exposed to political, regulatory and concentration risks. The Issuer believes a mitigant to this is to expand its geographical reach and may consequently expand its operations other states. If it is not effectively able to manage such operations and expansion, it may lose money invested in such expansion, which could adversely affect its business and results of operations.

(d) Large scale attrition, especially at the senior management level, can make it difficult for the Issuer to manage its business.

If the Issuer is not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain the Issuer's quality and reputation, it will be difficult for the Issuer to manage its business and growth. The Issuer depends on the services of its executive officers and key employees for its continued operations and growth. In particular, the Issuer's senior management has significant experience in the microfinance, banking and financial services industries. The loss of any of the Issuer's executive officers, key employees or senior managers could negatively affect its ability to execute its business strategy, including its ability to manage its rapid growth. The Issuer's business is also dependent on its team of personnel who directly manage its relationships with its members. The Issuer's business and profits would suffer adversely if a substantial number of such personnel left the Issuer or became ineffective in servicing its members over a period of time. The Issuer's future success will depend in large part on its ability to identify, attract and retain highly skilled managerial and other personnel. Competition for individuals with such specialized knowledge and experience is intense in this industry, and the Issuer may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain its quality and reputation or to sustain or expand its operations. The loss of the services of such personnel or the inability to identify, attract and retain qualified personnel in the future would make it difficult for the Issuer to manage its business and growth and to meet key objectives.

(e) The Issuer's business and results of operations would be adversely affected by strikes, work stoppages or increased wage demands by employees

The employees are not currently unionized. However, there can be no assurance that they will not unionize in the future. If the employees unionize, it may become difficult to maintain flexible labour policies, and could result in high labour costs, which would adversely affect the Issuer's business and results of operations.

(f) The Issuer's insurance coverage may not adequately protect it against losses. Successful claims that exceed its insurance coverage could harm the Issuer's results of operations and diminish its financial position

The Issuer maintains insurance coverage of the type and in the amounts that it believes are commensurate with its operations and other general liability insurances. The Issuer's insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage.

In addition, there are various types of risks and losses for which the Issuer does not maintain insurance, such as losses due to business interruption and natural disasters, because they are either uninsurable or because insurance is not available to the Issuer on acceptable terms. A successful assertion of one or more large claims against the Issuer that exceeds its available insurance coverage or results in changes in its insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect the Issuer's business, financial condition and results of operations.

(g) Issuer requires certain statutory and regulatory approvals for conducting business and failure to obtain or retain them in a timely manner, or at all, may adversely affect operations.

NBFCs in India are subject to strict regulation and supervision by the RBI. Pursuant to guidelines issued by the RBI (circular dated August 3, 2012 and directions applicable to non-banking financial companies – micro finance institutes (**NBFC-MFI**) the Issuer is required to maintain its status as a "NBFC-MFI" in order to be eligible for categorization as priority sector advance for bank loans. The Issuer requires certain approvals, licenses, registrations and permissions for operating its business, including registration with the RBI as a NBFC-MFI. Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change and the Issuer may not be aware of or comply with all requirements all of the time. Additionally, the Issuer may need additional approvals from regulators to introduce new insurance and other fee based products to its members. In particular, the Issuer is required to obtain a certificate of registration for carrying on business as a NBFC-MFI that is subject to numerous conditions. In addition, its branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishments laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If the Issuer fails to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, its business may be adversely affected. If the Issuer fails to comply, or a regulator claims that it has not complied, with any of these conditions, the Issuer's certificate of registration may be suspended or cancelled and it shall not be able to carry on such activities. If the Issuer fails to comply with the NBFC-MFI Directions and fails to maintain the status of NBFC-MFI, it will not be eligible for

priority sector loans from the Indian banking sector and may also attract penal provisions under the RBI Act, 1934 for non-compliance.

(h) Competition from banks and financial institutions, as well as state-sponsored social programs, may adversely affect our profitability and position in the Indian microcredit lending industry

The Issuer faces most significant competition from other micro finance institutions (MFIs) and banks in India. Many of the institutions with which Issuer competes have greater assets and better access to, and lower cost of, funding than the issuer. In certain areas, they may also have better name recognition and larger member bases than Issuer. Issuer anticipates that it may encounter greater competition as they continue expanding the operations in India, which may result in an adverse effect on the business, results of operations and financial condition.

Issuer believes traditional commercial banks as well as regional rural and cooperative banks have generally not directly targeted the rural lower income segments of the population for new customers. However, some banks do participate in microfinance by financing the loan programs of self-help groups often in partnership with NGOs. Banks also indirectly participate in microfinance by making loans and providing other sources of funding to other MFIs. In addition, Issuer is aware that some commercial banks are beginning to directly compete with for –profit MFIs for lower income segment customers in certain geographies.

(i) The economic fallout from the spread of the COVID-19 virus may impact the Issuer's business prospects, financial condition, result of operations and credit risk

The spread of the COVID-19 virus has affected millions across the globe and the same coupled with measures taken by the governments including lockdowns/ curfew has not only affected day to day lives of people but has also given a hard blow to the supply chain of factories, with trade routes being disturbed and slowing down of the industry, trade, commerce and business activities across all sectors. The COVID-19 virus pandemic is adversely affecting, and is expected to continue to adversely affect, our operations, business, liquidity and cashflows, and we have experienced and expect to continue to experience unpredictable reductions in demand for certain of our products and services. Further, since a good fraction of our borrowers are small transport road operators, the disruption due to COVID-19 virus will also have an impact on their business as well as repayment capacity of the loans taken from us. However, the extent of negative financial impact cannot be reasonably estimated at this time but a sustained economic slowdown may significantly affect our business, financial condition, liquidity, cashflows and results of operations and the same will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the COVID-19 virus and the actions to contain the COVID-19 virus or treat its impact, among others. Consequently, there may be a negative effect on the Company's ability to service the obligations in relation to the Debentures.

G. **Details of defaults, if any, including therein the amount involved, duration of default, and present status, in repayment of:**

(i) Statutory Dues: Nil
(ii) Debentures and interest thereon: Nil
(iii) Deposits and interest thereon: Nil
(iv) Loan from any bank or financial institution and interest thereon: Nil

H. **Name, designation, address and phone number, email ID of the nodal / compliance officer of the Company, if any, for the private placement offer process:**

Name: Ms. Aparna Menon

Designation: Company Secretary

Address: 9th and 10th Floor, No.9, Club House Road, Anna Salai, Chennai – 600 002

Phone No.: +91-44-43510081

Email: cs@asirvad.in

I. **Any default in annual filing of the Company under the Companies Act, 2013 or the rules made thereunder**:

Nil

1.2 Particulars of the Offer:

Financial position of the Company for the last 3 (three) financial years	Please refer **Annexure I**.
Date of passing of Board Resolution	Board resolutions dated January 23, 2020 and May 12, 2020 and the borrowing and securities allotment committee resolution dated July 27, 2021.
Date of passing of resolution in the general meeting, authorizing the offer of securities	Shareholders resolutions under Section 180(1)(a) & Section 180(1)(c) of the Companies Act, 2013 dated September 08, 2021.
Kind of securities offered (i.e. whether share or debenture) and class of security; the total number of shares or other securities to be issued	Issue of 1,000 (One Thousand) secured, rated, listed, redeemable, principal protected, non-convertible marked linked debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakh) each, aggregating up to Rs. 100,00,00,000 (Indian Rupees One hundred Crores Only) with Green Shoe Option of 500 (Five Hunderd) marked linked debentures of face value of Rs 10,00,000/- (Rupees Ten Lakh) each, aggregating up tp Rs 50,00,00,000/- (Indian Rupees Fifty Crores Only) on a private placement basis (the "**Issue**").

Price at which the security is being offered, including premium if any, along with justification of the price	Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value of Rs. 10,00,000/- (Rupees Ten Lakh only) per Debenture.
Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer	Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value of Rs. 10,00,000 (Rupees Ten Lakh) per Debenture.
Relevant date with reference to which the price has been arrived at [Relevant Date means a date at least 30 days prior to the date on which the general meeting of the Company is scheduled to be held]	Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value.
The class or classes of persons to whom the allotment is proposed to be made	The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the application form ("**Eligible Investors**"): (a) Mutual Funds (b) NBFCs (c) Provident Funds and Pension Funds (d) Trust inclusive of public charitable trust subject to their investment guidelines (e) Corporates (f) Banks (g) Insurance Companies (h) Individual (i) Alternative Investment Funds (j) foreign portfolio investors registered with the Securities and Exchange Board of India under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 or the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 ("**FPIs**"); and (k) Any other person eligible to invest in the Debentures subject the relevant prevalent guidelines and as permitted under applicable laws All Eligible Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of the Debentures.
Intention of promoters, directors or key managerial personnel to	Not applicable

subscribe to the offer (applicable in case they intend to subscribe to the offer) [Not required in case of issue of non-convertible debentures]	
The proposed time within which the allotment shall be completed	The Debentures will be deemed to be allotted on November 09, 2021 ("**Deemed Date of Allotment**"), and the Company will ensure that the Debentures are credited into the demat accounts of the holders of the Debentures ("**Debenture Holders**") within 2 (two) Business Days from the Deemed Date of Allotment, each in accordance with the debenture trust deed ("**DTD**") to be entered into between the Company and the debenture trustee ("**Debenture Trustee**"). In any case, the period within which the Debentures will be allotted will not exceed the maximum period of 60 (sixty) days from the date of receipt of application money, as prescribed under the Companies Act, 2013.
The names of the proposed allottees and the percentage of post private placement capital that may be held by them [Not applicable in case of issue of non-convertible debentures]	Not applicable as the Debentures are non-convertible debt instruments.
The change in control, if any, in the company that would occur consequent to the private placement	No change in control would occur consequent to this private placement as the Debentures are non-convertible debt instruments.
The number of persons to whom allotment on preferential basis / private placement / rights issue has already been made during the year, in terms of securities as well as price	Please refer to **Annexure III**
The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value.
Amount, which the Company intends to raise by way of proposed offer of securities	Up to Rs. 100,00,00,000 (Indian Rupees One Hundred Crore)

Terms of raising of securities:		
	Duration, if applicable:	31 (Thirty one) months from Deemed Date of Allotment
	Rate of Interest or Coupon:	Coupon will be paid at the Annualised Interest Rate as follows: (a) 9.70% (nine decimal seven zero percent) (XIRR) (i.e., 9.3% (nine decimal three percent) per annum, compounded monthly), if the Final Fixing Level is greater than 25% (twenty five percent) of the Initial Fixing Level; and/or (b) 0% (zero percent) (XIRR), if the Final Fixing Level is lesser than or equal to 25% (twenty five percent) of the Initial Fixing Level., where: (i) "**Initial Fixing Date**" means 3 days prior to Issue Open Date (ii) "**Initial Fixing Level**" means the official closing level of the Reference Index on the Initial Fixing Date; (iii) "**Final Fixing Date**" means the date occurring 30 (thirty) days prior to the Final Redemption Date,; (iv) "**Final Fixing Level**" means the official closing level of the Reference Index on the Final Fixing Date; and (v) "**Reference Index**" means the 6.10% GS 2031 (ISIN IN0020210095) as published by Financial Benchmarks India Private Limited (available at www.fbil.org.in)
	Mode of Payment	Cheque(s)/ demand draft/ electronic clearing services (ECS)/credit through RTGS system/funds transfer. wherein the subscription amounts on the Debentures issued by the Issuer should be paid into the

		account details set out in the placement memorandum dated November 08, 2021 ("**Placement Memorandum**") issued by the Company to the addressee of this PPOA.
	Mode of Repayment	cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer
Proposed time schedule for which the Issue/Offer Letter is valid	Issue Open Date: November 09, 2021 Issue Closing Date: November 09, 2021 Pay-in Date: November 09, 2021 Deemed Date of Allotment: November 09, 2021	
Purpose and objects of the Issue/Offer	To raise debt to the extent of up to Rs. 100,00,00,000 (Indian Rupees One Hundred Crore). The proceeds of this issue shall be utilized for providing debt financing for expanding the microfinance loan portfolio of the Issuer.	
Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects	Nil	
Principal terms of assets charged as security, if applicable	(a)	The Debentures shall be secured by way of a first ranking exclusive and continuing charge to be created pursuant to deed of hypothecation ("**Deed of Hypothecation**") over the property comprising of the specified Receivables (as defined in the Deed of Hypothecation) hypothecated in favour of the Debenture Trustee ("**Hypothecated Property**") which shall be 1.05 (one decimal one zero) times ("**Security Cover**") to the outstanding principal amount of the Debentures ("**Outstanding Principal Amount**") and the outstanding coupon ("**Coupon**") of the Debentures until all the redemption of the principal amounts, Coupon, the remuneration of the Debenture Trustee, and all costs, charges, expenses and other monies payable by the Issuer in respect of the Debentures ("**Secured Obligations**") are satisfied by the Issuer as more particularly described in the Deed of Hypothecation ("**Security**"). It is clarified that the Security Cover shall be sufficient to cover the principal amount and coupon amounts outstanding under the

	Debentures at all times. The Issuer shall be bound to create the Security on or prior to the Deemed Date of Allotment. (b) The Issuer hereby further agrees, declares and covenants with the Debenture Trustee as follows: (i) the Debentures shall be secured by way of a first ranking exclusive charge on the Hypothecated Property; (ii) all the movable assets that have been charged in favour of the Debenture Trustee under the Deed of Hypothecation shall always be kept distinguishable and held as the exclusive property of the Issuer specifically appropriated to this Security shall be kept in proper condition and adequately insured and shall pay all taxes, cesses, insurance premium with the Hypothecated Property within the time permissible under applicable law and shall be dealt with only under the directions of the Debenture Trustee and the Issuer shall not create any charge, lien or other encumbrance upon or over the same or any part thereof except in favour of the Debenture Trustee nor suffer any such charge, lien or other encumbrance or any part thereof nor do or allow anything that may prejudice this Security and shall not sell, transfer, lease or otherwise dispose of in any manner whatsoever any assets constituting the Hypothecated Property and the Debenture Trustee shall be at liberty to incur all costs and expenses as may be necessary to preserve this Security and to maintain the same undiminished and claim reimbursement thereof; (iii) to maintain at all times, during the period of the Issue, the Security Cover. The value of the Hypothecated Property for this purpose (both for initial and subsequent valuations) shall be the amount reflected as the value thereof in the books of accounts of the Issuer; (iv) the Issuer shall create the Security over the Hypothecated Property by executing a duly stamped Deed of Hypothecation on or prior to the Deemed Date of Allotment;

	(v) the Issuer shall register and perfect the Security over the Hypothecated Property as contemplated above by filing Form No. CHG-9 with the Registrar of Companies in relation thereto within 30 (Thirty) calendar days from the date of execution of the Deed of Hypothecation; (vi) the Issuer shall on a monthly basis, commencing from the Deemed Date of Allotment till the final maturity date provide a list of specific loan receivables / identified book debt to the Debenture Trustee over which charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the Security Cover ("**Monthly Hypothecated Property Report**"); (vii) from the date of the creation of the Security and until the final maturity date, the Issuer shall, on the Security Cover being diminished, within 30 (thirty) days of the same, add fresh loan assets to the Hypothecated Property (under the Deed of Hypothecation) such that the Security Cover is maintained in the manner as described in sub-paragraph (iii) above; and (viii) the Security shall be a continuing security as described in the Deed of Hypothecation.
The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the Company and its future operations	NIL

The pre-issue and post-issue shareholding pattern of the Company in the following format:

Sl. No.	Category	Pre-issue		Post Issue	
		No. of shares held	% of Shareholding	No. of shares held	% of Shareholding

A	Promoter's Holding				
1	Indian				
	Individual	1024415	1.92	1024415	1.92
	Bodies Corporate	51985856	97.51	51985856	97.51
	Sub-Total	53010271	99.43	53010271	99.43
2	Foreign Promoters				
	Sub-Total (A)	53010271	99.43	53010271	99.43
B	Non-Promoters Holding				
1	Institutional Investors				
2	Non-Institutional Investors				
	Private Corporate Bodies				
	Directors and Relatives	266550	.50	266550	.50
	Indian Public	35066	.07	35066	.07
	Other [Including Non-Resident Indians (NRI's)]				
	Sub-Total (B)	301616	.57	301616	.57
	GRAND TOTAL (A + B)	53311887	100	53311887	100

Specific disclosures generally requested by custodians: Declarations	The Issuer confirms that the purchase consideration in respect of the Debentures will not be used for real estate business, capital market and purchase of land and shall comply with all end-use restrictions under applicable law. In this context, the expression, "Real Estate Business" shall have the same meaning as assigned to it in Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) Regulations, 2017, Notification No. FEMA 20(R)/2017-RB dated November 7, 2017 and the Foreign Exchange Management (Debt Instruments) Regulations, 2019.

Specific disclosures generally requested by custodians: Eligible Investors	The following categories of investors are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the application form: (a) FPIs; and (b) N. A.
Specific disclosures generally requested by custodians: Banking details for payment of the application money	The subscription amounts on the Debentures should be paid into the account details set out in the Placement Memorandum issued by the Company to the addressee of this PPOA.

1.3 Mode of payment for subscription:

( ) Cheque

( ) Demand Draft

(x) Other Banking Channels

1.4 Disclosure with regard to interest of directors, litigation, etc.:

Any financial or other material interest of the directors, promoters or key managerial personnel in the offer/ Issue and the effect of such interest in so far as it is different from the interests of other persons	Nil
Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Company during the last 3 (three) years immediately preceding the year of the issue of this	Nil

<table>
<tr><td>private placement offer cum application letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed</td><td></td></tr>
<tr><td>Remuneration of directors (during the current year and last 3 (three) financial years)</td><td>
<table>
<tr><th>Director</th><th>F.Y 2021-22 (Current Year)</th><th>F.Y 2020-21</th><th>FY 2019-20</th><th>FY 2018 -19</th></tr>
<tr><td>Mr. S.V. Raja Vaidyanathan</td><td>2,42,64,960</td><td>3,48,95,232</td><td>2,70,68,800</td><td>2,68,00,000</td></tr>
<tr><td>Mr. Ravindra Babu</td><td>87,00,000</td><td>1,50,15,000</td><td></td><td></td></tr>
</table>
</td></tr>
<tr><td>Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of this private placement offer cum application letter including with regard to loans made or, guarantees given or securities provided</td><td>Please refer to Annexure VII</td></tr>
<tr><td>Summary of reservations or qualifications or adverse remarks of auditors in the last 5 (five) financial years immediately preceding the year of issue of this private placement offer cum application letter and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark</td><td>Nil</td></tr>
<tr><td>Details of any inquiry, inspections or investigations</td><td>Nil</td></tr>
</table>

initiated or conducted under the Companies Act or any previous company law in the last 3 (three) years immediately preceding the year of circulation of the private placement offer cum application letter in the case of the Company and all of its subsidiaries and if there were any were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last 3 (three) years immediately preceding the year of this private placeent offer cum application letter and if so, section-wise details thereof for the Company and all of its subsidiaries	
Details of acts of material frauds committed against the Company in the last 3 (three) years, if any, and if so, the action taken by the company	Nil

1.5 Financial Position of the Company:

The capital structure of the company in the following manner in a tabular form:

The authorized, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value)	**Share Capital**	**Amount in Rs.**
	Authorised	
	Equity Share Capital	90,00,00,000
	Preference	10,00,00,000
	TOTAL	**100,00,00,000**
	Issued, Subscribed and Fully Paid- up	
	Equity Shares	533,118,870
	Preference Shares	-
	TOTAL	**533,118,870**
Size of the Present Offer	INR 100,00,00,000 (Indian Rupees One Hundred Crore)	
Paid-up Capital:		

a. After the offer: **b. After the conversion of convertible instruments (if applicable)**	No change in paid-up capital of the Company as this is an NCD issuance Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value.
Share Premium Account: **a. Before the offer:**	Indian Rupees 5,58,10,89,000
b. After the offer:	Indian Rupees 5,58,10,89,000

Details of the existing share capital of the Issuer in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration:

Date of Allotment	Name of Investor	No of Equity Shares	Face Value (in Rs.)	Issue Price (in Rs.)	Consideration	Nature of Allotment	Cumulative Paid Up Capital		
							No of Equity Shares	Equity Share Capital (Rs. In Cr.)	Equity Share Premium (Rs. In Cr)
12.07.2010	Lok Capital LLC	888889	888890	10	888890	Ordinary	888889	0.8888889	-
06.06.2013	S.V.RajaVaidyanathan	10000	100000	11.17	1,11,700	ESOP	10000	0.01	0.00117
28.02.2014	S.V.RajaVaidyanathan	20000	200000	11.17	2,23,400	ESOP	20000	0.02	0.00234
06.11.2014	S.V.RajaVaidyanathan	20000	200000	11.17	2,23,400	ESOP	20000	0.02	0.00234
06.11.2014	G.Srikanth	20000	200000	11.17	2,23,400	ESOP	20000	0.02	0.00234
06.11.2014	S.Gopinath	20000	200000	11.17	2,23,400	ESOP	20000	0.02	0.00234
06.11.2014	Tolerance Samuel.M.P	10000	100000	11.17	1,11,700	ESOP	10000	0.01	0.00117
06.11.2014	S.Muthukumar	10000	100000	11.17	1,11,700	ESOP	10000	0.01	0.00117
06.11.2014	ShylasreePadmanabhan	4000	40000	11.17	44,680	ESOP	4000	0.004	0.000468

06.11.2014	T.Sabarinathan	4000	40000	11.17	44,680	ESOP	4000	0.004	0.000468
06.11.2014	K.Suthakaran	4000	40000	11.17	44,680	ESOP	4000	0.004	0.000468
06.11.2014	NRK.Rajasekaran	4000	40000	11.17	44,680	ESOP	4000	0.004	0.000468
06.11.2014	Ramesh.T	1500	15000	11.17	16,755	ESOP	1500	0.0015	0.0001755
06.11.2014	Mr.R.Muthuramalingam	1500	15000	11.17	16,755	ESOP	1500	0.0015	0.0001755
06.11.2014	Ms.Nethaji.K	1500	15000	11.17	16,755	ESOP	1500	0.0015	0.0001755
06.11.2014	Mr.Lakshmi Narayanan	1500	15000	11.17	16,755	ESOP	1500	0.0015	0.0001755
06.11.2014	Mr.R.Premkumar thambiraj	1,500	15000	11.17	16,755	ESOP	1500	0.0015	0.0001755
06.11.2014	Mr.N.Ravikumar	1,500	15000	11.17	16,755	ESOP	1500	0.0015	0.0001755
06.11.2014	Mr.J.Kannan	1,500	15000	11.17	16,755	ESOP	1500	0.0015	0.0001755
06.11.2014	Mr.D.Santhakumar	1,500	15000	11.17	16,755	ESOP	1500	0.0015	0.0001755
06.11.2014	Mr.Parthasarathi.C	1,500	15000	11.17	16,755	ESOP	1500	0.0015	0.0001755
19.01.2015	Mr. Thangappan V	4,000	40000	11.17	44,680	ESOP	4000	0.004	0.000468
19.01.2015	Mr. Gunaseelan S	1,500	15000	11.17	16,755	ESOP	1500	0.0015	0.0001755
19.01.2015	Mr. ChellapandiS	1,500	15000	11.17	16,755	ESOP	1500	0.0015	0.0001755
19.01.2015	Mr. Rajendran M	1,500	15000	11.17	16,755	ESOP	1500	0.0015	0.0001755
19.01.2015	Mr. Krishnamoorthy S	1,500	15000	11.17	16,755	ESOP	1500	0.0015	0.0001755

19.01.2015	Mr. Ayyanar K	1,500	15000	11.17	16,755	ESOP	1500	0.0015	0.0001755
19.01.2015	Mr. Mahesh Kannan K	1,500	15000	11.17	16,755	ESOP	1500	0.0015	0.0001755
19.01.2015	Mr. Rajasekar K	1,500	15000	11.17	16,755	ESOP	1500	0.0015	0.0001755
12.02.2015	Manappuram Finance Limited	75,61,126	75611260	83.3209	63,00,00,038	Pari-passu	7561126	7.561126	55.438878
03.02.2015	S.V.RajaVaidyanathan	10,000	10,000	11.17	1,17,000	ESOP	10,000	0.01	0.00117
04.03.2016	Manappuram Finance Limited	10351966	10351966	96.60	99,99,99,915	Pari-passu	10351966	1.03	89.65
17.03.2016	Mr.GautamSaigal	20,000	20.000	96.60	19,32,000	Pari-passu	20,000	.02	.17
17.03.2016	Mr.Aramanathan	15,000	15,000	96.60	14,49,000	Pari-passu	15,000	.015	.13
17.03.2016	Mr.V P Nanadakumar	93,689	93,689	96.60	90,50,357.40	Pari-passu	93,689	.09	.81
17.03.2016	Mr.RaveendraBabu	25,000	25,000	96.60	24,15,000	Pari-passu	25,000	.025	.24
17.03.2016	Mr.V R Rajiven	5,000	5,000	96.60	4,83,000	Pari-passu	5,000	.05	.04
22.12.2017	Mr. S.V. Raja Vaidyananthan	5,13,900	51,13,900	85.34	4,89,95,210	Rights Issue	5,13,900	0.51	4.38
22.12.2017	Mr. S. Gopinath	2,943	29,430	85.34	2,80,585.62	Rights Issue	2,943	0.002	0.025
22.12.2017	Mr. Tolerance Samuel M.P.	1,472	14,720	85.34	1,40,340.48	Rights Issue	1,472	0.001	0.012
22.12.2017	Mr. S. Muthukumar	1,472	14,720	85.34	1,40,350	Rights Issue	1,472	0.001	0.012
22.12.2017	M/s. Manappuram Finance Limited	52,42,821	5,24,28,210	85.34	49,98,50,560	Rights Issue	5242,821	5.24	44.74

22.12.2017	Mr. Gautam Saigal	4,415	44,150	85.34	4,20,930	Rights Issue	4,415	0.0044	0.037
22.12.2017	Mr. A. Ramanathan	5,000	50,000	85.34	4,76,700	Rights Issue	5,000	0.005	0.042
22.12.2017	Mr. V.P. Nandakumar	20,682	2,06,820	85.34	19,71,830	Rights Issue	20,682	0.020	0.176
22.12.2017	Mr. B.N. Raveendra Babu	5,519	55,190	85.34	5,26,190	Rights Issue	5,519	0.0055	0.0471
27.04.2018	Mr. S.V. Raja Vaidyananthan	1,68,100	16,81,000	85.34	1,60,26,654	Rights Issue	1,68,100	0.1681	1.4346
27.04.2018	Mr. S. Muthukumar	2,660	26,600	85.34	2,53,604	Rights Issue	2,660	0.0027	0.2227
27.04.2018	M/s. Manappuram Finance Limited	1,02,91,894	10,29,18,940	85.34	98,12,29,173	Rights Issue	1,02,91,894	10.29	87.83
27.04.2018	Mr. Gautam Saigal	7,979	79,790	85.34	7,60,718	Rights Issue	7,979	0.0080	0.0681
27.04.2018	Mr. A. Ramanathan	6,536	65,360	85.34	6,23,142	Rights Issue	6,536	0.0065	0.0558
27.04.2018	Mr. B.N. Raveendra Babu	9,974	99,740	85.34	9,50,922	Rights Issue	9,974	0.0100	0.0851
27.04.2018	Mr.V R Rajiven	1,634	16,340	85.34	1,55,785	Rights Issue	1,634	0.0016	0.0139
27.04.2018	Manappuram Finance Limited	1,04,88,777	10,48,87,770	95.34	99,99,99,999	Rights Issue	10,48,87,770	10.48	89.51
16.03.2019	M/s. Manappuram Finance Limited	1,07,48,250	10,74,82,500	252	2,70,85,59,000	Rights Issue	10,74,82,500	107.48	260.11

Sl.	Name of the Shareholder/Particulars	Total Number of equity shares	Total shareholding as percentage (%) of to no of equity shares	Number of shares in Demat Form
1	S V Raja Vaidyanathan	10,24,415	1.92	10,24,415
2	Ramanathan Annamalai	32,000	0.06	32,000
3	S Muthukumar	14,023	0.03	14,023
4	G Srikanth	13,334	0.03	13,334
5	Gautam Saigal	40,993	0.08	40,993
6				
7				
8	Nandakumar V P	1,43,391	0.27	1,43,391
9	Raveendrababu B N	50,166	0.09	50,166
10	Manappuram Finance Limited	5,19,85,856	97.51	5,19,85,856
11	Sheela Rajiven	7,709	0.01	7,709
	TOTAL	5,33,11,887	100.00	5,33,11,887

Shareholding pattern of the Company:

The number and price at which each of allotments were made by the Company in the last 1 (one) year preceding the date of this placement offer cum application letter separately indicating the allotments made for consideration other than cash and details of the consideration in each case	Nil
Profits of the Company, before and after making provision for tax, for the 3 (three) financial years immediately preceding the date of circulation of this private placement offer cum application letter	

FY	PBT (in INR Cr)	PAT (in INR Cr)
2021 (Audi) IND-AS	30.68	16.88
2020 (Audi) IND-AS	310.30	235.33
2019 (Audi.) –IND AS	230.70	151.64

<table>
<tr><td></td><td><table>
<tr><td>2018 (Audi.) –I GAAP</td><td>-14.84</td><td>-9.29</td></tr>
</table></td></tr>
<tr><td>Dividends declared by the Company in respect of the said 3 (three) financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid)</td><td><table>
<tr><th>Particulars</th><th>FY 2018-2019</th><th>FY 2019-2020</th><th>FY 2020-2021</th></tr>
<tr><td>Dividend</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Interest Coverage Ratio</td><td>NA</td><td>NA</td><td>NA</td></tr>
</table></td></tr>
<tr><td>A summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of circulation of this private placement offer cum application letter</td><td>Please refer Annexure I.</td></tr>
<tr><td>Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this private placement offer cum application letter</td><td>Please refer Annexure II.</td></tr>
<tr><td>Any change in accounting policies during the last 3 (three) years and their effect on the profits and the reserves of the Company</td><td>Reserve Bank of India has issued a regulatory guidance dated 13th March, 2020 on Ind AS in order to promote consistency in the implementation Ind AS amongst NBFCs. In adherence to the said guidance, the Company has changed the accounting policy for the treatment of securitization transaction – PTC/ Direct Assignment and re-recognized its securitized assets back to the books & continue to keep its direct assignments off Balance Sheet. Due to the said change, there is an impact on the Profit after Tax of the year and the same is disclosed in the Financial Statements. Refer pg-141 of the Financial statements 31st March 2020. Following the aforesaid guidance of the regulator, the Company will maintain the uniformity and will adopt the same accounting policy for the treatment of securitization transaction – PTC/ Direct Assignment.</td></tr>
</table>

1.6 PART B (To be filed by the Applicant)

(i) Name: **Northern Arc Capital Limited**;

(ii) Father's name: N/A;

(iii) Director name:;

(iv) Complete Address including Flat / House Number, Street, Locality, Pin Code:; **IIT Research Park, Phase I, 10th Floor, Kanagam Village,Taramani , Chennai 600113**

(v) Phone number; if any: **+91 44 66687382**

(vi) Email ID, if any: **Kalyanasundaram.C@Northernarc.com/Operations.Capital@Northernarc.com**

(vii) PAN Number:; **AACCI0979B**

(viii) Bank Account details:

Bank Name	**: IDFC Bank**
SWIFT Code	**: N/A**
IFSC Code	**: IDFB0080101**
Address:	**: Krm Towers, 7th Floor, No. 1 Harrington Road, Chetpet, Chennai- 600031, Tamilnadu**
Account in Corresponding Bank	**: 10023719388**

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Signature

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Initial of the Officer of the Company designated to keep the record

1.7 PART B (To be filed by the Applicant)

(ix) Name: **Northern Arc Money Market Alpha Trust**

(x) Father's name: N/A;

(xi) Director name:;

(xii) Complete Address including Flat / House Number, Street, Locality, Pin Code:; **IIT Research Park, Phase I, 10th Floor, Kanagam Village,Taramani , Chennai 600113**

(xiii) Phone number; if any: **+91 44 66687436**

(xiv) Email ID, if any: **Operations.investments@northernarc.com**

(xv) PAN Number:; **AACTN9594N**

(xvi) Bank Account details:

Bank Name	**: Kotak Mahindra Bank**
SWIFT Code	**: N/A**
IFSC Code	**: KKBK0000958**
Address:	**: Nariman Point , Mumbai**
Account in Corresponding Bank	**: 2913026498**

_____
Signature

_____
Initial of the Officer of the Company designated to keep the record

1.8 DECLARATION (To be provided by the Directors)

A. The Company has complied with the provisions of the Companies Act, 2013 and the rules made hereunder;

B. The compliance with the Companies Act, 2013 and the rules made thereunder do not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

C. the monies received under the offer shall be used only for the purposes and objects indicated in this private placement offer cum application letter;

I am authorized by the Board of Directors of the Company *vide* resolution number 21 dated May 14, 2021 read together with the borrowing and securities allotment committee resolution dated September 27, 2021 to sign this private placement offer cum application letter and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this private placement offer cum application letter and matters incidental thereto have been complied with. Whatever is stated in this private placement offer cum application letter and in the attachments thereto is true, correct and complete and no information material to the subject matter of this private placement offer cum application letter has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For **ASIRVAD MICRO FINANCE LIMITED**

YOGESH
RATNAKAR
UDHOJI

Name: Mr. Yogesh Ratnakar Udhoji

Title: CFO

Date: November 09, 2021

Place: Chennai, India

Enclosed

Annexure I - Financial Position for the last 3 (Three) Financial Years

Annexure II - Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this private placement offer cum application letter

Annexure III - Number of Persons to whom Allotment on Preferential Basis/ Private Placement/ Rights Issue has been made

Annexure IV - Proposed Cash Flows

Annexure V - Copy of Board Resolution and the executive committee resolution

Annexure VI - Copy of Shareholders Resolutions

Annexure VII - Related Party Transactions

Application Form - Please refer to the application form enclosed in the placement memorandum dated November 09, 2021

Optional Attachments, if any

ANNEXURE I: FINANCIAL POSITION OF THE COMPANY AS IN THE 3 (THREE) AUDITED BALANCE SHEETS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF THIS OFFER LETTER

Asirvad Micro Finance Limited				
Balance Sheet		**As at**	**As at**	**As at**
(All amounts in ₹ lakhs unless otherwise stated)		**31 March 2021**	**31 March 2020**	**31 March 2019**
I	**Assets**			
1	**Financial assets**			
	(a) Cash and cash equivalents	64,846.87	1,20,074.44	52,590.02
	(b) Bank balance other than (a) above	18,721.99	20,229.57	16,224.19
	(c) Derivative financial instruments			
	(d) Receivables			
	(c) Loans	4,79,519.17	4,34,327.51	2,32,235.30
	(d) Loans given to staff	76.52	102.30	80.41
	(e) Investments	5.00	5.00	5.00
	(f) Other financial assets	6,566.94	9,524.34	3,328.95
		5,69,736.49	5,84,263.16	3,04,463.87
2	**Non-financial Assets**			
	(a) Current tax assets (net)	1,858.88	1,544.24	1,466.86

	(b) Deferred tax assets (net)	8,282.84	3,424.70	2,261.20
	(c) Investment property	8.64	8.64	8.64
	(d) Property, plant and equipment	687.63	786.04	205.14
	(e) Right of use asset	894.48	721.14	-
	(f) Other intangible assets	259.69	1.00	-
	(g) Intangible assets under development	54.50	-	21.23
	(h) Other non financial assets	776.23	410.09	310.85
		12,822.89	6,895.85	4,273.92
	Total assets	**5,82,559.38**	**5,91,159.01**	**3,08,737.79**
II	**Liabilities and equity**			
1	Financial liabilities			
	(a) Derivative financial instruments	135.30	-	-
	(b) Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,447.22	1,762.70	1,656.06
	(c) Debt securities	1,21,905.45	56,881.96	78,537.03
	(d) Borrowings (other than debt securities)	3,19,334.54	3,81,549.11	1,33,699.47

	(e) Subordinated liabilities	21,476.92	11,633.90	11,414.15
	(f) Other financial liabilities	6,043.41	4,299.67	4,209.10
		4,71,342.84	4,56,127.34	2,29,515.81
2	**Non-financial liabilities**			
	(a) Current tax liabilities (net)	725.91	-	
	(b) Provisions	1,506.75	1,157.18	236.48
	(b) Deferred tax liabilities (net)			
	(c) Other non-financial liabilities	3,440.39	29,922.61	739.78
		5,673.05	31,079.79	976.26
3	**Equity**			
	(a) Equity share capital	5,331.19	5,331.19	5,331.19
	(b) Other equity	1,00,212.30	98,620.69	72,914.53
		1,05,543.49	1,03,951.88	78,245.72
	Total Liabilities and equity	**5,82,559.38**	**5,91,159.01**	**3,08,737.79**

Statement of Profit and Loss :

Asirvad Micro Finance Limited				
Statement of Profit and Loss		**Year ended**	**Year ended**	**Year ended**
(All amounts in ₹ lakhs unless otherwise stated)		**31 March 2021**	**31 March 2020**	**31 March 2019**
I	Revenue from operations			
	Interest income	95,762.88	91,338.06	60,660.71
	Net Gain on derecognition of financial instruments under amortised cost category	7,147.98	12,590.98	
	Dividend income	1,286.86	947.06	
	Other operating income	1,099.17	629.84	1,157.47
		1,05,296.89	1,05,505.94	61,818.18
II	Other income	2,421.47	4,638.46	5,906.82
III	Total income (I + II)	1,07,718.36	1,10,144.40	67,725.00
IV	Expenses			
	Finance cost	45,754.14	40,943.86	27,344.95
	Impairment of financial instruments	29,980.94	9,234.97	1,977.89

	Employee benefit expenses	18,852.94	15,020.44	11,348.19
	Depreciation and amortisation expense	1,183.72	714.45	588.50
	Other expenses	8,878.60	7,697.99	6,324.11
	Total expenses (IV)	1,04,650.34	73,611.71	47,583.64
V	Profit before exceptional items and tax (III - IV)	3,068.02	36,532.69	20,141.36
VI	Exceptional items	-	5,502.64	-
VII	Profit before tax (V- VI)	3,068.02	31,030.05	20,141.36
VIII	Tax expense			
	(1) Current tax	6,618.90	9,832.60	4,711.00
	(2) Deferred tax	-4,828.08	-2,335.35	2,171.99
	(3) Tax relating to earlier years	-410.94	-	
		1,379.88	7,497.25	6,882.99
IX	Profit for the year (VII - VIII)	1,688.14	23,532.80	13,258.37
X	Other comprehensive income			

A	(i) Items that will not be reclassified to profit or loss:			
	a. Remeasurement gains and (losses) on defined benefit obligations (net)	-184.28	-31.06	32.71
	b. Fair value changes on derivatives designated as cash flow hedge, (net)	64.95	-	
	(ii) Income tax relating to items that will not be reclassified to profit or loss	30.04	7.82	-11.46
	Subtotal (A)	-89.29	-23.24	21.25
B	(i) Items that will be reclassified to profit or loss	-	-	
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	
	Subtotal (B)	-	-	
	Other comprehensive income (A + B)	-89.29	-23.24	21.25
XI	Total comprehensive income for the year (IX + X)	1,598.85	23,509.56	13,279.62

ANNEXURE II: AUDITED CASH FLOW STATEMENT FOR THE 3 (THREE) YEARS IMMEDIATELY PRECEDING THE DATE OF CIRCULATION OF THIS OFFER LETTER

The audited financial statements for FY 2020-21, FY 2019-20 and FY 2018-19 enclosed separately.

A summary of the audited financial statements for FY 2020-21, FY 2019-20 and FY 2018-19 is set out below:

Statement of cash flow:

Asirvad Micro Finance Limited			
Statement of cash flow	**Year ended**	**Year ended**	**Year ended**
(All amounts in ₹ lakhs unless otherwise stated)	**31 March 2021**	**31 March 2020**	**31 March 2019**
Cash flow from operating activities			
Profit before income tax	3,068.02	31,030.05	20,141.36
Adjustments for:			
Depreciation and amortisation expense	1,183.72	714.45	588.50
Impairment of financial instruments	29,980.94	14,737.61	
Provision for insurance claim receivable	301.70	86.31	1,977.89
Loss/(Profit) on sale of fixed assets (net)	0.06	-1.36	2.21
Dividend income	-1,286.86	-947.06	-507.64

Finance cost	45,754.14	40,943.86	27,344.95
Interest on deposits	-2,774.95	-1,968.94	-1,381.03
Share based payments to employees	-7.24	-	-6,724.05
Operating profit before working capital changes	76,219.53	84,594.92	41,442.19
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Loans	-75,172.60	-99,160.27	-38,925.00
Loans given to staff	-25.78	-21.89	-26.95
Other financial assets	-2,655.70	-6,287.05	-1,071.93
Other non financial assets	-366.14	-135.29	-159.55
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables	684.52	530.73	620.16
Other financial liabilities	1,341.34	2,957.75	2,696.28
Other non financial liabilities	-26,482.21	29,965.70	163.53
Other provisions	165.29	141.29	52.19

Cash flow generated used in operations	-20,928.79	12,585.90	4,790.92
Interest Income on deposits			8,004.58
Net cash flow (used in) operations	-20,928.79	12,585.90	12,795.50
Refund received from income tax	-	-	
Net Income tax paid	-5,826.75	-9,910.00	-5,360.43
Net cash (used in) in operating activities (A)	**-26,755.54**	**2,675.90**	**7,435.07**
Cash flow from investing activities			
Capital Expenditure	-	-	
Proceeds from sale of property, plant and equipment	25.00	8.50	163.18
Purchase of property, plant and equipment	-801.33	-2,010.63	-287.13
Purchase of other intangible assets	-456.50	-	
Net movement in bank deposits	1,013.48	-2,887.99	
Dividend received	1,286.86	947.06	507.64
Interest income on deposits	3,269.05	1,435.09	
Net cash flow generated from investing activities (B)	**4,336.56**	**-2,507.97**	**383.69**
Cash flow from financing activities			

Proceeds from long term borrowings - term loans	1,92,545.00	3,05,669.30	-646.85
Repayment of long term borrowings - term loans	-2,02,517.37	-1,16,935.68	
Interest paid on term loans	-31,042.46	-21,864.68	-15,379.82
Hedge liability	-	-	
Prepaid processing charges	-	-	222.35
Proceeds from long term borrowings - debentures	1,11,500.00	29,450.00	
Repayment of long term borrowings - debentures	-35,575.00	-47,283.00	12,593.00
Interest paid on debentures	-9,133.79	-9,895.26	-10,303.55
Prepaid processing charges		-	83.09
Proceeds from securitisation borrowings	-	58,987.62	3,477.75
Repayment of securitisation borrowings	-52,241.91	-1,18,053.81	
Interest paid on securitisation	-3,378.55	-8,956.58	
Prepaid Processing Charges	-		
Proceeds from short term borrowings - commercial paper	-	21,973.42	
Repayment of short term borrowings - commercial paper	-2,266.55	-24,644.92	
Interest paid on CP	-233.45	-438.11	
Repayment of short term borrowings - cash credit	-	-0.28	0.28

Proceeds from finance lease	-	- 8.98	- 86.53
Proceeds from Issue of Equity Shares	-	-	37,085.59
Other interest and charges paid	- 464.51	- 682.56	- 1,300.31
Net cash flow from financing activities (C)	**- 32,808.59**	**67,316.49**	**25,745.00**
Net increase in cash and cash equivalents (A+B+C)	**- 55,227.57**	**67,484.42**	**33,563.76**
Cash and cash equivalents at the beginning of the period	1,20,074.44	52,590.02	19,026.25
Cash and cash equivalents at the end of the period	**64,846.87**	**1,20,074.44**	**52,590.02**

ANNEXURE III - NUMBER OF PERSONS TO WHOM ALLOTMENT ON PREFERENTIAL BASIS/ PRIVATE PLACEMENT/ RIGHTS ISSUE HAS BEEN MADE

Sr. No	Name	Number of Securities Allotted	Type of securities allotted	Face value of each security (in INR)	Aggregate value of securities (in INR)	Preferential basis/private placement/rights issue
1	Nippon Life India Trustee Limited	500	NCD	10,00,000	50,00,00,000	Private Placement
2	Vivriti Short Term Bond Fund	250	NCD	10,00,000	25,00,00,000	Private Placement
3	Vivriti Capital Private Limited	250	NCD	10,00,000	25,00,00,000	Private Placement
4	A.K Capital Finance Limited	250	NCD	10,00,000	25,00,00,000	Private Placement
5	Navi Finserve Private Limited	750	NCD	10,00,000	75,00,00,000	Private Placement
6	Ess Kay Fincorp Limited	1,000	NCD	10,00,000	1,00,00,00,000	Private Placement
7	MAS Financial Services Limited	500	NCD	10,00,000	50,00,00,000	Private Placement
8	Vivriti Capital Private Limited	500	NCD	10,00,000	50,00,00,000	Private Placement
9	India Shelter Finance Corporation Limited	250	NCD	10,00,000	25,00,00,000	Private Placement
10	Incred Financial Services Ltd	250	NCD	10,00,000	25,00,00,000	Private Placement
11	Microfinance Enhancement Fund	730	NCD	10,00,000	73,00,00,000	Private Placement
	TOTAL	5,230			5,23,00,00,000	

ANNEXURE IV – PROPOSED CASH FLOWS

COUPON PAYMENT DATES, PRINCIPAL PAYMENT DATE AND PRINCIPAL AMOUNTS

Sr. No	Cash Flow	Day and Date for coupon redemption becoming due	No of days in coupon period	Interest Amount per debenture (in Rs)	Principal Repayment per debenture (in Rs)	Total Cash Flow per debenture (in Rs)
	1	09-May-2024	912	2,60,264	10,00,000	12,60,264

ANNEXURE V - COPIES OF BOARD RESOLUTIONS AND THE RESOLUTION OF THE BORROWING AND SECURITIES ALLOTMENT COMMITTEE RESOLUTION

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EXTRACT OF THE MINUTES OF THE 89TH MEETING OF THE BOARD OF DIRECTORS OF ASIRVAD MICRO FINANCE LIMITED HELD THROUGH VIDEO CONFERENCING ON FRIDAY, MAY 14, 2021, AT IV/470A(OLD) W638A(NEW), MANAPPURAM HOUSE, VALAPAD, THRISSUR – 680 567 (KERALA), WHICH COMMENCED AT 10:00 A.M.

REVISED THE BORROWING LIMITS OF THE COMPANY

Revised the total Borrowing limit and authorized for creation of charge on the assets of the Company

"RESOLVED THAT pursuant to Section 179(3) and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the approval of Members of the Company, the consent of Board of Director be and is hereby accorded to enhance the total borrowing limit of the Company from INR 7,500.00 Crores (Rupees Seven Thousand and Five Hundred Crores Only) to INR 12,000 Crores (Rupees Twelve Thousand Crores Only), which can be borrowed in one or more than one tranches.

RESOLVED FURTHER THAT the consent be and is hereby accorded to do securitisation deals as per the Securitisation Policy of the Company as amended from time to time.

RESOLVED FURTHER THAT Mr. S. V. Raja Vaidyanathan, Managing Director, Mr. B. N. Raveendra Babu, Joint Managing Director and Mr. Yogesh Ratnakar Udhoji, Chief Financial Officer (hereinafter referred to as "Authorized Persons") of the Company be and are hereby authorized severally to negotiate and finalize the terms and conditions of all such sums to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion think fit, keeping in view the interest of the Company.

For ASIRVAD MICRO FINANCE LIMITED

Aparna Menon
Company Secretary

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RESOLVED FURTER THAT the Board, subject to the approval of members, be and is hereby accorded its consent to create charge/ hypothecate/ mortgage the assets/ properties of the Company for the purpose of securing the borrowing in favour of the lenders for a sum not exceeding INR 12,000 Crore.

RESOLVED FURTHER THAT any one of the "Authorized Persons" of the Company be and are hereby authorized severally to finalize, settle, sign and execute and/ or cause to sign and execute and/ or forward, file such documents deed(s)/ writing(s)/ agreement(s), Loan Agreement(s), Deed(s) of Mortgage, Charge, Hypothecation, Lien, Undertaking(s), Declarations, letters of application and Undertaking(s), Certificate(s), Guarantee(s) and other writing(s) and amendment(s)/ modification(s)/ alteration(s) thereto as may be necessary or required by Lender for this purpose

RESOLVED FURTHER THAT Mr. S. V. Raja Vaidyanathan, Managing Director, Mr. B. N. Raveendra Babu, Joint Managing Director and Ms. Aparna Menon, Company Secretary of the Company be and are hereby authorized severally to do the necessary e-filing (for securitizing the said borrowings), to issue the certified true copy of this resolution(s) and also to do all such acts, deeds and things and to execute all documents and writings as may be necessary, incidental, consequential, proper, desirable or expedient to give effect to above resolution."

//Certified True Copy//

For Asirvad Micro Finance Limited

Aparna Menon

Company Secretary

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EXTRACT OF THE MINUTES OF THE 89TH MEETING OF THE BOARD OF DIRECTORS OF ASIRVAD MICRO FINANCE LIMITED HELD THROUGH VIDEO CONFERENCING ON FRIDAY, MAY 14, 2021, AT IV/470A(OLD) W638A(NEW), MANAPPURAM HOUSE, VALAPAD, THRISSUR – 680 567 (KERALA), WHICH COMMENCED AT 10:00 A.M.

REVISED THE BORROWING LIMITS OF THE COMPANY

Revised the borrowing limits for Non-Convertible Debentures (NCDs") and Commercial Papers ("CPs")

RESOLVED THAT pursuant to Section 179(3) and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the approval of Members of the Company, consent of Board be and is hereby accorded to revise the limits for fund raising by way of issuing Non-Convertible Debentures ("NCDs") and Commercial Papers ("CPs"), which shall not exceed INR 4,800 Crores and INR 500 Crores, respectively and these limits shall be within the overall borrowing limit of INR 12,000 Crores.

RESOLVED FURTHER THAT any one of Mr. S. V. Raja Vaidyanathan, Managing Director, Mr. B. N. Raveendra Babu, Joint Managing Director and Ms. Aparna Menon, Company Secretary of the Company be and are hereby authorized to do the necessary e-filing and all such other acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper and desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, incidental, consequential, proper, desirable or expedient to give effect to above resolution."

//Certified True Copy//

For Asirvad Micro Finance Limited

Aparna Menon

Company Secretary

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Subsidiary of MANAPPURAM FINANCE LTD.

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No:9, Club House Road,
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T : 044 4212 4493

EXTRACT FROM THE MINUTES OF THE MEETING N0.15/2021-22 OF THE BORROWING AND SECURITIES ALLOTMENT COMMITTEE ("COMMITTEE") OF THE BOARD OF DIRECTORS OF ASIRVAD MICRO FINANCE LIMITED HELD ON MONDAY, SEPTEMBER 27, 2021 AT THE CORPORATE OFFICE SITUATED AT THE CORPORATE OFFICE SITUATED AT DOOR NO.9, 10TH FLOOR, CLUB HOUSE ROAD, ANNA SALAI, CHENNAI – 600 002 AT 03.00 PM

CONSIDERED THE ISSUANCE OF PRINCIPAL PROTECTED MARKET LINKED (PP-MLD) NON-CONVERTIBLE DEBENTURES ("NCDS")

"**RESOLVED THAT** pursuant to the provisions of Section 42, 71, 179 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 18 of Companies (Share Capital and Debentures) Rules, 2014, SEBI (Issue & Listing of Non-Convertible Securities) Regulations, 2021, circulars, directions and notifications of the Reserve Bank of India ("**RBI**"), as amended and or any other regulatory authority, whether in India or abroad (including any statutory modification/ amendments or re-enactments thereof) and relevant provisions of the Memorandum and Articles of Association of the Company and subject to such other approval(s), consent(s), permission(s) and/ or sanction(s) of such other statutory/ regulatory authorities, if so, required and further subject to such terms, alterations, conditions, changes, variations and/ or modifications as may be prescribed by any of them by granting such approvals and subject to such conditions and modifications, as may be considered appropriate by the Committee, the consent be and is hereby accorded to issue and offer 1,000 Secured, Senior, Rated, Listed, Redeemable, Transferable, Principal Protected Market Linked (**PP-MLD**) Non-Convertible Debentures (NCDs) denominated in Indian Rupees ("**INR**") each having a face value of INR10,00,000 (Indian Rupees Ten Lakh) and an aggregate amount of INR 100,00,00,000 (Indian Rupees One Hundred Crore) including Green Shoe option of Rs. 50,00,00,000 (Indian Rupees Fifty Crore Only) (the "**Debentures**" or "**NCDs**"), by way of private placement to such persons, that shall be identified for the purposes of Section 42 of the Act, by or on behalf of the Committee by

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Mr. B N Raveendra Babu, Managing Director/or Mr. Yogesh Ratnakar Udhoji, Chief Financial Officer, on the terms and condition as follows:

Type of Security	:	Secured, Senior, Rated, Listed, Redeemable Transferable, Principal Protected Market Linked(PP-MLD),Non-Convertible Debentures ("NCDs")
No. of Security	:	1,000 (Including Green Shoe option of 500)
Face Value per NCD (InRs.)	:	Rs.10 Lacs per Debenture
Total Amount (In Rs.)	:	Rs.100 Crore (Green Shoe option of Rs. 50 Crore)
Coupon Rate	:	Yield on XIRR basis is linked to the performance of Underlying/ ReferenceIndex, as specified in table below:

Scenario	Yield on XIRR basis
If Underlying Performance >=75% of the Initial Fixing level (For sake of abundant clarification performance here implies price of benchmark and not yield of benchmark)	9.70%

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		If Underlying Performance < 75% but >= 25% of the Initial Fixing level (For sake of abundant clarification performance here implies price of benchmark and not yield of benchmark)	0.00 %
		If Underlying Performance < 25% of the Initial Fixing level (For sake of abundant clarification performance here implies price of benchmark and not yield of benchmark)	0.00%
Tenure	:	30 Months	
Listed/ Unlisted	:	Listed	

RESOLVED FURTHER THAT the draft terms and conditions for the issue of NCDs as tabled at the meeting be and is hereby approved and Mr. B N Raveendra Babu, Managing Director, Mr. Yogesh Ratnakar Udhoji, Chief Financial Officer, Mrs. Aparna Menon and Mr. Nikhilesh Kumar Jain, Asst. Vice- President (hereinafter referred to as "**Authorized Persons**") of the Company be and are hereby severally authorized to negotiate and settle the terms of issueof NCDs in due consultation with the Proposed Investor(s).

RESOLVED FURTHER THAT the Company be and is hereby authorised to obtain listing of the Debentures on Bombay Stock Exchange of India Limited ("BSE") under the Securities and Exchange Board of India (Issue & Listing of Non-Convertible Securities) Regulations, 2021 (the "**Listing Regulations**"), SEBI Circular No. /IMD/DF/17/2011 dated September 28, 2011, SEBI Circular No. SEBI/HO/DDHS/CIR/P/2020/120 dated July 13, 2020 and SEBI Circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10,

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2021 and to do all such acts, deeds and things and execute or ratify such documents, papers and writings as may be necessary for the purpose.

RESOLVED FURTHER THAT the approval be and is hereby accorded for appointing Vardhman Trusteeship Private Limited as the debenture trustee ("Debenture Trustee") in connection with the issue of above mentioned NCDs.

RESOLVED FURTHER THAT the approval be and is hereby accorded for appointing ICRA Analytics Limited (formerly ICRA Online Limited), as the Valuation Agency in connection with the issue of above mentioned NCDs.

RESOLVED FURTHER THAT the consent be and is hereby accorded to appoint CRISIL Ratings Limited, a SEBI Registered rating agency, for obtaining the ratings for issuance of NCDs.

RESOLVED FURTHER THAT S.K.D.C. Consultants Limited, a Securities and Exchange Board of India registered Registrars to Issues & Securities Transfer Agent be and is hereby appointed as "Registrar & Transfer Agent (RTA)" upon such terms and conditions as may be mutually agreed upon.

RESOLVED FURTHER THAT the Company shall execute Debenture Trust Deed, Debenture Trustee Agreement and Charge Creation Documents prior to the filing of listing application.

RESOLVED FURTHER THAT the "**Authorized Persons**" be and are hereby authorized severally to carry out all the necessary and related compliances/ actions with respect to receipt of funds pertaining to the aforesaid Private Placement including, without any limitation the following compliances: -

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a) seeking, if required, any approval, consent or waiver from any/ all concerned Government and regulatory authorities, and/or any other approvals, consent or waivers that may be required in connection with the issue, offer and allotment of the NCDs;

b) approving and executing the Debt Disclosure Document/ Placement Memorandum/ Private Placement offer cum Application letter (including amending, varying or modifying the same, as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines;

c) to execute all documents/ forms/ papers/ instruments/ applications/ declarations as may be required to submit to the Registrar of Companies or any depository or any such authority;

d) to negotiate, finalize and execute or ratify (including amending, varying or modifying, as may be considered desirable or expedient), on behalf of the Company, the Debenture Trustee Agreement for the appointment of the Debenture Trustee and the Debenture Trust Deed, setting out inter alia the terms upon which the Debentures are being issued and to do all such acts, deeds and things as may be necessary or expedient to implement this resolution and to do and execute all acts and deeds as may be required by the Debenture Trustee in connection with the aforesaid;

e) to negotiate and execute any documents (including applicable security documents), applications, agreements, undertakings, deeds, affidavits, declarations and/ or certificates and to give such directions as it deems fit or as may be necessary or desirable with regard to this Issue.

RESOLVED FURTHER THAT the "Authorized Persons" be and are hereby authorized severally to do all such other acts, deeds, matters and things as they may, in their absolute discretion, deem fit, necessary, desirable, incidental and/or consequential to give effect to the above resolutions.

RESOLVED FURTHER THAT any one of Mr. B N Raveendra Babu, Managing Director, and Ms. Aparna Menon, Company Secretary of the Company be and are hereby

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authorized to issue a copy of the aforesaid resolution certified to be true to any such authority as maybe required in this regard."

-//Certified True Copy//-

For Asirvad Micro Finance Limited

Aparna Menon
Digitally signed by Aparna Menon
Date: 2021.11.06 15:28:44 +05'30'

Aparna Menon

Company Secretary

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EXTRACTS OF THE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF ASIRVAD MICRO FINANCE LIMITED HELD ON THURSDAY, THE 23RD DAY OF JANUARY, 2020 AT THE COPRORATE OFFICE OF THE COMPANY SITUATED AT DOOR NO.9, 10TH FLOOR, CLUB HOUSE ROAD, ANNA SALAI, CHENNAI – 600 002 AT 02.00 P.M.

RENAMED THE BORROWING COMMITTEE AS BORROWING & SECURITIES ALLOTMENT COMMITTEE AND CONSIDERED THE REVISION IN THE POWERS DELEGATED TO THE COMMITTEE

"RESOLVED THAT the consent be and is hereby accorded to rename the Borrowing Committee as Borrowing & Securities Allotment Committee".

RESOLVED FURTHER THAT in supersession to all the previous resolution(s) and pursuant to the provisions of Section 179(3) of the Companies Act, 2013 read with relevant rules made thereunder, the Borrowing & Securities Allotment Committee of the Company be and is hereby authorized to do the following:

a) To consider and approve the borrowings/ loans/ financial assistance to be availed by the Company from any Bank/ Financial Institutions/ firms/ bodies corporate/ Company(ies)/ Mutual Fund(s)/ any such other entity within the overall limit as approved by the Board of Directors as well as Members of the Company from time to time;

b) To consider and approve any modification(s)/ renewals in the existing borrowings/ loans/ financial assistance as availed by the Company from any such above mentioned entity;

c) To approve creation of any mortgages/ charge or other encumbrance over the Company properties or assets for the above purpose;

d) To raise funds in any form including term loan, issue of debentures, Commercial Paper, securitization etc., within the overall borrowing limit of the Company as set from time to time;

For ASIRVAD MICROFINANCE LIMITED

29.01.21

Aparna Menon
Company Secretary

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e) To approve the allotment of securities to any identified investors as proposed by the Company from time to time except allotment of equity under ESOP;

f) To authorize any officer(s) of the Company to sign /execute loan documents and other papers, documents ancillary to it;

g) To appoint/ authorize any individual as Authorized Signatory(ies) with limit or without limit in respect of bank accounts maintained by the Company with any banks and other financial institutions;

h) To authorize any officer/staff for opening. Operation and closing of bank accounts in different centres for different branches;

i) To authorize any officer/ employee to apply for net banking facilities and operate the same for online transaction;

j) To affix the Common Seal of the Company on any one or all documents/ instruments on behalf of the Company.

k) To appoint Debenture trustee(s), RTA, Credit Rating Agency (ies) and Legal counsel.

-//CERTIFIED TRUE COPY//-

For **Asirvad Micro Finance Limited**

(Aparna Menon)
Company Secretary

Date: 29.01.2021

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CERTIFIED TRUE COPY OF RESOLUTION PASSED AT THE MEETING N0.07/2021-22 OF THE BORROWING AND SECURITIES ALLOTMENT COMMITTEE ("COMMITTEE") OF THE BOARD OF DIRECTORS OF ASIRVAD MICRO FINANCE LIMITED AT THEIR MEETING HELD ON TUESDAY, JULY 27, 2021 AT THE CORPORATE OFFICE SITUATED AT DOOR NO.9, 10TH FLOOR, CLUB HOUSE ROAD, ANNA SALAI, CHENNAI – 600 002 AT 9.00 A.M.

CONSIDERED THE ISSUANCE OF NON-CONVERTIBLE DEBENTURES

"**RESOLVED THAT** pursuant to the provisions of Section 42, 71, 179 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 18 of Companies (Share Capital and Debentures) Rules, 2014), including any statutory modification/ amendments or re-enactments thereof ("**Act**") and subject to guidelines/regulations/circulars/directions as issued by the Reserve Bank of India ("**RBI**"), the Securities and Exchange Board of India ("**SEBI**") (as amended from time to time), including the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or any other regulatory authority, and relevant provisions of the Memorandum of Association and Articles of Association of the Company and any listing agreement(s) entered into with any stock exchange(s) (the "**Stock Exchange(s)**") where the securities of the Company may be listed and subject to such other approval(s), consent(s), permission(s) and/ or sanction(s) of such other statutory/ regulatory authorities, if so required, and subject to such conditions and modifications, as may be considered appropriate by the Committee, the consent of the Committee be and is hereby accorded for:

(a) the offer and issue of 1,450 (One Thousand Four Hundred and Fifty) secured, rated, listed, redeemable, transferable, non-convertible debentures denominated in Indian Rupees ("**INR**") each having a face value of INR 10,00,000/- (Indian Rupees Ten Lakh) aggregating to an amount of INR 1,45,00,00,000/- (Indian Rupees One Hundred and Forty Five Crore) ("**Debentures**") at the interest rate of 10.4500% (ten decimal four five

For ASIRVAD MICRO FINANCE LIMITED

Aparna Menon
Company Secretary

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zero zero percent) p.a., or such other rate as may be agreed, net of withholding tax, payable semi-annually, subject to deduction of taxes at source in accordance with applicable law, and for a period of 60 (sixty) months from the deemed date of allotment or such other maturity (subject to applicable law) as may be agreed, subject to a put option and/or a call option after the expiry of 36 (thirty six) months from the deemed date of allotment, on a private placement basis to such foreign portfolio investors registered with the Securities and Exchange Board of India under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 or the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 and as may be further identified by the Authorised Persons (as defined below) ("**Investors**") for raising debt to meet funding requirements for expanding the loan portfolio of the Company and for such other purposes as may be agreed with the Investors; and

(b) securing the amounts to be raised pursuant to the issue of the Debentures together with all interest and other charges thereon (up to such limits and security cover as may be agreed) by one or more of the following (i) hypothecation of certain identified loans/book debts (and/or other assets) of the Company, (ii)) such other security as may be required in terms of the issuance of the Debentures (the "**Security**")."

RESOLVED FURTHER THAT the draft terms and conditions for the issue of the Debentures as tabled at the meeting be and is hereby approved.

RESOLVED FURTHER THAT the Company be and is hereby authorised to obtain listing of the Debentures on BSE Limited ("**BSE**") under the regulations/circulars notified by the SEBI for non-convertible debt instruments (as amended from time to time) and to do all such acts, deeds and things and execute or ratify such documents, papers and writings as may be necessary for the purpose.

RESOLVED FURTHER THAT the approval be and is hereby accorded for appointing Catalyst Trusteeship Limited as the debenture trustee ("**Debenture Trustee**") in connection with the issue of the Debentures.

For ASIRVAD MICRO FINANCE LIMITED

Aparna Menon
Company Secretary

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RESOLVED FURTHER THAT the consent be and is hereby accorded to appoint CRISIL Ratings Limited, a SEBI registered rating agency, for obtaining the ratings for issuance of the Debentures.

RESOLVED FURTHER THAT S.K.D.C. Consultants Limited, a Securities and Exchange Board of India registered Registrars to Issues & Securities Transfer Agent be and is hereby appointed as the "Registrar & Transfer Agent (RTA)" upon such terms and conditions as may be mutually agreed upon.

RESOLVED FURTHER THAT Mr. B N Raveendra Babu, Managing Director, or Mr. Yogesh Ratnakar Udhoji, Chief Financial Officer, or Mr. Nikhilesh Kumar, Asst Vice President or Ms. Aparna Menon, Company Secretary of the Company (collectively, the "**Authorised Persons**") be and are hereby severally authorised to do such acts, deeds and things as they deem necessary or desirable in connection with the issue, offer and allotment of the Debentures, including, without limitation the following:

(a) seeking, if required, any approval, consent or waiver from any/all concerned governmental and regulatory authorities, and/or any other approvals, consent or waivers that may be required in connection with the issue, offer and allotment of the Debentures;

(b) executing the term sheet in relation to the Debentures;

(c) negotiating, approving and deciding the terms of the Debentures and all other related matters;

(d) seeking the listing of any of the Debentures on any Stock Exchange, submitting thelisting application and taking all actions that may be necessary in connection withobtaining such listing;

(e) issuing the Debentures through the electronic book mechanism process pursuant to the guidelines and circulars issued by the SEBI in this respect, and taking all such action and steps as may be required for the purposes of complying with relevant guidelines, including making all relevant disclosures to the "electronic book provider";

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Company Secretary

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(f) creating and maintaining a recovery expense fund with the relevant Stock Exchanges in accordance with the requirements of the circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 on *"Contribution by Issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund""* issued by SEBI;

(g) providing such information or documents to the debenture trustee in accordance with the requirements of the circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 on *"Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)"* issued by SEBI;

(h) identifying the Investors (being the identified persons for the purposes of Section 42 of the Act);

(i) approving the debt disclosure document/information memorandum and the private placement offer cum application letter (including amending, varying or modifying the same, as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines;

(j) finalising the terms and conditions of the appointment of an arranger (if any), the Debenture Trustee, the Registrar and Transfer Agent, a credit rating agency, legal counsel, a depository and such other intermediaries as may be required including theirsuccessors and their agents;

(k) finalisation of the terms of, and completing all applicable requirements for the issue, offer and allotment of the Debentures;

(l) entering into arrangements with the depository in connection with issue of Debentures in dematerialised form;

(m) creating and perfecting the Security as required in accordance with the terms of the Transaction Documents (as defined below) in relation to theissue, offer and allotment of the Debentures;

(n) finalising the deemed date of allotment of the Debentures;

(o) negotiating, executing, filing and delivering any documents, instruments, deeds, amendments, papers, applications, notices or letters as may be required in connection with the issue, offer and allotment of the Debentures and dealing with regulatory authorities in connection with the issue, offer and allotment of

For ASIRVAD MICRO FINANCE LIMITED

Aparna Menon

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the Debentures including but not limited to the RBI, SEBI (if so required), any Stock Exchange, the relevant registrar of companies, the Central Registry of Securitisation Asset Reconstruction and Security Interest, the Ministry of Corporate Affairs, or any depository, and such other authorities as may be required;

(p) to execute all documents with, file forms with and submit applications to any StockExchange (if so required), the relevant registrar of companies, the Ministry of Corporate Affairs, the relevant sub-registrar of assurances (if so required), CentralRegistry of Securitisation Asset Reconstruction and Security Interest or any depository;

(q) sign and/or dispatch all documents and notices to be signed and/or dispatched bythe Company under or in connection with the Transaction Documents;

(r) to take all steps and do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to the Transaction Documents, the transactions contemplated therein and the resolutions mentioned herein, including without limitation, to approve, negotiate, finalise, sign, execute, ratify, amend, supplement and/or issue the following, including any amendments, modifications, supplements, restatements or novations thereto (now or in the future):

(i) the debt disclosure document/information memorandum and private placement offer cum application letter for the offer and issue of the Debentures (collectively, the "**Disclosure Documents**");

(ii) debenture certificate(s) for the Debentures;

(iii) the debenture trust deed, the debenture trustee agreement, the deed of hypothecation, and any other documents required for the creation of security interest over the Company's movable properties and assets or the issue, offer and allotment of the Debentures (including any powers of attorney in connection thereto), and any other document in relation thereto (collectively, the "**Transaction Documents**");

For ASIRVAD MICRO FINANCE LIMITED

Aparna Menon
Company Secretary

Corporate Office:
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(iv) any other documents required for the purposes of the issue, offer and allotment of the Debentures and the transactions contemplated thereby,

including but not limited to letters of undertaking, declarations, agreements, reports;

(v) the documents for opening of bank accounts and issuing instructions related thereto in connection with the Debentures including without limitation for the purposes of recognizing the rights of the debenture trustee to operate such bank accounts; and

(vi) any other document designated as a Transaction Document by the debenture trustee/ holders of the Debentures;

(s) do all acts necessary for the finalisation of the terms of, and completing all applicable requirements for, the issue, offer and allotment of the Debentures in accordance with the terms set out in the Disclosure Documents and the Transaction Documents; and

(t) to generally do any other act or deed, to negotiate and execute any documents, applications, agreements, undertakings, deeds, affidavits, declarations and certificates in relation to (a) to (s) above, and to give such directions as it deems fit or as may be necessary or desirable with regard to the finalisation of the terms of, and completing all applicable requirements for, the issue, offer and allotment of the Debentures.

RESOLVED FURTHER THAT any one of the Authorised Persons be and are hereby severally authorised to take all necessary steps relating to the creation, perfection and registration of charges and also to sign and submit the necessary forms with the relevant Registrar of Companies, the Ministry of Corporate Affairs, Central Registry of Securitisation Asset Reconstruction and Security Interest, or any depository, and other relevant governmental authorities.

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RESOLVED FURTHER THAT any one of the Authorised Persons be and are hereby severally authorised to record the name of the Debenture Holders in the register of debenture holders and to undertake such other acts, deeds and things as may be required to give effect to the issuance and allotment of the Debentures.

RESOLVED FURTHER THAT the Company be and is hereby authorised to open any bank accounts with such bank(s) in India as may be required in connection with the issue, offer and allotment of the Debentures and that any one of Authorised Persons, be and are hereby severally authorised to sign and execute the application form(s) and other documents required for opening the said account(s), to operate such account(s), and to give such instructions including closure thereof as may be required and deemed appropriate by them, and that such bank(s) be and is/are hereby authorised to honour all cheques and other negotiable instruments drawn, accepted or endorsed and instructions given by the Authorised Persons on behalf of the Company.

RESOLVED FURTHER THAT the Authorised Persons be and are hereby severally authorised to delegate the powers to any other employee/representative/agent of the Company, as may be deemed necessary to do such acts and execute such documents as may be required in connection with any of the matters relating to the issue, offer and allotment of the Debentures.

RESOLVED FURTHER THAT the Committee hereby approves and ratifies all such acts, deeds and actions taken by the Company till date for the purpose of the issue, offer and allotment of the Debentures.

RESOLVED FURTHER THAT the common seal of the Company be affixed to the stamped engrossments of such documents as may be required to be executed under the common seal of the Company in the presence of any director(s) of the Company and/or any Authorized Person and/or the Company Secretary of the Company who shall sign/ countersign the same in token thereof in accordance with the articles of association of the Company.

For ASIRVAD MICRO FINANCE LIMITED

Aparna Menon
Company Secretary

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RESOLVED FURTHER THAT any one of Mr. B N Raveendra Babu, Managing Director, and Ms. Aparna Menon, Company Secretary of the Company be and are hereby severally authorized to issue a copy of the aforesaid resolution certified to be true to any such authority as may be required in this regard."

-//Certified to be true copy//-

For **Asirvad Micro Finance Limited**

Aparna Menon
Company Secretary

ANNEXURE VI - COPY OF SHAREHOLDERS RESOLUTIONS

ASIRVAD MICRO FINANCE LIMITED
Subsidiary of MANAPPURAM FINANCE LTD.
Small Loans... Big Dreams...

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CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED BY THE MEMBERS OF ASIRVAD MICRO FINANCE LIMITED AT THE 14TH ANNUAL GENERAL MEETING HELD ON WEDNESDAY, THE 08TH DAY OF SEPTEMBER, 2021 THROUGH VIDEO CONFERENCING AT 4.00 PM.

INCREASED THE BORROWING POWER OF THE COMPANY U/S 180(1)(C) OF THE COMPANIES ACT, 2013 UPTO RS.12,000 CRORES.

"RESOLVED THAT in supersession to the earlier resolutions passed in the Annual General Meeting dated August 25, 2020 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with relevant rules made thereunder (including any statutory modifications, variations or/ and re-enactments thereof, for the time being in force), the consent of the Members of the Company be and are hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution), to borrow from time to time, any such sum or sums of monies , which together with moneys already borrowed by the Company, as they may deem appropriate for the purpose of the Company from any Bank(s), Public Financial Institution(s), Non-Banking Finance Companies, Co-Operative Banks, Investment Institutions, Banks, Mutual Funds, Companies and other Bodies Corporate or any Foreign Financial Institution(s) and/or any other entity/ entities or authority/ authorities either in Indian Rupees or equivalent thereof in any foreign currency(ies), whether by way of advances, loans, issue of debentures/ bonds and/or other instruments however, that the total borrowings may exceed the aggregate of paid-up capital, free reserves and securities premium of the Company, provided that the outstanding amount so borrowed at any time (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed an amount of Rs.12,000 Crores (Rupees Twelve Thousands Crores Only), which may be borrowed in one or more than one tranches."

For ASIRVAD MICRO FINANCE LIMITED

Aparna Menon
Company Secretary

Regd. Office : Ist Floor, Deshabandhu Plaza 47, Whites Road, Chennai - 600 014
Web : www.asirvadmicrofinance.co.in E-mail : info@asirvad.org CIN : U65923TN2007PLC064550

Corporate Office:
9th & 10th Floor,
No: 9, Club House Road,
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T : 044 3529 8100

RESOLVED FURTHER THAT the consent be and is hereby accorded to do securitisation deals as per the Securitisation Policy of the Company as amended from time to time.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things, arrange, give such directions as may be deemed necessary or expedient, or settle the terms and conditions of such instrument, securities, loan, debt instrument as the case may be, on which all such sums of money as are borrowed, or to be borrowed, from time to time, as to interest, repayment, security or otherwise howsoever as it may think fit, and to execute all such documents, instruments and writings as may be required to give effect to this Resolution and for matters connected therewith or incidental thereto, including intimating the concerned authorities or other regulatory bodies and also to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to the Borrowing & Securities Allotment Committee or to any Committee of Directors or to any officer or officers of the Company in this regard."

//Certified True Copy//

For Asirvad Micro Finance Limited

Aparna Menon

Company Secretary

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be entered into between the Company and the lenders, investors, agents and/or trustees in respect of the said loans, borrowings, debentures and continuing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the board of directors or any committees thereof and the lenders, agents and/ or trustees, provided that maximum amount of the indebtedness secured by the properties of the Company shall not exceed Rs.12,000 Crores (Rupees Twelve Thousand Crores Only) at any time.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to any member the Borrowing & Securities Allotment Committee or to any Committee of Directors or to any officer or officers of the Company in this regard and to do all such other acts/ deeds/ matters and/ or things as may be deemed necessary, expedient, essential and consequential to give effect to this resolution(s)."

//Certified True Copy//

For Asirvad Micro Finance Limited

Aparna Menon

Company Secretary

ANNEXURE VII – RELATED PARTY TRANSACTIONS

FY:2020-21:NIL

FY:2019-20: As per below

Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered during the year ended March 31, 2020, which were not at arm's length basis.

Detail of material contracts or arrangements or transactions at arm's length basis

Following contracts or arrangements or transactions are entered during the year ended March 31, 2020

Name of the Related Party and Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the Contract/ Arrangement/ Transaction	(Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any	Value of Transaction or Amount paid as advances, if any (in Lakhs)
Manappuram Comptech and Consultants Limited (Fellow Subsidiary)	For availing non-exclusive license to use the later Company's Litigation Management Solutions Software i.e., "JUS SUIT" including modules and to avail such other services as required	As per Agreement	As per the Software License Agreement dated 5th October, 2019	04.11.2019	15.78
Manappuram Comptech and Consultants Limited	For availing Software modules i.e., "Paperless Office Modules" and to avail such other services	As per Agreement	-	17.03.2020	
Managing Director is related with this Company.	Payment of rent for the Registered Office of the Company to Proficient Investment Financial Consultancy Pvt Ltd	As per Agreement	-	Audit Committee – 13.05.2019	4.96

FY:2018-19: NIL

ANNEXURE XIV- ALM STATEMENTS

DNBS4BStructuralLiquidity - Statement of Structural Liquidity

All Monetary Items present in this return shall be reported in ₹ Lakhs Only

Table 2: Statement of Structural Liquidity

Particulars		0 day to 7 days	8 days to 14 days	15 days to 30/31 days (One month)	Over one month and upto 2 months	Over two months and upto 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total	Remarks		Actual outflow/inflow during last 1 month, starting		
															0 day to 7 days	8 days to 14 days	15 days to 30/31 days
		X010	X020	X030	X040	X050	X060	X070	X080	X090	X100	X110	X120		X130	X140	X150
A. OUTFLOWS																	
1.Capital (i+ii+iii+iv)	Y010	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,331.19	5,331.19			0.00	0.00	0.00
(i) Equity Capital	Y020	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,331.19	5,331.19			0.00	0.00	0.00
(ii) Perpetual / Non Redeemable Preference Shares	Y030	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(iii)) Non-Perpetual / Redeemable Preference Shares	Y040	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(iv) Others	Y050	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
2.Reserves & Surplus (i+ii+iii+iv+v+vi+vii+viii+ix+x+xi+xii+xiii)	Y060	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,00,389.07	1,00,389.07			0.00	0.00	0.00
(i) Share Premium Account	Y070	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	55,810.89	55,810.89			0.00	0.00	0.00
(ii) General Reserves	Y080	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35.93	35.93			0.00	0.00	0.00
(iii) Statutory/Special Reserve (Section 45-IC reserve to be shown separately below item no.(viii))	Y090	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,702.76	9,702.76			0.00	0.00	0.00
(iv) Reserves under Sec 45-IC of RBI Act 1934	Y100	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(v) Capital Redemption Reserve	Y110	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	500.00	500.00			0.00	0.00	0.00
(vi) Debenture Redemption Reserve	Y120	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(vii) Other Capital Reserves	Y130	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(viii) Other Revenue Reserves	Y140	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(ix) Investment Fluctuation Reserves/ Investment Reserves	Y150	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(x) Revaluation Reserves (a+b)	Y160	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(a) Revl. Reserves - Property	Y170	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(b) Revl. Reserves - Financial Assets	Y180	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(xi) Share Application Money Pending Allotment	Y190	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(xii) Others (Please mention)	Y200	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(xiii) Balance of profit and loss account	Y210	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	34,339.49	34,339.49			0.00	0.00	0.00
3.Gifts, Grants, Donations & Benefactions	Y220	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
4.Bonds & Notes (i+ii+iii)	Y230	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(i) Plain Vanilla Bonds (As per residual maturity of the instruments)	Y240	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(ii) Bonds with embedded call / put options including zero coupon / deep discount bonds (As per residual period for the earliest exercise date for the embedded option)	Y250	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(iii) Fixed Rate Notes	Y260	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
5.Deposits (i+ii)	Y270	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(i) Term Deposits from Public	Y280	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(ii) Others	Y290	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
6.Borrowings (i+ii+iii+iv+v+vi+vii+viii+ix+x+xi+xii+xiii+xiv)	Y300	2,431.66	10,153.06	28,774.62	31,841.90	26,553.12	62,867.00	1,68,236.11	1,75,052.01	33,128.24	4,446.00	5,43,483.72			4,466.23	7,389.82	10,022.00
(i) Bank Borrowings (a+b+c+d+e+f)	Y310	1,181.66	2,728.17	17,428.93	12,533.59	14,210.80	36,259.64	90,369.94	1,16,430.19	11,931.54	4,446.00	3,07,520.46			2,905.54	1,256.26	4,658.00
a) Bank Borrowings in the nature of Term Money Borrowings (As per residual maturity)	Y320	876.79	2,728.17	11,711.57	11,671.39	13,178.29	34,398.00	86,786.53	88,315.77	7,485.54	0.00	2,57,152.05			2,905.54	1,256.26	4,658.00
b) Bank Borrowings in the nature of WCDL	Y330	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
c) Bank Borrowings in the nature of Cash Credit (CC)	Y340	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
d) Bank Borrowings in the nature of Letter of Credit (LCs)	Y350	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
e) Bank Borrowings in the nature of ECBs	Y360	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
f) Other bank borrowings	Y370	304.87	0.00	5,717.36	862.20	1,032.51	1,861.64	3,583.41	28,114.42	4,446.00	4,446.00	50,368.41			0.00	0.00	0.00
(ii) Inter Corporate Deposits (Other than Related Parties) (These being institutional / wholesale deposits, shall be slotted as per their residual maturity)	Y380	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(iii) Loans from Related Parties (including ICDs)	Y390	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(iv) Corporate Debts	Y400	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(v) Borrowings from Central Government / State Government	Y410	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(vi) Borrowings from RBI	Y420	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(vii) Borrowings from Public Sector Undertakings (PSUs)	Y430	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(viii) Borrowings from Others (Please specify)	Y440	0.00	7,424.89	11,345.69	13,579.14	11,775.65	20,044.86	23,757.84	6,216.02	0.00	0.00	94,144.09			3.32	6,082.63	4,085.00
(ix) Commercial Papers (CPs)	Y450	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
Of which; (a) To Mutual Funds	Y460	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(b) To Banks	Y470	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(c) To NBFCs	Y480	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(d) To Insurance Companies	Y490	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(e) To Pension Funds	Y500	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(f) To Others (Please specify)	Y510	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(x) Non - Convertible Debentures (NCDs) (A+B)	Y520	1,250.00	0.00	0.00	5,729.17	566.67	6,562.50	54,108.33	52,405.80	21,196.70	0.00	1,41,819.17			1,557.37	50.93	1,279.00
A. Secured (a+b+c+d+e+f+g)	Y530	833.33	0.00	0.00	3,750.00	150.00	3,750.00	40,983.33	26,843.30	11,196.70	0.00	87,506.66			1,557.37	50.93	1,279.00
Of which; (a) Subscribed by Retail Investors	Y540	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(b) Subscribed by Banks	Y550	833.33	0.00	0.00	3,750.00	0.00	3,750.00	40,833.33	23,000.00	0.00	0.00	72,166.66			1,557.37	50.93	1,279.00
(c) Subscribed by NBFCs	Y560	0.00	0.00	0.00	0.00	150.00	0.00	150.00	2,896.65	9,303.35	0.00	12,500.00			0.00	0.00	0.00
(d) Subscribed by Mutual Funds	Y570	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(e) Subscribed by Insurance Companies	Y580	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(f) Subscribed by Pension Funds	Y590	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(g) Others (Please specify)	Y600	0.00	0.00	0.00	0.00	0.00	0.00	0.00	946.65	1,893.35	0.00	2,840.00			0.00	0.00	0.00
B. Un-Secured (a+b+c+d+e+f+g)	Y610	416.67	0.00	0.00	1,979.17	416.67	2,812.50	13,125.00	25,562.50	10,000.00	0.00	54,312.51			0.00	0.00	0.00
Of which; (a) Subscribed by Retail Investors	Y620	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(b) Subscribed by Banks	Y630	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(c) Subscribed by NBFCs	Y640	416.67	0.00	0.00	1,979.17	416.67	2,812.50	13,125.00	25,562.50	10,000.00	0.00	54,312.51			0.00	0.00	0.00
(d) Subscribed by Mutual Funds	Y650	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(e) Subscribed by Insurance Companies	Y660	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(f) Subscribed by Pension Funds	Y670	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(g) Others (Please specify)	Y680	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00

(xi) Convertible Debentures (A+B) (Debentures with embedded call / put options As per residual period for the earliest exercise date for the embedded option)	Y690	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
A. Secured (a+b+c+d+e+f+g)	Y700	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
Of which; (a) Subscribed by Retail Investors	Y710	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(b) Subscribed by Banks	Y720	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(c) Subscribed by NBFCs	Y730	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(d) Subscribed by Mutual Funds	Y740	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(e) Subscribed by Insurance Companies	Y750	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(f) Subscribed by Pension Funds	Y760	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(g) Others (Please specify)	Y770	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
B. Un-Secured (a+b+c+d+e+f+g)	Y780	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
Of which; (a) Subscribed by Retail Investors	Y790	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(b) Subscribed by Banks	Y800	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(c) Subscribed by NBFCs	Y810	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(d) Subscribed by Mutual Funds	Y820	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(e) Subscribed by Insurance Companies	Y830	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(f) Subscribed by Pension Funds	Y840	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(g) Others (Please specify)	Y850	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(xii) Subordinate Debt	Y860	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(xiii) Perpetual Debt Instrument	Y870	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(xiv) Security Finance Transactions(a+b+c+d)	Y880	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
a) Repo (As per residual maturity)	Y890	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
b) Reverse Repo (As per residual maturity)	Y900	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
c) CBLO (As per residual maturity)	Y910	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
d) Others (Please Specify)	Y920	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
7.Current Liabilities & Provisions (a+b+c+d+e+f+g+h)	Y930	580.15	171.35	7,069.59	5,621.69	5.84	3,394.97	4,524.00	0.00	0.00	5,506.00	26,873.59			0.00	0.00	0.00
a) Sundry creditors	Y940	0.00	0.00	1,894.00	135.00	0.00	0.00	0.00	0.00	0.00	0.00	2,029.00			0.00	0.00	0.00
b) Expenses payable (Other than Interest)	Y950	544.00	0.00	2,723.00	1,611.00	0.00	2,294.00	0.00	0.00	0.00	0.00	7,172.00			0.00	0.00	0.00
(c) Advance income received from borrowers pending adjustment	Y960	0.00	0.00	0.00	0.00	0.00	0.00	4,524.00	0.00	0.00	0.00	4,524.00			0.00	0.00	0.00
(d) Interest payable on deposits and borrowings	Y970	36.15	171.35	2,452.59	3,875.69	5.84	1,100.97	0.00	0.00	0.00	0.00	7,642.59			0.00	0.00	0.00
(e) Provisions for Standard Assets	Y980	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,506.00	5,506.00			0.00	0.00	0.00
(f) Provisions for Non Performing Assets (NPAs)	Y990	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(g) Provisions for Investment Portfolio (NPI)	Y1000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(h) Other Provisions (Please Specify)	Y1010	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
8.Statutory Dues	Y1020	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
9.Unclaimed Deposits (i+ii)	Y1030	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(i) Pending for less than 7 years	Y1040	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(ii) Pending for greater than 7 years	Y1050	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
10.Any Other Unclaimed Amount	Y1060	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
11.Debt Service Realisation Account	Y1070	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
12.Other Outflows	Y1080	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
13.Outflows On Account of Off Balance Sheet (OBS) Exposure (i+ii+iii+iv+v+vi+vii)	Y1090	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(i)Loan commitments pending disbursal	Y1100	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(ii)Lines of credit committed to other institution	Y1110	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(iii)Total Letter of Credits	Y1120	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(iv)Total Guarantees	Y1130	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(v) Bills discounted/rediscounted	Y1140	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(vi)Total Derivative Exposures (a+b+c+d+e+f+g+h)	Y1150	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(a) Forward Forex Contracts	Y1160	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(b) Futures Contracts	Y1170	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(c) Options Contracts	Y1180	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(d) Forward Rate Agreements	Y1190	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(e) Swaps - Currency	Y1200	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(f) Swaps - Interest Rate	Y1210	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(g) Credit Default Swaps	Y1220	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(h) Other Derivatives	Y1230	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(vii)Others	Y1240	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
A. TOTAL OUTFLOWS (A) (Sum of 1 to 13)	Y1250	3,011.81	10,324.41	35,844.21	37,463.59	26,558.96	66,261.97	1,72,760.11	1,75,052.01	33,128.24	1,15,672.26	6,76,077.57			4,466.23	7,389.82	10,022.00
A1. Cumulative Outflows	Y1260	3,011.81	13,336.22	49,180.43	86,644.02	1,13,202.98	1,79,464.95	3,52,225.06	5,27,277.07	5,60,405.31	6,76,077.57	6,76,077.57			4,466.23	11,856.05	21,878.05
B. INFLOWS																	
1. Cash (In 1 to 30/31 day time-bucket)	Y1270	247.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	247.00			0.00	0.00	0.00
2. Remittance in Transit	Y1280	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
3. Balances With Banks	Y1290	40,236.70	14,000.00	2,178.45	811.82	0.00	5,076.00	4,101.59	3,189.35	0.00	0.00	69,593.91			7,868.72	6,724.69	12,253.00
a) Current Account (The stipulated minimum balance be shown in 6 months to 1 year bucket. The balance in excess of the minim balance be shown in 1 to 30 day time bucket)	Y1300	11,514.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,514.00			0.00	0.00	0.00
b) Deposit Accounts /Short-Term Deposits (As per residual maturity)	Y1310	28,722.70	14,000.00	2,178.45	811.82	0.00	5,076.00	4,101.59	3,189.35	0.00	0.00	58,079.91			7,868.72	6,724.69	12,253.00
4.Investments (i+ii+iii+iv+v)	Y1320	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.00	5.00			0.00	0.00	0.00
(i)Statutory Investments (only for NBFCs-D)	Y1330	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(ii) Listed Investments	Y1340	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(a) Current	Y1350	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(b) Non-current	Y1360	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(iii) Unlisted Investments	Y1370	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(a) Current	Y1380	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(b) Non-current	Y1390	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(iv) Venture Capital Units	Y1400	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(v) Others (Please Specify)	Y1410	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.00	5.00			0.00	0.00	0.00
5.Advances (Performing)	Y1420	5,858.01	5,858.01	14,226.59	26,883.39	38,029.62	1,04,251.46	1,76,475.18	2,08,385.27	0.00	0.00	5,79,967.53			0.00	0.00	0.00
(i) Bills of Exchange and Promissory Notes discounted & rediscounted (As per residual usance of the underlying bills)	Y1430	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00

(ii) Term Loans (The cash inflows on account of the interest and principal of the loan may be slotted in respective time buckets as per the timing of the cash flows as stipulated in the original / revised repayment schedule)	Y1440	5,858.01	5,858.01	14,226.59	26,883.39	38,029.62	1,04,251.46	1,76,475.18	2,08,385.27	0.00	0.00	5,79,967.53			0.00	0.00	0.00
(a) Through Regular Payment Schedule	Y1450	5,858.01	5,858.01	14,226.59	26,883.39	38,029.62	1,04,251.46	1,76,475.18	2,08,385.27	0.00	0.00	5,79,967.53			0.00	0.00	0.00
(b) Through Bullet Payment	Y1460	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(iii) Interest to be serviced through regular schedule	Y1470	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(iv) Interest to be serviced to be in Bullet Payment	Y1480	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
6.Gross Non-Performing Loans (GNPA)	Y1490	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(i) Substandard	Y1500	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(a) All over dues and instalments of principal falling due during the next three years (In the 3 to 5 year time-bucket)	Y1510	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(b) Entire principal amount due beyond the next three years (In the over 5 years time-bucket)	Y1520	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(ii) Doubtful and loss	Y1530	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(a) All instalments of principal falling due during the next five years as also all over dues (In the over 5 years time-bucket)	Y1540	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(b) Entire principal amount due beyond the next five years (In the over 5 years time-bucket)	Y1550	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
7. Inflows From Assets On Lease	Y1560	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
8. Fixed Assets (Excluding Assets On Lease)	Y1570	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,148.00	1,148.00			0.00	0.00	0.00
9. Other Assets :	Y1580	4,544.08	1.49	117.11	2,306.71	132.78	259.74	3,981.67	10,178.00	2,410.55	1,184.00	25,116.13			0.00	0.00	0.00
(a) Intangible assets & other non-cash flow items (In the 'Over 5 year time bucket)	Y1590	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,184.00	1,184.00			0.00	0.00	0.00
(b) Other items (e.g. accrued income, other receivables, staff loans, etc.) (In respective maturity buckets as per the timing of the cash	Y1600	20.08	1.49	117.11	10.71	132.78	259.74	214.67	0.00	0.00	0.00	756.58			0.00	0.00	0.00
(c) Others	Y1610	4,524.00	0.00	0.00	2,296.00	0.00	0.00	3,767.00	10,178.00	2,410.55	0.00	23,175.55			0.00	0.00	0.00
10.Security Finance Transactions (a+b+c+d)	Y1620	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
a) Repo (As per residual maturity)	Y1630	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
b) Reverse Repo (As per residual maturity)	Y1640	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
c) CBLO (As per residual maturity)	Y1650	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
d) Others (Please Specify)	Y1660	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
11.Inflows On Account of Off Balance Sheet (OBS) Exposure (i+ii+iii+iv+v)	Y1670	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(i)Loan committed by other institution pending disbursal	Y1680	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(ii)Lines of credit committed by other institution	Y1690	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(iii) Bills discounted/rediscounted	Y1700	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(iv)Total Derivative Exposures (a+b+c+d+e+f+g+h)	Y1710	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(a) Forward Forex Contracts	Y1720	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(b) Futures Contracts	Y1730	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(c) Options Contracts	Y1740	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(d) Forward Rate Agreements	Y1750	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(e) Swaps - Currency	Y1760	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(f) Swaps - Interest Rate	Y1770	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(g) Credit Default Swaps	Y1780	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(h) Other Derivatives	Y1790	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
(v)Others	Y1800	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00
B. TOTAL INFLOWS (B) (Sum of 1 to 11)	Y1810	50,885.79	19,859.50	16,522.15	30,001.92	38,162.40	1,09,587.20	1,84,558.44	2,21,752.62	2,410.55	2,337.00	6,76,077.57			7,868.72	6,724.69	12,253.00
C. Mismatch (B - A)	Y1820	47,873.98	9,535.09	-19,322.06	-7,461.67	11,603.44	43,325.23	11,798.33	46,700.61	-30,717.69	-1,13,335.26	0.00			3,402.49	-665.13	2,231.00
D. Cumulative Mismatch	Y1830	47,873.98	57,409.07	38,087.01	30,625.34	42,228.78	85,554.01	97,352.34	1,44,052.95	1,13,335.26	0.00	0.00			3,402.49	2,737.36	4,968.36
E. Mismatch as % of Total Outflows	Y1840	1589.54%	92.35%	-53.91%	-19.92%	43.69%	65.38%	6.83%	26.68%	-92.72%	-97.98%	0.00%			76.18%	-9.00%	22.26%
F. Cumulative Mismatch as % of Cumulative Total Outflows	Y1850	1589.54%	430.47%	77.44%	35.35%	37.30%	47.67%	27.64%	27.32%	20.22%	0.00%	0.00%			76.18%	23.09%	22.71%

PROCESS MANUAL

OPERATIONS

PART 1

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Approved by : National Head – Operations

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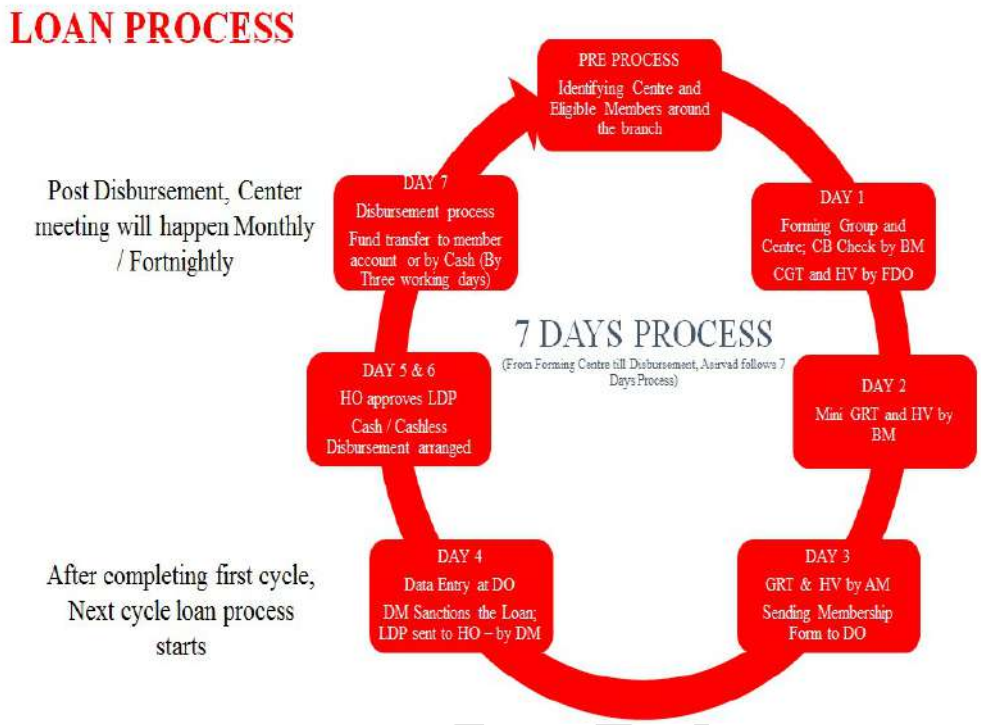
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Our Loan Process :

From Forming Centre to Disbursement, we follow 7 days Process

List of Process as below :



PRE PROCESS

AREA SURVEY

Before the Process

Area Survey will be done by the Branch team to identify potential areas around the branch, where we can offer the services

Identifying potential slums, villages and areas and introductory meeting

1. FDO Identifies the areas where Asirvad has a potential to offer financial services. In all locations, areas around the branch can be preferably within 25 Kms. In case of higher limits, NHO approval is required. Care should be taken that Centre Meeting is properly planned at the later stage and FDO can reach the Centre in planned time
2. FDO has to ensure that Area is potential and has Eligible Members
3. Businesses, Trading, Household Enterprises & Agriculture are having good potential for growth
4. Ensure that the area does not have a bad history of poor repayments & over-indebtedness
5. A meeting is held for 30-50 women to introduce AML to a potential area (Eligibility, Loan Terms, Disbursement Process, Collection Process)
6. FDO will only facilitate the identification of eligible members who can be part of the same center (importance of self-selection of center).

7. FDO will communicate the eligibility criteria to the group of women
8. FDO after ensuring the group of women understand their eligibilities, will request them to find other women who fulfil the above eligibilities and make a groups / centre and call either him or Branch Manager. FDO will give his and BM's Mobile Number for the purpose of contact.
9. If the women are interested and they have formed a collective group, then they will call the FDO / BM. FDO / BM will inform the women to carry original and two copies each of
    - Aadhaar ID Proof of self and husband / Nominee (mandatory document)
    - Second proof of self preferably Voter Id and wherever applicable Ration Card (with present address) and
    - 3 - 4 copies of Joint photo (Photo should be a joint photo of Member and Nominee)
    - Additionally two copies of the Member Bank Account Passbook with IFSC code displayed are to be collected, wherever available

      Please refer point 4 in member eligibilities for more information
10. FDO / BM will fix a time and place. Once time and place are fixed, FDO will visit the Members. That is DAY 1

Eligibilities to become a Member :

1. Lending Eligibility
    a. Member should not have taken more than two loans from NBFC – MFI (including present requested Loan of Asirvad)
    b. Total Loan outstanding (including the present requested Loan from Asirvad) should not be more than Rs. 60000
    c. For any new member (first time loan applied from Asirvad), Member should not have any active OD with other lender
    d. We are now excluding SFBs from the list of eligible NBFC MFIs for the purpose of CB checking for outstanding loan aggregate of Rs. 60000/-

    - However w.e.f 19 Jun 2017, in case of a member has defaulted to any SFB, we need to reckon the same for eligibility and not consider such members for loan.
    - In the case of existing customers if we are the first or second lender and if she has defaulted to both of us then we will consider loan to such borrowers

    This rule is to avoid over indebtness. We will check Member's loan from other MFI through our Credit Bureau Check. Once Members submit Form with KYC documents, in our Branch, BM will key in the data in our Software and send to CB for Credit Check. Member's result on PASS / FAIL is received and based on which we further take up the loan Process for the Members

2. Member and nominee should be within 18 – 57 years of age

    We can offer loan only to members and nominee who attain 18 years. Since Insurance coverage is upto 60 years, maximum entry age for loan should be 57 years – Documents like Aadhaar, Ration Card, Voter ID etc can be used to identify the age.

3. Member should be Married

    Unmarried woman can get married during tenure of the loan and possibility to relocate is high. Hence we offer loan to married woman only. Preferably Husband should be the Nominee. In case of widow,

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divorcee, husband is above 57 or husband gone to long term out of station, Son / Daughter (18 years and above), can be the nominee. In case Son / Daughter are minor, then any close relative like Father, Mother, Brother, Mother in Law, Father in Law can be the nominee. However, Relationship Proof should be submitted between nominee and the Member.

4. Member should submit the KYC documents as specified above (Area Survey – Point 9)

   In case, Aadhaar and the second proof do not have the present residential address of the member, then additional address proof with present address is to be submitted mandatorily.

   Additional Address Proofs:
   Bank Passbook \ Electricity Bill \ Gas Bill. All these proofs should have member's name. In case, if the name available are of the family member, then relationship proof is to be submitted. For eg. Electricity Bill is in the name of husband / Father In law / Brother In Law / Mother In Law who is the owner of the house, then ration card can be used as relationship proof, which has the electricity bill name and member name printed

   Member should submit two copies of all the above documents - the ID and Address Proof and one set will be attached with the Membership Form. Other Set will be attached with the Loan Form. Original Documents should be verified during House Verification by FDO \ BM \ AM

5. Member should preferably be Self employed

   We offer loan for Income Generating Purpose. Self-employed member can utilise the loan for Income Generating Purpose. Also self-employed members can attend the Centre Meeting as per our time.

6. Member's Income : In urban locations, Member's total Household annual income should not be more than Rs. 1,60,000 (approximately Rs 13000 per month) and in Rural locations, Member's total Household annual income should not be more than Rs. 1,00,000 (approximately Rs 8000 per month)

   This is to ensure Member's potential to pay the Instalment after her family commitments. We offer loan for Income Generation and hence this will improve member's income. We do not collect any proof for Member's Income, however FDO / BM / AM will orally verify the claimed income by the Member during House Verification

7. Members should be staying within walkable distance to the centre meeting point preferably

   Since we require members to cross guarantee other member's loan, they should know each other well. Members can know each other well and ensure quality members being part of the Centre

8. Members are ready to Cross Guarantee – Ready to accept JLG

   All members to cross guarantee other members loan to ensure prompt payment. This will ensure only quality members in the Centre.

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DAY 1

Day 1 of the Process involves following activities :

- Asirvad Introduction and Forming Center and Group
- Form Filling
- CB Check by BM
- Day 1 CGT Training
- House Verification

PART 1 - Asirvad Introduction

1.1 Process

a) FDO introduces ASIRVAD to the group of women.
b) Introduction will be about
   a. the organisation,
   b. our vision and Mission and purpose of giving loan
   c. JLG – Importance of guaranteeing other member's loan
   d. Member's eligibilities and request any woman who do not fulfil any one of the Eligibility Criteria to be out of the Meeting.
c) FDO will conduct an initial oral verification. FDO will ask questions based on the member's eligibilities. If the FDO is satisfied with the initial verification, FDO will form the Centre as per requisites
d) Once Centre and Groups are formed, FDO will ask the members to select Group Leaders of each group first. Then CL is selected, among the Group Leaders. Centre Leader's Group is made as Group 1
e) Once Centre formed with CL and GLs, Centre Members are requested to be seated (Centre Seating Arrangement)

1.2 **Prerequisites of Centre and Groups** :

1. Centre can have minimum 7 members and maximum 30 members

   10 Members are ideal for JLG in a centre and 30 member centre is ideally big to manage. Centre with more than 30 members, who fulfils all the above eligibilities can be converted as two centres.

2. A Group can have minimum 3 members and maximum 5 Members
   For better managing the group. This is the preferable formation in the group. However, in case of practical management and updation in software, 1 member can also be allowed. For eg., in case of 11 members, software will take 2 groups with 5 members each and 1 member in the group 3

3. Centre can have minimum 2 groups and maximum 6 groups

   For better managing the Centre

4. Close relatives cannot be part of the same group

   In case one member is absent for the meeting, the other relative will also be absent, making the cross liability to be huge on the remaining members of the group. However, close relatives can be part of the same centre.

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5. Centre location should not be

   i) On an encroachment area
   ii) Near Railway Track
   iii) Near Lake \ River banks

   Government / Appropriate authorities may ask members to vacate any time

1.3 Ideal characteristics of GL/CL

- Honesty and integrity
- Portray leadership skills
- Good communication skills and confidence
- GL and CL are respected by other members in the group & center
- Demonstrate accurate knowledge of the prospective members (character, occupation, family details/background and residence) in the group/center
- Willing to take responsibility for all the members in the group/center
- Willing to ensure that 100% on-time collections will be made by all borrowers

1.4 Seating arrangement

Preferable

GL(6)	6.2	6.3	6.4	6.5	**Gr.6**
GL(5)	5.2	5.3	5.4	5.5	**Gr.5**
GL(4)	4.2	4.3	4.4	4.5	**Gr.4**
GL(3)	3.2	3.3	3.4	3.5	**Gr.3**
GL(2)	2.2	2.3	2.4	2.5	**Gr.2**
CL	1.2	1.3	1.4	1.5	**Gr.1**
FDO					

Considering the space in the Centre location, this alternate mode can also be done with prior information to respective authorities

Gr.1	**Gr.2**	**Gr.6**	**Gr.4**	**Gr.6**	**Gr.6**
1.5	2.5	3.5	4.5	5.5	6.5
1.4	2.4	3.4	4.4	5.4	6.4
1.3	2.3	3.3	4.3	5.3	6.3
1.2	2.2	3.2	4.2	5.2	6.2
CL	**GL(2)**	**GL(3)**	**GL(4)**	**GL(5)**	**GL(6)**
FDO					

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PART 2 - FORM FILLING

2.1 Process

- After forming the Centre, Form Filling can be started by the FDO.
- FDO will request all members to keep the Documents (Refer for list of documents) and 3-4 Joint Photos of Member and Nominee
- FDO will hand over the Registration Forms each to the Members and ask them to fill. Usually, FDO fills the First Form to give Demo to all Members and then ask all members to fill the Form. In case Centre is not comfortable in filling, FDO can request Centre Leader or any literate member who can legibly write in the form to fill the Form.
- Once completed, Members can sign in their respective form. Any member who puts thumb impression, should submit a declaration stating she understood all the contents in the Form and agrees to it. Centre Leader will record and affix her signature in the declaration Form

- After filling the Forms of all the members, FDO requests all the members to affix the Photo and attach Ration Card, ID Proof, Address Proof and other Proofs.
- The documents and are kept in the order from 1.1 …….. 6.5

2.2 Points to Note :

1. Form should be legibly filled
2. One Copy of the Photo will be affixed on the top right of the Registration Form
3. Address in the Form should be filled as per the Address Proof. If the address in the Aadhaar and the second proof submitted are different, then proof with present residing address should be accepted as Address Proof
4. Photo in the ID proof should be clear and visible and matching with the member
5. Member's age should be captured as per the proofs submitted. DOB in the Aadhaar / Voter ID / PAN card can be recorded as recorded in the Proof. In case proofs have different date of birth or age, member's correct age is to be orally taken and recorded in the Form
6. Name : Member's Name in all documents submitted should preferably be same. We will take name in Aadhaar as correct name of the member and the nominee. For eg., if the Aadhaar has "Kala Devi" and Voter ID has "Kala", this is the name mismatch scenario. In case of minor spelling change, which do not affect the pronunciation of the name, correct spelling can be recorded and the submitted proof can be accepted. For Eg., Aadhaar has "Rama" and Voter Card has "Ramaa", then we can accept both Voter ID and Aadhaar
7. Type of Self Employment can be selected from the list in the Registration Form

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PART 3 – CGT

CGT will be done minimum in One Day

In locations, where business prefers to do in 2 or 3 days, will be allowed under the approval of NHO / appropriate authorities

At the centre Register Book DAY 1, FDO will record all member's signatures

(Refer CGT Manual)

PART 4 - House Verification

House Verification is done by FDO for all the members. This should be completed before Mini GRT. Hence FDO completes 100% House verification during CGT before calling BM for Mini GRT. However, in case of field requirements, it can be done in additional one or two days also.

BM completes 50% Verification during Mini GRT and AM completes remaining 50% members during GRT. However we prefer BM and AM to complete 100% House Verification in cases of new branches / divisions / new localities where we start our business for the first time. For new branches / divisions / states, 100% House Verification by BM and AM can be done only if needed

4.2 Details to be verified :

- ✓ Residence Address of each member as per the Proof of Address submitted
- ✓ Details entered in the Registration Form like Name, Husband Name, DOB etc., Business as per the Form
- ✓ Proof of the business
- ✓ All Originals match with copies (Original Seen and verified)

4.2 Items to be carried :

All docket (Registration Form, Aadhar and Other ID & Address Proofs of all members in the order 1.1 …….. 6.5)

4.3 Process :

FDO will carry the dockets and visit the members one by one.

FDO can select members randomly

FDO visit the first member (Selected randomly – preferably CL) as per the address given in the Registration Form

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FDO will check :

- ✓ Whether Member is residing in the Address given in the Form and the Address Proof – Door No, street name, locality all matches with the proof
- ✓ Whether the original documents are matching with the copies of the proofs submitted
- ✓ Member's details like Name, Spouse Name mentioned in the Registration Form are verified
- ✓ Member's age is within 18 – 57 years. FDO can check submitted proofs like Aadhaar Ration Card, Voter ID etc.
- ✓ Business type mentioned in the form are matching with the Proof.
- ✓ Whether the residence is within walkable distance around the Centre Meeting Point
- ✓ Member's Income is verbally verified and ensured within the eligible limit
- ✓ Whether the Member has availed only one loan apart from ASIRVAD and no Overdue with any MFI. Inform the member that we will be checking the CB for members availing any loan previously

In case of any mismatch with any details, FDO can ask members the clarification about the mismatch. It will be recorded in the Form. If the clarifications are satisfactory, FDO can recommend the Members and sign in the Registration Form.

If the member is found to be not eligible or clarification is not satisfactory, FDO can reject the member and hand over the copies of the KYC documents and photo back to the member

Once completed, FDO will take name and Signature from the Member in the DAY 1 House Verification column at the bottom of the Centre Register. Then FDO can move to the next member's residence. After completing for the Day, FDO will carry all Forms with Documents and return back to the Branch

FDO will complete 100% verification before Mini GRT

PART 5 - CREDIT CHECK

FDO will hand over the documents to BM after reaching the Branch.

BM will log in to GLOW Software to record and submit data for Credit Check

FDO will inform the Centre about the PASS Members. Any member who is FAILED, will be informed and the KYC will be given back to the Centre Leader and the respective Member

DAY 2

PART 6 - Mini GRT & BM Verification

6.1 Mini Group-Recognition- Test (Mini-GRT)

Mini GRT is one of the important responsibilities of the BM.

The objective of the mini-GRT is to ensure that

- ➢ Centres have been correctly identified and formed by the FDO
- ➢ Members' are eligible for the loan as per the rules and regulations of the Company
- ➢ Members are prepared for the loan (Repayment Capacity and intention of the Members are verified)
- ➢ Members understand joint liability and all policies and relevant process of Asirvad

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The mini-GRT is conducted only after the training provided by the FDO during which the FDO should have also completed the initial eligibility and residence verification of all the members in the centre

6.2 Process of conducting a mini-GRT

1. BM should arrive to the venue exactly 5 minutes before the scheduled time of the mini-GRT;
2. If the members are not already seated group-wise, BM requests the center to organize themselves group-wise and then greets the members;
3. The center will then be instructed to take the oath and then be seated, group-wise
4. The BM should read out the names as indicated on the first day of training (in the Center Book) and verify the attendance at the mini-GRT by a show of hands. The center must ensure 100% attendance at the time of the mini-GRT. Members who are absent at the time of the mini-GRT will not be permitted from being included in the center.
5. BM will take the Docket and compare the name as indicated in the proof of identity with the name as indicated in the Center Book. The FDO should have ensured that the set of documents submitted by the center, has been self-attested and this will be verified by the BM.
6. The BM should verbally verify the identity & address of each member by individually questioning each member and verifying the details with the KYC

7. The BM should verify the Center Book:

   ✓ The details of the FDO having conducted training should be indicated in the Center book
   The details of the FDO having completed house verification should be indicated in the Center Book (BM should enquire with the center if the FDO had completed house verification)
   ✓ CGT should have been conducted with 100% attendance

8. Suggested list of questions by BM:

   - Do you understood the rules of lending from Asirvad?
   - Name of the FDO who gave you training?
   - Did the FDO visit the residence of all the members?
   - For how many months/years have you been residing in the neighbourhood?
   - How well do you know one another in the group/center? Are you willing to guarantee for one-another?
   - Are you all sure that you have the eligibility to obtain a loan from the Company?
   - What is the long term viability of your occupation and employment?
   - Do all the members have acceptable proof of identity & age and proof of residence as required by Asirvad?
   - The BM should also ask the CL, GLs and any member, the names and occupation of some members chosen at random (3rd member seated in the 2nd row? 5th members seated in the last row? Name of the 4th group's GL?)

9. The standard GRT check list items should be kept in mind by the BM to make sure that no important questions are missed out at this stage. These questions may be asked to specific members chosen at random or can be structured as a general question to make sure that all the groups have been covered with a combination of questions
10. In addition to testing the knowledge of the center and the quality of training, overall, the center should be well organized and cooperative

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11. The BM should get a positive indication and should be convinced that the center has understood the policies well before recommending the center to the AM
12. If the BM is satisfied, then the names of the members recommended by him and verified by him in the presence of the Mini GRT will be indicated in the Center Book and signatures taken in the presence of the BM
13. If the center is not adequately trained then adequate explanation should be given by the FDO and the BM should recommend an additional day's training
14. If some borrowers are found to be not-eligible or have not attended training or even the mini-GRT, then the adequate explanation should be provided to the center and the names of the absent members should not be included in the mini-GRT list
15. The BM should share the feedback to the FDO back at the branch office so that specific areas within the training program can be improved and quality of centers formed and trained can be improved

6.3 House verification by the BM after the mini-GRT

1. After the BM finalizes the names of the members who have passed the mini-GRT, the center book will be updated by the BM
2. The mini-GRT is complete after the verification of address of 50% of the members in the center. For example for a center of size 30, the FDO will verify the houses of all the 30 members, and the Branch Manager has to verify the house of atleast 15 members after Mini GRT. This again, should be done in such a manner that in each group, the BM verifies the residence of a minimum of 50% members in a group. Also any member with discrepant information like Name Mismatch, Address Mismatch etc may be preferably verified
3. The details of the house verification should be recorded in the Center Register, which will be verified by the AM at the time of the GRT

DAY 3

PART 7 - Group Recognition Test & House Verification by AM

During the training sessions and the mini-GRT, the center is informed that the GRT is an extremely crucial assessment by the AM that primarily determines whether the center is eligible for registration

FDOs and the BM should ensure that the set of KYC, registration forms attached with the proof of identity and address and latest colour photograph of the member and the nominee are available and ready. AM after completing GRT and passing the center, will do random house verification for remaining 50% Members

7.1 Process of conducting a Group Recognition Test

1. AM should arrive to the center exactly 5 minutes before the scheduled time of GRT
2. The FDO responsible for managing the center should be available at the venue during the entire session of the GRT
3. The AM should observe whether the center has organized itself group-wise as per the suggested seating arrangement

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4. If the center is not organized group-wise then the AM will request the center to be seated group wise and observe whether all are aware of the group they belong to and whether, within the center, they are aware of their group codes
5. The AM will request the center to take oath
6. The AM will then enquire whether all the members are present. In case of absentees, the reason for absence will be enquired about. The AM should inform the center that the member who is absent cannot be included in the final list. It is imperative that the AM should verify all the members in the center during the GRT, failing which loan will not be recommended to the absentees
7. In case of any expected late arrivals, the AM may wait for 5 minutes from his arrival time for late members to arrive to the center. In case the member(s) do not turn up at the venue during this time, the GRT session will continue but the late member will not be included in the final GRT check list (if the center passes the GRT)
8. The AM will request the center to hand-over the set of KYC (that has been previously verified by the FDO and the BM). The names as indicated by the proof of identity submitted should match with the name indicated as per the mini-GRT list
9. The list of names as indicated in the mini-GRT session will be called out one by one by the AM. The members are requested to verify their identity by a show of hands
10. AM should verify whether the names/signatures as indicated on the day of training match with the names/signatures as indicated on the day of the mini-GRT
11. If the AM is convinced that all the members have attended training and were present at the time of the mini-GRT, the AM will begin the standard list of questions, to be covered to determine whether the center can be passed or failed
12. The AM should enquire whether the BM had visited the center (ask the center, the name of the Branch Manager);
13. The list of questions stated in the standard GRT check list should be covered one by one and no question should be ignored or missed during the GRT
14. It is very important for the AM to verify that no fraudulent activities have taken place within the center or related to staff.
15. The response of the center for each of the questions must be updated, only by the AM, in the GRT check list as the response is being received
16. In addition to the required knowledge of the policies, procedures, terms and conditions, the center must be peaceful, well-organized and cooperative
17. The AM should assess whether the CL and the GL have been rightly nominated and whether each borrower is willing to guarantee the repayment of other borrowers
18. After filling the GRT list with his/her comments, the AM should take a decision of whether to pass or fail the center. If the decision is to pass the center, the names of the members will be updated in the back –page of the GRT check list and the names and the signature of the members will be updated in the Day 3 page of the Center Register
19. If the decision of the AM is to fail the GRT, the AM will provide adequate explanation to the center and the FDO explaining the reasons for the same and will inform the center that they will be contacted by the BO as soon as decision is taken regarding the possibility of another GRT
20. The registration form, set of KYC documents and photos will be taken by the Area Manager for the purpose of house verification and the 'members' will be informed successful completion of address verification
21. If however, the AM fails the GRT, the GRT check list should be filed in the branch with the remarks column clearly indicating the reasons for failure and non-recommendation by the AM. When the AM

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goes to the same center to conduct the GRT for the second time, the remarks column should indicate that the GRT has been conducted for the second time

22. If a center fails the GRT in the second attempt, no further GRT will be conducted and the center cannot get the recommendation of a loan in the future
23. Copy of the 'failed' GRT may be safely filed in the Branch Office, so that the risk of new centers in the area, risk of inclusion of-non eligible borrowers can be avoided in the future. Also when new staff join the branch, area or division, this information will always be useful to make a better judgement of potential/risky areas within the target market
24. The AM should then do the house verification for the remaining 50% of the members in the center (If the center size is 30, then the AM must verify the address of remaining 15 members). AM should also complete for members who have the mismatch in Name, address etc
25. AM will greet the members and leave the venue.
26. After completing the GRTs on a particular day, the AM will submit the GRT check list to the Divisional Office and a copy of the same will be maintained at the Branch office to ensure the inclusion of only those members at the time of preparation of registration forms.

7.2 Preparation of Membership forms

After GRT and Verification, AM will prepare the Dockets to be sent to DO for further processing

1. Membership Forms should be duly filled before the GRT is conducted by the AM
2. The signature of each member should be taken in the Membership Form before the GRT.
3. The Membership Form must be duly filled, signed and verified by the Branch Manager before the GRT
4. All columns in the Membership Form are to be filled without overwriting and mistakes
5. **Membership Form is removed from the Registration Form from all member's dockets. The Membership Form, followed by copy of Aadhaar, Second proof and Address Proof of each member is arranged in order of the group numbers. This is called Docket and sent to the Divisional office on the same day of GRT**
6. AM after confirming all the Membership Forms and copies of the Proofs are in place, will send the docket to DO for Data updation and preparation for Loan Disbursement
7. Loan Form and Acknowledgement copies are arranged memberwise and kept in the safe custody of the branch. This is to be utilised during Disbursement

7.3 GRT for Second Cycle Loan

In the case of successive loan cycle centers (2nd, 3rd, 4th cycle etc), the process of conducting the GRT slightly varies from the 1st loan GRT.

1. During the existing loan repayment tenure, members may desire to apply for next loan. The center also decides the composition of the new center, that is, whether some of the members are going to be removed from the center. In some cases, when there are large drop outs in two neighbouring centers, Asirvad can suggest to both the centers to merge them into a single center, provided that all the members in both the centers are satisfied in doing so and eligibility conditions are met for all the applying members

2. At this stage, the loan forms will be handed over to the center, requesting them to keep the forms ready for verification by the AM

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3. The AM will visit the center immediately after the loan is closed to complete the house verification of all the members in the center. After completing the house verification, the AM will update the second GRT check list and take a decision of whether to recommend the center for another loan.

4. If the existing center wishes to add new members, then the AM will also verify the new members on the day of the house verification and confirm that the new members fulfil all eligibility criterions. Registration forms of the new members will be handed over to the AM.

DAY 4 - 6

PART 8 - Processing of Form at DO Office

At DO :

1. DO will receive the Completed Docket from AM after completion of GRT

2. DEO will capture complete details of the Members in the Centre in the software. Once updated, Docket will be prepared for the Disbursement

3. DM will include the Centre in the Loan Disbursement Plan and send to State Head and Head Office for Sanction. Once Sanctioned, Accounts team will arrange for Funds for Disbursement and the Cheque will be sent to DM.

4. DM will inform the Disbursement Date to AM.

5. In case of Cash Disbursement, On the previous day of disbursement, DM will encash from the Cheque and make arrangement for cash available for the next day. DM will nominate Loan Officer, who will carry cash on the Disbursement Day to branch and disburse the Cash

At Branch : Before Disbursement :

5. AM will inform Disbursement Date to Branch Manager. BM will inform FDO to communicate the Centre about the Disbursement Date and to carry the Original ID & Address Proof by the Members on the date

6. Loan Form, Acknowledgement and Receipt copy of each member is arranged as per the Group Order. Loan Disbursement Detail Sheet and Loan Sanction Sheet are enclosed with this Docket

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DAY 7
PART 9 - DISBURSEMENT

9.1 **Process to be done :** Loan Officer and BM (Branch); BDT (HO)

Presently we do two types of Disbursement : i) Cashless Disbursement – Preferably all Disbursements are Cashless
ii) Cash Disbursement – Need based

For both modes of disbursements, Pre Arrangements and Documentation are same. Difference is in Cash Disbursement, Members pay the Processing Fees and Insurance Premium upfront and collect full Loan (IGL) amount in cash on the same day of Disbursement at Branch, and in Cashless Disbursement, member need not pay charges during Disbursement, the charges will be deducted from the IGL amount and remaining amount will be credited to the Members account preferably within 3 Working Days

9.2 **Pre Arrangements :**

Following Documents are to be prepared before Disbursement :

Loan Disbursement Detail Sheet – To be carried by Loan Officer
- Loan Sanction Sheet – To be carried by Loan Officer
- Loan Passbooks (Separate for Loan and Product) – To be carried by Loan Officer
- Loan Application Form - Within each loan application form, the Individual DPN is attached. – To be carried by Loan Officer
- Group DPN – To be carried by Loan Officer
- Disbursement Register – To be prepared by Branch

8.3 Preparing for the loan disbursement

I. Loan Disbursement Detail Sheet

This is the Single pager sheet. The following columns in the loan disbursement detail sheet should be filled before the loan disbursement begins:

1. Branch Name / Code
2. Centre Name / Center Number
3. Center Meeting Day
4. Center Meeting Time
5. FDO Name
6. Total Loan Amount

After disbursement : Immediately after the loans are disbursed to the center, the person responsible for disbursing the loan will update the **Disbursed amount, No. of members, Processing Fees and Insurance Premium (paid by all the members), Loan officer name/signature (with seal) and date**

II. Loan Sanction Sheet

1. In the loan sanction sheet, the amount of loan sanctioned for each borrower should be legibly indicated against the name of each member. Since the center size cannot exceed 30 borrowers, no more than 2 sanction sheets will be attached to the set of loan documents
2. The amount sanctioned to each member should not be higher than the amount each member has applied for, as mentioned on the loan application form;

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3. The total sanctioned amount on each page should be added and the total clearly indicated in the 'total' box
4. The total sanctioned amount on each page should then be added and the total mentioned by the sanctioning officer in the sanction authorization paragraph below the sanction table
5. The amount of loan disbursed should only be equal to or lesser than the sanctioned amount. (Less by the loan amount sanctioned for applicants who did not appear in the office on the day of disbursement OR by loan amount of applicants who were rejected loan due to unsatisfactory eligibility or lack of acceptable KYC).

III. Loan Passbook

1. Each borrower receives a loan pass book at the time of disbursement. Except for the signature of the Member, FDO and husband/nominee all other details on the facing page of the loan pass book are Printed
2. Principally, the loan pass books are important to clearly communicate the repayment policy and the payment schedule to the borrowers.
3. The loan pass books are also important in that it acknowledges the collections received (till date) throughout the loan tenure and ensures that the repayments are being tracked by the FDO. In addition to the issue of receipt, updating the loan pass book (by FDO signature) of each individual borrower is an additional assurance of the Company's endorsement of transparent practices.
4. Details on the loan cards. Except Signatures, all columns are printed in the Loan Passbook

- ✓ Name of the branch
- ✓ Name of the Member
- ✓ Photo of the Member
- ✓ Husband/father's name
- ✓ Group No.
- ✓ Village/district
- ✓ No. of loan cycle
- ✓ Type of loan
- ✓ Purpose of loan
- ✓ Date of loan
- ✓ Bank Account Number of the Member
- ✓ Signature of borrower
- ✓ Signature of FDO
- ✓ Signature of husband/nominee (to be signed within 3 center meetings)
- ✓ Signature of BM
- ✓ Branch name at the back page of the loan card

IV. Loan Application Forms

1. All the sections on the loan applications should be properly filled and should be arranged as per the ascending order of the group code.
2. The applicant's KYC should be attached to each of the application forms and secured before the individual promissory note of the borrower
3. It is the responsibility of the FDO and the BM to ensure that wherever signatures of the members are required (except in the Group Promissory Note), these signatures should be taken before the day of disbursement
4. It is also the responsibility of the FDO and the BM to ensure that wherever signatures of the husband/nominee are required, these signatures should be taken before the day of disbursement
5. The Group Promissory Note should only be filled on the day of the disbursement and should be placed immediately after the sanction sheet
6. Recent colour Joint photo of the member and nominee should be attached

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7. The signature of the FDO, BM and AM should also be placed at all required pages and columns before the day of disbursement
8. The entire bunch of documents for each center should be bound together at the top left
9. The loan documents may be prepared preferably within 6 days from the date of the GRT
10. All columns must be filled legibly, in Local (vernacular) Language

V. Individual DPN

1. All details should be filled in Local (Vernacular) Language
2. Staff who cannot write Vernacular Language should not be given the responsibility of filling the DPN
3. Revenue stamp on the Individual DPN - should be secured correctly - not upside down / out of alignment
4. Stamp should contain the signature - half the signature lying outside the stamp and the other half on the stamp. The same signature on the registration form and loan form should be indicated on the I- DPN
5. At the time of signing there are no overwriting and signature should be clear
6. I-DPN either on the left side or right side from bottom to top - signature of the member should be indicated
7. The same member should not sign as witness in the same I-DPN
8. Other members in the same group can sign as witness and this can be done in either Vernacular Language or English. Witnesses can only sign and cannot place left- hand thumb impression
9. Place and date on Individual DPN - date on which loan is given only should be mentioned, with correct place in which branch is located
10. Date and place should be filled before the disbursement

VI. Group DPN

1. All details should be filled in vernacular language
2. Staff who cannot write Vernacular Language should not be given the responsibility of filling the DPN
3. Revenue stamp on the Group DPN - should be secured correctly - not upside down / out of alignment
4. Only the Center Leader and two GLs sign on the revenue stamp - half the signature lying outside the stamp and the other half on the stamp. The same signature on the registration form and loan form should be indicated on the Group DPN
5. No overwriting at the time of signing, signature should be clear
6. CL and 2 GLS should sign on the side from bottom to top
7. Center leader and 2 GLs should not sign as witness in the group DPN
8. Any other borrower in the center can sign as witness. Sign can be either in English or Vernacular Language. Witnesses can only sign and cannot place left hand thumb impression
9. Group DPN - place and date, date on which loan is given only should be mentioned, with correct place in which branch is located
10. Date and place should be filled before the disbursement

VII. Disbursement Register

The following details are documented in the disbursement register. Except for the signature of the member and signature of the CL, the disbursement register should be duly filled before the disbursement begins.

1. Branch
2. Date
3. Center number
4. Member name
5. Loan amount (Rs. 20000 \ Rs. 25000 \ Rs. 30000 \ Rs. 35000)
6. Processing Fees

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7. Insurance Premium
8. Purpose
9. Signature of member
10. CL's signature

8.4 Process during disbursing loans

1. The loan documents that have been prepared well before the day of disbursement should be placed on the disbursing officer's table
2. As each Center member arrives to the office premises, their attendance will be verified along with the application forms, to ensure that no member has sent a substitute, proxy or relative to receive the loan on her behalf
3. The Processing Fees and Insurance Premium amount to be collected from the number of disbursed loans should be calculated (depending on the number of loans and the loan amounts) and this amount should be written on the disbursement detail sheet after verifying the same with the receipts issued prior to the disbursement
4. The Processing Fees and insurance Premium will be received from each individual applicant (Only in Cash Disbursement) and the signature of the member and the FDO is made in the receipt. Receipt for Processing Fee will be issued to each member separately. Single Receipt for Insurance Premium for the whole centre is signed by the Loan Officer \ FDO and Pasted in Centre Register
5. The loan passbooks (secured with the member photo and updated with all details, except the signature of husband/nominee) are handed over to the CL, who will in turn hand it over to the members. The members will be asked to sign in their respective loan pass books for verification by the disbursing officer
6. The members will then be requested to be seated group-wise in front of the desk of the Loan officer and the CL is requested to keep the Center Book ready for verification;
7. The loan officer will call out the name of the center and reiterate the policies and procedures of the Company before requesting the CL to hand over the Center Book for verification
8. The names as per the sanction sheet/Center Book will be called out in order of the group numbers and the members are requested to give their attendance by show of hands. The total attendance will be written in the Center Book by the loan officer
9. The names of the absent members will be confirmed and reason for non-attendance, enquired about. The name(s) of absent borrower(s) will be clearly struck out in the sanction sheet and their loan applications will be removed. The copy of proof of identity and address should be returned to the respective GL who will return it to the absent borrower
10. For each member, the photo on the application form & loan pass book should match the member who is present at the disbursement. The signature on the loan application form should match the signature on the DPN and also the signature on the loan pass book. This is checked for all members as they come forward, one at a time, to receive the loan.
11. The disbursing officer should ensure that the KYC norms have been adequately met and that no member's application form has been marked as pending for want of more acceptable proof of identity & address.
12. Some questions that the disbursing officer should ask during Disbursement Process includes (while comparing the details with the details mentioned on the loan application form)

- Name of the member;
- Name of the member's husband
- Purpose for which the loan is required
- Current occupation of member & husband
- Understanding of rules and policies of the Company
- Time/Venue and day of meeting
- Installment amount to be paid for loan tenure
- Name of the CL and GL

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- Repayment schedule and weekly installment amounts
- Company policy on advance collections

13. The Center Book is verified by the disbursing officer, to ensure that all the pre-disbursement activities have been conducted as per the polices of Asirvad
14. Only in Cash Disbursement :

a. The loan will be disbursed to the CL first after verifying the details on the loan application (since she is also the first member in the first group) and she will be asked to remain seated in the front
b. In order of the group number, loans to the other members in the center will be disbursed by handing over the amount to the CL who will in turn hand over the amount to the respective member, in front of the center
c. This process of verification and requesting each member to come forward will continue till all members have been disbursed their loan amount
d. Each borrower acknowledges the receipt of loan by signing on the disbursement register. As soon as a borrower receives a loan from the disbursing officer, she will count the cash and acknowledge the receipt of the same by signing in the disbursement register. FDO (any FDO in the branch) should assist in the task)

15. The disbursement register assists to document the loan disbursement proceedings that take place in the Branch office. In Cashless, members sign in the Disbursement Register, as final disbursement confirmed members and their amount will be transferred to their bank account in three working days
16. If some loans have been cancelled, it must be clearly indicated in the disbursement register
17. After all the loans have been disbursed, the signature of the CL is taken in the disbursement register and the details in the Group Demand Promissory Note are also updated and the required signatures are obtained.
18. After all the loans for that Center have been disbursed the disbursed amount is written on the loan sanction sheet as well as the disbursement detail sheet, the other details in the disbursement detail sheet is to be filled by the disbursing officer.
19. The name, signature and seal of the loan officer and the date should be clearly mentioned on the disbursement detail sheet.
20. The entire set of loan documentation should then be kept aside and the documentation for the next centers' disbursement to be verified. This process will be repeated for each centers' disbursement

8.4 Process :

Both Cash and Cashless Disbursement follows the same process. However in Cashless Disbursement, IGL after deducting Processing Fee and Insurance Premium is credited to the member's Bank account preferably within 3 Working Days.

For Bank Transfer Rejected cases, Disbursement will be done through Cash Mode

Process common for both Modes of Disbursement :

- On the day of Disbursement, all members of the Centre are requested to arrive at the branch on time.
- Once members arrive, FDO will make the members to be seated group wise
- FDO will request the Members to fill the Loan Form and Individual DPN. Under the witness column, Group Leader and other members of the group will sign
- Once filled Loan Form and Individual DPNs are ready and arranged in Group Order, BM will check all the Loan Forms and Individual DPNs for correctness and completeness of the details.

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- BM will sign in the Prcoessing Fee Receipt and tear down the Second copy from the Form and hand it over to the Members.

- Loan Officer will arrange the Docket in the following order : Loan Disbursement Detail Sheet, Loan Sanction Sheet, Group DPN, Loan Form of the Members in the Group Order with Individual DPN.

Role of the Loan Officer :

Loan Officer will check

Whether all members are available – If any member is absent, then reason for the same is updated and disbursement for that member will be cancelled

Original documents are matching with the copies of the KYC enclosed

Orally name of the company they are requesting for loan, Names of AM, BM and FDO, how many days of training done, When was Mini GRT done, When was GRT done, who visited their house for Verification

Orally names of the other group members and their business – To check all members know each other

Orally check the loan amount, Processing Fees and Insurance Fees they will be paying, Instalment amount, what if one member is not paying

Orally check what if the Centre meeting date falls at the time of festivals like Pongal, Holi, Deepavali, Republic Day, Independence Day – Knowledge about Advance collection and their willingness to pay

Only in Cash Disbursement : Once confirmed, Loan Officer will request the Centre Leader and Group Leaders to collect Processing Fees and Insurance Premium from each member and collate and hand over to him. Amount should tally with the number of members and individual amount of premium and fees. Once collected in full, Insurance Receipt from each Loan Form is signed by the Loan Officer and handed over to the Members. One Single receipt for the Centre's Collective Processing fees is signed and pasted in the Centre Book. All members are informed about the Sticking of Receipt

Common Process :

Loan Passbooks (for both loan and Product) are handed over to the member.

Only for Cash Disbursement Process : Loan Officer will invite Center Leader to sit on the left side and will call members in order.

Each member, will come with Loan Passbook and Receipt for Insurance Premium to Loan Officer. Loan Officer will check member's name and spouse/nominee name and her payment of Insurance Premium and Processing Fee. Then he will take the Amount from his desk and hand it over to Centre Leader, who will give to member immediately. Member has to sign in the Disbursement Register and Center Register and collect money from the Centre Leader. Member will count the money at the same place. If the member has also applied for the Product, Loan Officer will handover the Product to the Centre Leader along with Money and CL will immediately hand over to member. After confirming and satisfied with the counting, member will go back to her place in the Centre Seating position and next member will come to Loan Officer.

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Last member to collect Loan is Centre Leader, for whom same process is followed, however loan officer will hand over the cash and product to Group Leaders and CL will collect from the Group Leader at the same time

Common Process :

Once all members are confirmed (in Cashless) / disbursed (Cash), Loan Officer will ask FDO and BM to come forward and remind the members about the First Meeting date

Then BM and FDO will remind the First Meeting date and greet the members. Members will leave from the disbursement venue

Absent Members :

If any member is absent, Centre Register is to be updated. Absent Member's money is retained by the Loan Officer in Cash Disbursement. Loan Officer will hand over the Money to the Branch Manager. Branch Manager will update the same in the disbursement Menu in the Software and added in the Daily Deposit in the Branch.

Loan is denied for absent members. However in case of absenteeism due to some unexpected medical exigencies, we can consider providing loan to such absentee member based on HO approval

Role of Branch Manager :

Branch Manager will prepare the Disbursement Register and other arrangements for the Disbursement

On the day of Disbursement, Branch Manager will welcome Members and request CL and other Group Leaders to ensure all members arrive on time

Branch Manager will make the members sit in the Branch as per the Group Order

Once all the members arrive, Branch Manager will take Centre Register and check the attendance of all the members by show of hands

If any member is absent, Branch Manager will enquire the CL and GL about the arrival of the member and reason for the late or absenteeism. For absent Members, disbursement will be cancelled. If more than 50% of the Centre Members are absent, then Disbursement is cancelled for the day. Disbursement can be planned later if the reason for the absenteeism is genuine and approved by the National Head Operations

Branch Manager will collect Printed Loan Passbooks (Loan and Product) from the Loan Officer and Distribute to the Centre Members.

Branch Manager will check Name of the Member and Other details in the Centre Register.

Member's photo is verified with the Member

Original Aadhaar Card and other Proofs of the Members and Nominees are verified

Once all Verified, Loan Officer will start Disbursement and complete

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During Disbursement, Branch Manager will verify the Loan Disbursement Register and collect Processing Fees and Insurance Premiums from the Members (in Cash Disbursement) in the presence of Loan Officer and stick the Processing Fees Receipt in the Centre Register. Receipts for the Insurance Premium are received by the Members. Loan Officer will also hand over any undisbursed cash to the BM, who along with all the cash received (Processing Fees and Insurance Premium) will make arrangement to deposit in the bank as per the regular process

Branch Manager will update the disbursement in the Software and the Report is available in the Head Office. In case of cashless disbursement, DEO at Divisional Office will send mail to BDT (cc to DM and SH). BDT at HO will do the fund transfer Process

Role of the FDO :

FDO will assist Branch Manager in Preparing all the Register and arrangements for the Disbursement

On the day before disbursement, FDO will call the Centre Leader and Group Leaders to remind the time and Original Documents to be carried by all the Members for verification

On the Disbursement, FDO will welcome members along with BM and make them seated as per their order.

He will assist Loan Officer and Branch Manager in conducting the Disbursement

8.4 DISBURSEMENT GUIDELINES :

1. All disbursements are done only in the respective branch office. Preferably, all Disbursements are cashless only. With NHO approval, Cash Disbursement for regular cases and Cash Disbursement for NEFT Rejected cases can be done

2. All disbursements can be done only by the Area Manager, Loan Officer or higher authority, in the department of Operations. Please note that the Area Manager of another area should conduct the disbursement. The concerned branch's Area Manager is not permitted to monitor the disbursements. This is an internal control mechanism (known as checks and balances system) that ensures that the authority to make a decision, and the responsibility to verify its proper execution are done by different people

3. Branch Manager and the FDO should be in the branch office during all disbursements. BM and the FDO should verify the disbursement register to obtain information of disbursements done during the day, borrowers to whom loan was not disbursed (due to non-eligibility discovered by the AM or due to absence)

4. For Cash Disbursement, Loans should be disbursed to all the members in the center on the same day. For Cashless Disbursement, NEFT will be completed within 3 working days. As mentioned earlier, those whose NEFT Rejected will be given loan as Cash disbursement at Branch only

5. Members who do not come to the branch office on the day of disbursement, will not receive loan even if they would have been eligible for a loan (meet KYC norms etc) unless approved by HO in exceptional cases. The loan(s) should not be handed over to the CL or any other member on behalf of the absent member or any third party.

6. In the following cases, members who are available in the branch office on the day of disbursement may also be declined a loan

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- ✓ If proof of identity and proof of address does not meet adequate KYC norms, for e.g. the member has not submitted a copy of current address proof, which she very recently changed or far from the centre location;
- ✓ If it is found that the member is not a genuine member, but is actually taking the loan on behalf of someone else;
- ✓ If it is found that the member has engaged in fraudulent activities in order to obtain a loan
- ✓ If the member is actively not paid instalment / OD with other MFIs
- ✓ If the member displays complete lack of knowledge of Asirvad policies

Post Disbursement

8.6 Consolidation of disbursements at the end of the day

1. After all the disbursements on a particular day have been completed, consolidating the disbursement register is one of the key responsibilities of the AM/Loan officer. The End of the Day consolidation will highlight the total value of loan disbursed, for each center and associated Processing Fee and insurance premium collected (in Cash Disbursement), the details of loan amount disbursed
2. In Cash Disbursement, the consolidation will also indicate the amount of cash received from the Head Office, the total amount of cash received by way of Insurance and Processing Fees with details of its denomination, the total value of loan disbursed and finally the closing cash balance remaining at the end of the day
3. Denomination of closing cash will be shown in the consolidation page verified by both the Branch Manager and the disbursing officer. Handover of the closing cash to the disbursing officer must also be indicated and clearly recorded.
4. A copy of the end of the day consolidation page of the disbursement register should be sent to the Divisional Office on the same day of disbursement along with the loan documents.
5. Index to the disbursement register: The index to the disbursement register reveals the total amount of loan disbursed on a particular day at the branch office. The number of members to whom loans were disbursed, the total value of disbursement is recorded for each date on which disbursements have taken place.

8.7 Verification of Disbursement

1. The disbursed amount as mentioned on the disbursement details sheet should be first tallied with the total as mentioned in the disbursement register.
2. The actual amount received as Fees and Insurance Premium should then tally with the amount as specified on the disbursement register and the amount indicated as having been collected in the receipt counterfoil.
3. Cancelled loans (to absentees/non-eligible members) must be clearly indicated in the disbursement register and the loan sanction sheet.
4. After the loan documents are thoroughly verified, the set of documents are sent to the Divisional Office for disbursement approval.
5. Branch Manager will update the Disbursement details in the Software through TAB and DEO and HO captures the Disbursement details

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PROCESS MANUAL

OPERATIONS

PART 2

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Approved by : National Head – Operations

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CENTRE MEETING

9.1 Process to be done by : FDO (Conducting Centre); BM (Depositing at branch and updating in the Software)

9.2 **Arrangements :**

- Loan Passbooks - Already available with all members
- Centre Register - Already available with Centre)
- Receipt for collection (Single receipt for both Product Installment and IGP Installment) – Available with FDO

9.3 **Frequency of Centre Meeting**

Monthly / Fortnightly

9.4 **Centre Meeting – Objective and Guidelines**

1. After disbursing loans to a center, the focus should be on conducting and managing center meetings during the loan tenure and ensuring 100% on-time collections.
2. The fiscal discipline encouraged through monthly \ fortnightly repayment is critical to ensuring on-time collections. All borrowers need to be aware that Asirvad is extremely serious about on time collections and this is done by enforcing a culture of proper center meetings where all borrowers in a center will assemble at a meeting venue at the scheduled day and time and consolidate the centre's collection. All collections must be received within 25 minutes from the scheduled time of meeting and this will send a clear message that Asirvad is serious about on-time collection and prevents the occurrence of late payments in the future.
3. Meetings can be held in a public or a private venue. If the venue is public, then it must be ensured that the venue can be used without any interruptions or disturbance for about 25 minutes for Centre Meeting. If it is a private venue, it can only belong to one of the borrowers in the center. The venue must be chosen by the borrowers itself and FDO must make suggestions if it is not chosen appropriately. Usually Centre Venue is chosen at the time of Form filling / CGT
4. The loan pass books are important in that it acknowledges the collections received (till date) throughout the loan tenure and ensures that the repayments are being tracked by the FDO. In addition to the issue of receipt, updating the loan pass book (by FDO signature) of each individual borrower is an additional assurance of the Company's endorsement of transparent practices.

9.5 **Process of Conducting Centre Meeting :**

Following are the activities followed in Centre Meeting :

1. FDO & Members arrival – 5 minutes before centre Meeting
   The FDO arrives to the center meeting venue 5 minutes before to the scheduled meeting time;
   Even if the FDO arrives 10 minutes prior to meeting time, he/she waits outside the venue until 5 minutes before the scheduled meeting time;
   As the borrowers start arriving to the venue, the FDO requests the borrowers to sit group-wise;
2. Member Seating Group wise :
   Group-wise seating arrangement makes it easier to identify borrowers (and easily know who is absent) along with the other group-members, identify the GLs and the CL who will be seated on the left-hand side of the seating arrangement. A seating arrangement such as this also facilitates each borrower to hand-over her instalment to the GL who, will in-turn hand-over the total collection from the group to the CL, seated in at the front row
3. Member OATH :

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At the scheduled meeting time, the FDO requests the borrowers to take oath;

Usually one borrower who is confident enough to read and take the oath more loudly than others will take the oath and the other borrowers will repeat after her);

The FDO ensures that all the borrowers take the oath clearly and loudly

FDO will then greet the borrowers

4. FDO enquires the number of borrowers who have arrived to the meeting and enquire for late arrivals and absence;
   Any member who is absent for this meeting, FDO has to enquire with the Centre Leader, Group Leader and other members of the group. If the reason is genuine (like member gone for a family occasion), then FDO will request CL and GL to ensure the member is present in the next meeting. If reason is not genuine / no one knows the reason, then FDO will request CL, GL and other Group Members to call member and find out. After the meeting, FDO will visit the Member's house to find out the reason. Same needs to be updated in the Centre Register.
   If any member is absent for two consecutive meeting or three meetings altogether, should be visited by the FDO after the meeting and find the reason for absence. Reason is updated in the Centre Register. If the reason is genuine, FDO will inform the Branch Manager who will report to the higher officials through proper channel. Member is requested to attend the next meeting without fail. If the reason is not genuine, then FDO will request member to pre close the loan and inform the same to the Branch Manager
5. Collection :
   FDO then enquires whether 100% collections are available. It may be necessary for the FDO to inform the center the total demand amount of the current Meeting
   GLs will be requested to hand-over the loan pass books to the CL who will in turn hand them over to the FDO. In case of Product Loan, separate passbooks will be available with the Members and FDO should collect and update them
   Before taking the cash from the CL, the total should be verbally confirmed by the CL;
   After receiving the cash from the CL, FDO carefully counts the cash and should agree with the demand amount of all instalments including Product Loan Instalments. He / She indicates the denomination of cash received in the Center Book. The denomination totals are then verified again, using a calculator;
   In case 500/2000 rupee notes have been received, the note number with member number like 1.1/3.6 could be clearly mentioned in both the Center Book as well as at the back of the receipt counterfoil; As nothing should be written in the currency, in case of any problem with acceptance of that currency, right member can be easily identified, avoiding unnecessary disputes in the centre
   FDO ensures that the cash is secured using a rubber-band and the cash is kept in the official Asirvad bag before he begins the updation in Passbooks and preparation of the receipt I
6. Passbooks Updation :
   FDO should ensure that all the loan pass books have been updated for the current collection Meeting. In case some of the loan pass books have not been brought to the meeting, this should be indicated in the Center Book, against the name of the borrower on the left-hand side. It is important to ensure that all the loan pass books have been correctly dated, from the first date of collection until the current Meeting (except for scheduled advance collections)
7. Issuing Receipt :
   The FDO will the issue the receipt to the center after indicating the collection Meeting number, the amount received in number and in words, the name of the Center and the date. The amount in words and in numbers should be written legibly; Remember, In case 500/2000 rupee notes have been received, the note number should be clearly mentioned in both the Center Book as well as at the back of the receipt counterfoil;

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After obtaining the signature of the CL, the FDO will place his signature that confirms the receipt of the collection amount from the center, before tearing out the original copy of the receipt from the receipt book;

The receipt is then safely secured in the Center Book in the box marked "Affix receipt here". The FDO should not leave the center venue without issuing receipt for the collection amount received;

8. Member Attendance in Centre Register :
   FDO should ensure that the signatures of borrowers who have attended the meeting have been taken in the Center Book.
9. Meeting Resolution :
   The meeting resolution is then filled by the FDO;
   After closing the attendance (number of borrowers present / total center size- to be clearly indicated on the left-hand side of the Center Book) the FDO will sign the Center Book (signature and date) and then request the CL to sign (signature and date) on the right-hand side of the Center Book.
   The FDO will then update the demand and attendance sheet
10. Conclusion : The Center Meeting concludes with the FDO returning the loan cards and the Center Book to the CL, reminding them of the next meeting (same time, same place), greets the borrowers and leaves the venue;
    In general at each Center Meeting, the FDO should ensure that all proceedings take place in a peaceful manner and that meeting is concluded within the 25 minutes from the scheduled meeting time.
    The FDO request the center to maintain the Center Book and the loan cards with care, throughout the loan tenure;

9.6 Advance Collection :

1 Asirvad has a firm policy of receiving instalments only on the scheduled day and time. On the other hand, during significant festivals / public holidays / bank holidays celebrated in the respective State it is not easy to conduct center meetings and hence centers are encouraged to repay the instalments well in advance. This usually means that centers have to either make the advance payment before days leading to the festival.

2 Other than that, if some centers request for advance collections, BM will take permission from AM (who, in turn will take permission from DM). BM or FDO, without the prior permission, cannot collect advance collections (without the knowledge of the Head Office). Without the knowledge, if any amount is taken, they should take full responsibilities and accept the decision that the Company takes in this regard

9.7 Centre Meeting Guidelines

1. Non borrowers cannot manage meetings
2. Non-borrower cannot attend on behalf of other borrowers
3. GLs should be empowered and trained to manage meetings in the absence of the CL
   Please note: the GLs should be trained in such a way that they may easily organize meetings and consolidate collections in the absence of the CL without causing unnecessary delays in collections. In the first 2 collections, the FDO can instruct the CL of how to conduct the meeting and consolidate the amounts from all the GLs. In the 3rd, 4th, 5th and 6th collections, the other 4 GLs (at the most) can take turns to do the same so that they become familiar with the center meeting process and can be relied upon when the CL is not available

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PRE CLOSURE PROCESS

- Member will call FDO \ BM to find out the Amount to be paid to preclose. BM will inform DM through AM. BM will call DEO in DO to find out the amount to be paid by the member and inform the same to the Member
- Member should visit the branch to do the preclosure process
- Member should carry Loan Passbook
- BM will call Centre Leader to inform and confirm the Preclosure request by the Visiting Member
- BM will ask the reason for Member's Pre closure
- Member will pay the money to BM only at the branch. Receipt will be pasted in the Centre Register. Member can take photocopy of the Receipt for her reference. Preclosure of the Member will be noted in the Centre Register in the next meeting by FDO
- BM will update the Member's Preclosure in our software though TAB. Same will be updated in the MIS and shared with HO
- Same needs to be informed to AM along with Daily Collection Report
- FDO in the next Centre meeting, will update the pre closure of the member in the Centre Register
- BM will collect the Loan Passbook and cross the Loan Pass book with "PRECLOSED". Closed Loan Passbook will under safe custody at the branch
- If the amount is collected before bank closing hours, then same day deposit to be done. If amount collected after the bank closing hours, BM will arrange to deliver to deposit in DO

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INSURANCE CLAIM PROCESS

- Death Information to be shared with Branch (BM \ FDO) through Centre Leader \ Any Member in the Centre

- From any disbursement from 1 Sep 2017, No insurance for these member's Nominee. However, any member (except TN) who got disbursement before 1 Sep 2017, will continue to get Nominee Insurance. For TN, insurance continues to be available only to Members well before disbursement from 1 Sep 2017.

- Please Note, in case member dies, Demand will be generated till the Death Claim with Death Certificate is submitted and updated in BR.NET (by DEO). Hence collection will continue till Death Claim is updated in BR.NET. In case, nominee dies (Disbursement before 1 Sep 2017, Other than Tamil Nadu), Demand will be generated till settlement from the Insurance company is done

- If information of death available on the same day, BM \ FDO will preferably visit the place and pay respect to the deceased

- In case of Natural death, Member's Nominee should submit Death Certificate, discharge summary from hospital (if available), Death Claim Form with Asirvad Top Sheet, KYC of the member and Passbook/Statement copy/Cancelled Cheque of the Nominee with IFSC Code preferably within 60 days from the date of death to the Branch. In case, account number and IFSC is handwritten in Passbook or statement copy, then bank's seal and bank official signature required. In case of nominee's natural death, member will submit above documents and Settlement process remains same

- In case of death due to accident for member/nominee (if applicable), Death Certificate, Post Mortem Report, FIR, Death Claim Form with Asirvad Top Sheet, Nominee/Member Declaration Form, KYC of the Member and Passbook /Statement copy / Cancelled Cheque of Nominee/Member with IFSC code preferably within 60 days from the date of death. In case, account number and IFSC is handwritten in Passbook or statement copy, then bank's seal and bank official signature required

- In case of other unnatural death (Murder or suicide) insurance coverage will not be available

- In states other than TN, Nominee Death Claim (for applicable cases) follows same process as Member claim, however member's Passbook \ Statement copy / Cancelled Cheque with IFSC code should be submitted.

- BM will orally verify the documents and get approval by AM and send to DO

- DM will approve and forward to HO

- HO will receive the documents and verify whether all documents are correct and appropriate.

- Same is updated in Tracker. Member's Outstanding amount and Nominee Account Number (copy of Passbook/Statement /Cancelled Cheque with IFSC code) is mentioned in the Death Claim Form.

- Documents are sent to Insurance Company. Insurance Company will settle the claim in 3 – 4 Weeks. Insurance company will settle outstanding amount to Asirvad and remaining amount to Nominee's / Member's Account directly (We collect Passbook copy / Statement copy / Cancelled Cheque with IFSC code for this purpose)

- Settlement of Member's Loan through Insurance is communicated to Branch through DO and AM.

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- At the immediately next Centre Meeting, FDO updates the closure of the Account in the Centre Register

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Walker Chandiok & Co LLP

Walker Chandiok & Co LLP
9th floor, A wing, Prestige Polygon,
471 Anna Salai, Mylapore Division,
Teynampet,
Chennai – 600 035
Tamil Nadu, India
T +91 44 4294 0099
F +91 44 4294 0044

Independent Auditor's Review Report on Unaudited Financial Information of the Company for the period ended 30 June 2021

To the Board of Directors of Asirvad Micro Finance Limited

Introduction

1. We have reviewed the accompanying statement of unaudited financial information ('the Statement') of Asirvad Micro Finance Limited ('the Company') for the quarter ended 30 June 2021, prepared by the Company's management, pursuant to the requirements of SEBI circular no. CIR/CFD/CMD1/44/2019 dated 29 March 2019, solely to assist the Management of the Holding Company in the preparation of its consolidated financial results for the quarter ended 30 June 2021 pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. The Statement is the responsibility of the Company's Management and has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review of the Statement, which has been prepared by the management 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 (the 'Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time, which is applicable to the Holding Company.

Scope of Review

2. 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. 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 the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, 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.



Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

Conclusion

3. 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 the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), which is applicable to the Holding Company as specified in paragraph 1 above, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

4. We draw attention to Note 3 to the accompanying Statement, which describes the uncertainties relating to the effects of Covid-19 pandemic on the Company's operations and the impact on the impairment provision recognized on towards the loan assets outstanding as at 30 June 2021, the extent of which is dependent on future developments, as they evolve. Our conclusion is not modified in respect of this matter.

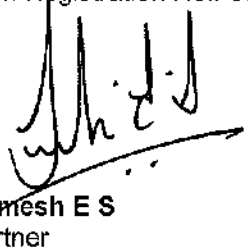
Other Matter

5. The review of unaudited quarterly financial information for the period ended 30 June 2020 included in the Statement was carried out and reported by Deloitte Haskins & Sells LLP who have expressed unmodified conclusion vide their review report dated 24 July 2020, whose report have been furnished to us and which have been relied upon by us for the purpose of our review of the Statement. Our conclusion is not modified in respect of this matter.

Restriction on distribution or use

6. The Statement have been prepared by the Company's Management solely to assist the Management of the Holding Company in the preparation of its consolidated financial results for the quarter ended 30 June 2021 pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time, and therefore, it may not be suitable for other purpose. This review report is issued solely for the aforementioned purpose, and accordingly should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this review report is shown or into whose hands it may come without our prior consent in writing.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013





Sumesh E S
Partner
Membership No.: 206931
UDIN: 21206931AAAACU2481

Place: Chennai
Date: 07 August 2021

Asirvad Micro Finance Limited
(Subsidiary of Manappuram Finance Limited)
CIN: U65923TN2007PLC064550
Regd Office: 1st Floor, Deshabandhu Plaza, 47, Whites Road, Chennai - 600014
Statement of Unaudited Interim Financial Results for the Quarter Ended 30 June 2021

(in ₹ lakhs, except for Earnings Per Share)

S.No	Particulars	Quarter Ended			Year ended
		30 June 2021	31 March 2021	30 June 2020	31 March 2021
		Unaudited	Audited (Refer note 5)	Unaudited	Audited
(I)	**Revenue from operations**				
	(a) Interest income	26,442.48	24,962.42	23,431.82	95,762.88
	(b) Dividend income	266.94	140.08	530.32	1,286.86
	(c) Net gain on derecognition of financial instruments under amortised cost category	2,049.23	1,915.91	2,346.38	7,147.98
	(d) Other operating income	931.57	850.79	25.33	1,099.17
	Total revenue from operations	**29,690.22**	**27,869.20**	**26,333.85**	**1,05,296.89**
(II)	Other income	565.40	508.65	281.71	2,421.47
	Total income (I + II)	**30,255.62**	**28,377.85**	**26,615.56**	**1,07,718.36**
(III)	**Expenses**				
	(a) Finance cost	11,921.54	10,604.29	12,384.82	45,754.14
	(b) Employee benefit expenses	5,355.35	5,196.91	3,646.93	18,852.94
	(c) Depreciation, amortization and impairment	352.98	411.16	198.86	1,183.72
	(d) Impairment of financial instruments	9,047.57	9,486.52	1,507.11	29,980.94
	(e) Other expenses	2,470.22	2,118.66	1,738.02	8,878.60
	Total expenses	**29,147.66**	**27,817.54**	**19,475.74**	**1,04,650.34**
(IV)	**Profit/(Loss) before tax and exceptional item (I + II - III)**	**1,107.96**	**560.31**	**7,139.82**	**3,068.02**
(V)	**Exceptional item**	-	-	7,557.46	-
(VI)	**Profit/(Loss) before tax (IV - V)**	**1,107.96**	**560.31**	**(417.64)**	**3,068.02**
(VII)	**Tax Expense**	342.49	147.92	(158.15)	1,379.88
(VIII)	**Profit/(Loss) after tax (VI - VII)**	**765.47**	**412.39**	**(259.49)**	**1,688.14**
(IX)	**Other Comprehensive Income**				
	(i) Items that will not be classified to profit or loss				
	a. Remeasurement gains and (losses) on defined benefit obligations (net)	-	(176.51)	(7.77)	(184.28)
	b. Fair value changes on derivatives designated as cash flow hedge, (net)	(586.32)	64.95	-	64.95
	(ii) Income tax relating to items that will not be reclassified to profit or loss	147.58	28.08	1.96	30.04
	Total Other Comprehensive Income (i+ii)	**(438.74)**	**(83.48)**	**(5.81)**	**(89.29)**
(X)	**Total Comprehensive Income/Loss for the period/year (VIII + IX)**	**326.73**	**328.91**	**(265.30)**	**1,598.85**
(XI)	Paid-up equity share capital	5,331.19	5,331.19	5,331.19	5,331.19
(XII)	Reserves (excluding revaluation reserves)	Not Applicable	Not Applicable	Not Applicable	1,00,212.30
(XIII)	Earnings per Share of Rs.10 each (not annualised)				
	- Basic	1.44	0.77	(0.49)	3.17
	- Diluted	1.44	0.77	(0.49)	3.17

Notes :

1. The above Interim Financial Results for the quarter ended 30 June 2021 were reviewed by the Audit Committee and upon their recommendation, approved by the Board of Directors in their respective meetings held on 07 August 2021. The Statutory Auditors of the Company have carried out a Limited Review on the Interim Financial Results for the quarter ended 30 June 2021.

2. The Interim Financial Results for the quarter ended 30 June 2021 has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.



Asirvad Micro Finance Limited
(Subsidiary of Manappuram Finance Limited)
CIN: U65923TN2007PLC064550
Regd Office: 1st Floor, Deshabandhu Plaza, 47, Whites Road, Chennai - 600014
Statement of Unaudited Interim Financial Results for the Quarter Ended 30 June 2021

Notes (continued):

3. Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. During the quarter ended June 30, 2021, India experienced a "second wave" of COVID-19, including a significant surge of COVID-19 cases following the discovery of mutant coronavirus variants in the country.

The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The disruptions following the outbreak, have led to a decrease in loan originations and the efficiency in collection efforts. This may lead to a continued rise in the number of customer defaults and consequently an increase in expected credit loss there against. The extent to which the COVID-19 pandemic will continue to impact the Company's results will depend on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

4. Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) are given below (excluding write off and fully repaid loan accounts):

Type of Borrower	Number of accounts where resolution plan has been implemented under this window (A)	Exposure to accounts mentioned at (A) before implementation of the plan (B)	Of (B), aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Increase in provisions on account of the implementation of the resolution (E)
MSME Loans	-	-	-	-	-
Others	62,396	8,528.23	-	-	4,772.36
Total	**62,396**	**8,528.23**	**-**	**-**	**4,772.36**

None of the above borrower's accounts, where the resolution plans has been implemented as per RBI circular dated 06 August 2020 (Resolution Framework 1.0), have been modified under Resolution Framework 2.0 announced by RBI on 05 May 2021.

In addition, the Company has restructured during the current quarter, in accordance with Resolution Framework 2.0 announced by RBI on 05 May 2021, an aggregate loan exposure of ₹ 110,861.02 Lakhs and have made an expected credit loss of ₹ 11,086.10 Lakhs on these restructured loans.

5. Figures for the quarter ended 31 March 2021 is balancing figure between audited figures in respect of full financial year and the unaudited figures for 9 months ended 31 December 2020, which were approved by the Board of Directors and subjected to limited review by the auditors.

6. The Company is primarily engaged in the business of Micro Finance and hence, does not have any additional disclosures to be made under Ind AS 108 - Operating Segments.

7. Previous period figures have been regrouped / reclassified wherever necessary to conform with the current period presentation.

For and on behalf of the Board of Directors

B N Raveendra Babu
Managing Director
(DIN No.00043622)

Place : Chennai
Date : 07 August 2021

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

To The Members of Asirvad Micro finance Limited

Opinion

We have audited the accompanying financial statements of Asirvad Microfinance Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statementand the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India as referred in Note 3.1 to the financial statements, of the state of affairs of the Company as at 31 March 2019, and its profit, total comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Provision for Expected Credit Losses on Loans** The Loans are the most significant item in the Financial Statements. This, being the first year of application of the expected credit loss model in determining the provisions, a significant degree of judgement is involved in determining the quantum so as to ensure that there is neither management bias nor material risk of misstatement. The measurement of the said estimate is primarily dependent upon key assumptions relating to probability of default and loss given default, after eliminating exceptional events/losses.	**Principal audit procedures performed:** We tested the design and operating effectiveness of key controls focusing on the following: • Appropriateness of assumptions, used in determination of provisions; and • Completeness and accuracy of data input into models. For determination of provision we tested data inputs and agreed a sample of data used in the models to source systems. We evaluated the methodology to establish model parameters and assessed the appropriateness of the models used.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report, Management Discussion Analysis, Corporate Governance Report, Report on Corporate Social Responsibility and Secretarial Audit Report, but does not include the financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

- Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

- In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- When we read the Directors Report, Management Discussion Analysis, Corporate Governance Report, Report on Corporate Social Responsibility and Secretarial Audit Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report

unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act and other accounting principles generally accepted in India (Refer Note 3.1 to the financial statements).

e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directorsis disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order/CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No.008072S)

S Sundaresan
(Partner)
(Membership No.25776)

Place: Chennai
Date: 13 May 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Asirvad Microfinance Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**

Chartered Accountants

(Firm's Registration No.008072S)

S Sundaresan

(Partner)

(Membership No.25776)

Place: Chennai

Date:13 May 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of Fixed Assets :

a) The Company has maintained proper records showing full particulars, including quantitative details and situationof fixed assets.

b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of CARO 2016 is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory

dues, including Provident Fund, Employees' State Insurance, Professional Tax, Income-tax, Goods & Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods & Service Tax, Professional Tax, cess and other material statutory dues in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax which have not been deposited as on

31 March 2019 on account of disputes are given below :

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Amount Rs.in Lakhs)	Amount Unpaid (Amount Rs. in Lakhs)
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2015-16	1,124.50	899.60
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2016-17	1,978.91	1,583.13

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and dues to debenture holders. The Company does not have any borrowings from Government.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year other than embezzlement of cash amounting to Rs. 210.93Lakhs by employees in 25 of the branches of the Company (Refer note 45 to the Financial Statements) detected and appropriately dealt with by the Management.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has made preferential allotment of shares or fully or partly convertible debentures during the year under review.

In respect of the above issue, we further report that:

(a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and

(b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No.008072S)

S. Sundaresan
(Partner)
(Membership No.25776)

Place: Chennai

Date: 13 May 2019

FINANCIAL STATEMENT

Asirvad Microfinance Limited

Balance Sheet as at 31 March 2019

	Particulars	Note No.	As at 31 March 2019 Amount Rs.in Lakhs	As at 31 March 2018 Amount Rs.in Lakhs	As at 1 April 2017 Amount Rs.in Lakhs
I	**ASSETS**				
1	**Financial assets**				
	(a) Cash and cash equivalents	5	52,590.02	19,026.25	10,091.98
	(b) Bank Balances other than (a) above	6	16,224.19	8,570.44	6,824.39
	(c) Loans	7	232,235.30	203,461.22	162,811.38
	(d) Loans given to staff - at amortised cost		80.41	53.46	28.68
	(e) Investments	8	5.00	5.00	5.00
	(f) Other Financial assets	9	3,328.95	2,174.76	1,172.59
2	**Non-financial Assets**				
	(a) Current tax assets (net)	10	1,466.86	817.43	-
	(b) Deferred tax assets (net)	11	2,261.20	4,444.65	3,936.73
	(c) Investment Property		8.64	8.64	8.64
	(d) Property. Plant and Equipment	12 (a)	205.14	628.88	551.68
	(e) Intangible assets	12 (b)	21.23	73.34	7.01
	(f) Other non financial assets	13	310.85	160.39	108.14
	Total assets		**308 737.79**	**239 424.46**	**185 546.22**
II	**LIABILITIES AND EQUITY**				
1	**Financial Liabilities**				
	(a) Other Payables				
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14	1,656.06	1,035.90	835.11
	(b) Debt Securities	15	78,537.03	61,998.17	43,310.74
	(c) Borrowings (other than debt securities)	16	133,699.47	134,836.90	105,309.81
	(d) Subordinated Liabilities	17	11,414.15	11,407.06	11,412.46
	(e) Other Financial liabilities	18	4,209.10	1,512.82	398.83
2	**Non-financial Liabilities**				
	(a) Provisions	19	236.48	184.29	567.10
	(b) Other non-financial liabilities	20	739.78	576.25	473.46
3	**Equity**				
	(a) Equity share capital	21	5,331.19	3,207.49	2,627.66
	(b) Other equity	22	72,914.53	24,665.58	20,611.05
			308 737.79	**239 424.46**	**185 546.22**

See accompanying notes forming part of the financial statements

In terms of our report of even date attached

For and on behalf of the Board of Directors of Asirvad Micro finance Limited

For Deloitte Haskins & Sells
Chartered Accountants

S Sundaresan
Partner

Place : Chennai

Date : 13 May 2019

V P Nandakumar
Chairman
(DIN No.00044512)

MayankShyamThatte
Chief Financial Officer

S V Raja Vaidyanathan
Managing Director
(DIN No.01467098)

Anup Gupta
Company Secretary

Asirvad Microfinance Limited

Statement of Profit and Loss for the year ended 31 March 2019

	Particulars	Note No	For the Year Ended 31 March 2019 *(Amount Rs.in Lakhs)*	For the Year Ended 31 March 2018 *(Amount Rs.in Lakhs)*
I	Revenue from operations			
	Interest income	23	60,660.71	43,571.27
	Other operating income	24	1,157.47	280.61
	Total (I)		**61,818.18**	**43,851.88**
II	**Other Income**		**5,906.82**	**3,107.32**
III	**Total Income (I + II)**		**67,725.00**	**46,959.20**
IV	**Expenses**			
	Finance cost	26	27,344.95	21,318.20
	Impairment of financial instruments	27	1,977.89	12,427.67
	Employee benefit expenses	28	11,348.19	9,252.10
	Depreciation, amortization and impairment	12	588.50	635.94
	Other expenses	29	6,324.11	4,773.43
	Total Expenses (IV)		47,583.64	48,407.34
V	**Profit/(loss) before tax (III - IV)**		**20,141.36**	**(1,448.14)**
VI	**Tax Expense:**	**11.1**		
	(1) Current tax		4,711.00	
	(2) Deferred tax		2,171.99	(519.64)
VII	**Profit / (loss) for the year (V - VI)**		**13,258.37**	**(928.50)**
VIII	**Other Comprehensive Income**			
A	(i) Items that will not be classified to profit or loss: Remeasurement gains and (losses) on defined benefit obligations (net)	11.1	32.71	33.55
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(11.46)	(11.72)
	Other Comprehensive Income		**21.25**	**21.83**
IX	**Total Comprehensive Income for the year (VII + VIII)**		13,279.62	(906.67)
X	**Earnings per equity share**	**31**		
	- Basic (Rs.)		31.35	(3.33)
	- Diluted (Rs.)		31.35	(3.33)

See accompanying notes forming part of the financial statements
In terms of our report of even date attached

For and on behalf of the Board of Directors of Asirvad Micro finance Limited

For Deloitte Haskins & Sells
Chartered Accountants

S Sundaresan
Partner

Place : Chennai

Date : 13 May 2019

V P Nandakumar
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Anup Gupta
Company Secretary

Asirvad Microfinance Limited

Statement of changes in Equity for the year ended 31 March 2019

1. Equity Share capital

Amount Rs. In Lakhs

Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
3,207.49	2,123.70	5,331.19

2. Other Equity

Amount Rs. In Lakhs

Particulars	Reserves and Surplus						Total
	Statutory Reserve	Capital redemption reserve	Securities Premium	Share Option Outstanding	General Reserve	Retained Earnings	
Balance as at 1 April 2017	**1,679.97**	**500.00**	**15,900.80**	**-**	**35.93**	**2,494.35**	**20,611.05**
Total Comprehensive Income for the year					(906.67)		(906.67)
Securities Premium on equity shares issued during the year			4,948.20				4,948.20
Others				13.00			13.00
Balance as at 31 March 2018	**1,679.97**	**500.00**	**20,849.00**	**13.00**	**35.93**	**1,587.68**	**24,665.58**
Total Comprehensive Income for the year						13,279.62	13,279.62
Securities Premium on equity shares issued during the year			34,961.89				34,961.89
Others	2,651.67			7.44		(2,651.67)	7.44
Balance as at 31 March 2019	**4,331.64**	**500.00**	**55,810.89**	**20.44**	**35.93**	**12,215.63**	**72,914.53**

See accompanying notes forming part of the financial statements
In terms of our report of even date attached

For and on behalf of the Board of Directors of Asirvad Micro finance Limited

For Deloitte Haskins & Sells
Chartered Accountants

S Sundaresan
Partner

Place : Chennai

Date : 13 May 2019

V P Nandakumar
Chairman
(DIN No.00044512)

MayankShyamThatte
Chief Financial Officer

S V Raja Vaidyanathan
Managing Director
(DIN No.01467098)

Anup Gupta
Company Secretary

Asirvad Microfinance Limited

Statement of Cash flows

Particulars	For the Year Ended 31 March 2019 Amount Rs.in Lakhs	For the Year Ended 31 March 2018 Amount Rs.in Lakhs
A Cash flow from Operating Activities		
Profit/(Loss) After Tax	**13,258.37**	**(928.50)**
Adjustments for:		
Depreciation/ Amortisation	588.50	635.94
Tax Expenses	6,882.99	(519.64)
Provision for Receivables under Financing Activity (Net)	1,977.89	12,427.67
Reversal of Provision for Credit enhancements on assets under financing activity	-	(6.92)
Loss on Sale of Fixed Assets (Net)	2.21	5.07
Dividend Income	(507.64)	(195.94)
Finance Cost	27,344.95	21,318.20
Interest on Deposits	(1,381.03)	(584.62)
Income from Securitisation of Receivables	(6,724.05)	(2,150.05)
Operating Profit before Working Capital Changes	**41,442.19**	**30,001.21**
Changes in Working Capital:		
Adjustments for (increase) / decrease in operating assets:		
Receivables under Financing Activity	(38,924.99)	(54,802.02)
Loans given to staff	(26.95)	(24.78)
Other financial Assets	(1,071.93)	(915.73)
Other non financial assets	(159.55)	(104.05)
Adjustments for increase / (decrease) in Operating Liabilities:		
Trade Payables	620.16	200.79
Other financial Liabilities	2,696.28	1,113.99
Other non financial Liabilities	163.53	102.79
Other Provisions	52.19	37.77
Cash Flow Generated from/(used in) Operations	**4,790.93**	**(24,390.03)**
Income Received in Advance (Securitization)	6,724.05	2,150.05
Interest Income on Deposits	1,280.53	479.94
Net cash flow from/(used in) operations	**12,795.51**	**(21,760.04)**
Net Income Tax Paid	(5,360.43)	(1,238.01)
Net Cash flows from/(used in) Operating Activities	**7,435.08**	**(22,998.05)**
B. Cash flow from Investing Activities		
Proceeds from Sale of Fixed Assets	163.18	119.24
Capital Expenditure on Fixed Assets (including Capital Advances)	(287.13)	(846.27)
Dividend received	507.64	195.94
Net Cash Flow Generated from/(used in) Investing Activities	**383.69**	**(531.09)**
C. Cash flow from Financing Activities		
Proceeds from Long-Term Borrowings-Term Loans (net)	(646.85)	31,910.34
Interest paid on Term loans	(15,379.82)	(12,675.48)
Prepaid Processing Charges	222.35	(26.65)
Proceeds from Long-Term Borrowings-Debentures (net)	12,593.00	16,684.67
Interest paid on Debentures	(10,303.55)	(7,235.06)
Prepaid Processing Charges	83.09	31.42
Proceeds from Short-Term Borrowings - CP	3,477.75	1,483.96
Repayment of Short-Term Borrowings - Cash Credit	0.28	(2,499.17)
Proceeds from Finance Lease	(86.53)	2.82
Proceeds from Issue of Equity Shares	37,085.59	5,528.02
Other Interest and charges paid	(1,300.31)	(741.46)
Net Cash Flow from Financing Activities	**25,745.00**	**32,463.41**
Net increase in Cash and cash equivalents (A+B+C)	33,563.77	8,934.27
Cash and cash equivalents at the beginning of the year	19,026.25	10,091.98
Cash and Cash Equivalents at the end of the year	**52,590.02**	**19,026.25**

Asirvad Microfinance Limited

Statement of Cash flows

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
	Amount Rs.in Lakhs	Amount Rs.in Lakhs
Reconciliation of Cash and cash equivalents with the Balance Sheet: Cash and cash equivalents as per balance sheet (Refer note 5)	52,590.02	19,026.25
	52,590.02	**19,026.25**

See accompanying notes forming part of the financial statements

In terms of our report of even date attached

For and on behalf of the Board of Directors of Asirvad Micro finance Limited

For Deloitte Haskins & Sells
Chartered Accountants

S Sundaresan
Partner

Place : Chennai

Date : 13 May 2019

V P Nandakumar
Chairman
(DIN No.00044512)

MayankShyamThatte
Chief Financial Officer

S V Raja Vaidyanathan
Managing Director
(DIN No.01467098)

Anup Gupta
Company Secretary

Asirvad Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March 2019

1. *Corporate Information*

Asirvad Microfinance Limited was incorporated in August 2007 under the provisions of Companies Act, 1956. The Company is a Non Banking Finance Company -Microfinance Institution (NBFC-MFI). The Company is registered as a Microfinance Institution under the Non Banking Financial Company-Micro Finance Institution (Reserve Bank) Directions , 2011 as amended, vide RBI letter dated 4th October 2013.

The Company is engaged in extending micro credit advances to poor women, who are otherwise unable to access finance from the mainstream banking channels. The Company provides small value collateral fee loans with fortnightly /monthly repayments. The Company follows the Grameen Model with suitable adoptions using the group where each member is responsible for the loan repayment of the other members of the group. The Company provides collateral free product loans to the existing borrowers of small amount. The Company uses its branch infrastructure to market products to the members of the Joint Liability groups on behalf of other agencies for an agreed fee/commission.

The Comoanv also provides loans to Small and Medium Enterprises.

2. *Holding Company*

The Company become subsidiary Company of Manappuram Finance Limited, after Manappuram Finance Limited acquired controlling stake in the Company during the Financial Year 2014-15.

3. *Significant Accounting Policies*

3.1 Statement of Compliance

On 16 February 2015, the Ministry of Corporate Affairs ("MCA") notified the Companies (Indian Accounting Standards) Rules, 2015. The rules specify the Indian Accounting Standards (Ind AS) applicable to certain class of companies and sets out dates of applicability. Asirvad Microfinance Limited, being an Non Banking Financial Company, for which IND AS is applicable from Phase III as defined in the said notification, is required to apply the standards as specified in Companies (Indian Accounting Standards) Rules, 2015.

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1 April 2017,

In respect of significant accounting matters, the Company has analyzed the provisions contained in Ind AS and the relevant guidance as per RBI Guidelines and has adopted appropriate accounting treatment while ensuring compliance with RBI Guidelines.

The Company follows the prudential norms for income recognition, asset classification and provisioning as prescribed by the Reserve Bank of India for NBFC-MFI's or more stringent norms.

Upto the year ended 31 March 2018, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1 April 2017. Previous year figures in the financial statements have been restated to Ind AS. Refer Note 37 for the details of first-time adoption exemptions availed by the Company.

3.2 Basis of Preparation and Presentation of Financial Statements

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, and 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable input for the asset or liability.

3.3 Standards issued but not effective

Ind AS 116, "Leases" is applicable with effect from 1 April 2019. THis Standard replaces the existing Standard on Leases, Ind AS 17. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees -leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is in the process of evaluating the leases and its impact on the financial statements.

3.4 Use of Estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the acCompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Company's accounting policies, management has made judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.5 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(a) Interest income on loans given is recognized under the internal rate of return method. Income on Non-performing Assets is recognized only when realized and any interest accrued on such assets is de-recognized by reversing the unrealized interest income already recognized.

(b) Loan processing fee is recognized over the life of the loan on a proportionate basis.

(c) Income from interest strip (excess interest spread) of a securitized portfolio is recognized in the Statement of Profit and Loss net of any losses when realized in cash, in line with the relevant RBI guidelines.

(d) Referral Fee income on marketing of products is recognized on accrual basis when the service is rendered taking into account the number of units sold at the rates applicable according to the terms of the agreement.

(e) Interest income on deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(f) Dividend income from investments (other than equity shares) is recognized on actual realizations, as stipulated by RBI.

3.6 Leasing

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case, they are capitalized in accordance with the Company's general policy on borrowing cost. Contingent rentals are recognized as expenses in the period in which they are incurred.

Rental expense from operating leases is generally recognized on a straight line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's

expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.7 Employee Benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity and compensated absences.

Retirement Benefit Costs and Termination Benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in the Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees upto the reporting date.

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Share-based payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Holding Company's estimate of equity instruments that will eventually vest, with a corrosponding increase in equity. At the end of each period, the Holding Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, recognized in profit or loss such that the cummulative expense reflected the revised estimate, with a corrosponding adjustment to equity-settled employee benefits reserve.

3.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss except when they relate to items that are recognized in other comprehensive income or directly in equity, in

which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

3.9 Cash and Cash Equivalents (for purposes of Cash Flow Statement)

Cash and cash equivalent in the balance sheet comprise demand deposits with bank and Cash on hand, short-term deposits with an original maturity of three months or less including lien marked deposits with Banks and others with respect to loans availed by Company. These balances are subject to an insignificant risk of changes in value.

Bank Balances include term deposits held with an original maturity more than 3 months and includes lien marked deposits with Banks and others with respect to loans availed by Company/assets securitised.

3.10 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) after extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information

3.11 Property, Plant and Equipment

Furniture and Fixtures, Leasehold Improvements, Office Equipment, Vehicles, Computers and Others are stated at cost less accumulated depreciation and accumulated impairment losses. Costs comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from tax authorities), any attributable expenditure on making the assets ready for intended use.

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives , using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainity that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Estimated useful lives of the assets are as follows:

Particulars	Years
Furniture and Fixtures including AC and Electrical fittings	10
Leasehold Improvements	6
Office Equipment	5
Vehicles	8
Computers and others	6

Depreciable amount for assets is the cost of an asset, less its estimated residual value. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and expected residual value at the end of its life. Depreciation on tangible fixed assets has been provided on the Written Down Value Method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Depreciation is accelerated on fixed assets, based on their condition, usability etc., as per the estimates of the Management, where necessary. Depreciation methods, useful lives and residual values are reviewed periodically including at each financial year end.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its tangible assets recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.12 Investment Property

Investment Properties are properties held to earn rentals and / or for capital appreciation. Investment properties are measured initially at cost, including transactions costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirement for cost model.

An Investment property is derecognized upon disposal or when the Investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the

property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

For transition to Ind AS, the Company has elected to continue with the carrying value of its Investment property recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.13 Intangible Assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over the estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on prospective basis.

Software is depreciated over the license period or 6 years, whichever is lower.

An Intangible assets is derecognised on disposal or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible assets measured as the difference between the net disposal proceeds and the carrying amount of the asset as recognised in profit or loss when the asset is derecognised.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.14 Impairment to Tangible and Intangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and

consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.15 Provisions and Contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

'Contingent Liability and Assets :

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

3.16 Financial Instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provision of the instruments.

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

Financial Assets

Initial Recognition

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in four categories:

1. Debt instruments at amortised cost
2. Debt instruments at fair value through other comprehensive income (FVTOCI).
3. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).
4. Equity instruments measured at fair value through other comprehensive income FVTOCI.

Financial assets measured at amortised cost

A 'debt instrument' is measured at amortised cost if both the following conditions are met:

a) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset (other than those stated as amortized cost) is subsequently fair valued through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Dividend income from these financial assets is included in other income.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received or receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Financial liabilities Initial Measurement

Financial liabilities are classified and measured at amortized cost. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts

Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

Impairment of financial assets

The Company recognises Impairment allowance for expected credit losses (ECL) on Financial Assets held at amortized cost. The Company also computes the provision for non-performing assets (NPA) as per IRAC norms of RBI. The higher of the two is recorded in the books.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls).

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months from the reporting date.

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as loans and advances and security deposits held at amortised cost are tested for impairment based on evidence or information that is available without undue cost or effort. Lifetime Expected credit losses are assessed and loss

allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

The Company applies a three-stage approach to measuring expected credit losses (ECLs) for Loan Receivables. No ECL is recognised on equity investments.

Measurement of ECLs

Expected Credit Loss is computed as follows = Gross EAD * PD* LGD

The Exposure at Default ("EAD") is an estimate of the exposure (gross carrying amount), at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments.

The Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

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

To calculate the ECL, the Company assesses the possible default events of EAD at various Stages. The Company has broadly followed the following approach to compute ECL.

The Advances exposure is broadly classified into 2 pools : MFI loans and SME The EAD is categorised based on respective Past Due status as given below :

Stage 1: 12-months ECL

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company has assessed that all standard advances and advances upto 30 days default would fall under this category.

For these assets, 12-month ECL are recognized and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance).

Stage 2: Lifetime ECL – not credit impaired

Financial instruments that have had a significant increase in credit risk since initial recognition are classified under this stage. 30 Days Past Due upto 90 Days is considered as significant increase in credit risk and classified under this category. For these assets, lifetime ECL are recognized, but interest revenue is still calculated on the gross carrying amount of the asset.

Stage 3: Lifetime ECL – credit impaired

All exposures greater than 90 Days Past due assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised. Interest revenue is recognized on actual realization in line with prudential norms.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial assets credit risk has increased significantly since initial recognition, by considering the change in the risk of defaults occurring over the remaining life of the financial assets.

The measurement of ECL reflects:

a) An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes

b) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events and current conditions.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not the financial ability to repay the amounts subject to the write-off.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL in respect of Financial assets measured at amortised cost are presented as a deduction from the gross carrying amount of the assets in the statement of financial position.

3.17 Earnings per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

3.18 Goods & Services Tax Input Credit

Goods & Service Tax Input Credit is accounted for in the books in the period when the underlying Goods and service received are accounted and when there is reasonable certainty in availing / utilizing the same.

3.19 Insurance claims

Insurance claims recoverable are accrued for on the basis of claims admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection. Claims pending settlement for more than a year are provided for.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainity

In the application of the Company's accounting policies which is described in Note 3, the Management of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

(i) Useful lives of Property, plant and equipment (Refer Note 3.11)

(ii) Assets and obligations relating to employee benefits (Refer Note 3.7)

(iii) Valuation and measurement of income taxes and deferred taxes (Refer Note 3.8)

(iv) Imoairment of financial assets based on Expected Credit Loss model (Refer Note 3.16)

5 Cash and cash equivalents

Particulars	As at 31 March 2019 Amount Rs.in Lakhs	As at 31 March 2018 Amount Rs.in Lakhs	As at 1 April 2017 Amount Rs.in Lakhs
(a) Cash on hand	0.27	36.33	558.44
(b) Balances with Banks			
- In Current Accounts	6,589.75	8,615.57	6,533.54
- In Deposit Accounts - Not covered Under Lien	46,000.00	10,374.35	3,000.00
Total	**52,590.02**	**19,026.25**	**10,091.98**

5.1 Of the above, the balances that meet the definition of Cash and cash equivalents as per Ind AS 7 Cash Flow Statements is	52,590.02	19,026.25	10,091.98

6 Bank Balances other than above

Particulars	As at 31 March 2019 Amount Rs.in Lakhs	As at 31 March 2018 Amount Rs.in Lakhs	As at 1 April 2017 Amount Rs.in Lakhs
Balances with Banks			
- In Deposit Accounts - Under Lien (Refer Note 6.1 below)	16,224.19	8,570.44	6,824.39
Total	**16,224.19**	**8,570.44**	**6,824.39**

6.1 Deposit accounts under lien comprise of:

Deposits amounting to Rs. 6,591.90 lakhs (As at 31 March 2018: Rs. 5,204.92 lakhs ; As at 1 April 2017: Rs. 5,993.26 lakhs) have been placed with certain banks for obtaining term loans.

Deposits amounting to Rs. 9,632.29 lakhs (As at 31 March 2018: Rs. 3,240.53 lakhs ; As at 1 April 2017: Rs. 831.13 lakhs) placed as credit enhancement (cash collateral) towards Assets De-recognised on account of securitization.

7 Loans (at amortised cost) (Refer Notes below)

Particulars	As at 31 March 2019 Amount Rs.in Lakhs	As at 31 March 2018 Amount Rs.in Lakhs	As at 1 April 2017 Amount Rs.in Lakhs
A) (i) Secured and considered good			
Loans	203.59	333.74	315.41
Less : Advance EMI's received	0.06	-	-
Less : Impairment loss allowance	87.73	73.70	5.77
Sub Total	**115.80**	**260.04**	**309.64**
A) (ii) Unsecured and considered good, unless otherwise stated			
Loans	236,529.06	211,030.54	172,165.89
Less : Advance EMI's received	295.10	155.67	-
Less : Impairment loss allowance	4,114.46	7,673.69	9,664.15
Sub Total	**232,119.50**	**203,201.18**	**162,501.74**
Grand Total	**232,235.30**	**203,461.22**	**162,811.38**

(Amount Rs.in Lakhs)

7.1

Particulars	As on 31 March 2019	As on 31 March 2018	As on 1 April 2017
The Loan Receivables reflected above excludes microfinance loans assigned to a third party on securitization in accordance with RBI Guidelines as given aforesaid :	147,336.83	32,206.82	7,418.39

(Amount Rs.in Lakhs)

7.2

Particulars	As on 31 March 2019	As on 31 March 2018	As on 1 April 2017
Provisions as per RBI Prudential Norms	3,982.58	7,164.27	5,682.99
Provisions as per ECL model under Ind AS 109	4,202.19	7,747.39	9,669.92
Amount recorded in the books	4,202.19	7,747.39	9,669.92

7.3 The Stage wise break of Loans reflected above (Refer Note 7) is given below :

(A) As at 31 March 2019

(Amount Rs.in Lakhs)

Loan Receivables	Stage 1: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days	Total
i. Loans considered as Qualifying Assets	215,343.50	697.78	1,544.23	217,585.51
ii. Loans considered as Non Qualifying Assets	18,906.52	85.58	163.77	19,155.87
Gross Carrying Amount of Loans	**234,250.02**	**783.36**	**1,708.00**	**236,741.38**
Less : Impairment loss allowance *	2,346.78	147.41	1,708.00	4,202.19
Net Loans	**231,903.24**	**635.95**	**-**	**232,539.19**

(B) As at 31 March 2018

(Amount Rs.in Lakhs)

Loan Receivables	Stage 1: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days	Total
i. Loans considered as Qualifying Assets	193,445.31	983.13	5,290.29	199,718.73
ii. Loans considered as Non Qualifying Assets	11,480.53	45.64	268.58	11,794.75
Gross Carrying Amount of Loans	**204,925.84**	**1,028.77**	**5,558.87**	**211,513.48**
Less : Impairment loss allowance *	2,060.39	128.13	5,558.87	7,747.39
Net Loans	**202,865.45**	**900.64**	**-**	**203,766.09**

(C) As at 01 April 2017

(Amount Rs.in Lakhs)

Loan Receivables	Stage 1: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days	Total
i. Loans considered as Qualifying Assets	150,529.74	6,913.71	7,008.04	164,451.49
ii. Loans considered as Non Qualifying Assets	7,249.69	235.92	238.37	7,723.98
Gross Carrying Amount of Loans	**157,779.43**	**7,149.63**	**7,246.41**	**172,175.47**
Less : Impairment loss allowance *	1,575.96	847.55	7,246.41	9,669.92
Net Loans	**156,203.47**	**6,302.08**	**-**	**162,505.55**

*The impairment loss allowance includes Contingent Provision against Standard Assets (Non Qualifying assets) of Rs. 194.57 Lakhs as at 31 March 2019 (As at 31 March 18 : Rs. 126.97 Lakhs ; As at 1 April 2017 is Rs. 73 Lakhs)

7.4 Reconciliation of impairment allowance on Loans

Particulars	Amount Rs.in Lakhs
Impairment allowance as at 1 April 2017	9,669.92
Add: Impairment allowance provided in statement of Profit & Loss	12,427.67
Less: Impairment allowance Utilised for writing off Loss assets	14,350.20
Impairment allowance as at 31 March 2018	**7,747.39**
Add: Impairment allowance provided in statement of Profit & Loss	1,977.89
Less: Impairment allowance Utilised for writing off Loss assets	5,523.09
Impairment allowance as at 31 March 2019	**4,202.19**

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Notes forming part of the Financial Statements for the year ended 31 March 2019

7.5 As per RBI guidelines on Securitisation DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 updated on April 16, 2019 the details of securitisation are given below:

Particulars	31 March 2019 Numbers/Amount (Rs.)	31 March 2018 Numbers/Amount (Rs.)	1 April 2017 Numbers/Amount (Rs.)
(i) No of SPVs sponsored by the NBFC for securitisation transactions			
a.Through Direct assignment	4	1	1
b.Through PTC	14	8	4
Total	**18**	**9**	**5**
(ii) Total amount of securitised assets as per books of the SPVs Sponsored (Amount Rs.in Lakhs)			
a.Through Direct assignment	28,733.88	137.42	681.68
b.Through Pass through Ceritificates	118,101.63	31,850.12	6,736.71
Total	**146,835.51**	**31,987.54**	**7,418.39**
(iii) Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance sheet			
a) Off-balance sheet exposures			
- First loss	-	-	-
- Others	-	-	-
b)On-balance sheet exposures (Amount Rs.in Lakhs)			
- First loss			
a. Direct Assignment	-	-	-
b. Pass through Ceritificates	-		-
- Others (Minimum Retention requirement("MRR"))	17,841.73	5,164.00	-
(iv) Amount of exposures to securitisation transactions Other than MRR			
a) Off-balance sheet exposures			
i)Exposure to own securitizations (Amount Rs.in Lakhs)			
- First loss	-	584.97	-
a. Direct Assignment	-	-	-
b. Pass through Ceritificates	-	584.97	-
- Others	-	-	-
ii)Exposure to third party securitisations			
- First loss	-	-	-
- Others	-	-	-
b) On-balance sheet exposures (Amount Rs.in Lakhs)			
i)Exposure to own securitisations			
- First loss			
a. Direct Assignment	-	-	-
b. Pass through Ceritificates	9,632.29	3,240.53	831.13
- Others	-	-	-
ii) Exposure to third party securitisations			
First loss	-	-	-
Others	-	-	-

7.6 Details of Financial Assets sold to Securitisation Company

Particulars	For the Year ended 31 March 2019	For the Year ended 31 March 2018	For the Year ended 31 March 2017
Total number of loan assets securitized during the year	**1,065,278.00**	**370,839.00**	**125,860.00**
a.Through Direct assignment	253,895.00	-	-
b.Through PTC	811,383.00	370,839.00	125,860.00
Book value of loan assets securitized during the year (Amount Rs.in Lakhs)	**199,637.90**	**54,895.62**	**17,177.79**
a.Through Direct assignment	43,336.00	-	-
b.Through PTC	156,301.90	54,895.62	17,177.79
Sale consideration received during the year (Amount Rs.in Lakhs)	**180,282.56**	**49,731.61**	**16,733.03**
a.Through Direct assignment	39,002.40	-	-
b.Through PTC	141,280.16	49,731.61	16,733.03
MFI Loans Subordinated as Credit Enhancement on Assets Derecognised (Amount Rs.in Lakhs)	**19,355.34**	**5,164.01**	**444.76**
a.Through Direct assignment	4,333.60	-	-
b.Through PTC	15,021.74	5,164.01	444.76
Gain / (loss) on the securitization transaction recognised in P&L	-	-	10.69
a.Through Direct assignment	-	-	10.69
b.Through PTC	-	-	
Gain / (loss) on the securitization transactions deferred	-	-	-
a.Through Direct assignment	-	-	-
b.Through PTC	-	-	
Quantum of Credit Enhancement provided on the transactions in the form of deposits (Amount Rs.in Lakhs)	**9,632.29**	**3,240.53**	**831.13**
a.Through Direct assignment	-	-	-
b.Through PTC	9,632.29	3,240.53	831.13
Quantum of Credit Enhancement as at year end (Amount Rs.in Lakhs)	**9,632.29**	**3,240.53**	**631.02**
a.Through Direct assignment	-	-	-
b.Through PTC	9,632.29	3,240.53	631.02
Interest spread Recognised in the Statement of Profit and Loss during the Year (Amount Rs.in Lakhs)	**6,702.23**	**2,215.69**	**1,587.62**
a.Through Direct assignment	1,477.80	147.12	-
b.Through PTC	5,224.43	2,068.57	1,587.62

8 Investments

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
Investments at Fair Value through other comprehensive income			
(i) Equity instruments in India	5.00	5.00	5.00
Gross Total	**5.00**	**5.00**	**5.00**
Less : Allowance for impairment loss	-	-	-
Total	**5.00**	**5.00**	**5.00**

9 Other financial assets (At amortised cost)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Security deposits	428.65	325.18	330.40
(b) Interest accrued on deposits with banks and others	706.22	605.72	501.04
(c) Deposit under Pradhan Mantri Garib Kalyan Yojna (PMGKY)	15.00	15.00	15.00
(d) Receivable from Securitised assets	1,681.04	590.99	-
(e) Others	498.04	637.87	326.15
Total	**3,328.95**	**2,174.76**	**1,172.59**

10 Current Tax Assets (Net)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
Advance Income Tax (Net of Provisions for taxation of Rs. 10,413.09 Lakhs as at 31 March 2019 ; Rs.5,702.09 Lakhs as at 31 March 2018 and Rs. 5,702.09 Lakhs As at 1 April 2017)	1,466.86	817.43	-
Total	**1,466.86**	**817.43**	**-**

11 Deferred Tax Assets (Net)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
Deferred Tax Assets (Net) (Refer Note 11.1)	2,261.20	4,444.65	3,936.73
Total	**2,261.20**	**4,444.65**	**3,936.73**

11.1 Current Tax and Deferred Tax

(i) Income Tax Expense

Particulars	For the Year ended 31 March 2019	For the Year ended 31 March 2018
	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Current tax in respect of current year	4,711.00	-
(b) Deferred tax relating to origination and reversal of temporary differences	2,171.99	(519.64)
Total Tax Expense recognised in statement of profit and loss	**6,882.99**	**(519.64)**

(ii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
	Amount Rs.in Lakhs	Amount Rs.in Lakhs
Profit Before tax from Operations	20,141.36	(1,448.14)
Income Tax using the Company's domestic Tax rate #	7,038.20	-
Effect of Income Exempt from Tax	177.39	-
Effect of other permanent differences	(33.53)	-
Effect on utilisation of accumulated losses during the year	(299.07)	-
Income Tax recognised in the Statement of Profit & Loss	**6,882.99**	**-**

The tax rate used for the 2018-2019 and 2017-2018 reconciliations above comprises Corporate tax rate of 30%, applicable surcharge and cess, payable by corporate entities in India on taxable profits under the India Law.

(iii) Income Tax on Other Comprehensive Income

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
	Amount Rs.in Lakhs	Amount Rs.in Lakhs
Deferred Tax		
Remeasurement of defined benefit obligation	(11.46)	(11.72)
Total	**(11.46)**	**(11.72)**

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Notes forming part of the Financial Statements for the year ended 31 March 2019

(iv) Following is the analysis of the deferred tax asset/(liabilities) presented in the Balance sheet.

(Amount Rs. in Lakhs)

Particulars	For the Year Ended 31 March 2019			
	Opening Balance	Charge/(Credit) recognised in		Closing Balance
		Recognised in profit and Loss	Recognised in OCI	
Tax effect of items constituting deferred tax assets/deferred Tax liability :				
Property, Plant and Equipment	199.11	(61.70)	-	260.81
Carried forward losses	1,143.46	1,143.46	-	-
Provision for Employee Benefits	241.12	(57.10)	11.46	286.76
Provision for Loan Receivables	2,664.75	1,323.37	-	1,341.38
Provision for Fraud Insurance Claim Receivable	22.57	(101.66)	-	124.23
Effective Interest Rate on Borrowings	87.35	(33.51)	-	120.86
Present Value Discounting of Security Deposit and Documentation Fee	86.29	(40.87)	-	127.16
Total	**4,444.65**	**2,171.99**	**11.46**	**2,261.20**

(Amount Rs. in Lakhs)

Particulars	For the Year Ended 31 March 2018			
	Opening Balance	Charge/(Credit) recognised in		Closing Balance
		Recognised in profit and Loss	Recognised in OCI	
Tax effect of items constituting deferred tax assets/deferred Tax liability :				
Property, Plant and Equipment	112.64	(86.47)	-	199.11
Carried forward losses	-	(1,143.46)	-	1,143.46
Interest on Borrowings	57.32	57.32	-	-
Provision for Employee Benefits	206.13	(46.71)	(11.72)	241.12
Provision for Loan Receivables	3,319.81	655.06	-	2,664.75
Provision for Fraud Insurance Claim Receivable	-	(22.57)	-	22.57
Effective Interest Rate on Borrowings	110.38	23.03	-	87.35
Present Value Discounting of Security Deposit and Documentation Fee	130.45	44.16	-	86.29
Total	**3,936.73**	**(519.64)**	**(11.72)**	**4,444.65**

Asirvad Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March 2019

12

A. Current Year

Amount Rs.in Lakhs

S.No.	Description	Gross Block				Accumulated Depreciation and Amortisation					Net Block	
		Balance as at 1 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 1 April 2018	For the year	Eliminated on Disposal of Assets	Depreciation Adjustments	As at 31 March 2019	Balance as at 31 March 2019	Balance as at 31 March 2018
12 (a)	**Property, plant and equipment**											
1	Computers	664.64	130.30	0.81	794.13	348.19	367.35	0.62	-	714.92	79.21	316.45
2	Furnitures & Fixtures	162.48	53.75	0.09	216.14	79.35	62.05	0.08	-	141.32	74.82	83.13
3	Leasehold Improvements	0.97	-	-	0.97	0.77	0.18	-	-	0.95	0.02	0.20
4	Office Equipments	131.88	19.04	13.95	136.97	80.21	43.79	13.47	-	110.53	26.44	51.67
5	Vehicles											
	- Owned	80.73	0.87	-	81.60	62.79	0.11	-	-	62.90	18.70	17.94
	- Taken under Finance Lease	194.58	-	176.17	18.41	35.09	29.07	51.70	-	12.46	5.95	159.49
		1,235.28	**203.96**	**191.02**	**1,248.22**	**606.40**	**502.55**	**65.87**	**-**	**1,043.08**	**205.14**	**628.88**
12 (b)	**Intangible assets**											
1	Softwares	55.41	74.08	0.04	129.45	22.31	85.95	0.04	-	108.22	21.23	33.10
2	CWIP - Software	40.24	-	40.24	-	-	-	-	-	-	-	40.24
		95.65	**74.08**	**40.28**	**129.45**	**22.31**	**85.95**	**0.04**	**-**	**108.22**	**21.23**	**73.34**
	Grand Total	**1,330.93**	**278.04**	**231.30**	**1,377.67**	**628.71**	**588.50**	**65.91**	**-**	**1,151.30**	**226.37**	**702.22**

B. Previous year

Amount Rs.in Lakhs

S.No.	Description	Gross Block				Accumulated Depreciation and Amortisation					Net Block	
		Balance as at 1 April 2017	Additions	Disposals	Balance as at 31 March 2018	Balance as at 1 April 2017	For the year	Eliminated on Disposal of Assets	Depreciation Adjustments	Balance as at 31 March 2018	Balance as at 31 March 2018	Balance as at 1 April 2017
12 (a)	**Property, plant and equipment**											
1	Computers	118.38	547.75	1.49	664.64	-	351.36	-	3.17	348.19	316.45	118.38
2	Furnitures & Fixtures	101.40	61.24	0.16	162.48		80.39	-	1.04	79.35	83.13	101.40
3	Leasehold Improvements	-	0.97	-	0.97	-	0.77	-	-	0.77	0.20	-
4	Office Equipments	84.93	47.40	0.45	131.88	-	80.38	-	0.17	80.21	51.67	84.93
5	Vehicles											
	- Owned	111.36	-	30.63	80.73	-	64.31	1.52	-	62.79	17.94	111.36
	- Taken under Finance Lease	135.61	104.29	45.32	194.58	-	36.42	-	1.33	35.09	159.49	135.61
		551.68	**761.65**	**78.05**	**1,235.28**	**-**	**613.63**	**1.52**	**5.71**	**606.40**	**628.88**	**551.68**
12 (b)	**Intangible assets**											
1	Softwares	7.01	48.40	-	55.41	-	22.31	-	-	22.31	33.10	7.01
2	CWIP - Software	-	88.02	47.78	40.24	-	-	-	-	-	40.24	-
		7.01	**136.42**	**47.78**	**95.65**	**-**	**22.31**	**-**	**-**	**22.31**	**73.34**	**7.01**
	Grand Total	**558.69**	**898.07**	**125.83**	**1,330.93**	**-**	**635.94**	**1.52**	**5.71**	**628.71**	**702.22**	**558.69**

Asirvad Microfinance Limited

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13. Other non financial assets

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Deferred Lease rental	8.77	12.35	25.27
(b) Goods & service tax credit (input) receivable	5.50	4.14	7.50
(c) Prepaid expenses	287.82	99.50	-
(d) Capital Advances	-	9.09	60.89
(e) Advance to Suppliers	8.76	35.31	14.48
	310.85	**160.39**	**108.14**

14. Other Trade Payables

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 38)	-	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,656.06	1,035.90	835.11
Total	**1,656.06**	**1,035.90**	**835.11**

15. Debt securities (At Amortised Cost)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Redeemable Non-convertible Debentures			
- Secured	32,331.47	43,256.27	34,894.20
- Unsecured	41,243.85	17,257.94	8,416.54
(b) Commercial Papers (Unsecured)	4,961.71	1,483.96	-
Total	**78,537.03**	**61,998.17**	**43,310.74**
(i) Debt securities in India	78,537.03	61,998.17	43,310.74
(ii) Debt securities outside India	-	-	-
Total	**78,537.03**	**61,998.17**	**43,310.74**

15.1 Details of Debentures - Secured and Unsecured, Redeemable Non-convertible Debentures (NCD's)- Redeemable at par The NCDs are secured by charge on specific loans of the Company.

(Amount Rs.in lakhs)

No. of Debentures	Face value	Interest Rate	Due date of redemption	No. of instalments as at 31 March 2019	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
750	1,000,000	11.35%	30-Sep-19	6	1,250.00	3,750.00	7,500.00
2500	100,000	11.45%	28-Mar-19	-	-	1,500.00	2,500.00
1500	100,000	11.45%	17-Apr-19	1	450.00	1,500.00	1,500.00
700	1,000,000	13.25%	29-Mar-21	1	7,000.00	7,000.00	7,000.00
330	1,000,000	13.25%	01-May-21	1	3,300.00	3,300.00	3,300.00
100	1,000,000	14.50%	01-Dec-20	-	-	1,000.00	1,000.00
15	10,000,000	13.50%	12-Jul-19	1	1,500.00	1,500.00	1,500.00
25	10,000,000	13.50%	12-Jul-22	1	2,500.00	2,500.00	2,500.00
500	1,000,000	13.00%	01-Dec-22	1	5,000.00	5,000.00	5,000.00
350	1,000,000	13.00%	01-Jul-22	1	3,500.00	3,500.00	3,500.00
150	1,000,000	13.00%	01-Jul-22	1	1,500.00	1,500.00	1,500.00
150	1,000,000	13.00%	01-Jun-23	1	1,500.00	1,500.00	1,500.00
333	1,200,000	12.80%	01-Jul-19	1	333.00	1,665.00	2,997.00
400	1,000,000	12.25%	09-Aug-19	1	1,200.00	2,600.00	4,000.00
500	1,000,000	12.84%	19-Aug-19	1	5,000.00	5,000.00	5,000.00
380	1,000,000	12.00%	01-Nov-19	1	3,800.00	3,800.00	3,800.00
1000	1,000,000	12.30%	09-Aug-23	1	10,000.00	10,000.00	-
1000	1,000,000	11.55%	27-Nov-20	7	5,833.33	9,166.67	-
1500	1,000,000	11.42%	25-May-20	3	11,250.00	5,000.00	-
100	1,000,000	11.43%	22-May-20	3	750.00	-	-
100	1,000,000	11.43%	22-Jun-20	3	1,125.00	-	-
100	1,000,000	11.43%	22-Jun-20	3	1,500.00	-	-
5000	100,000	11.65%	27-Aug-20	4	3,750.00	-	-
2500	1,000,000	11.50%	31-Mar-21	9	8,000.00	-	-
1000	1,000,000	11.50%	31-Mar-21	9	3,333.33	-	-
Total					**83,374.67**	**70,781.67**	**54,097.00**

15.2 The Company has not defaulted in the repayment of dues to debenture holders

16. Borrowings (other than debt securities) (At Amortised Cost) (Refer note 16.1 below

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Secured			
- Term Loan from Banks	112,347.71	96,201.86	62,828.56
- Term Loan from NBFCs	16,306.88	30,986.56	39,889.39
- Finance Lease obligations	8.98	95.51	92.69
- Cash credit / Overdraft facilities from banks	0.28	-	2,499.17
(b) Unsecured			
- Term Loan from NBFCs	5,035.62	7,552.97	-
Total	**133,699.47**	**134,836.90**	**105,309.81**
Borrowings in India	133,699.47	134,836.90	105,309.81
Borrowings outside India	-	-	-
Total	**133,699.47**	**134,836.90**	**105,309.81**

16.1 The Company has not defaulted in the repayment of dues to Banks and NBFC's.

16.2 Security on Term Loans from Banks and Others

All loans are secured by hypothecation of Micro Finance Loans. Further, the Company has provided a specific lien on deposits with Banks (Refer (a) below) and also have deposits with other NBFCs for Term Loans (Refer (b) below)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Deposits with Banks & Others	6,471.90	4,909.92	5,993.26
(b) Deposits with NBFCs	120.00	295.00	-
Total	**6,591.90**	**5,204.92**	**5,993.26**

16.3 Details of Terms of Repayment- Term Loans from Banks and Others

(a) As at 31. March 2019

Particulars	As at 31 March 2019	Number of Remaining Instalments	Maturity	
	Amount Rs.in Lakhs		< 1 Year	> 1 Year
Base Rate+Spread	93,201.11	1 to 36	64,943.11	28,258.00
Fixed	40,003.23	1 to 23	17,321.56	22,681.67
TOTAL	**133,204.34**		**82,264.67**	**50,939.67**

(b) As at 31 March 2018

Particulars	As at 31 March 2018	Number of Remaining Instalments	Maturity	
	Amount Rs.in Lakhs		< 1 Year	> 1 Year
Base Rate+Spread	73,414.58	1 to 36	43,272.09	30,142.49
Fixed	61,032.45	1 to 23	30,474.90	30,557.55
TOTAL	**134,447.03**		**73,746.99**	**60,700.04**

(c) As at 1 April 2017

Particulars	As at 1 April 2017	Number of Remaining Instalments	Maturity	
	Amount Rs.in Lakhs		< 1 Year	> 1 Year
Base Rate+Spread	61,596.56	1 to 36	35,532.86	26,063.70
Fixed	40,984.60	1 to 23	20,240.98	20,743.62
TOTAL	**102,581.16**		**55,773.84**	**46,807.32**

16.4 Details of Cash Credit from Bank - Secured

(a) The cash credit facility is secured by hypothecation of Microfinance Loans

(b) The details of interest rate and repayment terms are as follows:

(Amount Rs.in Lakhs)

Repayment Terms	Interest Rate	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Repayable on Demand	9.50%	-	-	2,499.17

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Notes forming part of the Financial Statements for the year ended 31 March 2019

16.5 (i) Details of Commercial Paper - Unsecured (Amount Rs.in Lakhs)

(Amount Rs.in Lakhs)

As at 31 March 2019	Rate of interest	Terms of repayments	As at 31 March 2019
Issued to Others (Invesco)	9.8%	62 Days	5,000

(Amount Rs.in Lakhs)

As at 31 March 2018	Rate of interest	Terms of repayments	As at 31 March 2018
Issued to Others (Credit Suisse)	9%	60 Days	1,500

(ii) Details of Commercial Paper issued/repaid during the current year ended 31 March 2019

Particulars	Tenor (Days)	Discount rate (per annum)	Date of Transaction	Redemption Date
CREDIT SUISSE	60	9.00%	15-Mar-18	14-May-18
SURYODAY	70	9.00%	12-Apr-18	21-Jun-18
SURYODAY-08082018	51	8.95%	08-Aug-18	28-Sep-18
L&T Mututal Fund	33	8.85%	23-Aug-18	25-Sep-18
CP- SBI Mutual Fund	91	10.85%	04-Dec-18	5-Mar-19
CP- Anand Rathi	108	10.85%	04-Dec-18	22-Mar-19
CP-Kangra Central Coop Bank	100	9.15%	18-Dec-18	28-Mar-19
CP-Invesco	62	9.80%	26-Feb-19	29-Apr-19

(iii) Details of Commercial Paper issued/repaid during the current year ended 31 March 2018

Particulars	Tenor (Days)	Discount rate (per annum)	Date of Transaction	Redemption Date
Caspian Impact Invetsments	120	9.00%	20-Sep-17	18-Jan-18
Caspian Impact Invetsments	120	9.00%	20-Sep-17	18-Jan-18
Utkarsh Small Finance Bank	100	9.00%	20-Nov-17	28-Feb-18
Au Small Finance Bank	91	9.00%	05-Dec-17	6-Mar-18
Credit Suisse	60	9.00%	15-Mar-18	14-May-18

(iv) Details of Commercial Paper issued/repaid during the current year ended 1 April 2017

Particulars	Tenor (Days)	Discount rate (per annum)	Date of Transaction	Redemption Date
Sundaram Ultra Short Term Fund	84	9.90%	7-Oct-16	30-Dec-16
Royal Sundaram General Insurance Company	84	9.90%	7-Oct-16	30-Dec-16
Invesco Trustee Private Limited	89	9.35%	27-Oct-16	24-Jan-17

17. Subordinated Liabilities

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
Redeemable Non-Convertible Debentures (Unsecured) - Subordinated Debt (At Amortised Cost)	11,414.15	11,407.06	11,412.46
Total	**11,414.15**	**11,407.06**	**11,412.46**

18. Other financial liabilities

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Interest payable on assets securitised	4,106.51	987.25	46.02
(b) Gratuity Payable	-	-	72.67
(c) Other payables	102.59	525.57	280.14
Total	**4,209.10**	**1,512.82**	**398.83**

19. Provisions

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Provision for Compensated Absences	236.48	184.29	139.60
(b) Provision for Income Tax (Net of Advance Tax and Tax Deducted at source amounting to Rs. 5,281.51 Lakhs as at 1 April 2017)	-	-	420.58
(c) Provision towards Credit Enhancement	-	-	6.92
Total	**236.48**	**184.29**	**567.10**

20. Other non financial liabilities

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Statutory dues payable	477.62	327.81	231.45
(b) Deferred Lease Rentals	-	1.77	-
(c) Other Payables	262.16	246.67	242.01
Total	**739.78**	**576.25**	**473.46**

21. Equity Share Capital

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Number of shares	Amount Rs.in Lakhs	Number of shares	Amount Rs.in Lakhs	Number of shares	Amount Rs.in Lakhs
(a) Authorised						
Equity shares of Rs.10/- each	100,000,000	10,000.00	40,000,000	4,000.00	30,000,000	3,000.00
Cumulative Redeemable Non-Convertible Preference shares of Rs.100/- each	1,000,000	100.00	1,000,000	100.00	1,000,000	100.00
TOTAL	**101,000,000**	**10,100.00**	**41,000,000**	**4,100.00**	**31,000,000**	**3,100.00**
(b) Issued , Subscribed and Fully Paid Up Equity shares of Rs.10/- each	53,311,887	5,331.19	32,074,860	3,207.49	262.77	2,627.66
TOTAL	**53,311,887**	**5,331.19**	**32,074,860**	**3,207.49**	**262.77**	**2,627.66**

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Equity Shares	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Number of shares	Amount Rs.in Lakhs	Number of shares	Amount Rs.in Lakhs	Number of shares	Amount Rs.in Lakhs
At the beginning of the year	32,074,860	3,207.49	26,276,636	2,627.67	26,276,636	2,627.66
Issued during the year (Refer Note 21.1 below)	21,237,027	2,123.70	5,798,224	579.82	-	-
Outstanding at the end of the year	**53,311,887**	**5,331.19**	**32,074,860**	**3,207.49**	**26,276,636**	**2,627.66**

21.1 During the year Ended ended 31 March 2019, the Company has issued 1,04,88,777 equity shares of Rs.10 each at a premium of Rs.85.34 per equity share through Rights Issue on 27 April 2018 and 1,07,48,250 equity shares of Rs. 10 each at a premium of Rs. 242 per share on 16 March 2019 respectively.

(ii) Details of shares held by the holding company:

Class of shares / Name of shareholder	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No of shares held	% holding in the class of shares	No of shares held	% holding in the class of shares	No of shares held	% holding in the class of shares
Equity Shares of Rs. 10 each						
Manappuram Finance Limited (the Holding Company)	49,757,889	93.33%	28,992,800	90.39%	23,749,979	90.38%

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No of shares held	% holding in the class of shares	No of shares held	% holding in the class of shares	No of shares held	% holding in the class of shares
Equity Shares of Rs. 10 each						
Mr. S V Raja Vaidyanathan	3,127,966	5.87%	2,741,866	8.54%	2,227,966	8.48%
Manappuram Finance Limited	49,757,889	93.33%	28,992,800	90.39%	23,749,979	90.38%

(iv) Terms / Rights attached to Equity shares:

The Company has only one class of equity shares having a par value of Rs.10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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Notes forming part of the Financial Statements for the year ended 31 March 2019

Dividend proposed by the Board of Directors,if any is subject to the approval of the shareholders at the Annual General Meeting, except in the case of interim dividend.

(v) Employees Stock Option Scheme (ESOP):

All the options granted by the Company were exercised and there are no outstanding options pending exercise as at 31 March 2019, 31 March 2018 and 1 April 2017.

22. Other Equity

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Capital Redemption Reserve	500.00	500.00	500.00
(b) Share Options Outstanding Reserve	20.44	13.00	-
(c) Statutory Reserve	4,331.64	1,679.97	1,679.97
(d) Securities Premium Account	55,810.89	20,849.00	15,900.80
(e) General Reserve	35.93	35.93	35.93
(f) Surplus in Statement of Profit and Loss	12,172.55	1,565.85	2,494.35
(g) Other Comprehensive Income (OCI)	43.08	21.83	-
Total	**72,914.53**	**24,665.58**	**20,611.05**

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Capital Redemption Reserve			
Opening balance	500.00	500.00	500.00
Add: Additions during the year	-	-	-
Less: Utilised / transferred during the year	-	-	-
Closing Balance	**500.00**	**500.00**	**500.00**
(b) Share Options Outstanding Reserve			
Opening balance	13.00	-	-
Add : Premium on shares issued during the year	7.44	13.00	-
Less : Utilised during the year	-	-	-
Closing Balance	**20.44**	**13.00**	**-**
(c) Statutory Reserve			
Opening balance	1,679.97	1,679.97	993.33
Add: Additions during the year	2,651.67	-	686.64
Less: Utilised / transferred during the year	-	-	-
Closing Balance	**4,331.64**	**1,679.97**	**1,679.97**
(d) Securities Premium Account			
Opening balance	20,849.00	15,900.80	15,900.80
Add : Premium on shares issued during the year	34,961.89	4,948.20	-
Less : Utilised during the year	-	-	-
Closing Balance	**55,810.89**	**20,849.00**	**15,900.80**
(e) General Reserve			
Opening balance	35.93	35.93	35.93
Add: Transferred from surplus in Statement of Profit and Loss	-	-	-
Less: Utilised / transferred during the year	-	-	-
Closing Balance	**35.93**	**35.93**	**35.93**
(f) Surplus in Statement of Profit and Loss			
Opening Balance	1,565.85	2,494.35	(252.21)
Add: Profit/(Loss) for the year	13,258.37	(928.50)	3,433.20
Less:Transfer to Statutory Reserve	2,651.67	-	686.64
Closing Balance	**12,172.55**	**1,565.85**	**2,494.35**
(g) Other Comprehensive Income (OCI)			
Opening Balance	21.83	-	-
Add: Profit for the Year	21.25	21.83	-
Less:Transfer to Statutory Reserve	-	-	-
Closing Balance	**43.08**	**21.83**	**-**
TOTAL (a+b+c+d+e+f+g)	**72,914.53**	**24,665.58**	**20,611.05**

23. Interest Income

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Interest Income from Loan:		
- Interest on Loan- Microfinance Loans	52,536.36	40,707.11
- Interest on Loan- SME Loans	43.62	63.50
(b) Interest on deposits with Banks and Financial Institutions	1,381.03	584.62
(c) Other interest income	6,699.70	2,216.04
Total	**60,660.71**	**43,571.27**

24. Other Operating Income

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Loss Assets recovered	1,157.47	280.61
Total	**1,157.47**	**280.61**

25. Other Income

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Dividend income from mutual funds	507.64	195.94
(b) Referral Fees	5,318.57	2,836.48
(c) Reversal of Provision for Credit Enhancement on Assets De-recognised	-	6.92
(d) Miscellaneous income	80.61	67.98
Total	**5,906.82**	**3,107.32**

26. Finance Cost

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Interest on Borrowings		
- Term Loans from Banks	11,039.73	9,885.78
- Term Loans from NBFCs	4,309.25	2,973.92
- Commercial Paper	623.71	145.78
- Overdraft	1.94	23.38
(b) Interest on Debt Securities		
- Debentures & subordinated Liabilities	10,695.66	7,717.04
(c) Others Interest Expense		
- Interest on Finance Lease Obligations	5.63	14.16
- Interest on Delayed Payment of TDS/Income Tax	-	68.04
(d) Other Borrowing Costs		
- Processing Fees	419.64	135.35
- Bank Charges	249.39	354.75
Total	**27,344.95**	**21,318.20**

27. Impairment of financial instruments

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
	Amount Rs.in Lakhs	Amount Rs.in Lakhs
Loans (Also refer Note 7.4)	1,977.89	12,427.67
Total	**1,977.89**	**12,427.67**

28. Employee Benefit Expenses

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Salaries and Wages	10,244.11	8,226.46
(b) Contributions to Provident and Other Funds	672.73	630.44
(c) Share based payments to Employees	7.44	13.00
(d) Staff Welfare Expenses	423.91	382.20
Total	**11,348.19**	**9,252.10**

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29. Other expenses

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Electricity	86.32	76.09
(b) Rent including Lease Rentals	1,047.88	943.28
(c) Directors commission	60.00	-
(d) Repairs and Maintenance	62.93	64.52
(e) Insurance	75.86	56.50
(f) Rates and Taxes	49.21	17.25
(g) Communication Expenses	280.31	238.10
(h) Travel and Conveyance	2,226.04	1,709.36
(i) Printing and Stationery	461.51	277.86
(j) Directors' Sitting Fees	13.79	14.42
(k) Business Promotion	9.72	10.12
(l) Donations and Contributions	58.77	69.50
(m) Legal and Professional Fees	477.10	350.79
(n) Provision for Insurance Claim Receivable	273.12	136.51
(o) Subscription Charges	11.27	1.53
(p) Software Costs	639.35	421.48
(q) Security Charges	12.27	6.24
(r) House Keeping Expenses	120.91	101.12
(s) Office Expenses	53.70	22.76
(t) Loss on Sale of Property, Plant & Equipment	2.21	5.07
(u) Payments to Statutory Auditors' (net of input tax credit)		
- Statutory Audit	18.00	18.00
- Tax Audit	2.00	2.00
- Other Services	21.50	6.50
- Out of Pocket expenses	0.83	-
(v) Miscellaneous Expenses	259.51	224.43
Total	**6,324.11**	**4,773.43**

30. Segment Reporting

The Company is engaged in extending micro credit advances to poor women, who are otherwise unable to access finance from the mainstream banking channels. Based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the Chief Operating Decision Marker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by the overal business segment, i.e. Microfinance Loans. As the allocation of resources and profitability of the business is evaluated the CODM on an overall by basis, with evaluation into individual categories to understand the reasons for variations, no separate segments have been no additional disclosure has been identified. Accordingly made for the segmental revenue, segmental results and the segmental assets & liabilities.

31. Earnings per share

Basic and Diluted earnings per share :

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
(a) Net Profit attributable to Equity Shareholders - Rs. in lakhs (Basic and Diluted)	13,258.37	(928.50)
(b) Weighted average number of equity shares in calculating basic Earnings Per Share (Nos.)	42,287,647.41	27,865,190.52
(c) Earnings per share - Basic and Diluted - Rs.	31.35	(3.33)

32 A. Obligation under Operating Lease

The Company has entered into operating lease agreements primarily for corporate office and branches. An amount of Rs.1,047.88 Lakhs (Previous Year : Rs.943.28 Lakhs) has been debited to the Statement of Profit and Loss towards lease rentals and other charges for the current year. The leases agreement for branches are non cancellable for periods of 11 months to 12 months and may be renewed based on mutual agreement of the parties.

The future minimum lease payments for hospitals premises under operating lease contracted are as follows:

Amount Rs.in Lakhs

Particulars	Expected Minimum Lease Commitment		
	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Payable not later than one year	96.07	49.25	66.51
Payable later than one year and not later than five years	112.23	27.16	76.41
Payable later than five years	-	-	-

B. Obligation under Finance Lease

Amount Rs.in Lakhs

Particulars	Expected Minimum Lease Commitment		
	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Rentals payable under Hire purchase agreement			
- Within one year	9.73	56.88	40.50
- Later than one year and not later than five years	-	48.57	65.68
Less: Future finance charges	0.75	9.94	13.49
Total	**8.98**	**95.51**	**92.69**

33. Employee benefits

33.1 Defined Contribution Plan

(a) The Company makes Provident and Pension Fund contributions, which is a defined contribution plan, for qualifying employees. Additionally, the Company also provides, for covered employees, health insurance through the Employee State Insurance scheme. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(b) Expenses Recognised

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Included under 'Contributions to Provident and Other Funds' (Refer Note 28)		
Contributions to provident and pension funds	672.73	630.44
(b) Included under 'Staff Welfare Expenses' (Refer Note 28)		
Contributions to Employee State Insurance	309.47	242.53

33.2 Compensated Absences

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Included under "Salaries & Wages" (Refer Note 28)	138.83	101.36

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(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(b) Net asset / (liability) recognised in the Balance Sheet	498.64	430.96	381.61
Current portion of the above	323.02	293.30	262.11
Non - current portion of the above	175.62	137.66	119.50

The Key Assumptions used in the computation of provision for compensated absences are as given below:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Discount Rate (% p.a)	7.35%	7.60%	6.75%
Future Salary Increase (% p.a)	10.00%	10.00%	10.00%
Attrition Rate	16.00%	16.00%	16.00%

33.3 Defined Benefit Plans:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is calculated as per the Payment of Gratuity Act, 1972 and the benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

In respect of the plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31 March 2019 by Mr. Arunachalam Rajaraman, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and paid service cost, were measured using the projected unit cost credit method.

(a) Amount recognised in the statement of profit & loss in respect of the defined benefit plan are as follows :

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Amounts recognised in statement of Profit & Loss in respect of these defined benefit plans are as follows:		
Service Cost		
- Current Service Cost	152.05	139.91
- Past Service Cost	-	9.86
- Net interest expense	(5.90)	(2.44)
Components of defined benefit costs recognised in statement of profit or loss (A)	**146.15**	**147.33**
Actuarial (gain)/loss on Plan Obligations	35.36	58.09
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	(2.65)	(24.53)
Components of defined benefit costs recognised in other comprehensive income (B)	**(32.71)**	**(33.56)**
Total	**113.44**	**113.77**

(i) The current service cost and interest expense for the year are included in the Note 28 - Employee Benefit Expenses in the statement of profit & loss under the line contribution to provident and other funds.

(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income.

(b) The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows :

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
I. Net Asset/(Liability) recognised in the Balance Sheet			
Present value of defined benefit obligation	385.30	265.25	167.44
Fair value of plan assets	399.30	291.61	94.77
Net Asset/(Liability) recognised in the Balance Sheet	14.00	26.36	(72.67)
Current portion of the above	-	-	-
Non current portion of the above	14.00	26.36	72.67

(c) Movement in the present value of the defined benefit obligation are as follows :

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Change in the obligation during the year ended		
Present value of defined benefit obligation at the beginning of the year	265.25	167.44
Expenses Recognised in Profit and Loss Account		
- Current Service Cost	152.05	139.91
- Past Service Cost	-	9.86
- Interest Expense (Income)	19.72	11.93
Remeasurement gains / (losses)		
- Effect of Changes in Financial Assumptions	4.57	(8.03)
- Effect of Experience Adjustments	(39.93)	(50.06)
Benefit payments	(16.36)	(5.80)
Present value of defined benefit obligation at the end of the year	**385.30**	**265.25**

(i) The weighted average duration of the benefit obligation at 31 March 2019 is 11.059 years (As at 31 March 2018 is 11.16 years).

(d) Movement in fair value of plan assets are as follows :

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Change in fair value of assets during the year		
Fair value of plan assets at the beginning of the year	291.61	94.77
Expenses Recognised in Profit and Loss Account		
- Expected return on plan assets	25.62	14.37
Remeasurement gains / (losses)		
- Actuarial gains/(loss) arising form changes in financial assumptions	(2.65)	(24.53)
Contributions by employer (including benefit payments recoverable)	101.08	212.80
Benefit payments	(16.36)	(5.80)
Fair value of plan assets at the end of the year	**399.30**	**291.61**

(e) The fair value of plan assets for India at the end of the reporting year for each category are as follows :

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Investment Funds with Insurance Company - Life Insurance Corporation of India	399.30	291.61	94.77

(i) The plan assets comprise insurer managed funds. None of the assets carry a quoted market price in active market or represent the entity's own transferable financial instruments or property occupied by the entity.

(ii) The Actual return on plan asset for the year ended 31 March 2019 was Rs. 2.65 Lakhs (For the year ended 31 March 2018: Rs. 24.53 Lakhs).

(f) The principal assumptions used for the purpose of actuarial valuation were as follows:

Investment Risk

The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Interest Risk

A decrease in the yield of Indian government securities will increase the plan liability.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries. In particular, there is a risk for the Company that any adverse salary growth can result in an increase in cost of providing these benefits to employees in future.

The principal assumptions used for the purpose of actuarial valuation were as follows

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Discount rate	7.50%	7.67%	7.67%
Expected rate of salary increase	10.00%	10.00%	10.00%
Withdrawal Rate	16.00%	16.00%	16.00%
Mortality	Indian Assured Lives (2006-2008)	Indian Assured Lives (2006-2008)	Indian Assured Lives (2006-2008)

1. The discount rate is based on the prevailing market yields of Indian Government securities as at balance sheet date for the estimated term of the obligation.

2. The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

3. In order to protect the capital and optimize returns within acceptable risk parameters, the plan assets are maintained with an insurer managed fund (maintained by the Life Insurance Corporation ("LIC")) and is well diversed.

Sensitivity Analysis

The benefit obligation results of a such a scheme are particularly sensitive to discount rate, longevity risk, salary growth and employee attrition, if the plan provision do provide for such increases on commencement of pension.

The following table summarizes the impact in financial terms on the reported defined benefit obligation at the end of the reporting period arising on account of changes in these four key parameters:

(Amount Rs. in Lakhs)

Impact on the Defined benefit Obligation	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(a) Discount Rate			
- Increase by 50 bps	(13.18)	(9.03)	(11.38)
- Decrease by 50 bps	14.02	9.60	12.92
(b) Salary Growth Rate			
- Increase by 50 bps	13.58	9.29	12.33
- Decrease by 50 bps	(12.90)	(8.83)	(11.13)
(c) Withdrawal Rate			
- Increase by 50 bps	(8.63)	(6.15)	(4.07)
- Decrease by 50 bps	9.06	6.45	4.30
(d) Mortality Rate			
- Increase by 50 bps	(0.02)	(0.01)	(0.01)
- Decrease by 50 bps	0.02	0.01	0.01

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit cost credit method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There is no change in the methods and assumptions used in preparing the sensitivity analysis from the prior years.

(h) Effect of Plan on Entity's Future Cash Flows

(i) The Company expects to make a contribution of Rs. 34.73 lakhs during the next financial year.

(ii) The weighted average duration of the benefit obligation at 31 March 2019 is 11.059 years (As at 31 March 2018 is 11.16 years).

(iii) Maturity profile of defined benefit obligation:

Expected cash flows over the next (valued on undiscounted basis):	Amount in Rs. Lakhs
Within 1 year	34.73
2 to 5 years	160.58
More than 5 years	209.07

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*(i) Experience Adjustments **

Experience Adjustments	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
Defined Benefit Obligation	385.30	265.25	167.44
Fair value of plan assets	399.30	291.61	94.77
Surplus/(Deficit)	14.00	26.36	(72.67)
Experience adjustment on plan liabilities [(Gain)/Loss]	(35.36)	(58.09)	(3.52)
Experience adjustment on plan assets [Gain/(Loss)]	(2.65)	(24.53)	0.87

* Experience adjustments related to prior years have been disclosed based on the information to the extent available.

34. Related Party Transactions

34.1 Names of Related Parties and Nature of Relationship

Description of Relationship	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Key Management Personnel of the Company and Holding Company	Mr. S V Raja Vaidyanathan Managing Director	Mr. S V Raja Vaidyanathan Managing Director	Mr. S V Raja Vaidyanathan Managing Director
	Mr. Mayank Shyam Thatte Chief Financial Officer	Mr. Mayank Shyam Thatte Chief Financial Officer (From 06.02.2018)	Mr. R. Govindarajan Chief Financial Officer
		Mr. Ramachandran S Chief Financial Officer (From 07.08.2017 to 06.02.2018)	Ms. S.Simi Company Secretary
	Ms. S.Simi, Company Secretary (From 01.04.2018 till 29.10.2018)	Mr. R. Govindarajan Chief Financial Officer (Till 05.08.2017)	
	Mr. Anup Kumar Gupta, Company Secretary (from 03.11.2018)	Ms. S.Simi Company Secretary	
	Mr. V P Nandakumar - Managing Director & CEO of the Holding Company	Mr. V P Nandakumar - Managing Director & CEO of the Holding Company	Mr. V P Nandakumar - Managing Director & CEO of the Holding Company
	Mrs. Bindhu AL - Chief Financial Officer of the Holding Company	Mrs. Bindhu AL - Chief Financial Officer of the Holding Company	Mrs. Bindhu AL - Chief Financial Officer of the Holding Company
Holding Company	Manappuram Finance Limited	Manappuram Finance Limited	Manappuram Finance Limited
Entity over which Key Managerial Personnal has Significant Influence	Asirvad Development Foundation	Asirvad Development Foundation	Asirvad Development Foundation

Note: Related party relationships are as identified by the Management.

34.2 Transactions with the Related Parties

(Amount Rs.in Lakhs)

Transaction	Related Party	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Remuneration to Key Managerial Personnel	Mr. S V Raja Vaidyanathan Managing Director	291.72	219.00
	Mr. Mayank Shyam Thatte, Chief Financial Officer	62.02	7.27
	Mr. Ramachandran S, Chief Financial Officer(Till 06.02.2018)	-	23.23
	Mr. R. Govindarajan, Chief Financial Officer (Till 05.08.2017)	-	11.46
	Ms. S.Simi, Company Secretary (Till 29.10.2018)	8.87	9.93
	Mr. Anup Kumar Gupta, Company Secretary (from 03.11.2018)	5.50	-
Donation	Asirvad Development Foundation	25.77	69.50
Issue of Rights Share (Including Securities Premium)	Manappuram Finance Limited	36,204.74	4,998.51
	Mr. S V Raja Vaidyanathan Managing Director	709.63	489.95
	Mr. V P Nandakumar - Managing Director & CEO of the Holding Company	73.13	19.72

(Amount Rs.in Lakhs)

Transaction	Related Party	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Balance as at Year End				
Other Receivable	Manappuram Finance Limited	-	35.88	35.88
Donation Payable	Asirvad Development Foundation	-	-	20.00

Note:

(a) The Company accounts for costs incurred by / on behalf of the Related Parties based on the actual invoices / debit notes raised and accruals as confirmed by such related parties. The Related Parties have confirmed to the Management that as at 31 March 2019 , 31 March 2018 and 1 April 2017 there are no further amounts payable to / receivable from them, other than as disclosed above.

(b) The Related Parties have confirmed to the Management that as at 31 March 2019, 31 March 2018 and 1 April 2017 there are no further amounts payable to / receivable from them, other than as disclosed above.

(c) The above compensation to key management personnel excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

35. Financial Instruments

35.1. Capital Management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure. For the purpose of the Company's capital management, capital includes equity share Capital and Other Equity. Debt includes term loans from banks, NBFC and debentures net of Cash and bank balances. The Company monitors capital on the basis of the following gearing ratio. There is no change in the overall capital risk management strategy of the Company compared to last year.

Gearing Ratio :

(Amount Rs. In Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Borrowings	223,650.65	208,242.13	160,033.01
Cash and Bank Balance	(52,590.02)	(19,026.25)	(10,091.98)
Net Debt (A)	**171,060.63**	**189,215.88**	**149,941.03**
Total Equity (B)	78,245.72	27,873.07	23,238.71
Net Debt to equity ratio (A/B)	**2.19**	**6.79**	**6.45**

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35.2 Categories of Financial Instruments

The carrying value of the financial instruments by categories as on 31 March 2019, 31 March 2018 and 1 April 2017 is as follows:

(Amount Rs. In Lakhs)

Particulars	Carrying Value			Fair Value		
	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(a) Financial Assets						
(i) Measured at amortised cost						
- Loans	232,235.30	203,461.22	162,811.38	232,235.30	203,461.22	162,811.38
- Cash and Bank balance	68,814.21	27,596.69	16,916.37	68,814.21	27,596.69	16,916.37
- Other financial assets	3,328.95	2,174.76	1,172.59	3,328.95	2,174.76	1,172.59
- Loan given to staff	80.41	53.46	28.68	80.41	53.46	28.68
(ii) Measured at Fair value through OCI						
- Investments	5.00	5.00	5.00	5.00	5.00	5.00
	304,463.87	**233,291.13**	**180,934.02**	**304,463.87**	**233,291.13**	**180,934.02**
(b) Financial Liabilities :						
Measured at amortised cost						
- Borrowings	223,650.65	208,242.13	160,033.01	223,650.65	208,242.13	160,033.01
- Trade payables	1,656.06	1,035.90	835.11	1,656.06	1,035.90	835.11
- Other financial liabilities	4,209.10	1,512.82	398.83	4,209.10	1,512.82	398.83
	229,515.81	**210,790.85**	**161,266.95**	**229,515.81**	**210,790.85**	**161,266.95**

The management assessed that fair value of Loans, other receivables, cash and cash equivalents, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The amortized cost of the Company's interest-bearing borrowings are determined by using the Effective Interest method. The own non- performance risk as at 31 March 2019 was assessed to be insignificant.

There were no items of financial assets or financial liabilities which were valued at fair value as of 31 March 2019, 31 March 2018 and 1 April 2017.

36. Financial Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages financial risk relating to the operations through internal risk reports which analyse exposure by degree and magnitude of risk. These risks include market risk (including interest rate risk and other price risk), credit risk and liquidity risk. Compliance with policies and exposure limits is reviewed by the management on a continuous basis.

36.1 Liquidity Risk Management :

Liquidity risk refers to the risk that the Company cannot meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Company maintains adequate reserves and banking facilities, and continuously monitors the forecast and actual cash flows by matching maturing profiles of financial assets and financial liabilities in accordance with the approved risk management policy of the Company periodically. The Company believes that the working capital (including banking limits not utilised) and its cash and cash equivalent are sufficient to meet its short and medium term requirements.

Liquidity and Interest Risk Tables :

Refer Note 41.6 which details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The contractual maturity is based on the earliest date on which the Company may be required to pay.

36.2 Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The Company is exposed to two types of market risk as follows:

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

We are subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest ratesfor different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropraitely.

The Company has Board Approved Asset Liability Management (ALM) policy for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

Price Risk

The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surpluses in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

36.3 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The Management considers that the carrying amount of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

36.4 Offsetting of financial assets and financial liabilities

The Company has not offset financial assets and financial liabilities.

37 First-time adoption of Ind AS

These financial statements, for the year ended 31 March 2019, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP) and Master Directions issued by Reserve Bank of India in this regard.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2019, together with the comparative period data as at and for the year ended 31 March 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2017, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2017 and the financial statements as at and for the year ended 31 March 2018.

37.1 Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemption:

(i) Deemed Cost for Property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognized as at 1 April 2017 (transition date) measured as per the previous Indian GAAP ('I GAAP') and use that carrying value as its deemed cost as of the transition date.

Estimates

Ind AS estimates as on 1 April 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company has made an estimate regarding impairment of financial assets based on Expected Credit Loss model which were not required under the Previous GAAP.

37.2 First time IND AS Adoption Reconciliation :

(i) Effect of Ind AS adoption on the Balance Sheet as at 31 March 2018 :

Amount Rs.in Lakhs

Particulars	As at 31 March 2018 (End of Last period Presented under Previous GAAP)			As at 1 April 2017 (End of Last period Presented under Previous GAAP)		
	Previous GAAP	Effect of transition to IND AS	IND AS balance sheet	Previous GAAP	Effect of transition to IND AS	IND AS balance sheet
ASSETS						
Financial assets						
(a) Cash and cash equivalents	19,026.25	-	19,026.25	10,091.98	-	10,091.98
(b) Bank Balances other than (a) above	8,570.44	-	8,570.44	6,824.39	-	6,824.39
(c) Loans	204,288.84	(827.62)	203,461.22	167,168.84	(4,357.46)	162,811.38
(d) Loans given to staff - at amortised cost	53.46	-	53.46	28.68	-	28.68
(e) Investments	5.00	-	5.00	5.00	-	5.00
(f) Other Financial assets	2,177.14	(2.38)	2,174.76	1,175.36	(2.77)	1,172.59
	234,121.13	**(830.00)**	**233,291.13**	**185,294.25**	**(4,360.23)**	**180,934.02**
Non-financial Assets						
(a) Current tax assets (net)	817.43	-	817.43	-	-	-
(b) Deferred tax assets (net)	3,981.05	463.60	4,444.65	2,218.15	1,718.58	3,936.73
(c) Investment Property	8.64	-	8.64	8.64	-	8.64
(d) Property, Plant and Equipment	628.88	-	628.88	551.68	-	551.68
(e) Intangible assets	73.34	-	73.34	7.01	-	7.01
(f) Other non financial assets	160.39	-	160.39	108.14	-	108.14
	5,669.73	**463.60**	**6,133.33**	**2,893.62**	**1,718.58**	**4,612.20**
	239,790.86	**(366.40)**	**239,424.46**	**188,187.87**	**(2,641.65)**	**185,546.22**

Amount Rs.in Lakhs Amount Rs.in Lakhs

Particulars	As at 31 March 2018 (End of Last period Presented under Previous GAAP)			As at 1 April 2017 (End of Last period Presented under Previous GAAP)		
	Previous GAAP	Effect of transition to IND AS	IND AS balance sheet	Previous GAAP	Effect of transition to IND AS	IND AS balance sheet
Financial Liabilities						
(a)Other Payables						
(i) total outstanding dues of micro enterprises and small enterprises	-		-	-		-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,035.90	-	1,035.90	835.11	-	835.11
(b) Debt Securities	62,152.20	(154.03)	61,998.17	43,310.05	0.69	43,310.74
(c) Borrowings (other than debt securities)	134,568.92	267.98	134,836.90	105,026.90	282.91	105,309.81
(d) Subordinated Liabilities	11,270.99	136.07	11,407.06	11,380.18	32.28	11,412.46
(e) Other Financial liabilities	1,512.82	-	1,512.82	398.83	-	398.83
	210,540.83	**250.02**	**210,790.85**	**160,951.07**	**315.88**	**161,266.95**
Non-financial Liabilities						
(a) Provisions	184.29	-	184.29	567.10	-	567.10
(b) Other non-financial liabilities	329.58	246.67	576.25	231.48	241.98	473.46
	513.87	**246.67**	**760.54**	**798.58**	**241.98**	**1,040.56**
Equity						
(a) Equity share capital	3,207.49	-	3,207.49	2,627.66	-	2,627.66
(b) Other equity	25,528.67	(863.09)	24,665.58	23,810.56	(3,199.51)	20,611.05
	28,736.16	**(863.09)**	**27,873.07**	**26,438.22**	**(3,199.51)**	**23,238.71**
	239,790.86	**(366.40)**	**239,424.46**	**188,187.87**	**(2,641.65)**	**185,546.22**

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(ii) Reconciliation of equity as previously reported under Indian GAAP to Ind AS

Amount Rs.in Lakhs

Particulars	As at 31 March 2018	As at 1 April 2017
Equity as reported under previous GAAP	28,736.16	26,438.22
Ind AS: Adjustments increase (decrease):		
(i) Impact on recognition of financial assets measured at amortised cost	(244.50)	(370.53)
(ii) Impact on recognition of financial liabilities at amortised cost by application of Effective Interest Rate Method on Term loans	(267.98)	(282.91)
(iii) Impact on recognition of financial liabilities at amortised cost by application of Effective Interest Rate Method on Debentures	154.03	(0.69)
(iv) Impact on recognition of financial liabilities at amortised cost by application of Effective Interest Rate Method on Subordinated debt	(136.07)	(32.28)
(v) Expected Credit loss method (ECL) as per Ind AS 109	(583.12)	(3,986.93)
(vi) Actuarial Loss on defined benefit obligation		-
(vii) Fair Valuation of Security Deposits	(2.38)	(2.77)
(viii) Provision for Sick Leave	(246.67)	(241.98)
(ix) Deferred Tax impact on above adjustments	463.60	1,718.58
Total adjustment to equity	**(863.09)**	**(3,199.51)**
Total Equity as reported under IND AS	**27,873.07**	**23,238.71**

(iii) Effect of Ind AS adoption on the Statement of Profit & Loss for the Year ended 31 March 2018

Amount Rs.in Lakhs

		Year ended 31 March 2018 (latest period presented under previous GAAP)		
	Particulars	**Previous GAAP**	**Effect of transition to Ind AS**	**Ind AS**
	Revenue from operations			
I	Interest income	43,558.60	12.67	43,571.27
II	Other operating income	154.58	126.03	280.61
	Total	**43,713.18**	**138.70**	**43,851.88**
	Other Income	3,107.32	-	3,107.32
III	**Total Revenue (I + II)**	**46,820.50**	**138.70**	**46,959.20**
IV	**EXPENSES**			
	Finance cost	21,384.11	(65.91)	21,318.20
	Impairment of financial instruments	15,831.45	(3,403.78)	12,427.67
	Employee benefit expenses	9,200.89	51.21	9,252.10
	Depreciation, amortization and impairment	635.94	-	635.94
	Other expenses	4,761.11	12.32	4,773.43
	Total Expenses	**51,813.50**	**(3,406.16)**	**48,407.34**
V	**Loss before tax (III - IV)**	**(4,993.00)**	**3,544.86**	**(1,448.14)**
VI	**Tax Expense**			
	(a) Current tax	-	-	-
	(b) Deferred tax	(1,762.90)	1,243.26	(519.64)
	Total tax expense	**(1,762.90)**	**1,243.26**	**(519.64)**
VII	**Loss for the year (V - VI)**	**(3,230.10)**	**2,301.60**	**(928.50)**
VIII	**Other Comprehensive Income**			
	(i) Items that will not be recycled to profit or loss			
	Remeasurement gains and (losses) on defined benefit obligations (net)	-	33.55	33.55
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	(11.72)	(11.72)
	Total Other Comprehensive Income for the year	**-**	**21.83**	**21.83**
IX	**Total Comprehensive Income for the year (VII + VIII)**	**(3,230.10)**	**2,323.43**	**(906.67)**

(iv) Reconciliation of Total Comprehensive Income for the year ended 31 March 2018 :

Amount Rs.in Lakhs

PARTICULARS	Year ended 31 March 2018 (latest period presented under previous GAAP)
Loss as per Previous GAAP	(3,230.10)
Ind AS: Adjustments (increase) decrease:	
(i) Impact on recognition of financial assets measured at amortised cost	126.03
(ii) Impact on recognition of financial assets measured at amortised cost	12.67
(iii) Impact on recognition of financial liabilities at amortised cost by application of Effective Interest Rate Method	65.91
(iv) Expected Credit loss method (ECL) as per Ind AS 109	3,403.78
(v) Actuarial Loss on defined benefit obligation	(33.55)
(vi) Fair Valuation of Security Deposits	(12.32)
(vii) Provision for Sick Leave	(4.66)
(viii) Deferred Tax impact on above adjustments	(1,243.26)
(ix) ESOP Adjustments	(13.00)
Total adjustment to profit or loss	**2,301.60**
Profit under Ind AS	**(928.50)**
Other Comprehensive Income (Net of Tax)	21.83
Total Comprehensive Income under Ind AS	**(906.67)**

Note : Under previous GAAP,total comprehensive income was not reported. Therefore the above reconciliation starts with loss under previous GAAP.

(v) Effect of Ind AS adoption on the Statement of Cash Flows for the Year ended 31 March 2018

Amount Rs.in Lakhs

PARTICULARS	Year ended 31 March 2018 (latest period presented under previous GAAP)		
	Previously Reported	Effect of Transition to IND AS	IND AS
Previous GAAP			
Net cash flows from operating activities	(43,585.01)	20,586.96	(22,998.05)
Net cash flows from investing activities	(562.96)	31.87	(531.09)
Net cash flows from financing activities	53,082.24	(20,618.83)	32,463.41
Net increase in cash and cash equivalents	**8,934.27**	**-**	**8,934.27**
Add: Cash and cash equivalents at beginning of year	10,091.98	-	10,091.98
Cash and cash equivalents at end of year	**19,026.25**	**-**	**19,026.25**

(vi) Analysis of Cash & cash equivalents as at 31 March 2018 and as at 1 April 2017 for the purpose of cashflows under IND AS :

Amount Rs. In Lakhs

PARTICULARS	As at 31 March 2018 (end of the last period presented under previous GAAP)	As at 1 April 2017 (Date of Transition)
Cash and cash equivalents consist of:		
Cash and Bank Balances as per Balance sheet	19,026.25	10,091.98
Less: Bank balances not considered as cash and Cash Equivalents	-	-
Add: Current investments considered as part of Cash and Cash Equivalents (as defined in AS 3 Cash flow statements)	-	-
Total Cash and Cash Equivalents as at the end of the year	**19,026.25**	**10,091.98**

Explanatory Notes to Ind AS adjustments

(a) Under previous GAAP, the company was recognizing provisions on non-performing assets as per Prudential Norms prescribed by the Reserve Bank of India. Further, under Ind AS 109, these provisions have been computed based on the Expected Credit Loss model. Accordingly, the provisions stands higher by Rs. 583.12 Lakhs as at 31 March 2018 and Rs.3,986.92 Lakhs as at 1 April 2017. Retained earnings under other Equity increased / decreased by Rs. 3,986.92 Lakhs as at 1 April 2017.

(b) Under previous GAAP, security deposits were recognised based on historical cost. Under Ind AS, these financial assets have been adjusted to be carried at amortised cost. The notional cost of interest on deposit under Ind AS has been recognized as rental expense and the interest accrual has been recognized as interest income earned on financial assets.

(c) Under previous GAAP, actuarial gains and loss on defined benefit plans were recognised in profit or loss. Under IND AS, the actuarial gains and losses form part of re-measurement of the net defined benefit obligation / asset which are recognised in other comprehensive income.

(d) Under the previous GAAP, transaction costs in relation to borrowings are amortized over tenor of the borrowings. As per Ind AS 109, transaction costs including processing fee, prepayment charges, in relation to borrowings are to be adjusted to borrowings and amortised over the repayment period of the said liability. The same has been considered in the opening and comparative period financial statements.

(e) Under the previous GAAP, the cost of Equity settled Employee stock options plan (ESOP) of holding company which were granted to the employees of the Company, was not recorded as there were no debits received from the holding company, which assessed, managed and administered the ESOP. Under INDAS 102, the cost of such grants needs to be accounted for in accordance with the said standard by determining the fair value at the date of the grant is expensed on a straight line basis over the vesting period for equity settled share based payments, based on the holding company's estimate of the equity instruments that will eventually vest. At the end of each reporting period the holding company's revises its estimate of the number of equity instruments expected to vest. At the end of the vesting period, the holding company raises a debit note on the Company for the amount paid to the employees.

(f) Under the previous GAAP, documentation fees collected from customers were amortized over average tenor of the loan (i.e 18 months). Under Ind AS 109, the documentation fee is included as part of the Loan and amortised over the repayment period of the said Loan.

(g) Opening Reserves as at 1 April 2017 has been adjusted consequent to the above IND AS Transition adjustments.

(h) Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains or losses are required to be presented in other comprehensive income.

(i) The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

38 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Based on and to the extent of information received by the Company from the suppliers during the year regarding their status under the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars for the years ended 31 March 2019, 31 March 2018 and 31 March 2017 are furnished below:

Particulars	For the Year Ended 31 March 2019 Amount Rs.in Lakhs	For the Year Ended 31 March 2018 Amount Rs.in Lakhs.	For the Year Ended 1 April 2017 Amount Rs.in Lakhs
Principal amount remaining unpaid to any supplier as at the end of the accounting year.	-	-	-
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
The amount of interest due and payable for the year.	-	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-	-

Note: Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

39 Commitments and Contingencies

Amount Rs. In Lakhs

Particulars	As at 31 March 2019 Amount in Rs.	As at 31 March 2018 Amount in Rs.	As at 1 April 2017 Amount in Rs.
A. Contingent Liabilities:			
Income Tax			
- Income Tax (A.Y. 2011-12)	-	-	408.08
- Income Tax (A.Y. 2014-15)	-	-	9.60
- Income Tax (A.Y. 2015-16)	1,124.50	1,124.50	-
- Income Tax (A.Y. 2016-17)	1,978.91	-	-
B. Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for:			
- Intangible Assets	-	20.35	8.75

A) Income Tax

Income Tax (A.Y. 2011-12) & (A.Y.2014-15)

The Company had received an Assessment order u/s. 148 for the AY 2011-12 with a demand of Rs. 408.08 Lakhs by taxing the receipt of share premium amount received by the Company as unexplained cash credits. Further, the Company had also received an Assessment Order u/s. 143(3) for the AY 2014-15 with a demand of Rs. 959,630 disallowing ESOP expenses, interest expenses incurred to earn exempted income and penalties & fines.

However during the year the Company has paid an amount of Rs. 83.52 Lakhs being 20% of the total demand for the above two cases and the same has been disclosed as part of Advance Tax. Also Refer Note 10 and 11.

The Company had filed appeals against the above with the Commissioner of Income Tax - Appeals and the Company has received a favourable order vide their order dated 30 April 2018. Based on professional advice, the company strongly believe that case will be decided in their favour and hence no provision has been considered.

Income Tax (A.Y. 2015-16)

During the FY1718, the Company has received an Assessment order under Section 143(3) for the AY 2015-16 with a demand of Rs. 1,124.49 Lakhs by taxing the receipt of share premium amount received by the Company as unexplained cash credits, expense claimed towards employee stock option scheme and disallowance of depreciation under Section 32 of the Income Tax Act, 1961.

The Company has filed appeals against the above with the Commissioner of Income Tax - Appeals. Based on professional advice, the company strongly believe that case will be decided in their favour and hence no provision has been considered. However In the FY1718 the Company has paid an amount of Rs. 224.89 Lakhs being 20% of the total demand and the same has been disclosed as part of Deposit under protest Considering the fact that, the ground of order received for AY 2015-16 is similar to order received for AY 2011-12 and AY 2014-15 for which the Company has received favourable order from CIT(A), the Company expects a favourable order to received for AY 2015-16 also. Further, outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals.

Income Tax (A.Y. 2016-17)

During the FY1819, the Company has received an Assessment order under Section 143(3) for the AY 2016-17 with a demand of Rs. 1,978.90 Lakhs by taxing the receipt of share premium amount received by the Company as unexplained cash credits under Section 56(2)(viib) of the Income Tax Act, 1961.

The Company has filed appeals against the above with the Commissioner of Income Tax - Appeals. Based on professional advice, the company strongly believe that case will be decided in their favour and hence no provision has been considered. However In the FY1718 the Company has paid an amount of Rs. 395.78 Lakhs being 20% of the total demand and the same has been disclosed as part of Deposit under protest Considering the fact that, the ground of order received for AY 2016-17 is similar to order received for AY 2011-12 and AY 2014-15

for which the Company has received favourable order from CIT(A), the Company expects a favourable order to received for AY 2015-16 also. Further, outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals.

40. Disclosure Pursuant to Reserve Bank of India Master Direction DNBR. PD. 008/03.10.119/2016-17 updated 16 April 2019

*40.1 Customer Complaints **

(a)	No. of complaints pending as on 1 April 2018	-
(b)	No. of complaints received during the year	9,967
(c)	No. of complaints redressed during the year	9,965
(d)	No. of complaints pending as on 31 March 2019	2

* As disclosed by the Management and relied upon by the Auditors.

40.2 Details of Registration with Financial Regulators

S.No	Regulator	Registration No.
1	Ministry of Company Affairs	CIN:U65923TN2007PLC064550
2	Reserve Bank of India	N-07-00769 dated 4 October 2013

40.3 Ratings assigned by Credit Rating Agencies

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Commercial paper	CRISIL A1+	CRISIL A1+/Stable	CRISIL A1+/Stable
Long Term Bank Facilities	CRISIL A+/Positive CARE A+ / Stable	CRISIL A+/Stable	CRISIL A+/Stable
Long term Non-Convertible Debentures	CRISIL A+/Positive CARE A+ / Stable	ICRA A (Stable) CRISIL A+/Stable CARE A+	ICRA A (Stable) CRISIL A+/Stable CARE A+
MFI Grading	MFI 1 (MFI One) - CARE	MFI 1 (MFI One) - CARE	MFI 1 (MFI One) - CARE
Subordinated Debt	CRISIL A+ / Positive	CRISIL A+ Stable	CRISIL A+ Stable

40.4 Concentration of Advances, Exposures and NPA's

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Total Advances and Exposures to twenty largest borrowers	Refer Note below	Refer Note below	Refer Note below
Total Exposure to top four NPA accounts	Refer Note below	Refer Note below	Refer Note below
Percentage of Advances and Exposures to twenty largest borrowers to Total Advances of the NBFC	Refer Note below	Refer Note below	Refer Note below

The Company operates in the business of microfinance providing collateral free loans for fixed amounts ranging from Rs. 20,000 to Rs. 45,000 to women engaged in various income generating activities. As at 31 March 2019, the Company has provided loans to more than 18 lakhs women and hence, the disclosure relating to concentration to advances, exposures and NPA's are not applicable to the Company.

40.5 Details of non-performing financial assets purchased /sold

There have been no Non performing assets purchased or sold by the Company as at 31 March 2019, 31 March 2018 and 1 April 2017.

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40.6 Sector-wise NPAs as on 31 March 2019

Sl.No	Sector	Percentage of NPAs to Total Advances in that sector as on 31 March 2019	Percentage of NPAs to Total Advances in that sector as on 31 March 2018	Percentage of NPAs to Total Advances in that sector as on 1 April 2017
1	Agriculture & allied activities	0.53%	1.65%	2.62%
2	MSME	0.40%	2.88%	5.64%
3	Corporate borrowers	NA	NA	NA
4	Services	NA	NA	NA
5	Unsecured personal loans	NA	NA	NA
6	Auto loans (commercial vehicles)	NA	NA	NA
7	Other loans	NA	NA	NA

40.7 Provisions and Contingencies

Particulars	For the Year Ended 31 March 2019 Amount Rs.in Lakhs	For the Year Ended 31 March 2018 Amount Rs.in Lakhs
Impairment Loss Allowance	1,977.89	12,427.67
Provision for Income Tax (excluding deferred tax)	4,711.00	-

40.8 Movement of NPAs

Sl.No	Particulars	As at 31 March 2019 Amount Rs.in lakhs	As at 31 March 2018 Amount Rs.in lakhs	As at 1 April 2017 Amount Rs.in lakhs
(i)	Net NPAs to Net Advances (%)	0.00%	0.23%	1.36%
(ii)	**Movement of NPAs (Gross)**			
	(a) Opening balance	5,676.13	8,022.48	97.06
	(b) Additions during the year	1,694.17	12,003.83	8,349.36
	(c) Reductions during the year	(5,523.09)	(14,350.18)	(423.94)
	(d) Closing balance	1,847.21	5,676.13	8,022.48
(iii)	**Movement of Net NPAs**			
	(a) Opening balance	-	2,339.49	71.84
	(b) Additions during the year	-	-	2,267.65
	(c) Reductions during the year	-	(1,769.70)	-
	(d) IND AS Adjustments		569.79	2,339.49
	(e) Closing balance	-	-	-
(iv)	**Movement of provisions for receivables under financing activities**			
	(a) Opening balance	7,747.39	9,676.84	1,023.09
	(b) Provisions made during the year	1,977.89	12,427.67	9,208.56
	(c) Write-off / write-back of excess provisions	(5,523.09)	(14,357.12)	(554.81)
	(d) Closing balance	4,202.19	7,747.39	9,676.84

40.9 During the year there are no instances of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeding the sanctioned limit or outstanding or entire outstanding whichever is higher.

40.10 During the year company has not given any advances with intangible collateral such as charge over the rights, licenses, authority etc.

40.11 Registration Obtained from Other Financial Sector Regulators

During the year the company has not obtained any registrations from other financial regulators.

40.12 Penalties Imposed by RBI and Other Regulators

No penalties imposed by RBI or Other Regulators.

40.13 Investments

Particulars	As at 31 March 2019 Amount Rs.in Lakhs	As at 31 March 2018 Amount Rs.in Lakhs	As at 1 April 2017 Amount Rs.in Lakhs
Value of Investments			
(i) Gross Value of Investments			
(a) In India	5.00	5.00	5.00
(b) Outside India,	-	-	-
(ii) Provisions for Depreciation	-	-	-
(a) In India	-	-	-
(b) Outside India,	-	-	-
(iii) Net Value of Investments	-	-	-
(a) In India	5.00	5.00	5.00
(b) Outside India.	-	-	-
Movement of provisions held towards depreciation on investments	-	-	-
(i) Opening balance	-	-	-
(ii) Add : Provisions made during the year	-	-	-
(iii) Less : Write-off / write-back of excess	-	-	-
(iv) Closing balance	-	-	-

40.14 Derivatives:

The Company has no transactions / exposure in derivatives for all years presented.

41. Disclosure Pursuant to Reserve Bank of India Master Direction DNBR. PD. 008/03.10.119/2016-17 (updated 16th April, 2019) Capital Adequacy Ratio

Particulars	As at 31 March 2019 Amount Rs.in Lakhs	As at 31 March 2018 Amount Rs.in Lakhs	As at 1 April 2017 Amount Rs.in Lakhs
Tier I Capital	70,811.78	22,116.84	23,850.19
Tier II Capital	5,315.30	10,114.06	11,194.08
Total Capital	76,127.08	32,230.90	35,044.28
Total Risk Assets	239,688.73	212,241.96	170,150.08
Capital Ratios			
Tier I Capital as a percentage of Total Risk Assets (%)	29.54%	10.42%	14.02%
Tier II Capital as a percentage of Total Risk Assets (%)	2.22%	4.77%	6.58%
Total Capital (%)	**31.76%**	**15.19%**	**20.60%**
Amount of subordinated debt raised as Tier II Capital	**11,414.15**	**11,407.06**	**11,412.46**
Amount raised by issue of Perpetual Debt Instruments	**-**	**-**	**-**

41.1 Exposure to Real Estate Sector

.

(Amount Rs.in Lakhs)

Category	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
a) Direct Exposure			
(i) Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented			
(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits	203.59	333.74	315.41
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -	-	-	-
a.Residential			
b.Commercial Real Estate			
Total Exposure to Real Estate Sector	203.59	333.74	315.41

41.2 Exposure to Capital Market

The Company does not have any exposure to Capital market as at 31 March 2019 ,31 March 2018 and 1 April 2017.

41.3 Draw Down from Reserves

No Drawdown from Reserves has been noted in the financial years ended 31 March 2019, 31 March 2018 and 1 April 2017.

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41.4 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

There are no overseas assets of the Company as there are no Joint Ventures and subsidiaries abroad

41.5 Off-balance Sheet SPVs sponsored

There have been no off- balance sheet SPVs sponsored by the Company during the financial years ended 31 March 2019, 31 March 2018 and 1 April 2017

41.6 Asset Liability Management

(a) Maturity Pattern of certain items of Assets and Liabilities as at 31 March 2019:

(Amount Rs.in Lakhs)

Particulars	1 day to 30 – 31 days (One Month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from Banks & NBFCs	6,168.43	8,121.68	6,165.77	23,718.72	38,090.30	47,895.44	3,044.00	-	**133,204.34**
Market Borrowings	5,658.33	5,041.67	2,500.00	12,158.00	14,425.00	37,091.67	11,500.00	-	**88,374.67**
Assets									
Advances (Micro Finance Loans)	26,760.03	26,255.43	21,972.72	64,226.13	102,485.40	142,376.18	2.37	-	**384,078.26**
Investments	-	-	-	-	-	-	-	5.00	**5.00**

(b) Maturity Pattern of certain items of Assets and Liabilities as at 31 March 2018:

(Amount Rs.in Lakhs)

Particulars	1 day to 30 – 31 days (One Month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from Banks & NBFCs	4,121.41	4,058.37	3,279.03	14,756.04	26,823.92	40,746.74	2,145.76	-	**95,931.27**
Market Borrowings	1,303.23	4,852.06	3,959.80	8,692.02	25,058.46	55,431.88	10,000.00	1,500.00	**110,797.45**
Assets									
Advances (Micro Finance Loans)	19,902.60	17,147.26	14,897.00	47,233.89	74,848.75	38,158.15	-	-	**212,187.65**
Investments	-	-	-	-	-	-	-	5.00	**5.00**

(c) Maturity Pattern of certain items of Assets and Liabilities as at 1 April 2017:

(Amount Rs.in Lakhs)

Particulars	1 day to 30 – 31 days (One Month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Total
Liabilities									
Borrowings from Banks & NBFCs	2,722.21	3,089.09	2,794.32	9,043.76	18,876.74	28,402.93	166.67	-	**65,095.72**
Market Borrowings	1,037.43	1,198.65	1,992.11	8,422.49	11,197.31	43,373.62	12,660.00	14,200.00	**94,081.61**
Assets									
Advances (Micro Finance Loans)	17,858.96	14,355.82	14,314.73	39,743.17	60,934.26	25,416.31	15.46	-	**172,638.71**
Investments	-	-	-	-	-	-	-	5.00	**5.00**

42 Disclosure Pursuant to paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016):

(Amount Rs.in Lakhs)

S.No	Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	Liabilities:						
1	***Loans and Advances availed by the NBFC inclusive of interest accrued thereon but not paid:***						
(a)	Debentures (Refer Note Below)						
	- Secured	38,915.32	-	54,848.80	-	36,305.42	-
	- Unsecured	46,332.82	-	17,414.23	-	18,790.96	-
	(other than falling within the meaning of public deposits)			-			
(b)	Deferred Credits		-	-	-	-	-
(c)	Term Loans (Refer Note Below)			-			
	- Secured	128,954.01	-	127,729.94	-	103,220.64	-
	- Unsecured	5,043.19	-	7,540.80	-	-	-
(d)	Inter-Corporate Loans and Borrowings		-	-	-	-	-
(e)	Commercial Paper	5,000.00	-	1,500.00	-	-	-
(f)	Finance Lease obligations	8.98					
(g)	Cash Credits		-	-	-	2,499.17	-

Note: Includes Interest Accrued but Not Due on Debentures amounting to Rs. 1,873.47 Lakhs (As at 31 March 2018 : Rs. 1,481.36 Lakhs ; As at 1 April 2017 : Rs. 999.38 Lakhs) and Term Loans amounting to Rs. 792.86 Lakhs (As at 31 March 2018: Rs.823.70 Lakhs ; As at 1 April 2017 : Rs.639.47 Lakhs).

(Amount Rs.in Lakhs)

S.No	Particulars	Amount Outstanding as at 31 March 2019	Amount Outstanding as at 31 March 2018	Amount Outstanding as at 1 April 2017
	Assets:			
2	***Break-up of Loans and Advances including Bills Receivables [other than those included in (3) below] :***			
(a)	Secured	203.53	333.74	315.41
(b)	Unsecured (Refer Note Below)	236,233.96	210,874.87	172,165.89
3	***Break up of Leased Assets and Stock on Hire and Other Assets counting towards AFC activities***			
(i)	Lease Assets including Lease Rentals Accrued and Due:			
	(a) Financial Lease	-	-	-
	(b) Operating Lease	-	-	-
(ii)	Stock on Hire including Hire Charges under Sundry Debtors:			
	(a) Assets on Hire	-	-	-
	(b) Repossessed Assets	-	-	-
(iii)	Other Loans counting towards AFC Activities			
	(a) Loans where Assets have been Repossessed	-	-	-
	(b) Loans other than (a) above	-	-	-

(Amount Rs.in Lakhs)

S.No	Particulars	Amount Outstanding as at 31 March 2019	Amount Outstanding as at 31 March 2018	Amount Outstanding as at 1 April 2017
4	***Break-up of Investments***			
	Current Investments			
I	**Quoted:**			
(i)	Shares: (a) Equity	-	-	-
	(b) Preference	-	-	-
(ii)	Debentures and Bonds	-	-	-
(iii)	Units of Mutual Funds	-	-	-
(iv)	Government Securities	-	-	-
(v)	Others (please specify)		-	-
II	**Unquoted:**			
(i)	Shares: (a) Equity	-	-	-
	(b) Preference	-	-	-
(ii)	Debentures and Bonds	-	-	-
(iii)	Units of Mutual Funds	-	-	-
(iv)	Government Securities	-	-	-
(v)	Others (please specify)		-	-
	Long Term Investments			
I	**Quoted:**			
(i)	Shares: (a) Equity	-	-	-
	(b) Preference	-	-	-
(ii)	Debentures and Bonds	-	-	-
(iii)	Units of Mutual Funds	-	-	-
(iv)	Government Securities	-	-	-
(v)	Others (please specify)	-	-	-
II	**Unquoted:**	-		
(i)	Shares: (a) Equity	5	5	5
	(b) Preference	-	-	-
(ii)	Debentures and Bonds	-	-	-
(iii)	Units of Mutual Funds	-	-	-
(iv)	Government Securities	-	-	-
(v)	Investment in Pass Through Certificates	-	-	-
		-		

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(Amount Rs.in Lakhs)

5	Borrower Group-wise Classification of Assets Financed as in (2) and (3) above						
	Category	As at 31 March 2019 (Net of Provisions) (Refer Note below)		As at 31 March 2018 (Net of Provisions) (Refer Note below)		As at 1 April 2017 (Net of Provisions) (Refer Note below)	
		Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
1	Related Parties						
	(a) Subsidiaries	-	-	-	-	-	-
	(b) Companies in the same Group	-	-	-	-	-	-
	(c) Other Related Parties	-	-	-	-	-	-
2	Other than Related Parties	115.80	232,042.40	260.04	203,201.18	309.64	162,501.74
	Total	**115.80**	**232,042.40**	**260.04**	**203,201.18**	**309.64**	**162,501.74**

Note: The Company's share of Net Asset Value of Alpha Micro Finance Consultants Private Limited has been calculated based on the audited financial statements of the Company as at 31 March 2018.

(Amount Rs.in Lakhs)

6	Investor Group-wise Classification of all Investments (Current and Long Term) in Shares and Securities (both Quoted and Unquoted) :	Market Value / Break up Value or Fair Value or Net Asset Value (Company's Share) as on 31 March 2019	Book Value as on 31 March 2019	Market Value / Break up Value or Fair Value or Net Asset Value (Company's Share) as on 31 March 2018	Book Value as on 31 March 2018	Market Value / Break up Value or Fair Value or Net Asset Value (Company's Share) as on 1 April 2017	Book Value as on 1 April 2017
	Category						
1	Related Parties						
(a)	Subsidiaries			-	-	-	-
(b)	Companies in the Same Group			-	-	-	-
(c)	Other Related Parties			-	-	-	-
2	Other than Related Parties (Refer Note Below)	8.08	5.00	7.48	5.00	7.48	5.00
	Total	**8.08**	**5.00**	**7.48**	**5.00**	**7.48**	**5.00**

7	Other Information	As at 31 March 2019 Amount Rs. In Lakhs		As at 31 March 2018 Amount Rs. In Lakhs		As at 1 April 2017 Amount Rs. In Lakhs	
		Related Parties	Other than Related Parties	Related Parties	Other than Related Parties	Related Parties	Other than Related Parties
(i)	Gross Non-Performing Assets	-	1,847.21	-	5,676.14	-	8,022.48
(ii)	Net Non-Performing Assets	-	-	-	-	-	-
(iii)	Assets Acquired in Satisfaction of Debt	-	-	-	-	-	-

Note: The Company's share of Net Asset Value of Alpha Micro Finance Consultants Private Limited has been calculated based on the audited financial statements of the Company as at 31 March 2018.

43. Loan Portfolio and Provision for Standard and Non Performing Assets

(a) Current Year

Asset Classification	Loan Outstanding as at 31 March 2019 (Gross) Amount in Rs. Lakhs	Provision as at 31 March 2019 Amount in Rs in Lakhs	Loan Outstanding as at 31 March 2019 (Net) Amount in Rs. In Lakhs
Receivables under Financing Activities (including securitised assets)			
Standard Assets	382,231.00	2,354.98	379,876.02
Non - Performing Assets	1,847.21	1,847.21	-
Total	**384,078.21**	**4,202.19**	**379,876.02**

(b) Previous Year

Asset Classification	Loan Outstanding as at 31 March 2018 (Gross) Amount Rs.in Lakhs	Provision as at 31 March 2018 Amount Rs.in Lakhs	Loan Outstanding as at 31 March 2018 (Net) Amount Rs.in Lakhs
Receivables under Financing Activities (including securitised assets)			
Standard Assets	238,044.15	2,071.25	235,972.90
Non - Performing Assets	5,676.14	5,676.14	-
Total	**243,720.29**	**7,747.39**	**235,972.90**

(C) Previous Year (FY 16-17)

Asset Classification	Loan Outstanding as at 1 April 2017 (Gross) Amount Rs.in Lakhs	Provision as at 1 April 2017 Amount Rs.in Lakhs	Loan Outstanding as at 1 April 2017 (Net) Amount Rs.in Lakhs
Receivables under Financing Activities (including securitised assets)			
Standard Assets	171,571.38	1,647.44	169,923.94
Non - Performing Assets	8,022.48	8,022.48	-
Total	**179,593.86**	**9,669.92**	**169,923.94**

Asirvad Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March 2019

44. Changes in Provisions

(a) Current Year

Amount Rs.in Lakhs

Particulars	As at 1 April 2018	Provision for the Year	Utilization/ Reversal	As at 31 March 2019
Loans	7,747.39	1,977.89	5,523.09	4,202.19
Provision for Credit Enhancements on Assets De-Recognised	-	-	-	-
Total	**7,747.39**	**1,977.89**	**5,523.09**	**4,202.19**

(b) Previous Year

Amount Rs.in Lakhs

Particulars	As at 1 April 2017	Provision for the Year	Utilization/ Reversal	As at 31 March 2018
Loans	9,669.92	12,427.67	14,350.20	7,747.39
Provision for Credit Enhancements on Assets De-Recognised	6.92	-	6.92	-
Total	**9,676.84**	**12,427.67**	**14,357.12**	**7,747.39**

44.1 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans is as follows:

(Amount Rs.in Lakhs)

Particulars	As at 31 March 2019				As at 31 March 2018			
	Stage 1: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days	Total	Stage 1: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days	Total
Gross carrying amount as at 1 April	204,620.98	1,028.77	5,558.86	211,208.61	158,085.27	7,149.63	7,246.39	172,481.29
New assets originated or purchased	198,391.62	554.83	283.35	199,229.80	215,152.57	491.30	1,189.63	216,833.50
Assets derecognised or repaid (excluding write offs)	(146,545.71)	(45.55)	4,467.93	(142,123.33)	(29,207.63)	4,254.72	5,873.34	(19,079.57)
Transfers to Stage 1	182,545.85	-	-	182,545.85	21,766.75	-	-	21,766.75
Transfers to Stage 2	-	698.75	-	698.75	-	619.82	-	619.82
Transfers to Stage 3	-	-	1,603.90	1,603.90	-	-	4,500.22	4,500.22
Amounts written off	(445.68)	(424.66)	(4,647.14)	(5,517.48)	(3,090.72)	(4,337.07)	(6,004.32)	(13,432.11)
Gross carrying amount as at 31 March	**233,946.08**	**783.37**	**1,708.04**	**236,437.49**	**204,620.97**	**1,028.77**	**5,558.87**	**211,208.61**

Reconciliation of ECL balance is given below:

(Amount Rs.in Lakhs)

Particulars	As at 31 March 2019				As at 31 March 2018			
	Stage 1: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days	Total	Stage 1: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days	Total
ECL allowance as at 1 April	2,060.39	10.86	5,676.14	7,747.39	1,575.96	71.47	8,022.48	9,669.92
New assets originated or purchased	1,983.92	5.55	283.36	2,272.83	2,151.53	4.91	1,189.63	3,346.06
Assets derecognised or repaid (excluding write offs)	(1,458.14)	(0.09)	4,607.09	3,148.86	(277.90)	43.12	5,990.61	5,755.84
Transfers to Stage 1	1,825.46	-	-	1,825.46	217.67	-	-	217.67
Transfers to Stage 2	-	6.99	-	6.99	-	6.20	-	6.20
Transfers to Stage 3	-	-	1,603.90	1,603.90	-	-	4,500.22	4,500.22
Amounts written off	(4.46)	(4.25)	(4,647.14)	(4,655.85)	(30.91)	(43.37)	(6,004.32)	(6,078.60)
ECL allowance as at 31 March	**2,346.78**	**8.20**	**1,847.21**	**4,202.19**	**2,060.39**	**10.86**	**5,676.14**	**7,747.39**

45. Disclosures of Fraud

a) Current Year

Category	More than Rs. 1 lakh		Less than Rs. 1 lakh	
	Number of Instances	Amount in Rs. In Lakhs	Number of Instances	Amount in Rs. In Lakhs
Embezzlement of Cash				
- By Employees	21	197.97	6	12.96
- By Others	6	9.05	25	13.15
Total	**27**	**207.02**	**31**	**26.11**

b) Previous Year 17-18

Category	More than Rs. 1 lakh		Less than Rs. 1 lakh	
	Number of Instances	Amount in Rs. In Lakhs	Number of Instances	Amount in Rs. In Lakhs
Embezzlement of Cash				
- By Employees	15	87.61	9	3.16
- By Others	2	2.64	11	7.76
Total	**17**	**90.25**	**20**	**10.92**

Asirvad Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March 2019

c) Previous Year 16-17

Category	More than Rs. 1 lakh		Less than Rs. 1 lakh	
	Number of Instances	Amount in Rs. In Lakhs	Number of Instances	Amount in Rs. In Lakhs
Embezzlement of Cash				
- By Employees	6	29.30	2	1.56
- By Others	5	34.49	7	4.11
Total				
	11	**63.79**	**9**	**5.67**

Note: The above summary is prepared based on the information available with the Company and relied upon by the Auditors.

45.1 Disclosure as required under Reserve Bank of India Master Direction DNBR. PD. 008/03.10.119/2016-17 (updated 16th April, 2019)

Net Interest Margin during the Year:

Particulars	For the Year ended 31 March 2019	For the Year ended 31 March 2018	For the Year ended 31 March 2017
Average Interest (a)	21.70%	22.25%	23.24%
Average effective cost for borrowing Interest (b)	12.31%	12.39%	13.30%
Net Interest Margin (a-b)	9.39%	9.86%	9.94%

The Average interest represents the effective rate at which loans have been disbursed to the customers for the year ended 31 March 2019, 31 March 2018 and 1 April 2017.

The Average interest cost of borrowings of the Company for the year ended 31 March 2019, 31 March 2018 and 1 April 2017 has been computed based on the monthly interest cost divided by the average monthly balances of outstanding borrowings. The Average cost of borrowings include the following :

a) Upfront processing fees paid by the Company for availing loans.

b) Interest on the borrowings.

46 Disclosures of Transactions Pursuant to Regulation 34(3) of SEBI (LODR) Regulations, 2015:

S.No	Loans and Advances in the nature of Loans	As at 31 March 2019 Amount in Rs. In Lakhs		As at 31 March 2018 Amount in Rs. In Lakhs		As at 1 April 2017 Amount in Rs. In Lakhs	
		Amount Outstanding	Maximum Amount Outstanding during the year	Amount Outstanding	Maximum Amount Outstanding during the year	Amount Outstanding	Maximum Amount Outstanding during the year
(a)	From Holding Company:						
	- Mannapuram Finance Limited	-	-	-	-	-	-
(b)	To Fellow Subsidiaries						
	- No Fellow Subsidiaries during the Current Year	-	-	-	-	-	-
(c)	To Associates						
	- No Associate during the Current Year	-	-	-	-	-	-
(d)	Where there is						
	- No Repayment Schedule	-	-	-	-	-	-
	- Repayment Schedule beyond seven years	-	-	-	-	-	-
	- No Interest	-	-	-	-	-	-
	- Interest below the rate as specified in section 186 of the Companies Act, 2013	-	-	-	-	-	-
(e)	To Firms / Companies in which directors are interested (Other the (a) and (b) above)						
(f)	Investments by the Loanee in the Shares of Parent Company and Subsidiary Company	-	-	-	-	-	-

Note: The information on maximum amount outstanding has been disclosed from the date on which the concerned director was appointed on the Board of the Company.

47. Referral Fees

The Company has entered into agreements with Inthree Access, Uniq Synergy, Aspire Innovate, Eureka Forbes, Gloworld and Greenlight Planet for facilitating sale of their products (solar lamps, water purifier, cookware etc.) to its members. The Company receives referral fees for the products disbursed based on slab rates specified in the terms of the agreements entered with them. The Company has received an amount of Rs. 5,318.57 Lakhs (Previous Year : Rs. 2,836.48 Lakhs) towards referral fee for the facilitating of their products.

48. Corporate Social Responsibility (CSR)

During the year, the Company incurred an aggregate amount of Rs. 31.00 Lakhs (Previous Year - Rs. 89.50 Lakhs) towards corporate social responsibility in compliance of Section 135 of the Companies Act 2013 read with relevant schedule and rules made thereunder. The details of the CSR spend are given below:

(i) Gross amount required to be spent by the Company during the year: Rs. 25.82 Lakhs

(ii) Amount spent by the Company during the year:

(Amount Rs.in Lakhs)

Particulars	Amount Paid	Yet to be Paid	Total
Donation for Cyclone Rehabiliation	31.00	-	31.00

49. Statutory Reserve

As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund at a rate of 20% of the net profit after tax of the Company every year. Considering the Profit after tax for the year ended 31 March 2019, Rs.2,651.67 Lakhs is transferred to the statutory reserve as required under Section 45-IC of Reserve Bank of India (RBI) Act, 1934.

50. As stated in Note 3.1, the Company has adopted Indian Accounting Standards with effect from 31 March 2018 with date of transition to Ind AS being 1 April 2017. Accordingly, the comparative financial information of the Company as at 1 April 2017 and 31 March 2018 included in these financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006, and have been restated to comply with Ind AS.

51. Previous Year Figures

Previous year's figures have been regrouped / reclassified, wherever necessary, to correspond with the current year's classification / disclosure.

Asirvad Microfinance Limited
Notes forming part of the Financial Statements for the year ended 31 March 2019

52 The Board of Directors of the Company has reviewed the realisable value of all the financial assets and has confirmed that the value of such assets in the ordinary course of business will not be less that the value at which these are recognized in the financial statements. In addition, the Board has also confirmed the carrying value of the non-financial assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these financial statements in its meeting held on 13 May 2019.

For and on behalf of the Board of Directors

V P Nandakumar	*Mayank Shyam Thatte*	*S V Raja Vaidyanathan*	*Anup Gupta*
Chairman	**Chief Financial Officer**	**Managing Director**	**Company Secretary**
(DIN No.00044512)		**(DIN No.01467098)**	

Place : Chennai
Date : 13 May 2019

Independent Auditor's Report

10

To The Members of Asirvad Microfinance Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Asirvad Microfinance Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 50 to the Financial Statements, which describes that the potential impact of the COVID-19 pandemic on the Company's financial performance and financial position are dependent on future developments, which are uncertain. Our opinion is not modified in respect of this matter

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report, Management Discussion Analysis, Corporate Governance Report, Report on Corporate Social Responsibility and

Sl.No	Key Audit Matter	Auditor's Response
01	**Provision for expected credit losses (ECL) on loans** The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company has considered the age of the receivables, current and anticipated future economic conditions of the customers in the sector in which they operate to estimate the probability of default in the future. The Company has also exercised its judgement in determination of management overlay at various asset stages considering the possible effects of the current uncertain economic environment arising out of the COVID 19 Pandemic. We identified provision for expected credit losses on loans as a key audit matter because the Company exercises significant judgment in calculating the expected credit losses. Refer Note No 7 to the audited financial statements.	**Principal Audit Procedures** Our audit procedures related to the provision for ECL on loans included the following, among others: We tested the design and operating effectiveness of controls over the (1) development of the methodology for ECL, including consideration of the current and estimated future economic conditions (2) completeness and accuracy of information used in the estimation of probability of default and (3) computation of ECL. In addition to above: We performed an overall assessment of the ECL provision levels at each stage including management's assessment on Covid-19 impact to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment; Obtained an understanding of the basis and methodology adopted by management to determine the probability of defaults for various stages/ homogeneous segments and performed test checks; Assessed the data used in the computation of expected credit loss (including the data integrity of information extracted from the Company's IT systems); Tested the arithmetical accuracy of the computation of provision for ECL on loans.

The company's Board of Directors is responsible for the other Information. The other information comprises the information included in the Directors Report, Management Discussion Analysis, Corporate Governance Report, Report on Corporate Social Responsibility and Secretarial Audit Report but does not include the Financial Statements and our Auditor's Report thereon. These Reports are expected to be made available to us after the date of this Auditor's Report. Secretarial Audit Report but does not include the financial statements and our auditor's report thereon. These reports is expected to be made available to us after the date of this auditor's report.

- Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Directors Report, Management Discussion Analysis, Corporate Governance Report, Report on Corporate Social Responsibility and Secretarial Audit Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskin and Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Ananthi Amarnath
Partner
(Membership No: 209252)
(Unique Document Identification Number: 20209252AAAAFC1781)

Place: Chennai
Date: May 18, 2020

Annexure "A" To The Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date) Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Asirvad Microfinance Limited** ("the Company") as of 31 March 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskin and Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Ananthi Amarnath
Partner
(Membership No: 209252)

Place: Chennai
Date: May 18, 2020

(Unique Document Identification Number: 20209252AAAAFC1781)

Annexure B To The Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. In respect of Fixed Assets :

a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date.

ii. The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

iv. The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

vi. Having regard to the nature of the Company's business / activities, reporting under clause (vi) of CARO 2016 is not applicable.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Professional Tax, Income-tax, Goods & Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods & Service Tax, Professional Tax, cess and other material statutory dues in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax which have not been deposited as on 31 March 2020 on account of disputes are given below :

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Amount Rs.in Lakhs)	Amount Unpaid (Amount Rs. in Lakhs)
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2015-16	1,124.50	899.60
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2016-17	1,978.91	1,583.13
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2017-18	1,521.37	1,217.10

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and dues to debenture holders. The Company does not have any borrowings from Government.

ix. In our opinion and according to the information and explanations given to us, money raised by way of debt instruments and the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The Company has not raised money by way of initial public offer/further public offer during the year.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year other than embezzlement of cash amounting to Rs. 59.78 Lakhs by employees in 15 of the branches of the Company (Refer note 44 to the Financial Statements) detected and appropriately dealt with by the Management.

xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

xvi. The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For **Deloitte Haskin and Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Ananthi Amarnath
Partner
(Membership No: 209252)
(Unique Document Identification Number: 20209252AAAAFC1781)

Place: Chennai
Date: May 18, 2020





ASIRVAD

ODISHA

आशीर्वाद माइक्रोफाइनेंस" के एक छोटे से ऋण ने मेरे जैसे ग्रामीण लोगों के जीवन में एक बड़ा बदलाव किया है।

Financial Statement

11

Asirvad Microfinance Limited
Balance Sheet as at 31 March 2020

	Particulars	Note No.	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018 (Refer Note 48)
			Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
I	**ASSETS**				
I	**Financial assets**				
	(a) Cash and cash equivalents	5	119,951.77	52,590.02	19,026.25
	(b) Bank Balance other than (a) above	6	19,112.17	16,224.19	8,570.44
	(c) Loans	7	434,327.51	349,904.85	235,209.72
	(d) Loans given to staff - at amortised cost	7(a)	102.30	80.41	53.46
	(e) Investments	8	5.00	5.00	5.00
	(f) Other Financial assets	9	10,862.11	3,918.54	1,721.18
2	**Non-financial Assets**				
	(a) Current tax assets (net)	10	1,544.24	1,466.86	817.43
	(b) Deferred tax assets (net)	11	3,424.70	1,081.58	4,288.50
	(c) Investment Property	12 (a)	8.64	8.64	8.64
	(d) Property, Plant and Equipment	12 (b)	791.75	205.14	628.88
	(e) Intangible assets	12 (c)	716.43	21.23	73.34
	(f) Other non financial assets	13	398.93	259.33	160.39
	Total assets		**591,245.55**	**425,765.79**	**270,563.23**
II	**LIABILITIES AND EQUITY**				
I	**Financial Liabilities**				
	(a)Other Payables				
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14	2,186.79	1,656.06	1,035.90
	(b) Debt Securities	15	59,652.24	78,537.03	61,998.17
	(c) Borrowings (other than debt security)	16	378,778.83	251,853.43	166,672.21
	(d) Subordinated Liabilities	17	11,633.90	11,414.15	11,407.06
	(e) Other Financial liabilities	18	3,962.12	887.00	525.57
2	**Non-financial Liabilities**				
	(a) Provisions	19	374.31	236.48	184.29
	(b) Other non-financial liabilities	20	30,705.48	739.78	576.25
3	**Equity**				
	(a) Equity share capital	21	5,331.19	5,331.19	3,207.49
	(b) Other equity	22	98,620.69	75,110.67	24,956.29
			591,245.55	**425,765.79**	**270,563.23**

See accompanying notes forming part of the financial statements

In terms of our report of even date attached
For **Deloitte Haskins & Sells**
Chartered Accountant

Ananthi Amarnath
Partner

Place : Chennai
Date : 18 May 2020

For and on behalf of **the Board of Directors of Asirvad Microfinance Limited**

V P Nandakumar
Chairman
(DIN No.00044512)

S V Raja Vaidyanathan
Managing Director
(DIN No.01467098)

Yogesh Ratnakar Udhoji
Chief Financial Officer

Anup Gupta
Company Secretary

Place : Chennai
Date : 12 May 2020

Asirvad Microfinance Limited
Statement of Profit and Loss for the year ended 31 March 2020

	Particulars	Note No.	For the Year Ended 31 March 2020 Amount Rs.in Lakhs	For the Year Ended 31 March 2019 Amount Rs.in Lakhs
I	**Revenue from operations**			
	Interest income	23	91,338.06	64,068.19
	Net Gain on derecognition of Financial Instruments under amortised cost category	23 (a)	12,590.98	2,957.18
	Dividend Income	23 (b)	947.06	507.64
	Other operating income	24	629.84	1,157.47
	Total (I)		**105,505.94**	**68,690.48**
II	**Other Income**	25	4,638.46	5,354.18
III	**Total Income (I + II)**		**110,144.40**	**74,044.66**
IV	**Expenses**			
	Finance cost	26	40,943.86	29,894.67
	Impairment of financial instruments	27	9,234.97	2,841.96
	Employee benefit expenses	28	15,015.83	11,348.19
	Depreciation, amortization and impairment	12	714.45	588.50
	Other expenses	29	7,702.60	6,301.11
	Total Expenses (IV)		**73,611.71**	**50,974.43**
V	**Profit before Exceptional Items and tax (III - IV)**		**36,532.69**	**23,070.23**
VI	**Exceptional items**	27	5,502.64	-
VII	**Profit before tax (V- VI)**		**31,030.05**	**23,070.23**
VIII	**Tax Expense:**			
	(1) Current tax	11.1	9,832.60	4,711.00
	(2) Deferred tax	11.1	(2,335.35)	3,195.46
IX	**Profit for the year (VII - VIII)**		**23,532.80**	**15,163.77**
X	**Other Comprehensive Income**	22		
A	(i) Items that will not be reclassified to profit or loss:			
	Remeasurement gains and (losses) on defined benefit obligations (net)		(31.06)	32.71
			7.82	(11.46)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	11.1		
			(23.24)	**21.25**
XI	**Total Comprehensive Income for the year (IX + X)**		**23,509.56**	**15,185.02**
XII	**Earnings per equity share of Rs. 10 each**	31		
	- Basic (Rs.)		44.14	35.86
	- Diluted (Rs.)		44.14	35.86

See accompanying notes forming part of the financial statements

In terms of our report of even date attached
For **Deloitte Haskins & Sells**
Chartered Accountant

Ananthi Amarnath
Partner

Place : Chennai
Date : 18 May 2020

For and on behalf of **the Board of Directors of Asirvad Microfinance Limited**

V P Nandakumar
Chairman
(DIN No.00044512)

S V Raja Vaidyanathan
Managing Director
(DIN No.01467098)

Yogesh Ratnakar Udhoji
Chief Financial Officer

Anup Gupta
Company Secretary

Place : Chennai
Date : 12 May 2020

Asirvad Microfinance Limited
Statement of Cah Flow for the year ended 31 March 2020

Particulars	For the Year Ended 31 March 2020 Amount Rs.in Lakhs	For the Year Ended 31 March 2019 Amount Rs.in Lakhs
A Cash flow from Operating Activities		
Profit After Tax	**23,532.80**	**15,163.77**
Adjustments for:		
Depreciation/ Amortisation	714.45	588.50
Tax Expenses	7,497.25	7,906.46
Provision for Receivables under Financing Activity (Net)	14,737.61	2,841.96
Provision for Insurance claim receivable	86.31	273.12
Loss on Sale of Fixed Assets (Net)	(1.36)	2.20
Dividend Income	947.06	507.64
Finance Cost	40,943.86	29,894.67
Interest on Deposits	(1,968.94)	(1,381.03)
Operating Profit before Working Capital Changes	**86,489.04**	**55,797.29**
Changes in Working Capital:		
Adjustments for (increase) / decrease in operating assets:		
Bank Balance other than cash and cash equivalents	(2,887.98)	(7,653.75)
Receivables under Financing Activity	(99,160.27)	(117,537.09)
Loans given to staff	(21.89)	(26.96)
Other financial Assets	(6,409.72)	(2,082.47)
Other non financial assets	(135.29)	(108.03)
Adjustments for increase / (decrease) in Operating Liabilities:		
Trade Payables	530.73	620.16
Other financial Liabilities	2,957.75	121.02
Other non financial Liabilities	29,965.70	163.53
Other Provisions	141.29	52.19
Cash Flow Generated from / (used in) Operations	**11,469.36**	**(70,654.11)**
Interest Income on Deposits	1,435.09	1,280.53
Net cash flow Generated from / (used in) operations	**12,904.45**	**(69,373.59)**
Net Income Tax Paid	(9,910.00)	(5,360.43)
Net Cash Generated from / (used in) in Operating Activities	**2,994.45**	**(74,734.02)**
B. Cash flow from Investing Activities		
Proceeds from Sale of Fixed Assets	8.50	163.19
Capital Expenditure on Fixed Assets (including Capital Advances)	(2,010.63)	(275.84)
Dividend received	(947.06)	(507.64)
Net Cash Flow Generated (used in) from Investing Activities	**(2,949.19)**	**(620.29)**
C. Cash flow from Financing Activities		
Proceeds from Long-Term Borrowings-Term Loans	302,829.30	96,100.00
Repayment of Long-Term Borrowings-Term Loans	(116,935.69)	(97,342.70)
Interest paid on Term loans	(20,981.08)	(15,379.82)
Prepaid Processing Charges	(797.20)	222.35
Proceeds from Long-Term Borrowings-Debentures (net)	32,290.00	34,500.00
Repayment of Long-Term Borrowings-Debentures (net)	(47,283.00)	(21,907.00)
Interest paid on Debentures	(9,863.24)	(10,303.55)
Proceeds from securitisation borrowings	58,987.62	141,280.16
Repayment of securitisation borrowings	(118,053.81)	(54,961.51)
Interest paid on securitisation	(8,956.58)	(2,757.85)
Prepaid Processing Charges	(118.42)	83.09
Proceeds from Short-Term Borrowings - CP	21,973.42	31,000.00
Repayment of Short-Term Borrowings - CP	(24,644.92)	(27,522.25)
Repayment of Short-Term Borrowings - Cash Credit	(0.28)	0.28
Payments towards Finance Lease	(8.98)	(86.53)
Proceeds from Issue of Equity Shares	-	37,085.59
Other Interest and charges paid	(1,120.65)	(1,092.18)
Net Cash Flow Generated from Financing Activities	**67,316.49**	**108,918.08**

Particulars	For the Year Ended 31 March 2020 Amount Rs.in Lakhs	For the Year Ended 31 March 2019 Amount Rs.in Lakhs
Net increase in Cash and cash equivalents (A+B+C)	67,361.75	33,563.77
Cash and cash equivalents at the beginning of the year	52,590.02	19,026.25
Cash and Cash Equivalents at the end of the year	**119,951.77**	**52,590.02**
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per balance sheet (Refer Note 5.1)	119,951.77	52,590.02
	119,951.77	**52,590.02**

See accompanying notes forming part of the financial statements

In terms of our report of even date attached
For **Deloitte Haskins & Sells**
Chartered Accountant

Ananthi Amarnath
Partner

Place : Chennai
Date : 18 May 2020

For and on behalf of the Board of Directors of Asirvad Microfinance Limited

V P Nandakumar
Chairman
(DIN No.00044512)

S V Raja Vaidyanathan
Managing Director
(DIN No.01467098)

Yogesh Ratnakar Udhoji
Chief Financial Officer

Anup Gupta
Company Secretary

Place : Chennai
Date : 12 May 2020

Asirvad Microfinance Limited

Statement of changes in equity for the year ended 31 March 2020

1. Equity Share capital

(Amount Rs. In Lakhs)

Particulars	Amount
Balance as at 1 April 2018	3,207.49
Changes in equity share capital during the year ended 31 March 2019	2,123.70
Balance as at 31 March 2019	**5,331.19**
Changes in equity share capital during the year ended 31 March 2020	-
Balance as at 31 March 2020	**5,331.19**

2. Other equity

(Amount Rs. In Lakhs)

	Reserves and Surplus							
	Statutory Reserve	Capital redemption reserve	Securities Premium	Share Option Outstanding	General Reserve	Retained earnings	Other Comprehensive Income	Total
Balance as at 1 April 2018	**1,679.97**	**500.00**	**20,849.00**	**13.00**	**35.93**	**1,856.56**	**21.83**	**24,956.29**
Total Comprehensive Income for the year	-	-	-	-	-	15,163.77	21.25	15,185.02
Securities Premium on equity shares issued during the year	-	-	34,961.89	-	-	-	-	34,961.89
Others	3,032.75	-	-	7.44	-	(3,032.72)	-	7.47
Balance as at 31 March 2019	**4,712.72**	**500.00**	**55,810.89**	**20.44**	**35.93**	**13,987.61**	**43.08**	**75,110.67**
Total Comprehensive Income for the year	-	-	-	-	-	23,532.80	(23.24)	23,509.56
Others	4,706.56	-	-	2.10	-	(4,708.20)	-	0.46
								-
Balance as at 31 March 2020	**9,419.28**	**500.00**	**55,810.89**	**22.54**	**35.93**	**32,812.21**	**19.84**	**98,620.69**

See accompanying notes forming part of the financial statements

In terms of our report of even date attached
For Deloitte Haskins & Sells
Chartered Accountant

Ananthi Amarnath
Partner

Place : Chennai
Date : 18 May 2020

For and on behalf of the Board of Directors of Asirvad Microfinance Limited

V P Nandakumar
Chairman
(DIN No.00044512)

S V Raja Vaidyanathan
Managing Director
(DIN No.01467098)

Yogesh Ratnakar Udhoji
Chief Financial Officer

Anup Gupta
Company Secretary

Place : Chennai
Date : 12 May 2020

1 CORPORATE INFORMATION

Asirvad Microfinance Limited was incorporated in August 2007 under the provisions of Companies Act, 1956. The Company is a Non Banking Finance Company –Microfinance Institution (NBFC-MFI). The company is registered as a Microfinance Institution under the Non Banking Financial Company- Micro Finance Institution (Reserve Bank) Directions , 2011 as amended, vide RBI letter dated 4th October 2013.

The Company is engaged in extending micro credit advances to poor women, who are otherwise unable to access finance from the mainstream banking channels. The Company provides small value collateral fee loans with fortnightly /monthly repayments. The company follows the Grameen Model with suitable adoptions using the group where each member is responsible for the loan repayment of the other members of the group. The company provides collateral free product loans to the existing borrowers of small amount. The Company uses its branch infrastructure to market products to the members of the Joint Liability groups on behalf of other agencies for an agreed fee/commission.

The company also provides loans to Small and Medium Enterprises.

2 HOLDING COMPANY

The company become subsidiary company of Manappuram Finance Limited, after Manappuram Finance Limited acquired controlling stake in the company during the Financial Year 2014-15.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of Compliance

These financial statements (the 'financial statements') have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Except for the changes below, the Company has consistently applied accounting policies to all periods.

(a) The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated.

(b) Pursuant to the regulatory guidance on Ind AS issued by RBI dated 13 March 2020 to promote consistent Ind AS implementation among NBFCs, the Company has changed its policy on accounting for securitised assets and direct assignment transactions. The securitised assets which were hitherto, de-recognized in the books based on 'True Sale Criteria' prescribed by RBI, have now been re-recognised in the books along with interest income using effective interest rate as the company has not transferred substantially all the risks and rewards in accordance with the provisions of Indian Accounting Standard No.109 (Ind AS 109), 'Financial Instruments'. Proceeds received from securitisation has been recognised as Borrowings (other than debt securities) and Interest thereon has been recognised as Finance cost.

(c) In respect of Direct Assignment transactions, assets continue to be derecognized in the books as it fulfills "True Sale Criteria" prescribed by RBI and has transferred substantially all the risks and rewards in accordance withe the provisions of Indian Accounting Standard No.109 (Ind AS 109), 'Financial Instruments' and the gain on sale of assets arising from such direct assignment transactions, has been recognised at fair value of interest strip.

3.2 Basis of Preparation and Presentation of Financial Statements

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except fot share-based payment transactions that are within the scope of Ind AS 102. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level I inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level I, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3.3 Use of Estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Company's accounting policies, management has made judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.4 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(a) The Company calculates interest income by applying effective interest rate method to the Gross carrying amount of financial assets other than credit impaired assets. When a financial asset becomes credit impaired and is therefore regarded as Stage 3, the Company calculates interest income by applying effective interest rate method to the net amortised cost of the Financial assets. If the Financial Asset cures and is no longer credit impaired, the Company reverts to calculating interest income on gross basis.

(b) Loan processing fee is recognized over the life of the loan on a proportionate basis. Loan processing fee of derecognised loan portfolio is recognised upfront.

(c) Interest Income on securitized loans are considered at par with own loans and is also recognised under the Effective Interest Rate method. In case of Direct Assignment, company recognize the income upfront on the basis of fair value by discounting the entire interest strip (excess interest spread) of assigned portfolio.

(d) Referral Fee income on marketing of products is recognized on accrual basis when the service is rendered taking into account the number of units sold at the rates applicable according to the terms of the agreement.

(e) Interest income on deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(g) Dividend income from investments (other than equity shares) is recognized on actual realizations, as stipulated by RBI.

(h) All other income is recognized on an accrual basis, when there is reasonable certainty in the ultimate realization / collection.

3.5 Leases

The Company's lease asset classes primarily consist of leases for land and buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets . The Company recognises the lease payments associated with these leases as an expense over the lease term.

In the comparative period, leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments and receipts under operating leases are recognised as an expense and income respectively, on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

3.6 Employee Benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity and compensated absences.

Retirement Benefit Costs and Termination Benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in the Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees upto the reporting date.

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Share-based payments of Company

The Company has formulated Employee Stock Option Schemes (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Scheme provide for grant of options to employees of the Company to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. The Employee Stock Option granted are accounted under the Fair Value Method stated in IND AS 102 "Accounting for Share Based Payments.

Share-based payments of Holding Company

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Holding Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each period, the Holding Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, recognized in profit or loss such that the cumulative expense reflected the revised estimate, with a corresponding adjustment to equity-settled employee benefits reserve.

3.7 Taxation.

Income tax expense represents the sum of the tax currently payable and deferred tax.

i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other complrehensive income or directly in equity, respectively.

3.8 Cash and Cash Equivalents (for purposes of Cash Flow Statement).

Cash and cash equivalent in the balance sheet comprise demand deposits with bank and Cash on hand, short-term deposits with an original maturity of three months or less including lien marked deposits with Banks and others with respect to loans availed by company. These balances are subject to an insignificant risk of changes in value.

Bank Balances include term deposits held with an original maturity more than 3 months and includes lien marked deposits with Banks and others with respect to loans availed by company/assets securitised.

3.9 Cash Flow Statement.

Cash flows are reported using the indirect method, whereby profit / (loss) after extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information

3.10 Plant, Property and Equipment.

Furniture and Fixtures, Leasehold Improvements, Office Equipment, Vehicles, Computers and Others are stated at cost less accumulated depreciation and accumulated impairment losses. Costs comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from tax authorities), any attributable expenditure on making the assets ready for intended use.

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives , using the Written down value method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainity that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Estimated useful lives of the assets are as follows:	
Particulars	Years
Furniture and Fixtures including AC and Electrical fittings	10
Leasehold Improvements	6
Office Equipment	5
Vehicles	8
Computers and others	6

Depreciable amount for assets is the cost of an asset, less its estimated residual value. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and expected residual value at the end of its life. Depreciation on tangible fixed assets has been provided on the Written Down Value Method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Depreciation is accelerated on fixed assets, based on their condition, usability etc., as per the estimates of the Management, where necessary. Depreciation methods, useful lives and residual values are reviewed periodically including at each financial year end.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.11 Investment Property.

Investment Properties are properties held to earn rentals and / or for capital appreciation. Investment properties are measured initially at cost, including transactions costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirement for cost model.

An Investment property is derecognized upon disposal or when the Investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

3.12 Intangible Assets.

Intangible assets acquired separately Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a written down value basis over the estimated useful lives except for ROU asset where amortisation is recognised on straight line method. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on prospective basis.

Software is depreciated over the license period or 6 years, whichever is lower.

Right of Use asset is depreciated over the life of the lease.

An Intangible asset is derecognised on disposal or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset as recognised in profit or loss when the asset is derecognised.

3.13 Impairment to Tangible and Intangible Assets.

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.14 Provisions and Contingencies.

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent Liability and Assets. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

3.15 Financial Instruments.

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provision of the instruments.

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

Financial Assets

Initial Recognition. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

Subsequent measurement. For the purpose of subsequent measurement, financial assets are classified in four categories:

Debt instruments at amortised cost.

Debt instruments at fair value through other comprehensive income (FVTOCI).

Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).

Equity instruments measured at fair value through other comprehensive income (FVTOCI).

Financial assets measured at amortised cost. A 'debt instrument' is measured at amortised cost if both the following conditions are met:

a) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets at fair value through profit or loss. A financial asset (other than those stated as amortized cost) is subsequently fair valued through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Dividend income from these financial assets is included in other income.

Derecognition of financial assets. The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received or receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Financial liabilities

Initial Measurement. Financial liabilities are classified and measured at amortized cost. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts

Subsequent Measurement. Financial liabilities are subsequently carried at amortized cost using the effective interest method.

Impairment of financial assets

The Company recognises Impairment allowance for expected credit losses (ECL) on Financial Assets held at amortized cost. The Company also computes the provision for non-performing assets (NPA) as per IRAC norms of RBI. The higher of the two is recorded in the books.

ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive (i.e., all cash shortfalls).

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months from the reporting date. The company assesses at each reporting date whether a financial asset (or a group of financial assets) such as loans and advances and security deposits held at amortised cost are tested for impairment based on evidence or information that is available without undue cost or effort. Lifetime Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

The company applies a three-stage approach to measuring expected credit losses (ECLs) for Loan Receivables. No ECL is recognised on equity investments.

Measurement of ECLs

Expected Credit Loss is computed as follows = Gross EAD * PD* LGD

The Exposure at Default ("EAD") is an estimate of the exposure (gross carrying amount), at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments.

The Probability of Default (""PD"") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

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

To calculate the ECL, the Company assesses the possible default events of EAD at various Stages. The company has broadly followed the following approach to compute ECL.

The Advances exposure is broadly classified into 3 pools : MFI loans, SME and MSME. The EAD is categorised based on respective Past Due status as given below:

Stage 1: 12-months ECL All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The company has assessed that all standard advances and advances upto 30 days default would fall under this category. For these assets, 12-month ECL are recognized and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance).

Stage 2: Lifetime ECL – not credit impaired Financial instruments that have had a significant increase in credit risk since initial recognition are classified under this stage. 30 Days Past Due upto 90 Days is considered as significant increase in credit risk and classified under this category. For these assets, lifetime ECL are recognized, but interest revenue is still calculated on the gross carrying amount of the asset.

Stage 3: Lifetime ECL – credit impaired All exposures greater than 90 Days Past due assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised. Interest revenue is recognized on actual realization in line with prudential norms.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial assets credit risk has increased significantly since initial recognition, by considering the change in the risk of defaults occurring over the remaining life of the financial assets.

Where there is significant change in macro- economic conditions warranting reassessment of credit risk and perceived likelihood of increased probability of loan defaults, company shall make such additional credit loss provisions in addition to ECL provisions as deemed fit by Audit committee

The measurement of ECL reflects:

a) An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes
b) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events and current conditions.

Write-off Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the company determines that the borrower does not have the financial ability to repay the amounts subject to the write-off.

Presentation of allowance for ECL in the statement of financial position. Loss allowances for ECL in respect of Financial assets measured at fair value through Profit and Loss are presented as a deduction from the gross carrying amount of the assets in the statement of financial position.

3.16 Earnings per Share.

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

3.17 Goods & Services Tax Input Credit.

Goods & Service Tax Input Credit is accounted for in the books in the period when the underlying Goods and service received are accounted and when there is reasonable certainty in availing / utilizing the same.

3.18 Insurance claims.

Insurance claims recoverable are accrued for on the basis of claims admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection. Claims pending settlement for more than a year are provided for.

3.19 Operating Cycle.

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainity

In the application of the Company's accounting policies which is described in Note 3, the Management of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

(i) Useful lives of Property, plant and equipment (Refer Note 3.10)
(ii) Assets and obligations relating to employee benefits (Refer Note 3.6)
(iii) Valuation and measurement of income taxes and deferred taxes (Refer Note 3.7)
(iv) Impairment of financial assets based on Expected Credit Loss model (Refer Note 3.15)

5 Cash and cash equivalents

Particulars	As at 31 March 2020 Amount Rs.in Lakhs	As at 31 March 2019 Amount Rs.in Lakhs	As at 01 April 2018 Amount Rs.in Lakhs
(a) Cash on hand	13.56	0.27	36.33
(b) Balances with Banks			
- In Current Accounts	7,129.33	6,589.75	8,615.57
- In Deposit Accounts - Not covered Under Lien	112,808.88	46,000.00	10,374.35
Total	**119,951.77**	**52,590.02**	**19,026.25**

5.1 Of the above, the balances that meet the definition of Cash and cash equivalents as per Ind AS 7 Cash Flow Statements is

119,951.77	52,590.02	19,026.25

6 Bank Balance other than above

Particulars	As at 31 March 2020 Amount Rs.in Lakhs	As at 31 March 2019 Amount Rs.in Lakhs	As at 01 April 2018 Amount Rs.in Lakhs
Balances with Banks			
- In Deposit Accounts - Under Lien (Refer Note 6.1 below)	19,112.17	16,224.19	8,570.44
Total	**19,112.17**	**16,224.19**	**8,570.44**

6.1 Deposit accounts under lien comprise of:

Deposits amounting to Rs. 9,187.50 lakhs (As at 31 March 2019: Rs. 6,591.90 lakhs ; As at 1 April 2018 : Rs.5,329.91 Lakhs) have been placed with certain banks for obtaining term loans.

Deposits amounting to Rs. 9,924.67 lakhs (As at 31 March 2019 : Rs. 9,632.29 lakhs; As at 1 April 2018:Rs. 3,240.53 Lakhs) placed as credit enhancement (cash collateral) towards securitization transactions.

7 Loans (at Fair value through Profit and Loss) (Refer Notes below and Note 50)

Particulars	As at 31 March 2020 Amount Rs.in Lakhs	As at 31 March 2019 Amount Rs.in Lakhs	As at 01 April 2018 Amount Rs.in Lakhs
A) (i) Secured and considered good			
Loans	1,467.92	203.59	333.74
Less : Impairment loss allowance	80.01	87.73	73.70
Sub Total	**1,387.91**	**115.86**	**260.04**
A) (ii) Unsecured and considered good, unless otherwise stated			
Loans	451,369.70	355,383.57	243,099.94
Less : Impairment loss allowance	18,430.10	5,299.42	7,994.59
Less : Advance EMI's received	-	295.16	155.67
Sub Total	**432,939.60**	**349,788.99**	**234,949.68**
Grand Total	**434,327.51**	**349,904.85**	**235,209.72**

7(a) Loans given to staff - at amortised cost

Particulars	As at 31 March 2020 Amount Rs.in Lakhs	As at 31 March 2019 Amount Rs.in Lakhs	As at 01 April 2018 Amount Rs.in Lakhs
Loans to Staff	102.30	80.41	53.46
Grand Total	**102.30**	**80.41**	**53.46**

(Amount Rs.in Lakhs)

7.1

Particulars	As on 31 March 2020	As on 31 March 2019	As on 01 April 2018
The Loan Receivables reflected above excludes microfinance loans assigned to a third party on securitization in accordance with RBI Guidelines which qualify for derecognisation as per Ind AS 109. The amounts given are net of minimum retention retained in the books:	107,246.23	28,733.89	32,206.82

7.2 Disclosure requirements as per RBI circular dated March 13, 2020 having reference number RBI/2019-20/170 , DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 as per para 2 of Prudential Floor of ECL

(a) As at 31 March 2020

(Amount Rs.in Lakhs)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net Carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(A)	(B)	(C)	(D)	E = (C-D)	(F)	G = (D-F)
Performing assets						
Standard	Stage 1	432,679.32	9,860.06	422,819.26	4,198.59	5,661.47
	Stage 2	1,702.34	39.92	1,662.42	17.02	22.90
Non Performing Assets (NPA)						
Substandard	Stage 3	8,610.13	8,610.13	-	352.32	8,257.81
Total		**442,991.79**	**18,510.11**	**424,481.68**	**4,567.94**	**13,942.17**

(b) As at 31 March 2019 (refer note below)

(Amount Rs.in Lakhs)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net Carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(A)	(B)	(C)	(D)	E = (C-D)	(F)	G = (D-F)
Performing assets						
Standard	Stage 1	352,512.78	3,529.40	348,983.38	3,412.26	117.14
	Stage 2	1,017.38	43.59	973.79	10.17	33.42
Non Performing Assets (NPA)						
Substandard	Stage 3	1,814.16	1,814.16	-	127.62	1,686.54
Total		**355,344.32**	**5,387.15**	**349,957.17**	**3,550.05**	**1,837.10**

(c) As at I April 2018 (refer note below)

(Amount Rs.in Lakhs)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net Carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(A)	(B)	(C)	(D)	E = (C-D)	(F)	G = (D-F)
Performing assets						
Standard	Stage 1	236,823.00	2,382.11	234,440.89	2,366.68	15.43
	Stage 2	1,085.13	11.43	1,073.70	10.77	0.66
Non Performing Assets (NPA)						
Substandard	Stage 3	5,674.75	5,674.75	-	5,106.34	568.41
Total		**243,582.88**	**8,068.29**	**235,514.59**	**7,483.79**	**584.50**

Note: Since the on balance sheet loan portfolio as at 31 March 2019 and 1 April 2018 have been restated, the provision required as per IRACP norms is recomputed. Refer note 48

7.3 The Stage wise break of Loans reflected above (Refer Note 7) is given below :

(A) As at 31 March 2020

(Amount Rs.in Lakhs)

Loan Receivables	Stage I: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days	Total
i. Loans considered as Qualifying Assets	410,776.60	1,594.67	8,210.32	420,581.59
ii. Loans considered as Non Qualifying Assets	21,902.72	107.67	399.81	22,410.20
Gross Carrying Amount of Loans	**432,679.32**	**1,702.34**	**8,610.13**	**442,991.79**
Less : Impairment loss allowance	9,860.06	39.92	8,610.13	18,510.11
Net Loans	**422,819.25**	**1,662.42**	**-**	**424,481.68**

(B) As at 31 March 2019

(Amount Rs.in Lakhs)

Loan Receivables	Stage I: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days	Total
i. Loans considered as Qualifying Assets	333,606.26	931.80	1,650.39	336,188.45
ii. Loans considered as Non Qualifying Assets	18,906.52	85.58	163.77	19,155.87
Gross Carrying Amount of Loans	**352,512.78**	**1,017.38**	**1,814.16**	**355,344.32**
Less : Impairment loss allowance	3,529.40	43.59	1,814.16	5,387.15
Net Loans	**348,983.38**	**973.79**	**-**	**349,957.17**

(C) As at 01 April 2018

(Amount Rs.in Lakhs)

Loan Receivables	Stage I: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days	Total
i. Loans considered as Qualifying Assets	225,342.47	1,039.49	5,406.17	231,788.13
ii. Loans considered as Non Qualifying Assets	11,480.53	45.64	268.58	11,794.75
Gross Carrying Amount of Loans	**236,823.00**	**1,085.13**	**5,674.75**	**243,582.88**
Less : Impairment loss allowance	2,382.11	11.43	5,674.75	8,068.29
Net Loans	**234,440.89**	**1,073.70**	**-**	**235,514.59**

7.4 Reconciliation of impairment allowance on Loans (Also Refer Note 43.1)

Particulars	Amount Rs.in Lakhs
Impairment allowance as at I April 2018	**8,068.29**
Add: Impairment allowance provided in statement of Profit & Loss	2,841.96
Less: Impairment allowance Utilised for writing off Loss assets	5,523.10
Impairment allowance as at 31 March 2019	**5,387.15**
Add: Impairment allowance provided in statement of Profit & Loss	14,737.61
Less: Impairment allowance Utilised for writing off Loss assets	1,614.65
Impairment allowance as at 31 March 2020	**18,510.11**

7.5 As per RBI guidelines on Securitisation DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 updated on April 16, 2019 the details of securitisation are given below:

Particulars	31 March 2020 Numbers/Amount (Rs.)	31 March 2019 Numbers/Amount (Rs.)	01 April 2018 Numbers/Amount (Rs.)
(i) No of SPVs sponsored by the NBFC for securitisation			
a.Through Direct assignment	13.00	4.00	1.00
b.Through PTC	17.00	14.00	8.00
Total	**30.00**	**18.00**	**9.00**
(ii) Total amount of securitised assets as per books of the SPVs Sponsored (Amount Rs.in Lakhs)			
a.Through Direct assignment	107,246.23	28,733.88	137.42
b.Through Pass through Ceritificates	60,412.09	118,101.63	31,850.12
Total	**167,658.33**	**146,835.51**	**31,987.54**
(iii) Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance sheet			
a) Off-balance sheet exposures			
First loss	-	-	
Others			
b)On-balance sheet exposures (Amount Rs.in Lakhs)			
- First loss			
a. Direct Assignment			
a. Pass through Ceritificates			
- Others	26,929.02	17,841.73	5,164.00
(iv) Amount of exposures to securitisation transactions Other			
a) Off-balance sheet exposures			
i)Exposure to own securitizations			
First loss	-	-	584.97
a) Direct Assignment	-	-	-
b) Pass Through certificates			584.97
Others	-	-	
ii)Exposure to third party securitisations			
First loss	-	-	-
Others	-	-	-
b) On-balance sheet exposures			
i)Exposure to own securitisations			
First loss	9,924.66	9,632.29	3,240.53
Others	-	-	
ii) Exposure to third party securitisations			
First loss	-	-	-
Others	-	-	-

7.6 Details of Financial Assets sold to Securitisation Company

(Amount Rs.in Lakhs)

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019	For the Year ended 01 April 2018
Total number of loan assets securitized during the	**1,016,474.00**	**1,065,278.00**	**370,839.00**
a.Through Direct assignment (no. of accounts)	691,762.00	253,895.00	-
b.Through PTC (no. of accounts)	324,712.00	811,383.00	370,839.00
Book value of loan assets securitized during the year	**205,699.59**	**199,637.90**	**54,895.62**
a.Through Direct assignment	140,592.85	43,336.00	-
b.Through PTC	65,106.74	156,301.90	54,895.62
Sale consideration received during the year	**186,451.23**	**180,282.56**	**49,731.61**
a.Through Direct assignment	127,463.62	39,002.40	-
b.Through PTC	58,987.61	141,280.16	49,731.61
MFI Loans Subordinated as Credit Enhancement on Assets Derecognised	**19,248.36**	**19,355.34**	**5,164.01**
a.Through Direct assignment	13,129.23	4,333.60	-
b.Through PTC	6,119.13	15,021.74	5,164.01
Gain / (loss) on the securitization transaction recognised in	-	-	-
a.Through Direct assignment	-	-	-
b.Through PTC	-	-	-
Gain / (loss) on the securitization transactions deferred	-	-	-
a.Through Direct assignment	-	-	-
b.Through PTC	-	-	-
Quantum of Credit Enhancement provided on the transactions in the form of deposits	**9,924.66**	**9,632.29**	**3,240.53**
a.Through Direct assignment	-	-	-
b.Through PTC	9,924.66	9,632.29	3,240.53
Quantum of Credit Enhancement as at year end	**9,924.66**	**9,632.29**	**3,240.53**
a.Through Direct assignment	-	-	-
b.Through PTC	9,924.66	9,632.29	3,240.53
Interest spread Recognised in the Statement of Profit and Loss during the Year			
a.Through Direct assignment	12,590.98	2,957.18	147.12
b.Through PTC	-	-	2,068.57

8 Investments

Particulars	As at 31 March 2020 Amount Rs.in Lakhs	As at 31 March 2019 Amount Rs.in Lakhs	As at 01 April 2018 Amount Rs.in Lakhs
Investments at Fair Value through other comprehensive income			
(i) Equity instruments in India - Alpha Microfinance Consultants Private Limited	5.00	5.00	5.00
Gross Total	**5.00**	**5.00**	**5.00**
Less : Allowance for impairment loss	-	-	-
Total	**5.00**	**5.00**	**5.00**

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Notes forming part of the Financial Statements for the year ended 31 March 2020

9 Other financial assets

Particulars	As at 31 March 2020 Amount Rs.in Lakhs	As at 31 March 2019 Amount Rs.in Lakhs	As at 01 April 2018 Amount Rs.in Lakhs
(a) Security deposits	484.77	428.65	325.18
(b) Interest accrued on deposits with banks and others	1,240.07	706.22	605.72
(c) Deposit under Pradhan Mantri Garib Kalyan Yojna (PMGKY)	15.00	15.00	15.00
(d) Retained Interest on Asset Assigned (Refer Note 48)	7,273.10	1,715.22	
(e) Others	1,849.17	1,053.45	775.28
Total	**10,862.11**	**3,918.54**	**1,721.18**

10 Current Tax Assets (Net)

Particulars	As at 31 March 2020 Amount Rs.in Lakhs	As at 31 March 2019 Amount Rs.in Lakhs	As at 01 April 2018 Amount Rs.in Lakhs
Advance Income Tax (Net of Provisions for taxation of Rs. 20,241.45 Lakhs as at 31 March 2020 ; Rs. 10,408.85 Lakhs as at 31 March 2019 and Rs. 5,697.85 Lakhs as at 1 April 2018)	1,544.24	1,466.86	817.43
Total	**1,544.24**	**1,466.86**	**817.43**

11 Deferred Tax Assets (Net)

Particulars	As at 31 March 2020 Amount Rs.in Lakhs	As at 31 March 2019 Amount Rs.in Lakhs	As at 01 April 2018 Amount Rs.in Lakhs
Deferred Tax Assets (Net) (Refer Note 11.1)	3,424.70	1,081.58	4,288.50
Total	**3,424.70**	**1,081.58**	**4,288.50**

11.1 Current Tax and Deferred Tax

(i) Income Tax Expense (Refer Note below)

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Current tax in respect of current year	9,832.60	4,711.00
(b) Deferred tax relating to origination and reversal of temporary differences	(2,335.35)	3,195.46
Total Tax Expense recognised in statement of profit and loss	**7,497.25**	**7,906.46**

(ii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate (Refer Note below) :

Particulars	For the Year ended 31 March 2020	For the Year Ended 31 March 2019
	Amount Rs.in Lakhs	Amount Rs.in Lakhs
Profit Before tax from Operations	36,532.69	23,070.23
Income Tax using the Company's domestic Tax rate #	9,195.28	8,061.66
Effect of Income Exempt from Tax	238.37	177.39
Effect of other permanent differences	(88.91)	(33.53)
Effect on utilisation of accumulated losses during the year	-	(299.06)
Effect of change in tax rate	(1,847.49)	-
Income Tax recognised in the Statement of Profit & Loss	**7,497.25**	**7,906.46**

The tax rate used for the FY 2019-2020 and 2018-2019 reconciliations above are the Corporate tax rate of 22% and 30% respectively, applicable surcharge and cess payable by corporate entities in India on taxable profits under the Income tax act.

(iii) Income Tax on Other Comprehensive Income

Particulars	For the Year ended 31 March 2020	For the year ended 31 March 2019
	Amount Rs.in Lakhs	Amount Rs.in Lakhs
Deferred Tax		
Remeasurement of defined benefit obligation	7.82	(11.46)
Total	**7.82**	**(11.46)**

(iv) Following is the analysis of the deferred tax asset/(liabilities) presented in the Balance sheet (Refer Note below) :

(Amount Rs. in Lakhs)

Particulars	For the Year Ended 31 March 2020			
	Opening Balance	Charge/(Credit) recognised in		Closing Balance
		Recognised in profit and Loss	Recognised in OCI	
Tax effect of items constituting deferred tax assets/deferred Tax liability :				
Property, Plant and Equipment	260.80	210.19	-	50.61
Carried forward losses	-	-	-	-
Provision for Employee Benefits	286.76	101.36	7.82	193.17
Provision for Loan Receivables	1,341.38	(3,496.63)	-	4,838.01
Provision for Fraud Insurance Claim Receivable	124.23	21.19	-	103.04
Effective Interest Rate on Borrowings	120.86	(196.38)	-	317.24
Present Value Discounting of Security Deposit and Documentation Fee	127.16	(163.50)	-	290.66
Effect of implementation of Ind AS 116	-	(24.05)	-	24.05
Effective Interest Rate on PTC Loans	(1,179.61)	1,212.47	-	(2,392.08)
Total	**1,081.58**	**(2,335.35)**	**7.82**	**3,424.70**

(Amount Rs. in Lakhs)

Particulars	For the Year Ended 31 March 2019			
	Opening Balance	Charge/(Credit) recognised in		Closing Balance
		Recognised in profit and Loss	Recognised in OCI	
Tax effect of items constituting deferred tax assets/deferred Tax liability :				
Property, Plant and Equipment	199.11	(61.69)	-	260.80
Carried forward losses	1,143.46	1,143.46	-	-
Provision for Employee Benefits	241.12	(57.10)	(11.46)	286.76
Provision for Loan Receivables	2,776.88	1,435.50	-	1,341.38
Provision for Fraud Insurance Claim Receivable	22.57	(101.66)	-	124.23
Effective Interest Rate on Borrowings	87.35	(33.51)	-	120.86
Present Value Discounting of Security Deposit and Documentation Fee	86.29	(40.87)	-	127.16
Effective Interest Rate on PTC Loans	(268.28)	911.33	-	(1,179.61)
Total	**4,288.50**	**3,195.46**	**(11.46)**	**1,081.58**

Note :
The company elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by Taxation Laws (Amendment) Ordinance 2019, Accordingly the Company has recognized Provision for Income Tax for the Half year and Year ended 31 March 2020 and recognized its Deferred Tax Assets and Liabilities based on the rates prescribed in the aforesaid section. The impact of this change has been recognized in the Statement of Profit and Loss for the year ended 31 March 2020.

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Notes forming part of the Financial Statements for the year ended 31 March 2020

12
A. Current period

Amount Rs.in Lakhs

S.No.	Description	Gross Block				Accumulated Depreciation and Amortisation					Net Block	
		Balance as at 1 April 2019	Additions	Disposals	Balance as at 31 March 2020	Balance as at 1 April 2019	For the year	Eliminated on Disposal of Assets	Depreciation Adjustments	As at 31 March 2020	Balance as at 31 March 2020	Balance as at 31 March 2019
12 (a)	**Investment Property**											
1	Land	8.64	-	-	8.64	-	-	-	-	-	8.64	8.64
		8.64	**-**	**-**	**8.64**	**-**	**-**	**-**	**-**	**-**	**8.64**	**8.64**
12 (b)	**Property, plant and equipment**											
1	Computers	794.13	729.46	-	1,523.59	714.92	371.17			1,086.09	437.50	79.21
2	Furnitures & Fixtures	216.14	382.96	207.14	391.96	141.32	103.60	-	7.79	237.13	154.83	74.82
3	Leasehold Improvements	0.97	170.01		170.98	0.95	58.59			59.54	111.44	0.02
4	Office Equipments	136.97	162.86	64.77	235.06	110.53	47.67	-	-	158.20	76.86	26.44
5	Vehicles											
	- Owned	81.60		26.74	54.86	62.90	6.48	19.93		49.44	5.42	18.70
	- Taken under Finance Lease	18.41	-		18.41	12.46	0.24			12.70	5.71	5.95
		1,248.22	**1,445.29**	**298.65**	**2,394.86**	**1,043.08**	**587.75**	**19.93**	**7.79**	**1,603.10**	**791.75**	**205.14**
12 (c)	**Intangible assets**											
1	Softwares	129.45	2.35	-	131.80	108.22	20.66	-	(1.92)	130.80	1.00	21.23
2	Right of Use Asset (Refer Note below)	-	827.34	-	827.34	-	111.91	-	-	111.91	715.43	
		129.45	**829.69**	**-**	**959.14**	**108.22**	**132.57**	**-**	**(1.92)**	**242.71**	**716.43**	**21.23**
	Grand Total	**1,386.31**	**2,274.98**	**298.65**	**3,362.64**	**1,151.30**	**720.32**	**19.93**	**5.87**	**1,845.81**	**1,516.82**	**235.01**

B. Previous year (18-19)

Amount Rs.in Lakhs

S.No.	Description	Gross Block				Accumulated Depreciation and Amortisation					Net Block	
		Balance as at 1 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 1 April 2018	For the year	Eliminated on Disposal of Assets	Depreciation Adjustments	Balance as at 31 March 2019	Balance as at 31 March 2019	Balance as at 01 April 2018
12 (a)	**Investment Property**											
1	Land	8.64	-	-	8.64	-	-	-	-	-	8.64	8.64
		8.64	**-**	**-**	**8.64**	**-**	**-**	**-**	**-**	**-**	**8.64**	**8.64**
12 (b)	**Property, plant and equipment**											
1	Computers	664.64	130.30	0.81	794.13	348.19	367.35	0.62	-	714.92	79.21	316.45
2	Furnitures & Fixtures	162.48	53.75	0.09	216.14	79.35	62.05	0.08	-	141.32	74.82	83.13
3	Leasehold Improvements	0.97	-	-	0.97	0.77	0.18	-	-	0.95	0.02	0.20
4	Office Equipments	131.88	19.04	13.95	136.97	80.21	43.79	13.47	-	110.53	26.44	51.67
5	Vehicles								-			
	- Owned	80.73	0.87	-	81.60	62.79	0.11	-	-	62.90	18.70	17.94
	- Taken under Finance Lease	194.58	-	176.17	18.41	35.09	29.07	51.70	-	12.46	5.95	159.49
		1,235.28	**203.96**	**191.02**	**1,248.22**	**606.40**	**502.55**	**65.87**	**-**	**1,043.08**	**205.14**	**628.88**
12 (c)	**Intangible assets**											
1	Softwares	55.41	74.08	0.04	129.45	22.31	85.95	0.04	-	108.22	21.23	33.10
2	CWIP - Software	40.24	-	40.24	-	-	-	-	-	-	-	40.24
		95.65	**74.08**	**40.28**	**129.45**	**22.31**	**85.95**	**0.04**	**-**	**108.22**	**21.23**	**73.34**
	Grand Total	**1,330.93**	**278.04**	**231.30**	**1,377.67**	**628.71**	**588.50**	**65.91**	**-**	**1,151.30**	**226.37**	**702.22**

Note :

Effective 1 April 2019, the Company has adopted Ind AS 116. "Leases", and applied to its Lease Contracts existing as on 1 April 2019 using the modified retrospective approach and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, the comparatives for the year ended 31 March 2019 have not been retrospectively adjusted. On transition to Ind AS 116, the Company recognised right-of-use assets amounting to Rs 29.95 Lakhs, lease liabilities amounting to Rs 31.57 Lakhs and Rs 1.62 Lakhs (debit) in retained earnings as at 1 April 2019. Further the carrying value of Right of Use (" ROU") and equivalent Lease Liability as at 31 March 2020 is Rs.715.43 Lakhs and Rs. 810.96 Lakhs respectively.

Asirvad Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March 2020

13 Other non financial assets

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Deferred Lease rental	-	8.77	12.35
(b) Goods & service tax credit (input) receivable	38.71	5.50	4.14
(c) Prepaid expenses	202.18	236.30	99.50
(d) Capital Advances	4.31	-	9.09
(e) Opex Advances	153.73	8.76	35.31
	398.93	259.33	160.39

14 Other Trade Payables

Particulars	As at 31 March 2020 Amount Rs.in Lakhs	As at 31 March 2019 Amount Rs.in Lakhs	As at 01 April 2018 Amount Rs.in Lakhs
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 37)	-	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,186.79	1,656.06	1,035.90
Total	**2,186.79**	**1,656.06**	**1,035.90**

14.1 There are no dues payable as at 31 March 2020 , 31 March 2019 and 1 April 2018 to Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. The information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

15 Debt securities (At Amortised Cost)

Particulars	As at 31 March 2020 Amount Rs.in Lakhs	As at 31 March 2019 Amount Rs.in Lakhs	As at 01 April 2018 Amount Rs.in Lakhs
(a) Redeemable Non-convertible Debentures			
- Secured	33,013.06	32,331.47	43,256.27
- Unsecured	24,348.97	41,243.85	17,257.94
(b) Commercial Papers (Unsecured)	2,290.21	4,961.71	1,483.96
Total	**59,652.24**	**78,537.03**	**61,998.17**
(i) Debt securities in India	56,881.96	78,537.03	61,998.17
(ii) Debt securities outside India	2,770.28	-	-
Total	**59,652.24**	**78,537.03**	**61,998.17**

15.1 Details of Debentures - Secured and Unsecured, Redeemable Non-convertible Debentures (NCD's)- Redeemable at par

The NCDs are secured by charge on specific loans of the Company.

No. of Debentures	Face value	Interest Rate	Due date of redemption	No. of instalments as at 31 March 2020	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
1,000	1,000,000	12.30%	9-Aug-23	1	10,000.00	10,000.00	10,000.00
700	1,000,000	12.53%	29-Mar-21	1	7,000.00	7,000.00	7,000.00
700	1,000,000	12.48%	7-Mar-25	1	7,000.00	-	-
500	1,000,000	13.00%	30-Jun-22	1	5,000.00	5,000.00	5,000.00
50,000	10,000	11.63%	30-May-24	1	5,000.00	-	-
330	1,000,000	13.25%	19-May-21	1	3,300.00	3,300.00	3,300.00
1,000	1,000,000	11.55%	27-Nov-20	3	2,500.00	5,833.34	9,166.67
245	1,000,000	11.00%	11-Dec-20	1	2,450.00	-	-
150	1,000,000	12.42%	28-Jun-23	1	1,500.00	1,500.00	1,500.00
150	1,000,000	13.00%	15-Jul-22	1	1,500.00	1,500.00	1,500.00
100	1,000,000	11.00%	21-May-21	1	1,000.00	-	-
350	1,000,000	11.43%	22-Jun-20	1	875.00	2,625.00	-
100	1,000,000	11.43%	22-May-20	1	250.00	750.00	-
350	1,000,000	13.00%	15-Jul-22	1	3,500.00	3,500.00	3,500.00
250	1,000,000	12.00%	27-Jun-22	1	2,500.00	-	-
150	1,000,000	12.00%	30-Dec-20	1	1,500.00	-	-
284	1,000,000	10.24%	3-Mar-25	3	2,840.00	-	-
2,500	1,000,000	11.50%	31-Mar-21	4	10,666.67	11,333.33	-
750	1,000,000	11.35%	30-Sep-19	0	-	1,250.00	3,750.00
1,500	100,000	11.45%	17-Apr-19	0	-	450.00	1,500.00
15	10,000,000	13.50%	12-Jul-19	0	-	1,500.00	1,500.00
25	10,000,000	13.50%	12-Jul-22	0	-	2,500.00	2,500.00
333	1,200,000	12.80%	1-Jul-19	0	-	333.00	1,665.00
400	1,000,000	12.25%	9-Aug-19	0	-	1,200.00	2,600.00
500	1,000,000	12.84%	19-Aug-19	0	-	5,000.00	5,000.00
380	1,000,000	12.00%	1-Nov-19	0	-	3,800.00	3,800.00
1,500	1,000,000	11.42%	25-May-20	0	-	11,250.00	5,000.00
2,500	100,000	11.45%	28-Mar-19	0	-	-	1,500.00
100	1,000,000	14.50%	1-Dec-20				1,000.00
5,000	100,000	11.65%	27-Aug-20	0	-	3,750.00	-
Total				**25.00**	**68,381.67**	**83,374.67**	**70,781.67**

16 Borrowings (other than debt securities) (At Amortised Cost)

Particulars	As at 31 March 2020 Amount Rs.in Lakhs	As at 31 March 2019 Amount Rs.in Lakhs	As at 01 April 2018 Amount Rs.in Lakhs
(a) Secured			
- Term Loan from Banks	295,644.36	112,347.71	96,201.86
- Term Loan from NBFCs	19,009.05	16,306.88	30,986.56
- Finance Lease obligations	-	8.98	95.51
- Cash credit / Overdraft facilities from banks	-	0.28	-
(b) Unsecured			
- Term Loan from NBFCs	5,037.65	5,035.62	7,552.97
(c) Borrowings under securitisation arrangement (Refer Note 48)	59,087.77	118,153.96	31,835.31
Total	**378,778.83**	**251,853.43**	**166,672.21**
Borrowings in India	378,778.83	251,853.43	166,672.21
Borrowings outside India	-	-	-
Total	**378,778.83**	**251,853.43**	**166,672.21**

16.1 Security on Term Loans from Banks and Others

All loans are secured by hypothecation of Micro Finance Loans. Further, the Company has provided a specific lien on deposits with Banks (Refer (a) below) and also have deposits with other NBFCs for Term Loans (Refer (b) below)

Particulars	As at 31 March 2020 Amount Rs.in Lakhs	As at 31 March 2019 Amount Rs.in Lakhs	As at 01 April 2018 Amount Rs.in Lakhs
(a) Deposits with Banks & Others	18,967.17	16,104.19	8,275.44
(b) Deposits with NBFCs	145.00	120.00	295.00
Total	**19,112.17**	**16,224.19**	**8,570.44**

16.2 Details of Terms of Repayment- Term Loans from Banks and Others

(a) As at 31 March 2020

Particulars	As at 31 March 2020 Amount Rs.in Lakhs	Number of Remaining Instalments	Maturity	
			< 1 Year	> 1 Year
Base Rate+Spread	267,444.82	1 to 36	146,701.00	120,743.82
Fixed	112,066.24	1 to 23	71,692.28	40,373.96
TOTAL	**379,511.06**		**218,393.28**	**161,117.77**

(b) As at 31 March 2019

Particulars	As at 31 March 2019 Amount Rs.in Lakhs	Number of Remaining Instalments	Maturity	
			< 1 Year	> 1 Year
Base Rate+Spread	93,201.11	1 to 36	64,943.11	28,258.00
Fixed	158,606.17	1 to 23	111,924.30	46,681.87
TOTAL	**251,807.28**		**176,867.41**	**74,939.87**

(c) As at 01 April 2018

Particulars	As at 1 April 2018 Amount Rs.in Lakhs	Number of Remaining Instalments	Maturity	
			< 1 Year	> 1 Year
Base Rate+Spread	61,596.56	1 to 36	35,532.86	26,063.70
Fixed	73,054.00	1 to 23	52,310.38	20,743.62
TOTAL	**134,650.56**		**87,843.24**	**46,807.32**

16.3 Details of Cash Credit from Bank - Secured

(a) The cash credit facility is secured by hypothecation of Microfinance Loans
(b) The Company has not defaulted in the repayment of dues to Banks and NBFC's.
(c) The details of interest rate, tenor, repayment terms of the Short Term Borrowings are as follows:

(Amount Rs.in Lakhs)

Repayment Terms	Interest Rate	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Repayable on Demand	0.00%	-	0.28	-

16.4 (i) Details of Commercial Paper - Unsecured

(Amount Rs.in Lakhs)

Particulars	Rate of interest	Terms of repayments	As at 31 March 2020
Issued to Others (Anand Rathi)	10.3%	365 Days	2,500

(Amount Rs.in Lakhs)

Particulars	Rate of interest	Terms of repayments	As at 31 March 2019
Issued to Others (Invesco)	9.80%	62 Days	5,000

(Amount Rs.in Lakhs)

Particulars	Rate of interest	Terms of repayments	As at 1 April 2018
Issued to Others (Credit Suisse)	9.00%	60 Days	1,500

(ii) Details of Commercial Paper issued/repaid during the current year ended 31 March 2020

Particulars	Tenor (Days)	Discount rate (per annum)	Date of Transaction	Redemption Date
CP-Invesco	65	9.35%	24-Apr-19	28-Jun-19
CP-Anand Rathi	333	11.10%	3-May-19	18-Mar-20
CP-15-CP-Utkarsh	62	9.16%	12-Jun-19	13-Aug-19
CP-Utkarsh SFB	34	7.25%	27-Aug-19	30-Sep-19
CP Utkarsh SMF	87	7.95%	4-Oct-19	30-Dec-19
CP-Anand Rathi Global Finance Ltd	365	10.30%	25-Feb-20	24-Feb-21
CP-Invesco	62	9.80%	26-Feb-19	29-Apr-19

(iii) Details of Commercial Paper issued/repaid during the current year ended 31 March 2019

Particulars	Tenor (Days)	Discount rate (per annum)	Date of Transaction	Redemption Date
CREDIT SUISSE	60	9.00%	15-Mar-18	14-May-18
SURYODAY	70	9.00%	12-Apr-18	21-Jun-18
SURYODAY-08082018	51	8.95%	8-Aug-18	28-Sep-18
L&T Mututal Fund	33	8.85%	23-Aug-18	25-Sep-18
CP- SBI Mutual Fund	91	10.85%	4-Dec-18	5-Mar-19
CP- Anand Rathi	108	10.85%	4-Dec-18	22-Mar-19
CP-Kangra Central Coop Bank	100	9.15%	18-Dec-18	28-Mar-19
CP-Invesco	62	9.80%	26-Feb-19	29-Apr-19

(iv) Details of Commercial Paper issued/repaid during the current year ended 01 April 2018

Particulars	Tenor (Days)	Discount rate (per annum)	Date of Transaction	Redemption Date
Caspian Impact Invetsments	120	9.00%	20-Sep-17	18-Jan-18
Caspian Impact Invetsments	120	9.00%	20-Sep-17	18-Jan-18
Utkarsh Small Finance Bank	100	9.00%	20-Nov-17	28-Feb-18
Au Small Finance Bank	91	9.00%	5-Dec-17	6-Mar-18
Credit Suisse	60	9.00%	15-Mar-18	14-May-18

Asirvad Microfinance Limited
Notes forming part of the Financial Statements for the year ended 31 March 2020

17 Subordinated Liabilities

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
Redeemable Non-Convertible Debentures (Unsecured) - Subordinated Debt (At Amortised Cost)	11,633.90	11,414.15	11,407.06
Total	**11,633.90**	**11,414.15**	**11,407.06**

18 Other financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Interest payable on assets securitised	2,992.56	784.41	-
(b) Outstanding Lease Liability (Refer Note 32)	810.96	-	-
(c) Other payables	158.60	102.59	525.57
Total	**3,962.12**	**887.00**	**525.57**

19 Provisions

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Provision for Compensated Absences (Refer Note 33)	343.47	236.48	184.29
(b) Provision for Gratuity (Refer Note 33)	30.84	-	-
Total	**374.31**	**236.48**	**184.29**

20 Other non financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Statutory dues payable	318.44	477.62	327.81
(b) Deferred Lease Rentals	-	-	1.77
(c) Other Payables	1,365.59	262.16	246.67
(d) Advance from customers (Refer Note 50)	29,021.45	-	-
Total	**30,705.48**	**739.78**	**576.25**

Asirvad Microfinance Limited
Notes forming part of the Financial Statements for the year ended 31 March 2020

21 Equity Share Capital

Particulars	As at 31 March 2020		As at 31 March 2019		As at 01 April 2018	
	Number of shares	Amount Rs.in Lakhs	Number of shares	Amount Rs.in Lakhs	Number of shares	Amount Rs.in Lakhs
(a) Authorised						
Equity shares of Rs.10/- each	100,000,000	10,000.00	100,000,000	10,000.00	40,000,000	4,000.00
Cumulative Redeemable Non-Convertible Preference shares of Rs.100/- each	1,000,000	100.00	1,000,000	100.00	1,000,000	100.00
TOTAL	**101,000,000**	**10,100.00**	**101,000,000**	**10,100.00**	**41,000,000**	**4,100.00**
(b) Issued , Subscribed and Fully Paid Up Equity shares of Rs.10/- each	53,311,887	5,331.19	53,311,887	5,331.19	32,074,860	3,207.49
TOTAL	**53,311,887.00**	**5,331.19**	**53,311,887**	**5,331.19**	**32,074,860**	**3,207.49**

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Equity Shares	As at 31 March 2020		As at 31 March 2019		As at 01 April 2018	
	Number of shares	Amount Rs.in Lakhs	Number of shares	Amount Rs.in Lakhs	Number of shares	Amount Rs.in Lakhs
At the beginning of the period/year	53,311,887	5,331.19	32,074,860	3,207.49	26,276,636	2,627.67
Issued during the period/year (Refer Note 21.1 below)	-	-	21,237,027	2,123.70	5,798,224	579.82
Outstanding at the end of the period/year	**53,311,887**	**5,331.19**	**53,311,887**	**5,331.19**	**32,074,860.00**	**3,207.49**

21.1 During the year ended ended 31 March 2020, the company has not issued any equity shares. During the year ended 31 March 2019, the Company has issued 1,04,88,777 equity shares of Rs.10 each at a premium of Rs.85.34 per equity share through Rights Issue on 27 April 2018 and 1,07,48,250 equity shares of Rs. 10 each at a premium of Rs. 242 per share on 16 March 2019 respectively.

(ii) Details of shares held by the holding company:

Class of shares / Name of shareholder	As at 31 March 2020		As at 31 March 2019		As at 01 April 2018	
	No of shares held	% holding in the class of shares	No of shares held	% holding in the class of shares	No of shares held	% holding in the class of shares
Equity Shares of Rs. 10 each						
Manappuram Finance Limited (the Holding Company)	49,757,889	93.33%	49,757,889	93.33%	28,992,800	90.39%

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2020		As at 31 March 2019		As at 01 April 2018	
	No of shares held	% holding in the class of shares	No of shares held	% holding in the class of shares	No of shares held	% holding in the class of shares
Equity Shares of Rs. 10 each						
Mr. S V Raja Vaidyanathan	3,127,966	5.87%	3,127,966	5.87%	2,741,866	8.54%
Manappuram Finance Limited	49,757,889	93.33%	49,757,889	93.33%	28,992,800	90.39%

(iv) Terms / Rights attached to Equity shares:

The Company has only one class of equity shares having a par value of Rs.10 per share. All these shares have the same rights and preferences with respect to payment of

(v) Employees Stock Option Scheme (ESOP):

During the year ended 31 March 2020, the Company introduced Employee Stock Option Scheme to eligible employees of the Company w.e.f from 1 July 2019 ("Relevant Date"). Accordingly 830,000 options were issued with a graded vesting period and is outstanding as at 31 March 2020.

22 Other Equity

Particulars	As at 31 March 2020 Amount Rs.in Lakhs	As at 31 March 2019 Amount Rs.in Lakhs	As at 01 April 2018 Amount Rs.in Lakhs
(a) Capital Redemption Reserve	500.00	500.00	500.00
(b) Share Options Outstanding Reserve	22.54	20.44	13.00
(c) Statutory Reserve	9,419.28	4,712.72	1,679.97
(d) Securities Premium Account	55,810.89	55,810.89	20,849.00
(e) General Reserve	35.93	35.93	35.93
(f) Surplus in Statement of Profit and Loss	32,812.21	13,987.61	1,856.56
(g) Other Comprehensive Income (OCI)	19.84	43.08	21.83
Total	**98,620.69**	**75,110.67**	**24,956.29**

Particulars	As at 31 March 2020 Amount Rs.in Lakhs	As at 31 March 2019 Amount Rs.in Lakhs	As at 01 April 2018 Amount Rs.in Lakhs
(a) Capital Redemption Reserve			
Opening balance	500.00	500.00	500.00
Add: Additions during the year	-	-	-
Less: Utilised / transferred during the year	-	-	-
Closing Balance	**500.00**	**500.00**	**500.00**
(b) Share Options Outstanding Reserve			
Opening balance	20.44	13.00	13.00
Add : Premium on shares issued during the year	2.10	7.44	-
Less : Utilised during the year	-	-	-
Closing Balance	**22.54**	**20.44**	**13.00**
(c) Statutory Reserve			
Opening balance	4,712.72	1,679.97	1,679.97
Add: Additions during the year (Refer Note 47)	4,706.56	3,032.75	-
Less: Utilised / transferred during the year	-	-	-
Closing Balance	**9,419.28**	**4,712.72**	**1,679.97**
(d) Securities Premium Account			
Opening balance	55,810.89	20,849.00	15,900.80
Add : Premium on shares issued during the year	-	34,961.89	4,948.20
Less : Utilised during the year	-	-	-
Closing Balance	**55,810.89**	**55,810.89**	**20,849.00**
(e) General Reserve			
Opening balance	35.93	35.93	35.93
Add: Transferred from surplus in Statement of Profit and Loss	-	-	-
Less: Utilised / transferred during the year	-	-	-
Closing Balance	**35.93**	**35.93**	**35.93**
(f) Surplus in Statement of Profit and Loss			
Opening Balance	13,987.61	1,856.56	2,494.35
Less: Impact of Ind AS 116 (Refer Note 32)	1.62		
Add: Profit/(Loss) for the year	23,532.80	15,163.77	(637.79)
Less:Transfer to Statutory Reserve (Refer Note 47)	4,706.58	3,032.72	-
Closing Balance	**32,812.21**	**13,987.61**	**1,856.56**
(g) Other Comprehensive Income (OCI)			
Opening Balance	43.08	21.83	-
Add: (Loss)/Profit for the Year (Refer Note 33)	(23.24)	21.25	21.83
Less:Transfer to Statutory Reserve	-	-	-
Closing Balance	**19.84**	**43.08**	**21.83**
TOTAL (a+b+c+d+e+f+g)	**98,620.69**	**75,110.67**	**24,956.29**

Asirvad Microfinance Limited
Notes forming part of the Financial Statements for the year ended 31 March 2020

23 Interest Income

Particulars	For the Year Ended 31 March 2020 Amount Rs.in Lakhs	For the Year Ended 31 March 2019 Amount Rs.in Lakhs
(a) Interest Income from Loan:		
- Interest on Loan- Microfinance Loans	89,221.40	62,646.07
- Interest on Loan- MSME Loans	121.21	43.62
(b) Interest on deposits with Banks and Financial Institutions	1,968.94	1,373.92
(c) Other interest income	26.51	4.58
Total	**91,338.06**	**64,068.19**

23 (a) Net Gain on derecognition of Financial Instruments under amortised cost category

Particulars	For the Year Ended 31 March 2020 Amount Rs.in Lakhs	For the Year Ended 31 March 2019 Amount Rs.in Lakhs
Net Gain on derecognition of Financial Instruments under amortised cost category (Refer Note 48)	12,590.98	2,957.18
Total	**12,590.98**	**2,957.18**

23 (b) Dividend Income

Particulars	For the Year Ended 31 March 2020 Amount Rs.in Lakhs	For the Year Ended 31 March 2019 Amount Rs.in Lakhs
Dividend Income from Mutual Funds	947.06	507.64
Total	**947.06**	**507.64**

24 Other Operating Income

Particulars	For the Year Ended 31 March 2020 Amount Rs.in Lakhs	For the Year Ended 31 March 2019 Amount Rs.in Lakhs
Loss Assets recovered	629.84	1,157.47
Total	**629.84**	**1,157.47**

25 Other Income

Particulars	For the Year Ended 31 March 2020 Amount Rs.in Lakhs	For the Year Ended 31 March 2019 Amount Rs.in Lakhs
(a) Referral Fees	4,543.28	5,318.57
(b) Miscellaneous income	95.18	35.61
Total	**4,638.46**	**5,354.18**

26 Finance Cost

Particulars	For the Year Ended 31 March 2020 Amount Rs.in Lakhs	For the Year Ended 31 March 2019 Amount Rs.in Lakhs
(a) Interest on Borrowings		
- Term Loans from Banks	19,460.54	11,039.73
- Term Loans from NBFCs	2,424.98	4,309.25
- Commercial Paper	438.11	415.58
- Overdraft	0.81	1.94
(b) Interest on Debt Securities		
- Debentures & subordinated Liabilities	8,981.11	10,695.66
- Borrowings under securitisation arrangement (Refer Note 48)	8,956.58	2,757.85
(c) Others Interest Expense		
- Interest on Finance Lease Obligations	92.63	5.63
(d) Other Borrowing Costs		
- Loan Processing Fees	212.62	419.64
- Bank Charges	376.48	249.39
	40,943.86	**29,894.67**

27 Impairment of financial instruments

Particulars	For the Year Ended 31 March 2020 Amount Rs.in Lakhs	For the Year Ended 31 March 2019 Amount Rs.in Lakhs
Loans (Refer Note 7.4 and 43)	14,737.61	2,841.96
Total	**14,737.61**	**2,841.96**
Less : Exceptional Item (Also Refer Note 50)	5,502.64	-
Total	**9,234.97**	**2,841.96**

Note : The above impairment of financial instruments includes loan assets written off during year aggregating Rs. 1,614.65 Lakhs and Rs.5,523.09 Lakhs for the year ended 31 March 2020 and 31 March 2019 respectively.

28 Employee Benefit Expenses

Particulars	For the Year Ended 31 March 2020 Amount Rs.in Lakhs	For the Year Ended 31 March 2019 Amount Rs.in Lakhs
(a) Salaries and Wages	13,414.23	10,244.11
(b) Contributions to Provident and Other Funds (Refer note 33)	1,161.77	672.73
(c) Share based payments to Employees	2.10	7.44
(d) Staff Welfare Expenses	437.73	423.91
Total	**15,015.83**	**11,348.19**

29 Other expenses

Particulars	For the Year Ended 31 March 2020 Amount Rs.in Lakhs	For the Year Ended 31 March 2019 Amount Rs.in Lakhs
(a) Electricity	101.62	86.32
(b) Rent including Lease Rentals (Refer Note 32)	1,209.40	1,047.88
(c) Directors commission	77.00	60.00
(d) Repairs and Maintenance	40.61	62.90
(e) Insurance	363.65	75.86
(f) Rates and Taxes	31.05	49.21
(g) Communication Expenses	450.35	280.31
(h) Travel and Conveyance	2,153.84	2,226.04
(i) Printing and Stationery	289.97	459.43
(j) Directors' Sitting Fees	20.49	13.79
(k) Business Promotion	7.86	9.72
(l) Expenditure towards Corporate Social Responsibility (Refer Note 46)	150.57	58.77
(m) Legal and Professional Fees	663.69	452.18
(n) Provision for Insurance Claim Receivable	86.31	273.12
(o) Subscription Charges	44.11	11.27
(p) Software Costs	944.10	639.35
(q) Security Charges	20.65	12.27
(r) House Keeping Expenses	155.73	120.91
(s) Office Expenses	92.91	53.70
(t) Loss on Sale of Property, Plant & Equipment (Net)	-	2.21
(u) Payments to Statutory Auditors' (net of input tax credit)		
- Statutory Audit	18.00	18.00
- Tax Audit	2.00	2.00
- Other Services (Limited Review, Interim Audit and Certification)	8.70	25.50
- Out of Pocket expenses	0.73	0.83
(v) Miscellaneous Expenses	769.26	259.54
Total	**7,702.60**	**6,301.11**

30 Segment Reporting

The Company is engaged in extending micro credit advances to poor women, who are otherwise unable to access finance from the mainstream banking channels. Based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the Chief Operating Decision Marker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by the overall business segment, i.e. Microfinance Loans. As the allocation of resources and profitability of the business is evaluated by the CODM on an overall basis, with evaluation into individual categories to understand the reasons for variations, no separate segments have been identified. Accordingly no additional disclosure has been made for the segmental revenue, segmental results and the segmental assets & liabilities.

31 Earnings per share

Basic and Diluted earnings per share :

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

Particulars	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
(a) Net Profit attributable to Equity Shareholders - Rs. in lakhs (Basic and Diluted)	23,532.80	15,163.77
(b) Weighted average number of equity shares in calculating basic Earnings Per Share (Nos.)	53,311,887.00	42,287,647.41
(c) Earnings per share - Basic and Diluted - Rs.	44.14	35.86

32 Leases

The Company has adopted Ind AS 116 'Leases' with the date of initial application being 1 April 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019. As a result, the comparative information has not been restated. In adopting Ind AS 116, the Company
has applied the below practical expedients:

(a) The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics
(b) The Company has treated the leases with remaining lease term of less than 12 months as if they were "short term leases"
(c) The Company has not applied the requirements of Ind AS 116 for leases of low value assets
(d) The Company has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition
(e) The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease

On transition to Ind AS 116, the Company recognised right-of-use assets amounting to Rs 29.95 Lakhs, lease liabilities amounting to Rs 31.57 Lakhs and Rs 1.62 Lakhs (debit) in retained earnings as at 1 April 2019. The Company has discounted lease payments using the applicable incremental borrowing rate as at April 1, 2019, which is 12% for measuring the lease liability.

(a) Reconciliation of operating lease commitments as at March 31, 2020 with the lease liabilities recognized in the Balance Sheet as at April 1, 2019

Particulars	Amount Rs. in Lakhs
Operating lease commitment at 31 March 2019	564.85
Discounted using the incremental borrowing rate at 1 April 2019	560.57
Recognition exemption for:	
(i) Short term leases	529.00
(ii) Leases of low value assets	
Lease liabilities recognised at 1 April 2019	**31.57**

(b) Impact of adoption of Ind AS 116 on retained earnings:

Particulars	Amount Rs. in Lakhs
Recognition of Lease Liability	31.57
Recognition of Right of Use of Asset	(29.95)
Impact on retained earnings as at April 1, 2019	**1.62**

(c) Impact of adoption of Ind AS 116 on the statement of profit and loss

(Amount Rs. In Lakhs)

Particulars	For the year ended 31 March 2020
Depreciation expense on right-of-use assets	111.91
Interest expense on lease liabilities	92.29
Deferred tax (credit)	(24.05)
Impact on the statement of profit and loss for the year	**180.15**

(d) Details of Income/Expense recognised in the statement of Profit and Loss :

(Amount Rs. In Lakhs)

Particulars	For the year ended 31 March 2020
Depreciation expense on right-of-use assets	111.91
Interest expense on lease liabilities	92.29
Deferred tax (credit)	(24.05)
Lease expense on Low Value Assets / Short term assets	1,209.40

(d) Maturity analysis of Lease Liabilities

(Amount Rs. In Lakhs)

Particulars	As at 31 March 2020
Year 1	163.63
Year 2	124.50
Year 3	121.54
Year 4	101.13
Year 5	90.05

33 Employee benefits

33.1 Defined Contribution Plan

(a) The Company makes Provident and Pension Fund contributions, which is a defined contribution plan, for qualifying employees. Additionally, the Company also provides, for covered employees, health insurance through the Employee State Insurance scheme. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(b) Expenses Recognised

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(a) Included under 'Contributions to Provident and Other Funds' (Refer Note 28)		
Contributions to provident and pension funds	1,161.77	672.73
(b) Included under 'Staff Welfare Expenses' (Refer Note 28)		
Contributions to Employee State Insurance	303.52	309.47

33.2 Compensated Absences

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Included under "Salaries & Wages" (Refer Note 28)	213.27	138.83

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
(b) Net asset / (liability) recognised in the Balance Sheet	1,126.34	498.64	430.96
Current portion of the above	867.42	323.02	293.30
Non - current portion of the above	258.92	175.62	137.66

The Key Assumptions used in the computation of provision for compensated absences are as given below:

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Discount Rate (% p.a)	6.48%	7.35%	7.60%
Future Salary Increase (% p.a)	10.00%	10.00%	10.00%
Attrition Rate	16.00%	16.00%	16.00%

33.3 Defined Benefit Plans:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is calculated as per the Payment of Gratuity Act, 1972 and the benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

In respect of the plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31 March 2020 by Mr. Arunachalam Rajaraman, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and paid service cost, were measured using the projected unit cost credit method.

(a) Amount recognised in the statement of profit & loss in respect of the defined benefit plan are as follows :

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Amounts recognised in statement of Profit & Loss in respect of these defined benefit plans are as follows:		
Service Cost		
- Current Service Cost	181.11	152.05
- Net interest expense	(7.06)	(5.90)
Components of defined benefit costs recognised in statement of profit or loss (A)	**174.05**	**146.15**
Actuarial (gain)/loss on Plan Obligations	(17.04)	35.36
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	(14.02)	(2.65)
Components of defined benefit costs recognised in other comprehensive income (B)	**31.06**	**(32.71)**
Total	**205.11**	**113.44**

(i) The current service cost and interest expense for the year are included in the Note 28 - Employee Benefit Expenses in the statement of profit & loss under the line contribution to provident and other funds.

(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income.

(b) The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows :

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
I. Net (Liability) recognised in the Balance Sheet			
Present value of defined benefit obligation	599.22	385.30	265.25
Fair value of plan assets	568.41	399.30	291.61
Net (Liability) recognised in the Balance Sheet	(30.81)	14.00	26.36
Current portion of the above	-	-	-
Non current portion of the above	(30.81)	14.00	26.36

(c) Movement in the present value of the defined benefit obligation are as follows :

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Change in the obligation during the year ended		
Present value of defined benefit obligation at the beginning of the year	385.30	265.25
Expenses Recognised in Profit and Loss Account		
- Current Service Cost	181.11	152.05
- Past Service Cost	-	-
- Interest Expense (Income)	28.42	19.72
Remeasurement gains / (losses)		
- Effect of Changes in Financial Assumptions	37.69	4.57
- Effect of Experience Adjustments	(20.65)	(39.93)
Benefit payments	(12.65)	(16.36)
Present value of defined benefit obligation at the end of the year	**599.22**	**385.30**

(i) The weighted average duration of the benefit obligation at 31 March 2020 is 10.873 years (As at 31 March 2019 is 11.059 years, As at 1 April 2018 is 11.16 years).

(d) Movement in fair value of plan assets are as follows :

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Change in fair value of assets during the year		
Fair value of plan assets at the beginning of the year	399.30	291.61
Expenses Recognised in Profit and Loss Account		
- Expected return on plan assets	35.48	25.62
Remeasurement gains / (losses)		
- Actuarial gains/(loss) arising from changes in financial assumptions	(14.02)	(2.65)
Contributions by employer (including benefit payments recoverable)	160.30	101.08
Benefit payments	(12.65)	(16.36)
Fair value of plan assets at the end of the year	**568.41**	**399.30**

(e) The fair value of plan assets for India at the end of the reporting period for each category are as follows :

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Investment Funds with Insurance Company - Life Insurance Corporation of India	568.41	399.30	291.61

(i) The plan assets comprise insurer managed funds. None of the assets carry a quoted market price in active market or represent the entity's own transferable financial instruments or property occupied by the entity.

(ii) The Actual return on plan asset for the year ended 31 March 2020 was Rs.14.02 Lakhs (For the year ended 31 March 2019: Rs. 2.65 Lakhs).

(f) The principal assumptions used for the purpose of actuarial valuation were as follows :

Investment Risk:

The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Interest Risk:

A decrease in the yield of Indian government securities will increase the plan liability.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries. In particular, there is a risk for the Company that any adverse salary growth can result in an increase in cost of providing these benefits to employees in future.

The principal assumptions used for the purpose of actuarial valuation were as follows :

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Discount rate	6.58%	7.50%	7.67%
Expected rate of salary increase	10.00%	10.00%	10.00%
Withdrawal Rate	16.00%	16.00%	16.00%
Mortality	Indian Assured Lives (2006-2008)	Indian Assured Lives (2006-2008)	Indian Assured Lives (2006-2008)

1. The discount rate is based on the prevailing market yields of Indian Government securities as at balance sheet date for the estimated term of the obligation.

2. The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

3. In order to protect the capital and optimize returns within acceptable risk parameters, the plan assets are maintained with an insurer managed fund (maintained by the Life Insurance Corporation ("LIC")) and is well diversed.

Sensitivity Analysis

The benefit obligation results of such a scheme are particularly sensitive to discount rate, longevity risk, salary growth and employee attrition, if the plan provision do provide for such increases on commencement of pension.

The following table summarizes the impact in financial terms on the reported defined benefit obligation at the end of the reporting period arising on account changes in these four key parameters:

(Amount Rs. in Lakhs)

Impact on the Defined benefit Obligation	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
(a) Discount Rate			
- Increase by 50 bps	(21.02)	(13.18)	(9.03)
- Decrease by 50 bps	22.41	14.02	9.60
(b) Salary Growth Rate			
- Increase by 50 bps	21.52	13.58	9.29
- Decrease by 50 bps	(20.42)	(12.90)	(8.83)
(c) Withdrawal Rate			
- Increase by 50 bps	(13.77)	(8.63)	(6.15)
- Decrease by 50 bps	14.62	9.06	6.45
(d) Mortality Rate			
- Increase by 50 bps	(0.06)	(0.02)	(0.01)
- Decrease by 50 bps	0.06	0.02	0.01

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(h) Effect of Plan on Entity's Future Cash Flows

(i) The Company expects to make a contribution of Rs. 43.37 lakhs during the next financial year.

(ii) The weighted average duration of the benefit obligation at 31 March 2020 is 10.873 years (As at 31 March 2019 is 11.059 years).

(iv) Maturity profile of defined benefit obligation:

Expected cash flows over the next (valued on undiscounted basis):	Amount in Rs. Lakhs
Within 1 year	43.37
2 to 5 years	253.70
More than 5 years	295.20

(i) Experience Adjustments *

(Amount Rs. in Lakhs)

Experience Adjustments	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
Defined Benefit Obligation	599.22	385.30	265.25	167.44
Fair value of plan assets	568.41	399.30	291.61	94.77
Surplus/(Deficit)	(30.81)	14.00	26.36	(72.67)
Experience adjustment on plan liabilities [(Gain)/Loss]	17.04	(35.36)	(58.09)	(3.52)
Experience adjustment on plan assets [Gain/(Loss)]	(14.02)	(2.65)	(24.53)	0.87

* Experience adjustments related to prior years have been disclosed based on the information to the extent available.

Asirvad Microfinance Limited
Notes forming part of the Financial Statements for the year ended 31 March 2020

34 Related Party Transactions

34.1 Names of Related Parties and Nature of Relationship

Description of Relationship	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Key Management Personnel of the Company and Holding Company	Mr. S V Raja Vaidyanathan Managing Director	Mr. S V Raja Vaidyanathan Managing Director	Mr. S V Raja Vaidyanathan Managing Director
	Mr. Mayank Shyam Thatte Chief Financial Officer (From 06.02.2018 to 15.09.2019)	Mr. Mayank Shyam Thatte Chief Financial Officer	Mr. Mayank Shyam Thatte Chief Financial Officer (From 06.02.2018)
	Mr. Yogesh Ratnakar Udhoji Chief Financial Officer (From 16.09.2019)		Mr. Ramachandran S Chief Financial Officer (From 07.08.2017 to 06.02.2018)
		Ms. S.Simi, Company Secretary (From 01.04.2018 till 29.10.2018)	Mr. R. Govindarajan Chief Financial Officer (Till 05.08.2017)
	Mr. Anup Kumar Gupta, Company Secretary	Mr. Anup Kumar Gupta, Company Secretary (from 03.11.2018)	Ms. S.Simi Company Secretary
	Mr. V P Nandakumar - Managing Director & CEO of the Holding Company	Mr. V P Nandakumar - Managing Director & CEO of the Holding Company	Mr. V P Nandakumar - Managing Director & CEO of the Holding Company
	Mrs. Bindhu AL - Chief Financial Officer of the Holding Company	Mrs. Bindhu AL - Chief Financial Officer of the Holding Company	Mrs. Bindhu AL - Chief Financial Officer of the Holding Company
Holding Company	Manappuram Finance Limited	Manappuram Finance Limited	Manappuram Finance Limited
Entity over which Key Managerial Personnal has Significant Influence	Asirvad Development Foundation	Asirvad Development Foundation	Asirvad Development Foundation
	Proficient investment and financial consultancy pvt ltd	Not applicable	Not applicable
Group Company	Manappuram Comptech and Consultants Limited	Not applicable	Not applicable
	Manappuram Foundation	Not applicable	Not applicable
Directors	Mr. A Ramanathan	Mr. A Ramanathan	Mr. Raveendra Babu
	Mr. Abhijit Sen	Mr. D.R. Dogra	Mrs. Kalpana Iyer
	Mr. D.R. Dogra	Mr. Gautam Saigal	Mr. Gautam Saigal
	Mr. Gautam Saigal	Ms. Pushya Sitaraman	Mr. A Ramanathan
	Ms. Pushya Sitaraman	Mr. T. Balakrishnan	Mr. Rajiven Vayavil Ravindran
	Mr. Subrata Kumar Atindra Mitra	Mr. T.M. Manoharan	Mr. D.R. Dogra
	Mr. T. Balakrishnan	Mr. V.R. Rajiven	Mr. Shailesh Jayantilal Mehta
	Mr. T.M. Manoharan	Mr. Raveendra Babu	
	Mr. V.R. Rajiven		

Note: Related party relationships are as identified by the Management.

34.2 Transactions with the Related Parties

(Amount Rs.in Lakhs)

Transaction	Related Party	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019
Remuneration to Key Managerial Personnel	Mr. S V Raja Vaidyanathan	286.08	291.72
	Mr. Yogesh Ratnakar Udhoji	33.00	
	Mr. Mayank Shyam Thatte	42.64	62.02
	Ms. S.Simi, Company Secretary	-	8.87
	Mr. Anup Kumar Gupta	13.92	5.50
Donation	Asirvad Development Foundation	15.00	25.77
	Manappuram Foundation	121.00	
Issue of Rights Share (Including Securities Premium)	Manappuram Finance Limited	-	36,204.74
	Mr. S V Raja Vaidyanathan	-	709.63
	Mr. V P Nandakumar	-	73.13
Interest on Loan	Manappuram Finance Limited	0.65	-
Rent	Proficient Investment And Financial Consultancy Pvt Ltd	4.96	-
Software Expense	Manappuram Comptech and Consultants Limited	15.78	-
Sitting Fees	Mr. A Ramanathan	5.66	3.42
	Mr. Abhijit Sen	0.30	-
	Mr. D.R. Dogra	3.48	2.24
	Mr. Gautam Saigal	3.66	2.66
	Ms. Pushya Sitaraman	2.01	0.59
	Mr. Subrata Kumar Atindra Mitra	0.30	-
	Mr. T. Balakrishnan	3.60	2.12
	Mr. T.M. Manoharan	2.30	1.18
	Mrs. Kalpana Iyer	-	0.47
	Mr. Shailesh J Mehta	-	0.65
	Mr. V.R. Rajiven	0.89	1.59
Commission	Mr. A Ramanathan	11.80	-
	Mr. D.R. Dogra	11.80	-
	Mr. Gautam Saigal	11.80	-
	Ms. Pushya Sitaraman	1.88	-
	Mr. T. Balakrishnan	11.80	-
	Mr. T.M. Manoharan	11.80	-
	Mr. V.R. Rajiven	11.80	-

(Amount Rs.in Lakhs)

Transaction	Related Party	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Balance as at Year End				
Rent Payable	Proficient Investment And Financial Consultancy Pvt Ltd	0.38	-	-
Software Expense Payable	Manappuram Comptech and Consultants Limited	10.67	-	-
Other Receivable	Manappuram Finance Limited	-	-	35.88

Note:

(a) The Company accounts for costs incurred by / on behalf of the Related Parties based on the actual invoices / debit notes raised and accruals as confirmed by such related parties.

(b) The Related Parties have confirmed to the Management that as at 31 March 2020, 31 March 2019 and 1 April 2018 there are no further amounts payable to / receivable from them, other than as disclosed above.

(c) The above compensation to key management personnel excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

(d) The transactions during the period are inclusive of GST.

(e) Expense recognised as director sitting fee in the statement of profit and loss is Rs. 20.49 Lakhs (for FY 2018- 19 is Rs. 13.79) which is net of input tax credit.

35 Financial Instruments

35.1 Capital Management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure. For the purpose of the Company's capital management, capital includes equity share Capital and Other Equity. Debt includes term loans from banks, NBFC and debentures net of Cash and bank balances. The Company monitors capital on the basis of the following gearing ratio. There is no change in the overall capital risk management strategy of the Company compared to last year.

Gearing Ratio :

(Amount Rs. In Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Borrowings	450,064.97	341,804.61	208,242.13
Cash and Bank Balance	(119,951.77)	(52,590.02)	(19,026.25)
Net Debt (A)	**330,113.20**	**289,214.59**	**189,215.88**
Total Equity (B)	103,951.88	80,441.86	28,163.78
Net Debt to equity ratio (A/B)	**3.18**	**3.60**	**6.72**

35.2 Categories of Financial Instruments

The carrying value of the financial instruments by categories as on 31 March 2020, 31 March 2019 and 01 April 2018 are as follows:

(Amount Rs. In Lakhs)

Particulars	Carrying Value			Fair Value		
	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
(a) Financial Assets Measured at Fair value through profit & Loss						
- Loans	434,327.51	349,904.85	203,461.22	434,327.51	349,904.85	203,461.22
Measured at amortised cost						
- Cash and Bank balance	139,063.94	68,814.21	27,596.69	139,063.94	68,814.21	27,596.69
- Other financial assets	10,862.11	3,918.54	2,174.76	10,862.11	3,918.54	2,174.76
- Loan given to staff	102.30	80.41	53.46	102.30	80.41	53.46
						-
(a) Financial Assets Measured at Fair value through OCI						
- Investments	5.00	5.00	5.00	5.00	5.00	5.00
	584,360.86	**422,723.01**	**233,291.13**	**584,360.86**	**422,723.01**	**233,291.13**
(b) Financial Liabilities :						
Measured at amortised cost						
- Borrowings	450,064.97	240,077.44	208,242.13	450,064.97	240,077.44	208,242.13
- Trade payables	2,186.79	1,035.90	1,035.90	2,186.79	1,035.90	1,035.90
- Other financial liabilities	3,962.12	1,512.82	1,512.82	3,962.12	1,512.82	1,512.82
	456,213.88	**242,626.16**	**210,790.85**	**456,213.88**	**242,626.16**	**210,790.85**

The management assessed that fair value of Loans other receivables, cash and cash equivalents, other financial assets, borrowings, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

'The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estmate the fair value/amortized cost

The amortized cost of the Company's interest-bearing borrowings are determined by using the Effective Interest method. The own non-performance risk as at 31 March 2020 was assessed to be insignificant.

There were no items of financial assets or financial liabilities which were valued at fair value as of 31 March 2020 , 31 March 2019 and 1 April 2018

36 Financial Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages financial risk relating to the operations through internal risk reports which analyse exposure by degree and magnitude of risk. These risks include market risk (including interest rate risk and other price risk) and liquidity risk. Compliance with policies and exposure limits is reviewed by the management on a continuous basis.

36.1 (a) Liquidity Risk Management :

Liquidity risk refers to the risk that the Company cannot meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Company maintains adequate reserves and banking facilities, and continuously monitors the forecast and actual cash flows by matching maturing profiles of financial assets and financial liabilities in accordance with the approved risk management policy of the Company periodically. The Company believes that the working capital (including banking limits not utilised) and its cash and cash equivalent are sufficient to meet its short and medium term requirements.

Liquidity and Interest Risk Tables :

Refer Note 40.3 which details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The contractual maturity is based on the earliest date on which the Company may be required to pay.

36.2 (b) Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The Company is exposed to two types of market risk as follows:

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

We are subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest ratesfor different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropraitely.

The Company has Board Approved Asset Liability Management (ALM) policy for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

Price Risk

The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surpluses in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

36.3 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The Management considers that the carrying amount of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

36.4 Offsetting of financial assets and financial liabilities

The Company has not offset financial assets and financial liabilities.

37 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Based on and to the extent of information received by the Company from the suppliers during the year regarding their status under the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars for the years ended 31 March 2020 , 31 March 2019 and 1 April 2018 are furnished below:

(Amount Rs. In Lakhs)

Particulars	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019	For the Year Ended 01 April 2018
Principal amount remaining unpaid to any supplier as at the end of the accounting year.	-	-	-
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
The amount of interest due and payable for the year.	-	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-	-

Note:
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

38 Commitments and Contingencies

(Amount Rs. In Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
A. Contingent Liabilities:			
(i) Income Tax			
- Income Tax (A.Y. 2015-16)	1,124.50	1,124.50	1,124.50
- Income Tax (A.Y. 2016-17)	1,978.91	1,978.91	-
- Income Tax (A.Y. 2017-18)	1,521.37		-
B. Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for:			
- Intangible Assets	-	20.35	20.35

A) Income Tax

Income Tax (A.Y. 2015-16)

During the FY1718, the Company has received an Assessment order under Section 143(3) for the AY 2015-16 with a demand of Rs. 1,124.49 Lakhs by taxing the receipt of share premium amount received by the Company as unexplained cash credits, expense claimed towards employee stock option scheme and disallowance of depreciation under Section 32 of the Income Tax Act, 1961.

The Company has filed appeals against the above with the Commissioner of Income Tax - Appeals. Based on professional advice, the company strongly believe that case will be decided in their favour and hence no provision has been considered. However In the FY1718 the Company has paid an amount of Rs. 224.90 Lakhs being 20% of the total demand and the same has been disclosed as part of Deposit under protest

Considering the fact that, the ground of order received for AY 2015-16 is similar to order received for AY 2011-12 and AY 2014-15 for which the Company has received favourable order from CIT(A), the Company expects a favourable order to received for AY 2015-16 also. Further, outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals.

Income Tax (A.Y. 2016-17)

During the FY18- 19, the Company has received an Assessment order under Section 143(3) for the AY 2016-17 with a demand of Rs. 1,978.90 Lakhs by taxing the receipt of share premium amount received by the Company as unexplained cash credits under Section 56(2)(viib) of the Income Tax Act, 1961.

The Company has filed appeals against the above with the Commissioner of Income Tax - Appeals. Based on professional advice, the company strongly believe that case will be decided in their favour and hence no provision has been considered. However In the FY1718 the Company has paid an amount of Rs. 395.78 Lakhs being 20% of the total demand and the same has been disclosed as part of Deposit under protest

Considering the fact that, the ground of order received for AY 2016-17 is similar to order received for AY 2011-12 and AY 2014-15 for which the Company has received favourable order from CIT(A), the Company expects a favourable order to received for AY 2015-16 also. Further, outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals.

Income Tax (A.Y. 2017-18)

During the year ended 31 March 2020, the accounting for securitisation transaction was governed by guidelines issued by the Reserve Bank of India vide its Master Direction on Non-Banking Financials – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016. Accordingly company has recorded securitization and assignment transactions during the year. At the time of regular assessment, Assessing Officer disallowed finance cost on above securitization and assignment transactions and added the same to our total income on the ground that company had made true sale of the securitized assets by derecognizing the assets from its financials and therefore there cannot be any loan or associated financial cost and raised demand of Rs.1,424.27 Lakhs in this regard. Company had received advice from tax counsel to contest the above demand as the company's accounting of transactions is in line with RBI's extant guidelines

Assessing officer disallowed Demonetized currencies deposited to bank account subsequent to 8th November 2016 and added the same under Income from Other Sources as unexplained money u/s 69A pf Income Tax Act on the ground that it is in contravention of SBN Cessation of Liabilities Act 2018 and SC judgement in earlier cases regarding the source of cash and had raised demand of Rs.97.09 Lakhs in this regard. Company is advised by Tax Counsel to contest this demand by Tax counsel on the ground that there is no specific provision in the Income Tax Act to tax the amounts received as Demonetized currencies.

The company had filed appeals against both the demands above with the Commissioner of Income Tax-Appeals. Based on professional advice, the company strongly believes that the case will be decided in their favour and hence no provision has been considered. However, in the financial year 2019-20, the company had paid an amount of Rs.304.27 Lakhs, being 20% of the above total demands and the same has been disclosed as part of Deposit under Protest. Further, outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals

39 Disclosure Pursuant to Reserve Bank of India Notification DNBR (PD) CC No. 002/03.10.001/2014-15 dt. 10 November 2014

39.1 Customer Complaints

(a)	No. of complaints pending as on 1 April 2019	2.00
(b)	No. of complaints received during the year	4,334
(c)	No. of complaints redressed during the year	4,307
(d)	No. of complaints pending as on 31 March 2020	27

39.2 Details of Registration with Financial Regulators

S.No	Regulator	Registration No.
1	Ministry of Company Affairs	CIN:U65923TN2007PLC064550
2	Reserve Bank of India	N-07-00769 dated 4 October 2013

39.3 Ratings assigned by Credit Rating Agencies

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Commercial paper	A1+ (CRISIL)	CRISIL A1+	CRISIL A1+/Stable
Long Term Bank Facilities	AA-/Stable (CRISIL) A+ / Stable(CARE)	CRISIL A+/Positive CARE A+ / Stable	CRISIL A+/Stable
Long term Non-Convertible Debentures	AA-/Stable (CRISIL)	CRISIL A+/Positive CARE A+ / Stable	ICRA A (Stable) CRISIL A+/Stable CARE A+
MFI Grading	MFI 1(CARE)	MFI 1 (MFI One) - CARE	MFI 1 (MFI One) - CARE
Subordinated Debt	AA-/Stable (CRISIL)	CRISIL A+ / Positive	CRISIL A+ Stable
Market Linked Debentures	AA-r /Stable (CRISIL)	Not applicable	Not applicable

39.4 Concentration of Advances, Exposures and NPA's

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Total Advances and Exposures to twenty largest borrowers Total Exposure to top four NPA accounts Percentage of Advances and Exposures to twenty largest borrowers to Total Advances of the NBFC	Refer Note below	Refer Note below	Refer Note below

Note: The Company operates in the business of microfinance providing collateral free loans for fixed amounts ranging from Rs. 20,000 to Rs. 45,000 to women engaged in various income generating activities. As at 31 March 2020, the Company has provided loans to more than 19.96 lakhs women and hence, the disclosure relating to concentration to advances, exposures and NPA's are not applicable to the Company.

39.5 Sector-wise NPAs:

Sl.No	Sector	Percentage of NPAs to Total Advances in that sector as on 31 March 2020	Percentage of NPAs to Total Advances in that sector as on 31 March 2019	Percentage of NPAs to Total Advances in that sector as on 1 April 2018
1	Agriculture & allied activities	1.43%	0.53%	1.65%
2	MSME	2.10%	0.40%	2.88%
3	Corporate borrowers	NA	NA	NA
4	Services	NA	NA	NA
5	Unsecured personal loans	NA	NA	NA
6	Auto loans (commercial vehicles)	NA	NA	NA
7	Other loans	NA	NA	NA

39.6 Provisions and Contingencies (shown under the head Expenditure in Statement of Profit and Loss)

(Amount Rs. In Lakhs)

Particulars	For the Year Ended 31 March 2020	For the Year Ended 31 March 2019	For the Year Ended 01 April 2018
Impairment Loss Allowance	14,737.61	2,841.96	12,427.67
Provision for Income Tax (excluding deferred tax)	9,832.60	4,711.00	-

39.7 Movement of NPAs

Amount Rs. In Lakhs

Sl.No	Particulars	As at 31 March 2020 Amount in Rs.In Lakhs	As at 31 March 2019 Amount Rs.in lakhs	As at 1 April 2018 Amount Rs.in lakhs
(i)	Net NPAs to Net Advances (%)	0.00%	0.00%	0.23%
(ii)	**Movement of NPAs (Gross)**			
	(a) Opening balance	1,847.21	5,676.13	8,022.48
	(b) Additions during the year	9,818.50	1,694.17	12,003.83
	(c) Reductions during the year	(1,614.65)	(5,523.09)	(14,350.18)
	(d) Closing balance	10,051.06	1,847.21	5,676.13
(iii)	**Movement of Net NPAs**			
	(a) Opening balance	-	-	2,339.49
	(b) Additions during the year	-	-	-
	(c) Reductions during the year	-	-	(1,199.91)
	(d) Closing balance	-		-
(iv)	**Movement of provisions for receivables under financing activities**			
	(a) Opening balance	5,387.16	8,068.29	9,676.84
	(b) Provisions made during the year	14,737.60	2,841.96	12,748.57
	(c) Write-off / write-back of excess provisions	(1,614.65)	(5,523.09)	(14,357.12)
	(d) Closing balance	18,510.11	5,387.16	8,068.29

39.8 During the year there are no instances of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeding the sanctioned limit or outstanding or entire outstanding whichever is higher.

39.9 During the year company has not given any advances with intangible collateral such as charge over the rights, licenses, authority etc.

39.10 Registration Obtained from Other Financial Sector Regulators

During the year the company has not obtained any registrations from other financial regulators.

39.11 Penalties Imposed by RBI and Other Regulators

No penalties imposed by RBI or Other Regulators.

39.12 Investments

Particulars	As at 31 March 2020 Amount in Rs.in Lakhs	As at 31 March 2019 Amount in Rs.in Lakhs	As at 01 April 2018 Amount in Rs.in lakhs
Value of Investments			
(i) Gross Value of Investments			
(a) In India	5.00	5.00	5.00
(b) Outside India,	-	-	-
(ii) Provisions for Depreciation	-	-	-
(a) In India	-	-	-
(b) Outside India,	-	-	-
(iii) Net Value of Investments	-	-	-
(a) In India	5.00	5.00	5.00
(b) Outside India.	-	-	-
Movement of provisions held towards depreciation on investments	-	-	-
(i) Opening balance	-	-	-
(ii) Add : Provisions made during the year	-	-	-
(iii) Less : Write-off / write-back of excess	-	-	-
(iv) Closing balance	-	-	-

39.13 Derivatives:

The Company has no transactions / exposure in derivatives in the current year and previous year.

40 Disclosure Pursuant to Reserve Bank of India Notification DNBS.200/CGM (PK)-2008 dated 1 August 2008

Capital Adequacy Ratio

Particulars	As at 31 March 2020 Amount in Rs.in Lakhs	As at 31 March 2019 Amount in Rs.in Lakhs (Refer Note below)	As at 01 April 2018 Amount in Rs.in lakhs
Tier I Capital	95,035.28	66,947.46	22,116.84
Tier II Capital	4,105.56	-	10,114.06
Total Capital	99,140.84	66,947.46	32,230.90
Total Risk Assets	390,794.75	230,070.96	212,241.96
Capital Ratios			
Tier I Capital as a percentage of Total Risk Assets (%)	24.32%	28.90%	10.42%
Tier II Capital as a percentage of Total Risk Assets (%)	1.05%	0.00%	4.77%
Total Capital (%)	**25.37%**	**28.90%**	**15.19%**

Note: The Capital Adequacy Ratio as at 31 March 2019 is recomputed based on the restated financial statements. Also Refer Note 48

40.1 Exposure to Real Estate Sector

Category	As at 31 March 2020 Amount in Rs.in Lakhs	As at 31 March 2019 Amount in Rs.in Lakhs	As at 01 April 2018 Amount in Rs.in lakhs
a) Direct Exposure			
(i) Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	1,098.95	-	-
(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits	368.97	203.59	333.74
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -	-	-	-
a.Residential			
b.Commercial Real Estate			
Total Exposure to Real Estate Sector	1,467.92	203.59	333.74

40.2 Exposure to Capital Market

The Company does not have any exposure to Capital market as at 31 March 2020 , 31 March 2019 and 1 April 2018

Asirvad Microfinance Limited
Notes forming part of the Financial Statements for the year ended 31 March 2020

40.3 Asset Liability Management

(a) Maturity Pattern of certain items of Assets and Liabilities as at 31 March 2020:

(Amount Rs.in Lakhs)

Particulars	1 day to 30 – 31 days (One Month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from Banks & NBFCs	13,399.36	12,473.49	19,431.06	64,149.13	108,940.25	149,572.74	11,544.00	-	**379,510**
Market Borrowings	-	1,083.33	3,541.67	3,500.00	19,616.67	17,746.65	25,393.35	-	**70,882**
Assets									
Advances (Micro Finance Loans)	-	-	34,434.44	105,486.59	184,415.16	225,601.34	325.84	-	**550,263**
Investments	-	-	-	-	-	-	-	5.00	**5**

(b) Maturity Pattern of certain items of Assets and Liabilities as at 31 March 2019:

(Amount Rs.in Lakhs)

Particulars	1 day to 30 – 31 days (One Month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from Banks & NBFCs	18,265	20,397	18,058	51,625	68,523	71,896	3,044	-	**251,807**
Market Borrowings	5,658	5,042	2,500	12,158	14,425	37,092	11,500	-	**88,375**
Assets									
Advances (Micro Finance Loans)	26,761	26,255	21,973	64,226	102,485	142,376	2	-	**384,079**
Investments	-	-	-	-	-	-	-	5	**5**

(c) Maturity Pattern of certain items of Assets and Liabilities as at 01 April 2018:

(Amount Rs.in Lakhs)

Particulars	1 day to 30 – 31 days (One Month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from Banks & NBFCs	10,132.85	10,633.01	9,378.37	30,498.77	45,173.41	58,554.29	2,145.76	-	**166,516**
Market Borrowings	-	2,308.33	2,041.67	3,399.67	15,407.67	37,624.33	10,000.00	1,500.00	**72,282**
Assets									
Advances (Micro Finance Loans)	24,610.81	21,178.17	19,078.21	57,684.27	83,547.45	38,158.15	-	-	**244,257**
Investments	-	-	-	-	-	-	-	5.00	**5.00**

Asirvad Microfinance Limited
Notes forming part of the Financial Statements for the year ended 31 March 2020

41 Disclosure Pursuant to paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016):

(Amount Rs.in Lakhs)

S.No	Particulars	As at 31 March 2020		As at 31 March 2019		As at 01 April 2018	
		Amount Outstanding in Amount in Rs.	Amount Overdue Amount in Rs.	Amount Outstanding in Amount in Rs.	Amount Overdue Amount in Rs.	Amount Outstanding in Amount in Rs.	Amount Overdue Amount in Rs.
	Liabilities:						
1	***Loans and Advances availed by the NBFC inclusive of interest accrued thereon but not paid:***						
(a)	Debentures (Refer Note Below)						
	- Secured	33,013.06		38,915.32	-	54,848.80	-
	- Unsecured	35,982.87		46,332.82	-	17,414.23	-
	(other than falling within the meaning of public deposits)					-	
(b)	Deferred Credits				-	-	-
(c)	Term Loans (Refer Note Below)					-	
	- Secured	373,741.18		247,107.97	-	159,565.25	-
	- Unsecured	5,037.65		5,043.19	-	7,540.80	-
(d)	Inter-Corporate Loans and Borrowings				-	-	-
(e)	Commercial Paper	2,290.21		5,000.00	-	1,500.00	-
(f)	Finance Lease obligations			8.98			
(g)	Cash Credits		-		-	-	-

Note: Includes Interest Accrued but Not Due on Debentures amounting to Rs. 991.35 Lakhs (As at 31 March 2019 : Rs. 1,873.47 Lakhs ; As at 1 April 2018 : Rs. 1481.6) and Term Loans amounting to Rs.1,697.30 Lakhs (As at 31 March 2019: Rs.792.86 Lakhs ; As at 1 April 2018 : Rs.823.70 Lakhs).

S.No	Particulars	Amount Outstanding as at 31 March 2020 Amount in Rs. In lakhs	Amount Outstanding as at 31 March 2019 Amount in Rs. In lakhs	Amount Outstanding as at 01 April 2018 Amount in Rs. In lakhs
	Assets:			
2	***Break-up of Loans and Advances including Bills Receivables [other than those included in (3) below] :***			
(a)	Secured	1,467.92	203.53	333.74
(b)	Unsecured (Refer Note Below)	451,369.70	236,233.96	210,874.87
3	***Break up of Leased Assets and Stock on Hire and Other Assets counting towards AFC activities***			
(i)	Lease Assets including Lease Rentals Accrued and Due:			
	(a) Financial Lease	-	-	-
	(b) Operating Lease	-	-	-
(ii)	Stock on Hire including Hire Charges under Sundry Debtors:			
	(a) Assets on Hire	-	-	-
	(b) Repossessed Assets	-	-	-
(iii)	Other Loans counting towards AFC Activities			
	(a) Loans where Assets have been Repossessed	-	-	-
	(b) Loans other than (a) above	-	-	-

S.No	Particulars	Amount Outstanding as at 31 March 2020 Amount in Rs. In lakhs	Amount Outstanding as at 31 March 2019 Amount in Rs. In lakhs	Amount Outstanding as at 01 April 2018 Amount in Rs. In lakhs
4	***Break-up of Investments***			
	Current Investments			
I	**Quoted:**			
(i)	Shares: (a) Equity	-	-	-
	(b) Preference	-	-	-
(ii)	Debentures and Bonds	-	-	-
(iii)	Units of Mutual Funds	-	-	-
(iv)	Government Securities	-	-	-
(v)	Others (please specify)		-	-
II	**Unquoted:**			
(i)	Shares: (a) Equity	-	-	-
	(b) Preference	-	-	-
(ii)	Debentures and Bonds	-	-	-
(iii)	Units of Mutual Funds	-	-	-
(iv)	Government Securities	-	-	-
(v)	Others (please specify)		-	-
	Long Term Investments			
I	**Quoted:**			
(i)	Shares: (a) Equity	-	-	-
	(b) Preference	-	-	-
(ii)	Debentures and Bonds	-	-	-
(iii)	Units of Mutual Funds	-	-	-
(iv)	Government Securities	-	-	-
(v)	Others (please specify)	-	-	-
II	**Unquoted:**	-		
(i)	Shares: (a) Equity	5	5	5
	(b) Preference	-	-	-
(ii)	Debentures and Bonds	-	-	-
(iii)	Units of Mutual Funds	-	-	-
(iv)	Government Securities	-	-	-
(v)	Investment in Pass Through Certificates	-	-	-
		-		

5	*Borrower Group-wise Classification of Assets Financed as in (2) and (3) above*					
	Category	As at 31 March 2020 Amount in Rs. In lakhs (Net of Provisions) (Refer Note below)		As at 31 March 2019 Amount in Rs. In lakhs (Net of Provisions) (Refer Note below)	As at 01 April 2018 Amount in Rs. In lakhs (Net of Provisions) (Refer Note below)	
		Secured	Unsecured	Unsecured	Secured	Unsecured
1	Related Parties					
	(a) Subsidiaries	-	-	-	-	-
	(b) Companies in the same Group	-	-	-	-	-
	(c) Other Related Parties	-	-	-	-	-
2	Other than Related Parties	1,387.91	421,313.64	232,042.40	260.04	203,201.18
	Total	1,387.91	421,313.64	**232,042.40**	**260.04**	**203,201.18**

Note: The amount of Assets financed represents the net owned portfolio outstanding after adjusting the provisions for standard, substandard and doubtful assets.

6	*Investor Group-wise Classification of all Investments (Current and Long Term) in Shares and Securities (both Quoted and Unquoted) :*	Market Value / Break up Value or Fair Value or Net Asset Value (Company's Share) as on 31 March 2020 Amount in Lakhs	Book Value as on 31 March 2020 Amount in Lakhs	Market Value / Break up Value or Fair Value or Net Asset Value (Company's Share) as on 31 March 2019 Amount in Lakhs	Book Value as on 31 March 2019 Amount in Lakhs	Market Value / Break up Value or Fair Value or Net Asset Value (Company's Share) as on 01 April 2018 Amount in Lakhs	Book Value as on 01 April 2018 Amount in Lakhs
	Category						
1	Related Parties						
(a)	Subsidiaries			-	-	-	-
(b)	Companies in the Same Group			-	-	-	-
(c)	Other Related Parties			-	-	-	-
2	Other than Related Parties (Refer Note Below)	7.48	5.00	7.48	5.00	7.48	5.00
	Total	**7.48**	**5.00**	**7.48**	**5.00**	**7.48**	**5.00**

7	*Other Information*	As at 31 March 2020 Amount in Rs. In Lakhs		As at 31 March 2019 Amount in Rs. In Lakhs		As at 01 April 2018 Amount in Rs. In Lakhs	
		Related Parties	Other than Related Parties	Related Parties	Other than Related Parties	Related Parties	Other than Related Parties
(i)	Gross Non-Performing Assets	-	10,051.06	-	1,847.21	-	5,676.14
(ii)	Net Non-Performing Assets	-	-	-	-	-	-
(iii)	Assets Acquired in Satisfaction of Debt	-	-	-	-	-	-

42 Loan Portfolio and Provision for Standard and Non Performing Assets

(a) Current Year

Asset Classification	Loan Outstanding as at 31 March 2020 (Gross) Amount in Rs. Lakhs	Provision as at 31 March 2020 Amount in Rs in Lakhs	Loan Outstanding as at 31 March 2020 (Net) Amount in Rs. In Lakhs
Receivables under Financing Activities (including securitised assets) (Refer Note below)			
Standard Assets	540,212.56	8,459.05	531,753.51
Non - Performing Assets	10,051.06	10,051.06	-
Total	**550,263.62**	**18,510.11**	**531,753.51**

(b) Previous Year (18-19)

Asset Classification	Loan Outstanding as at 31 March 2019 (Gross) Amount in Rs. In lakhs	Provision as at 31 March 2019 Amount in Rs in lakhs	Loan Outstanding as at 31 March 2019 (Net) Amount in Rs. In Lakhs
Receivables under Financing Activities (including securitised assets) (Refer Note below)			
Standard Assets	382,231	3,540	378,691
Non - Performing Assets	1,847	1,847	-
Loss Assets			
Total	**384,078**	**5,387**	**378,691**

(c) Previous Year (17-18)

Asset Classification	Loan Outstanding as at 01 April 2018 (Gross) Amount Rs.in Lakhs	Provision as at 01 April 2018 Amount Rs.in Lakhs	Loan Outstanding as at 01 April 2018 (Net) Amount Rs.in Lakhs
Receivables under Financing Activities (including securitised assets) (Refer Note below)			
Standard Assets	238,044.15	2,392.15	235,652.00
Non - Performing Assets	5,676.14	5,676.14	-
Total	**243,720.29**	**8,068.29**	**235,652.00**

Note: Loans outstanding mentioned above includes securitised assets which are derecognised (As at 31 March 2020 - Rs.1,07,246.23 Lakhs, As at 31 March 2019 - Rs. 28,733.88 lakhs and as at 1 April 2018 Rs.137.42 lakhs)

43 Changes in Provisions

(a) Current Year

Amount Rs.in Lakhs

Particulars	As at 1 April 2019	Provision for the Year	Utilization/ Reversal	As at 31 March 2020
Loans	5,387.15	14,737.61	1,614.65	18,510.11
Provision for Credit Enhancements on Assets De-Recognised	-	-	-	-
Total	**5,387.15**	**14,737.61**	**1,614.65**	**18,510.11**

(b) Previous Year (FY 18-19)

Amount Rs.in Lakhs

Particulars	As at 1 April 2018	Provision for the Year	Utilization/ Reversal	As at 31 March 2019
Loans	8,068.29	2,841.95	5,523.09	5,387.15
Provision for Credit Enhancements on Assets De-Recognised	-	-	-	-
Total	**8,068.29**	**2,841.95**	**5,523.09**	**5,387.15**

(c) Previous Year (17-18)

Amount Rs.in Lakhs

Particulars	As at 1 April 2017	Provision for the Year	Utilization/ Reversal	As at 31 March 2018
Loans	9,669.92	12,748.57	14,350.20	8,068.29
Provision for Loss Assets under Financing Activities	-	-	-	-
Provision for Credit Enhancements on Assets De-Recognised	6.92	-	6.92	-
Total	**9,676.84**	**12,748.57**	**14,357.12**	**8,068.29**

Asirvad Microfinance Limited
Notes forming part of the Financial Statements for the year ended 31 March 2020

43.1 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans is as follows:

(Amount Rs.in Lakhs)

Particulars	As at 31 March 2020				As at 31 March 2019				As at 1 April 2018			
	Stage I: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days	Total	Stage I: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days	Total	Stage I: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days	Total
Gross carrying amount as at 1 April	352,512.78	1,017.38	1,814.16	355,344.32	236,823.00	1,085.13	5,674.75	243,582.88	158,085.27	7,149.63	7,246.39	172,481.29
New assets originated or purchased	442,760.61	420.48	3,174.22	446,355.31	316,905.95	788.85	389.51	318,084.31	247,048.35	547.66	1,306.89	248,902.90
Assets derecognised or repaid (excluding write offs)	(354,920.33)	(729.40)	(1,443.46)	(357,093.19)	(146,545.71)	(45.55)	4,467.93	(142,123.33)	(29,207.63)	4,254.72	5,873.34	(19,079.57)
Transfers to Stage 1	(7,682.33)	1,507.31	6,175.02	-	182,598.22	-	-	182,598.22	22,073.00	-	-	22,073.00
Transfers to Stage 2	8.33	(513.58)	505.25	-	-	698.74	-	698.74	-	619.82	-	619.82
Transfers to Stage 3	0.27	0.14	(0.41)	-	-	-	1,603.86	1,603.86	-	-	4,498.84	4,498.84
Amounts written off	-	-	(1,614.65)	(1,614.65)	(445.68)	(424.66)	(4,647.14)	(5,517.48)	(3,090.72)	(4,337.07)	(6,004.32)	(13,432.11)
Gross carrying amount as at 31 March	**432,679.32**	**1,702.34**	**8,610.13**	**442,991.79**	**352,512.78**	**1,017.38**	**1,814.16**	**355,344.32**	**236,823.00**	**1,085.13**	**5,674.75**	**243,582.88**

Reconciliation of ECL balance is given below:

(Amount Rs.in Lakhs)

Particulars	As at 31 March 2020				As at 31 March 2019				As at 1 April 2018			
	Stage I: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days	Total	Stage I: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days	Total	Stage I: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days	Total
ECL allowance as at 1 April	3,529.40	10.54	1,847.21	5,387.15	2,380.73	11.42	5,676.14	8,068.29	1,575.96	71.47	8,022.48	9,669.91
New assets originated or purchased	9,956.60	26.73	3,141.17	13,124.50	3,166.54	7.89	283.36	3,457.79	2,471.87	5.47	1,189.63	3,666.97
Assets derecognised or repaid (excluding write offs)	(3,549.20)	(7.29)	(1,443.46)	(4,999.96)	(1,458.14)	(0.09)	4,607.09	3,148.86	(277.90)	43.12	5,990.61	5,755.83
Transfers to Stage 1	(76.82)	15.07	6,175.02	6,113.27	1,825.46	-	-	1,825.46	217.67	-	-	217.67
Transfers to Stage 2	0.08	(5.14)	505.25	500.20	-	6.99	-	6.99	-	6.20	-	6.20
Transfers to Stage 3	0.00	0.00	(0.41)	(0.41)	-	-	1,603.90	1,603.90	-	-	4,500.22	4,500.22
Amounts written off			(1,614.65)	(1,614.65)	(4.46)	(4.25)	(4,647.14)	(4,655.85)	(30.91)	(43.37)	(6,004.32)	(6,078.60)
ECL allowance as at 31 March	**9,860.06**	**39.92**	**8,610.13**	**18,510.11**	**3,529.40**	**10.54**	**1,847.21**	**5,387.15**	**2,380.73**	**11.42**	**5,676.14**	**8,068.29**

44 Disclosures of Frauds Pursuant to Reserve Bank of India Notification DNBS.PD.CC. No. 256 /03.10.042 / 2011-12 dated 2 March 2012:

a) Current Year FY 2019-20

Category	More than Rs. 1 lakh		Less than Rs. 1 lakh	
	Number of Instances	Amount in Rs. In Lakhs	Number of Instances	Amount in Rs. In Lakhs
Embezzlement of Cash				
- By Employees	10	56.41	5	3.37
- By Others	5	9.19	30	15.99
Total	**15**	**65.60**	**35**	**19.36**

b) Previous Year 18-19

Category	More than Rs. 1 lakh		Less than Rs. 1 lakh	
	Number of Instances	Amount in Rs. In Lakhs	Number of Instances	Amount in Rs. In Lakhs
Embezzlement of Cash				
- By Employees	21	197.97	6	12.96
- By Others	6	9.05	25	13.15
Total	**27**	**207.02**	**31**	**26.11**

c) Previous Year 17-18

Category	More than Rs. 1 lakh		Less than Rs. 1 lakh	
	Number of Instances	Amount in Rs. In Lakhs	Number of Instances	Amount in Rs. In Lakhs
Embezzlement of Cash				
- By Employees	15	87.61	9	3.16
- By Others	2	2.64	11	7.76
Total	**17**	**90.25**	**20**	**10.92**

Note:
The above summary is prepared based on the information available with the Company and relied upon by the Auditors.

44.1 Disclosure as required under DNBS (PD) CC. No. 300 / 03.10.038/2012-13 dated August 3, 2012

Net Interest Margin during the Year:

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019	For the Year ended 01 April 2018
Average Interest (a)	21.49%	21.70%	22.25%
Average effective cost for borrowing Interest (b)	11.49%	12.31%	12.39%
Net Interest Margin (a-b)	10.00%	9.39%	9.86%

The Average interest represents the effective rate at which loans have been disbursed to the customers for the years ended 31 March 2020 and 31 March 2019.

The Average interest cost of borrowings of the Company for the years ended 31 March 2020 and 31 March 2019 have been computed based on the monthly interest cost divided by the average monthly balances of outstanding borrowings. The Average cost of borrowings include the following :

a) Upfront processing fees paid by the Company for availing loans.
b) Interest loss on fixed deposits placed as collateral, being difference between rate of interest on fixed deposit and the interest rate on the borrowings.

45 Disclosures of Transactions Pursuant to Regulation 34(3) of SEBI (LODR) Regulations, 2015:

S.No	Loans and Advances in the nature of Loans	As at 31 March 2020 Amount in Lakhs		As at 31 March 2019 Amount in Lakhs		As at 01 April 2018 Amount in Lakhs	
		Amount Outstanding	Maximum Amount Outstanding during the year	Amount Outstanding	Maximum Amount Outstanding during the year	Amount Outstanding	Maximum Amount Outstanding during the year
(a)	From Holding Company:						
	- Mannapuram Finance Limited	-	-	-	-	-	-
(b)	To Fellow Subsidiaries						
	- No Fellow Subsidiaries during the Current Year	-	-	-	-	-	-
(c)	To Associates						
	- No Associate during the Current Year	-	-	-	-	-	-
(d)	Where there is						
	- No Repayment Schedule	-	-	-	-	-	-
	- Repayment Schedule beyond seven years	-	-	-	-	-	-
	- No Interest	-	-	-	-	-	-
	- Interest below the rate as specified in section 186 of the Companies Act, 2013	-	-	-	-	-	-
(e)	To Firms / Companies in which directors are interested (Other the (a) and (b) above)						
(f)	Investments by the Loanee in the Shares of Parent Company and Subsidiary Company	-	-	-	-	-	-

Note: The information on maximum amount outstanding has been disclosed from the date on which the concerned director was appointed on the Board of the Company.

45 Referral Fees

The Company has entered into agreements with Inthree Access, Uniq Synergy, Aspire Innovate, Eureka Forbes, Gloworld, Greenlight Planet, Greenway Grameen, Ulink Agritech, Preethi Appliances for facilitating sale of their products (solar lamps, water purifier, cookware, home utility appliance, biomass stoves etc.) to its members. The Company receives referral fees for the products disbursed based on slab rates specified in the terms of the agreements entered with them. The Company has received an amount of Rs.4,543.28 Lakhs (Previous Year : Rs. 5318.57 Lakhs) towards referral fee for the facilitating of their products.

46 Corporate Social Responsibility (CSR)

During the year, the Company incurred an aggregate amount of Rs.150.56 Lakhs (Previous Year - Rs. 31 Lakhs) towards corporate social responsibility in compliance of Section 135 of the Companies Act 2013 read with relevant schedule and rules made thereunder. The details of the CSR spend are given below:

(i) Gross amount required to be spent by the Company during the year: Rs. 135.86 Lakhs
(ii) Amount spent by the Company during the year:

(Amount Rs.in Lakhs)

Particulars	Amount Paid	Yet to be Paid	Total
Manappuram Foundation	121.00	-	121.00
Asirvad Development Foundation	15.00	-	15.00
Chief Minister Relief Fund, Odisha	3.00	-	3.00
Manava Seva Dharma Sarvardhani Trust	6.00	-	6.00
Others	5.56	-	5.56
Total	**150.56**	**-**	**150.56**

47 Statutory Reserve

As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund at a rate of 20% of the net profit after tax of the Company every year. Considering the Profit after tax for the year ended 31 March 2020, Rs.4,706.56 Lakhs is transferred to the statutory reserve as required under Section 45-IC of Reserve Bank of India (RBI) Act, 1934.

48 Impact of Changes in Accounting Policy

Pursuant to the regulatory guidance on Ind AS issued by RBI dated 13 March 2020 to promote consistent Ind AS implementation among NBFCs, the Company has changed its policy on accounting for securitised assets and direct assignment transactions. The securitised assets which were hitherto, de-recognized in the books based on 'True Sale Criteria' prescribed by RBI, have now been re-recognised in the books along with interest income using effective interest rate as the company has not transferred substantially all the risks and rewards in accordance with the provisions of Indian Accounting Standard No.109 (Ind AS 109), 'Financial Instruments' . Proceeds received from securitisation has been recognised as Borrowings (other than debt securities) and Interest thereon has been recognised as Finance cost. Similarly, the gain on sale of assets arising from a direct assignment transactions, has been recognised on de-recognition as interest only strip.

Accordingly, as per para 14 (b) of IND AS 8, the Company has retrospectively changed the policy to reflect the above changes in the financial statements, thereby providing reliable and more relevant information about the Company's financial position, financial performance or cash flows. The impact of such change is as under :

(Amount Rs in Lakhs)

Financial line item	As at and for the year ended 31 March 2020 (increase / (decrease))	As at and for the year ended 31 March 2019 (increase / (decrease))	As at 1 April 2018 (increase / (decrease))
Interest Income	2,741.91	3,407.49	Not applicable
Net Gain on derecognition of Financial Instruments	12,590.98	2,957.17	Not applicable
Other income	(75.00)	(45.00)	Not applicable
Finance Cost	8,844.29	2,549.72	Not applicable
Provision and Other Losses	(602.76)	864.06	Not applicable
Other Expenses	(89.13)	(23.01)	Not applicable
Tax Expense	1,788.45	1,023.47	Not applicable
Profit after Tax for the year	**5,317.04**	**1,905.42**	Not applicable
Loans	60,873.44	117,669.55	31,748.50
Other Financial assets	6,738.61	589.58	(453.58)
Deferred tax assets (net)	(2,968.07)	(1,179.62)	(156.14)
Other non financial assets	(13.41)	(51.52)	-
Borrowings (other than debt security)	59,087.77	118,153.96	31,835.32
Other Financial liabilities	(1,970.36)	(3,322.10)	(987.25)
Other Equity	7,513.17	2,196.13	290.71
Impact on Earnings per Share of Rs.10 each			
- Basic	9.91	4.51	Not applicable
- Diluted	9.91	4.51	Not applicable

49 Employee Stock Option Scheme (ESOS)

Employee Stock Option Scheme (ESOS), 2019

The details of the Employee Stock Option Scheme 2019 are as under:

Date of share holders' approval	February 2, 2019
Number of options approved	830,000
Date of grant	July 1, 2019
Number of options granted	830,000
Method of settlement	Equity Shares
Graded Vesting	30% after two years from the date of grant i.e. July 1, 2021 and 35% after three years from the date of grant i.e July 1,2022 and the balance 35% after four year from the date of grant i.e. July 1, 2023
Exercisable period	4 years from vesting date
Vesting conditions	Continuous employment /service as on relevant date of vesting and pre-determined performance parameters, if any

The Company has adopted the Employee Stock Option Scheme framed in accordance with the Section 62(1)(c) of the Companies Act 2013 read with Rules 12 of the Companies (Share Capital and Debenture) Rules, 2014 made thereunder.

The Company has granted 830,000 options at an exercise price of Rs. 364/- on July 1,2019 which will vest over a period of four years from the grant date, 30% after two years from the date of grant i.e. July 1, 2021, 35% after three years from the date of grant i.e July 1,2022 and the balance 35% after four years from the date of grant i.e. July 1, 2023. The exercise period commences from the date of vesting and will expire not later than four years from the date of vesting.

(a) The summary of the movements in options is given below :

Particulars	As at 31 March 2020		As at 31 March 2019		As at 1 April 2018	
	Options (Number)	Weighted Average Exercise price per option (Rs)	Options (Number)	Weighted Average Exercise price per option (Rs)	Options (Number)	Weighted Average Exercise price per option (Rs)
Options outstanding, beginning of year	-	-	-	-	-	-
Options granted during the year	830,000	364	-	-	-	-
Increase on account of Bonus issue	-	-	-	-	-	-
Lapsed Options restored during the year	-	-	-	-	-	-
Options lapsed during the year	-	-	-	-	-	-
Options Exercised during the year	-	-	-	-	-	-
Options unvested and Outstanding at the End of the Year	**830,000**	364	**-**	-	-	-

(b) The fair value of options estimated at the date of grant using the Black-Scholes method and the assumptions used are as under :

Option fair value	80.93
Risk free interest rate	6.88%
Expected Life	3 years
Expected volatility	50.00%
Share price on the date of grant (Face value Rs. 10)	239.37

(c) Total Expense on account of the above ESOP Scheme for the year ended 31 March 2020 - Rs. 178.86 Lakhs

50 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated 27 March 2020 and 17 April 2020 and in accordance therewith, the Company has proposed a moratorium of three months on the payment of all principal instalments and/ or interest, as applicable, falling due between 1 March 2020 and 31 May 2020 to all eligible borrowers classified as standard, even if overdue as on 29 February 2020, excluding the collections already made in the month of March 2020. For all such accounts where the moratorium is granted, the asset classification will remain at a standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the Company's policy).

Further, the Company has, based on current available information and based on the policy approved by the board, determined the provision for impairment of financial assets. Given the uncertainty over the potential macro-economic impact, the Company's management has considered internal and external information including credit reports and economic forecasts upto the date of approval of these financial statement. Accordingly, the Company has made an additional prudential provision of Rs. 5,502.64 Lakhs, over and above provision made under ECL, towards potential impact on account of COVID-19 pandemic as at 31 March 2020, which is disclosed as an exceptional item. Based on the current indicators of future economic conditions and information available at this point of time, the Company considers this provision to be adequate and expects to recover the carrying amount of these financial assets.

The extent to which the COVID-19 pandemic will impact the Company's assessment of impairment of financial assets will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

51 **Previous Year Figures**

Previous year's figures have been regrouped / reclassified, wherever necessary, to correspond with the current year's classification / disclosure.

52 The Board of Directors of the Company has reviewed the realisable value of all the financial assets and has confirmed that the value of such assets in the ordinary course of business will not be less that the value at which these are recognized in the financial statements. In addition, the Board has also confirmed the carrying value of the non-financial assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these financial statements in its meeting held on 12 May 2020.

For and on behalf of the Board of Directors of Asirvad

V P Nandakumar
Chairman
(DIN No.00044512)

S V Raja Vaidyanathan
Managing Director
(DIN No.01467098)

Yogesh Ratnakar Udhoji
Chief Financial Officer

Anup Gupta
Company Secretary

Place : Chennai
Date : 12 May 2020

Walker Chandiok & Co LLP
9th floor, A wing, Prestige Polygon,
471 Anna Salai, Mylapore Division,
Teynampet,
Chennai – 600 035
Tamil Nadu, India
T +91 44 4294 0099
F +91 44 4294 0044

Independent Auditor's Report

To the Members of Asirvad Micro Finance Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Asirvad Micro Finance Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

4. We draw attention to Note 51 to the accompanying financial statements, which describes the uncertainties relating to the effects of Covid-19 pandemic on the Company's operations as at 31 March 2021, the extent of which is dependent on future developments, as they evolve. Our opinion is not modified in respect of this matter.



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Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Key audit matter	How our audit addressed the key audit matter
(a) Identification & measurement of NPA and Implementation of COVID-19 related packages	
Refer Note 3(i) of significant accounting policies and Note 39 for credit risk disclosures. As at 31 March 2021, the Company has total gross loan assets of Rs. 513,664.06 lakhs (2020: Rs. 452,837.62 lakhs) against which an impairment loss of Rs. 34,144.89 lakhs (2020 Rs. 18,510.11 lakhs) has been recorded. The Expected Credit Loss ('ECL') approach as required under Ind AS 109, Financial instruments, involves high degree of complexity and requires significant judgement of the management. The Management is required to determine the ECL that may occur over either a 12-month period or the remaining life of an asset, depending on the categorization of the individual asset. The key areas of judgment include: 1. Categorization of loans in Stage 1, 2 and 3 based on identification of: a) exposures with Significant Increase in Credit Risk (SICR) since their origination and b) Individually impaired / default exposures. 2. Techniques used to determine Loss Given Default ('LGD') and Probability of Default ('PD') to calculate an ECL are based on past experience. 3. The impact of different future macroeconomic conditions in the determination of ECL. These parameters are derived from the Company's internally developed statistical models, historical data and macro-economic factors and a change in such models or assumptions could have a material impact on the accompanying financial statements. Also, during the current year, the Reserve Bank of India ('RBI') issued several guidelines/notifications to NBFCs, as a relief measures to the borrowers, that included:	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through procedures that included, but were not limited to, the following: • Evaluated the Company's accounting policies for estimation of expected credit loss on loan assets in accordance with the requirements of Ind AS 109, Financial Instruments; • Obtained an understanding of the modelling techniques adopted by the Company including the key inputs and assumptions. Since modelling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios. • Assessed the design and implementation, and tested the operating effectiveness of controls over the modelling process including governance over monitoring of the model and approval of key assumptions • Evaluated the appropriateness of the Company's process of determination of significant increase in credit risk in accordance with the applicable accounting standard and the basis for classification of exposures into various stages. • Assessed the key judgments and assumptions relating to the macro-economic scenarios including the impact of COVID 19 Pandemic, RBI guidelines/notification and the associated probability weights.

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a) Regulatory Packages that required NBFCs to provide moratorium in repayment of loans based on certain conditions and the asset classification and provisioning norms to be applied on such loans by NBFCs.
b) Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances

These factors required the models to be reassessed based on the available information including the additional risk profiling due to the impact of COVID-19 Pandemic, geographical, political and economic risk to measure the ECL.

Management has made a number of interpretations and assumptions when designing and implementing models that are compliant with the standard. The accuracy of data flows and the implementation of related controls is critical for the integrity of the estimated impairment provisions. Considering the significance of the above matter to the financial statements and the significant auditor attention required to test such complex accounting estimates, we have identified this as a key audit matter for current year audit.

We also draw attention to Note 51 of the accompanying financial statements, regarding uncertainties involved and on the appropriateness of impairment losses provided on the above mentioned loan assets as on 31 March 2021, as the same is fundamental to the understanding of the users of financial statements.

- Obtained the approved policy of board of directors to understand the relief measures sanctioned to various class of borrowers in accordance with the directions given by the RBI and tested, on sample basis, the compliance with respect to asset classification and provisioning norms as per such directions.
- Tested management's computation of ECL by performing following procedures:
  - Evaluated management's groupings of borrowers on the basis of different product lines and customer segments with different risk characteristics;
  - Tested classification of loans into various categories based on their past due status and other loss indicators. On a sample basis, inspected the repayment schedule from the underlying borrower agreements and collection made on due dates;
  - Tested various assumptions for calculation of expected loss viz, probability of default, loss given default, exposure at default, discounting factors applied by the management considering the impact of COVID-19 to such assumptions;
  - Performed test of details of the input information used in ECL computation on a sample basis.
  - Tested the arithmetical accuracy of the computation.
  - Performed analytical procedures by determining various ratios or percentage-based measures to review overall reasonableness of the estimate determined by the management.
- Assessed disclosures included in the financial statements in respect of ECL including the specific disclosure made with regards to the management's evaluation of the uncertainties arising from COVID-19 and its impact on ECL.

(b) Information Technology ('IT') Systems and controls impacting financial reporting and implementation of new Loan Management System:	
The IT environment of the Company is complex and involves independent and interdependent IT systems used in the operations of the Company for processing and recording large volume of transactions at numerous locations, such as loans, interest income and impairment of financial instruments. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Company. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting, including: • IT general controls over user access management and change management across applications, networks, database, and operating systems. • IT application controls. Moreover, in the current year, the Company has introduced a new loan management system ('New LMS') for four states out of 22 states. Owing to the implementation of New LMS, financial and other information relating to such customers was required to be migrated from existing loan management system to New LMS. Also, certain manual adjustments were required to be made to account for reversal of interest income from NPA loans not captured accurately in the New LMS which added to the complexity. Due to the pervasive nature, complexity, introduction of New LMS and importance of the impact of the IT systems and related control environment on the Company's financial reporting process, we have identified testing of such IT systems and related control environment as a key audit matter for the current year audit.	Our audit procedures on testing of IT systems included, but were not limited to, the following: • In assessing the integrity of the IT systems, we involved our IT experts to obtain an understanding of the IT infrastructure and IT systems relevant to the Company's financial reporting process for evaluation and tested relevant IT general controls and IT application controls. • Access rights were tested over applications, operating systems, networks, and databases, which are relied upon for financial reporting. We also assessed the operating effectiveness of controls over granting, removal and periodical review of access rights. We further tested segregation of duties, including preventive controls to ensure that access to change applications, the operating system or databases in the production environment were granted only to authorized personnel. • Tested the automated computation processed by the IT system that includes computation of interest income and days past due for portfolio outstanding as at balance sheet date. • Other areas that were assessed under the IT control environment, included password policies, security configurations, and controls around change management. • We also performed the following over the implementation of New LMS: a) involved our IT experts to: ➢ understand, amongst other things, the scope of independent audit carried out on migration activity by the management's expert and the results of the audit; ➢ test the controls in place during the implementation of the New LMS; ➢ evaluate the design and operating effectiveness of the IT General Controls (ITGC) and automated business process controls post migration of the New LMS.

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	b) performed substantive testing on the migration of data after the implementation from the existing system to the New LMS to ensure their completeness and accuracy, including review of the reconciliations between the two systems performed by management. • We also evaluated the design and tested the operating effectiveness of key automated controls within various business processes. This included testing the integrity of system interfaces, the completeness and accuracy of data feeds, system reconciliation controls and automated calculations. • Where deficiencies were identified, we tested compensating controls or performed alternate procedures.

Information other than the Financial Statements and Auditor's Report thereon

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

8. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

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

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



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

Other Matter

16. The financial statements of the Company for the year ended 31 March 2020 were audited by the predecessor auditor, Deloitte Haskin and Sells, who have expressed an unmodified opinion on those financial statements vide their audit report dated 18 May 2020.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

18. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

19. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) the financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;

    f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 24 May 2021 as per Annexure B expressed unmodified opinion; and

    g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. the Company, as detailed in note 40 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;



iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

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



Sumesh E S
Partner
Membership No.: 206931
UDIN: 21206931AAAABL8045

Place: Chennai
Date: 24 May 2020

Annexure A to the Independent Auditor's Report of even date to the members of Asirvad Micro Finance Limited on the financial statements for the year ended 31 March 2021.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.



Annexure A to the Independent Auditor's Report of even date to the members of Asirvad Micro Finance Limited on the financial statements for the year ended 31 March 2021

(b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (Rs. In Lakhs)	Amount paid under protest (Rs. In Lakhs)
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2015-16	1,124.50	224.90
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2016-17	1,978.91	395.78
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2017-18	1,521.37	304.27

(viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or government or any dues to debenture-holders during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained, though idle/surplus funds which were not required for immediate utilization have been invested in liquid investments, payable on demand.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year, except for 11 cases of misappropriation of cash by employees of the Company aggregating to INR 233.03 lakhs identified by the management during the year, as stated in note 46 to the accompanying financial statements. The Company has terminated the employment of such employees and is taking necessary steps to ensure recovery of aforesaid misappropriated amounts.

(xi) Managerial remuneration has been paid and provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.



Annexure A to the Independent Auditor's Report of even date to the members of Asirvad Micro Finance Limited on the financial statements for the year ended 31 March 2021

(xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the company.

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





Sunesh E S
Partner
Membership No.: 206931
UDIN: 21206931AAAABL8045

Place: Chennai
Date: 24 May 2021

Annexure B to the Independent Auditor's Report of even date to the members of Asirvad Micro Finance Limited on the financial statements for the year ended 31 March 2021

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Asirvad Micro Finance Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



Annexure B to the Independent Auditor's Report of even date to the members of Asirvad Micro Finance Limited on the financial statements for the year ended 31 March 2021

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Suresh E S
Partner
Membership No.: 206931
UDIN: 21206931AAAABL8045

WALKER CHANDIOK & CO LLP ★ CHENNAI ★ CHARTERED ACCOUNTANTS

Place: Chennai
Date: 24 May 2021

Asirvad Micro Finance Limited
Balance Sheet as at 31 March 2021
(All amounts in ₹ lakhs unless otherwise stated)

	Notes	As at 31 March 2021	As at 31 March 2020
I Assets			
1 Financial assets			
(a) Cash and cash equivalents	5	64,846.87	120,074.44
(b) Bank balance other than (a) above	6	18,721.99	20,229.57
(c) Loans	7(a)	479,519.17	434,327.51
(d) Loans given to staff	7(b)	76.52	102.30
(e) Investments	8	5.00	5.00
(f) Other financial assets	9	6,566.94	9,524.34
		569,736.49	**584,263.16**
2 Non-financial Assets			
(a) Current tax assets (net)	10	1,858.88	1,544.24
(b) Deferred tax assets (net)	11 (a)	8,282.84	3,424.70
(c) Investment property	12	8.64	8.64
(d) Property, plant and equipment	12	687.63	786.04
(e) Right of use asset	12	894.48	721.14
(f) Other intangible assets	12	259.69	1.00
(g) Intangible assets under development	12	54.50	-
(h) Other non financial assets	13	776.23	410.09
		12,822.89	**6,895.85**
Total assets		**582,559.38**	**591,159.01**
II Liabilities and equity			
1 Financial liabilities			
(a) Derivative financial instruments	14	135.30	-
(b) Other payables	15		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,447.22	1,762.70
(c) Debt securities	16	121,905.45	56,881.96
(d) Borrowings (other than debt securities)	17	319,334.54	381,549.11
(e) Subordinated liabilities	18	21,476.92	11,633.90
(f) Other financial liabilities	19	6,043.41	4,299.67
		471,342.84	**456,127.34**
2 Non-financial liabilities			
(a) Current tax liabilities (net)	20 (a)	725.91	-
(b) Provisions	20 (b)	1,506.75	1,157.18
(c) Other non-financial liabilities	21	3,440.39	29,922.61
		5,673.05	**31,079.79**
3 Equity			
(a) Equity share capital	22	5,331.19	5,331.19
(b) Other equity	23	100,212.30	98,620.69
		105,543.49	**103,951.88**
		582,559.38	**591,159.01**

Notes 1 to 53 form an intergral part of these financial statements

This is the balance sheet referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountant
Firm Registration No: 001076N/N500013

Suresh E S
Partner
Membership No: 206931

Place : Chennai
Date : 24 May 2021

WALKER CHANDIOK & CO LLP CHENNAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Asirvad Micro Finance Limited

V P Nandakumar
Chairman
(DIN No.00044512)

S V Raja Vaidyanathan
Managing Director
(DIN No.01467098)

Yogesh Ratnakar Udhoji
Chief Financial Officer

Aparna Menon
Company Secretary

Place : Chennai
Date : 24 May 2021

ASIRVAD MICRO FINANCE LIMITED CHENNAI 600 002

Asirvad Micro Finance Limited

Statement of Profit and Loss for the year ended 31 March 2021

(All amounts in ₹ lakhs unless otherwise stated)

		Note	Year ended 31 March 2021	Year ended 31 March 2020
I	**Revenue from operations**			
	Interest income	24 (a)	95,762.88	91,338.06
	Net Gain on derecognition of financial instruments under amortised cost category	24 (b)	7,147.98	12,590.98
	Dividend income	24 (c)	1,286.86	947.06
	Other operating income	25	1,099.17	629.84
			105,296.89	**105,505.94**
II	Other income	26	2,421.47	4,638.46
III	**Total income (I + II)**		**107,718.36**	**110,144.40**
IV	**Expenses**			
	Finance cost	27	45,754.14	40,943.86
	Impairment of financial instruments	28	29,980.94	9,234.97
	Employee benefit expenses	29	18,852.94	15,020.44
	Depreciation and amortisation expense	30	1,183.72	714.45
	Other expenses	31	8,878.60	7,697.99
	Total expenses (IV)		**104,650.34**	**73,611.71**
V	**Profit before exceptional items and tax (III - IV)**		**3,068.02**	**36,532.69**
VI	**Exceptional items**	28	-	5,502.64
VII	**Profit before tax (V- VI)**		**3,068.02**	**31,030.05**
VIII	**Tax expense**			
	(1) Current tax	11 (b)	6,618.90	9,832.60
	(2) Deferred tax	11 (b)	(4,828.08)	(2,335.35)
	(3) Tax relating to earlier years	11 (b)	(410.94)	-
			1,379.88	**7,497.25**
IX	**Profit for the year (VII - VIII)**		**1,688.14**	**23,532.80**
X	**Other comprehensive income**	23		
A	(i) Items that will not be reclassified to profit or loss:			
	a. Remeasurement gains and (losses) on defined benefit obligations (net)		(184.28)	(31.06)
	b. Fair value changes on derivatives designated as cash flow hedge, (net)		64.95	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		30.04	7.82
	Subtotal (A)		**(89.29)**	**(23.24)**
B	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (B)		**-**	**-**
	Other comprehensive income (A + B)		**(89.29)**	**(23.24)**
XI	**Total comprehensive income for the year (IX + X)**		**1,598.85**	**23,509.56**
XII	**Earnings per equity share of Rs. 10 each**	33		
	- Basic (₹)		3.17	44.14
	- Diluted (₹)		3.17	44.14

Notes 1 to 53 form an intergral part of these financial statements

This is the statement of profit and loss referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountant
Firm Registration No: 001076N/N500013

Sumesh E S
Partner
Membership No: 206931

Place : Chennai
Date : 24 May 2021

WALKER CHANDIOK & CO LLP CHENNAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Asirvad Micro Finance Limited

V P Nandakumar
Chairman
(DIN No.00044512)

S V Raja Vaidyanathan
Managing Director
(DIN No.01467098)

Yogesh Ratnakar Udhoji
Chief Financial Officer

Aparna Menon
Company Secretary

Place : Chennai
Date : 24 May 2021

ASIRVAD MICRO FINANCE LIMITED CHENNAI 600 002

Asirvad Micro Finance Limited
Statement of cash flow for the year ended 31 March 2021
(All amounts in ₹ lakhs unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
Cash flow from operating activities		
Profit before income tax	**3,068.02**	**31,030.05**
Adjustments for:		
Depreciation and amortisation expense	1,183.72	714.45
Impairment of financial instruments	29,980.94	14,737.61
Provision for insurance claim receivable	301.70	86.31
Loss/(Profit) on sale of fixed assets (net)	0.06	(1.36)
Dividend income	(1,286.86)	(947.06)
Finance cost	45,754.14	40,943.86
Interest on deposits	(2,774.95)	(1,968.94)
Share based payments to employees	(7.24)	-
Operating profit before working capital changes	**76,219.53**	**84,594.92**
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Loans	(75,172.60)	(99,160.27)
Loans given to staff	25.78	(21.89)
Other financial assets	2,655.70	(6,287.05)
Other non financial assets	(366.14)	(135.29)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	684.52	530.73
Other financial liabilities	1,341.34	2,957.75
Other non financial liabilities	(26,482.21)	29,965.70
Other provisions	165.29	141.29
Net cash flow (used in) operations	**(20,928.79)**	**12,585.90**
Net income tax paid	(5,826.75)	(9,910.00)
Net cash (used in) in operating activities (A)	**(26,755.54)**	**2,675.90**
Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	25.00	8.50
Purchase of property, plant and equipment	(801.33)	(2,010.63)
Purchase of other intangible assets	(456.50)	-
Net movement in bank deposits	1,013.48	(2,887.99)
Dividend received	1,286.86	947.06
Interest income on deposits	3,269.05	1,435.09
Net cash flow generated from investing activities	**4,336.56**	**(2,507.97)**
Cash flow from financing activities		
Proceeds from long term borrowings - term loans	192,545.00	305,669.30
Repayment of long term borrowings - term loans	(202,517.37)	(116,935.68)
Interest paid on term loans	(31,042.46)	(21,864.68)
Proceeds from long term borrowings - debentures	111,500.00	29,450.00
Repayment of long term borrowings - debentures	(35,575.00)	(47,283.00)
Interest paid on debentures	(9,133.79)	(9,895.26)
Proceeds from securitisation borrowings	-	58,987.62
Repayment of securitisation borrowings	(52,241.91)	(118,053.81)
Interest paid on securitisation	(3,378.55)	(8,956.58)
Proceeds from short term borrowings - commercial paper	-	21,973.42
Repayment of short term borrowings - commercial paper	(2,266.55)	(24,644.92)
Interest paid on CP	(233.45)	(438.11)
Repayment of short term borrowings - cash credit	-	(0.28)
Proceeds from finance lease	-	(8.98)
Other interest and charges paid	(464.51)	(682.56)
Net cash flow from financing activities (C)	**(32,808.59)**	**67,316.49**
Net increase in cash and cash equivalents (A+B+C)	(55,227.57)	67,484.42
Cash and cash equivalents at the beginning of the period	120,074.44	52,590.02
Cash and cash equivalents at the end of the period	**64,846.87**	**120,074.44**



Asirvad Micro Finance Limited
Statement of cash flow for the year ended 31 March 2021
(All amounts in ₹ lakhs unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
Reconcillation of cash and cash equivalents with the balance sheet:		
Cash and cash equivalents as per balance sheet	**64,846.87**	**120,074.44**

Notes 1 to 53 form an intergral part of these financial statements

This is the statement of cash flow referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountant
Firm Registration No: 001076N/N500013

Sumesh E S
Partner

Place : Chennai
Date : 24 May 2021

WALKER CHANDIOK & CO LLP * CHENNAI * CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Asirvad Micro Finance Limited

V P Nandakumar
Chairman
(DIN No.00044512)

S V Raja Vaidyanathan
Managing Director
(DIN No.01467098)

Yogesh Ratnakar Udhoji
Chief Financial Officer

Aparna Menon
Company Secretary

Place : Chennai
Date : 24 May 2021

ASIRVAD MICRO FINANCE LIMITED * CHENNAI 600 002

Asirvad Micro Finance Limited
Statement of changes in equity for the year ended 31 March 2021
(All amounts in ₹ lakhs unless otherwise stated)

Statement of changes in equity

Particulars	Equity share capital	Reserves and Surplus						Accumulated other comprehensive income	Total
		Statutory Reserve	Capital redemption reserve	Securities Premium	ESOS Contribution from Holding Company	General Reserve	Retained earnings		
Balance as at 01 April 2019	**5,331.19**	**4,712.72**	**500.00**	**55,810.89**	**20.44**	**35.93**	**13,987.61**	**43.08**	**75,110.67**
Profit for the year	-	-	-	-	-	-	23,532.80	-	23,532.80
Remeasurements of defined benefit obligations, net of tax	-	-	-	-	-	-	-	(23.24)	(23.24)
Transfer to statutory reserve	-	4,706.56	-	-	-	-	(4,706.58)	-	(0.02)
Other adjustments	-	-	-	-	2.10	-	(1.62)	-	0.48
Balance as at 31 March 2020	**5,331.19**	**9,419.28**	**500.00**	**55,810.89**	**22.54**	**35.93**	**32,812.21**	**19.84**	**98,620.69**
Profit for the year	-	-	-	-	-	-	1,688.14	-	1,688.14
Remeasurements of defined benefit obligations, net of tax	-	-	-	-	-	-	-	(137.89)	(137.89)
Fair value changes on derivatives designated as cash flow hedge, net of tax	-	-	-	-	-	-	-	48.60	48.60
Transfer to statutory reserve	-	337.63	-	-	-	-	(337.63)	-	-
Other adjustments	-	-	-	-	(7.24)	-	-	-	(7.24)
Balance as at 31 March 2021	**5,331.19**	**9,756.91**	**500.00**	**55,810.89**	**15.30**	**35.93**	**34,162.72**	**(69.45)**	**100,212.30**

Notes 1 to 53 form an intergral part of these financial statements
This is the statement of statement of changes in equity referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountant
Firm Registration No: 001076N/N500013

Suresh E S
Partner
Membership No: 206931

Place : Chennai
Date : 24 May 2021

For and on behalf of the Board of Directors of
Asirvad Micro Finance Limited

V P Nandakumar
Chairman
(DIN No.00044512)

S V Raja Vaidyanathan
Managing Director
(DIN No.01467098)

Yogesh Ratnakar Udhoji
Chief Financial Officer

Aparna Menon
Company Secretary

Place : Chennai
Date : 24 May 2021

1 Corporate Information

Asirvad Micro Finance Limited was incorporated in August 2007 under the provisions of Companies Act, 1956. The Company is a Non-Banking Financial Company - Systemically Important Non-Deposit taking Company – Microfinance Institution (NBFC-MFI). The company is registered as a Microfinance Institution under the Non Banking Financial Company- Micro Finance Institution (Reserve Bank) Directions , 2011 as amended, vide RBI letter dated 4th October 2013.

The Company is engaged in extending micro credit advances to poor women, who are otherwise unable to access finance from the mainstream banking channels. The Company provides small value collateral free loans with fortnightly /monthly repayments. The Company follows the Grameen Model with suitable adoptions using the group where each member is responsible for the loan repayment of the other members of the group.

In addition to the core business of providing micro-credit, the company also provides secured loans to Micro Small and Medium Enterprise ('MSME') and also provides gold loans.

2 Basis of preparation

(i) Statement of compliance with Indian Accounting Standards (Ind AS)

These financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for all the periods presented in these financial statements. Also, any directions issued by the RBI or other regulators are implemented as and when they become applicable.

The financial statements for the year ended 31 March 2021 were authorised and approved for issue by the Board of Directors on 24 May 2021.

(ii) Historical cost convention

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies.

(iii) Critical accounting estimates and judgements

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

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

Business model assessment

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

Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurements

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of loan portfolio

Judgment is required by management in the estimation of the amount and timing of future cash flows when determining an impairment allowance for loans and advances. In estimating these cash flows, the Company makes judgments about the borrower's financial situation. These estimates are based on assumptions about a number of factors such as credit quality, level of arrears etc. and actual results may differ, resulting in future changes to the impairment allowance.

Provisions

Provisions created in respect of a range of future obligations such as litigation. Some of the provisions involve significant judgment about the likely outcome of various events and estimated future cash flows. The measurement of these provisions involves the exercise of management judgments about the ultimate outcomes of the transactions. Payments that are expected to be incurred after more than one year are discounted at a rate, which reflects both current interest rates and the risks specific to that provision.

WALKER CHANDIOK & CO LLP
CHENNAI
CHARTERED ACCOUNTANTS

2 Basis of preparation (continued)

(iii) Critical accounting estimates and judgements (continued)

Useful lives of depreciable/ amortisable assets
Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of asset.

3 Summary of significant accounting policies

(a) Property, plant and equipment

Initial recognition and measurement
Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss.

Subsequent measurement (depreciation method, useful lives and residual value)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the written down method over the useful life of the assets as prescribed under Part 'C' of Schedule II, which is also the management's estimates of useful lives of such assets.

Asset class	Useful Life
Furniture and Fixtures including Electrical fittings	10
Leasehold Improvements	5
Office Equipment	5
Vehicles	8
Computers and others	3

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed. The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition
An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss, when the asset is de-recognised.

(b) Investment Property
Initial recognition and measurement
Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model. The cost of Investment property includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

De-recognition
An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Statement of Profit and Loss in the period in which the property is derecognised.

(c) Intangible assets

Initial recognition and measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (depreciation method, useful lives and residual value)

Intangible assets are amortised over a period of five years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

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3 Summary of significant accounting policies (continued)

(c) Intangible assets (continued)

Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and repair the asset to be capable of operating in the manner intended by management. These are recognised as assets when the Company demonstrate following recognition requirements:

a. The development costs can be measured reliably
b. The project is technically and commercially feasible
c. The company intends to and has sufficient resources to complete the project
d. The company has the ability to use or sell such intangible asset
e. The asset will generate probable future economic benefits.

(d) Revenue recognition

Interest and processing fee income on loans

Interest income for all financial instruments measured at amortised cost, is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company records interest income on actual receipt basis. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest income is also recognised on carrying value of assets over the remaining period of such assets.

Referral Income

Income from cross sale services is recognized on accrual basis when the service is rendered taking into account the number of units sold at the rates applicable according to the terms of the agreement.

Interest on fixed deposits

Interest income on deposits with banks is recognized in time proportion basis taking into account the amount outstanding and the rate applicable using the effective interest rate (EIR) method.

Dividend income

Dividend income is recognised at the time when the right to receive is established by the reporting date.

Miscellaneous income

All other income is recognised on an accrual basis, when there is no uncertainty in the ultimate realisation/ collection.

(e) Finance cost

Finance cost consists of interest and other cost that the Company incurred in connection with the borrowing of funds. All other finance costs are charged to the statement of profit and loss as incurred basis the effective interest rate method.

(f) Taxation

Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.



3 Summary of significant accounting policies (continued)

(f) Taxation (continued)

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised either in OCI or in other equity.

Tax expense recognized in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognized in other comprehensive income or directly in equity.

(g) Employee benefits

Defined contribution plan

(i) Provident fund

This is a defined contribution plan where contributions are remitted to provident fund authorities in accordance with the relevant statute and charged to the Statement of Profit and Loss in the period in which the related employee services are rendered. The Company has no further obligations for future provident fund benefits in respect of these employees other than its monthly contributions.

Defined benefit plan

(i) Gratuity

The liability recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

(ii) Compensated absences

The Company provides benefit of compensated absences under which unveiled leave are allowed to be accumulated to be availed in future. The compensated absences comprises of both vesting and non vesting benefit. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period.

Short-term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share based payments

The Company has formulated an Employees Stock Option Scheme. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity.

The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in Statement of Profit and Loss, with a corresponding adjustment to equity.

(h) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use.

If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount.

The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.



(i) Impairment of financial assets

The Expected Credit Loss (ECL) allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the life time expected credit loss (ECL).

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated on a collective basis for identified homogenous pool of loans.

Loan assets

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1 (0-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 (31-90 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

The ECL is measured at lifetime ECL for Stage 1, Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

The Probability of Default (PD) represents the likelihood of a borrower defaulting on its financial obligation over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD) is based on the amounts the Company expects to be owed at the time of default. Management overlay is included in determining the lifetime ECL. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write off

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to the statement profit and loss account.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand (including imprest), demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. The Company nets off the balance of bank overdraft with cash and cash equivalents for cash flow statement.

(k) Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

(l) Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset
(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
(iii) the Company has the right to direct the use of the asset.



3 Summary of significant accounting policies (continued)

(l) Leases (continued)

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

(m) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Classification and Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified and measured based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:
a. Amortized cost
b. Fair Value Through Other Comprehensive Income (FVTOCI) or
c. Fair Value Through Profit or Loss (FVTPL).
All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

(i) Financial asset carried at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:
(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss. Non-performing financial assets are carried at amortised cost in the financial statement.

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

A financial asset is measured at FVTOCI if both the following conditions are met:
(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and selling financial assets
(b) The contractual terms of the financial asset meet the SPPI test.

FVTOCI instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income is recognised in profit or loss in the same manner as for financial assets measured at amortised cost

(iii) Financial assets carried at Fair Value Through Profit or Loss (FVTPL)

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortized cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognized in statement of profit and loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.



(m) Financial instruments (Continued)

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

a. The rights to receive cash flows from the asset have expired, or
b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments, which are measured at amortised cost.

Classification and Subsequent measurement

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR method. Any gains or losses arising on derecognition of liabilities are recognised in the Statement of Profit and Loss.

Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there are a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(n) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss (interest and other finance cost associated) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Segment reporting

The Company operates in a single business segment i.e. lending to members, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Company operates in a single geographical segment i.e. domestic.

(o) Government grants

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.



3 Summary of significant accounting policies (continued)

(p) Foreign currency

Functional and presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non- monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the Statement of Profit and Loss in the year in which they arise.

(q) Securitisation and direct assignment

The securitised assets where the Company has not transferred substantially all the risks and rewards in accordance with the provisions of Indian Accounting Standard No.109 (Ind AS 109), 'Financial Instruments' shall not be de-recognized and proceeds received from securitisation shall be recognised as borrowings and interest thereon shall be recognised as finance cost.

The direct assignment transaction where the Company has transferred substantially all the risks and rewards in accordance with the provisions of Indian Accounting Standard No.109 (Ind AS 109), 'Financial Instruments' shall be de-recognized. Similarly, the gain on sale of assets arising from a direct assignment transactions, has been recognised on de-recognition as interest only strip.

(r) Statement of cash flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

4 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

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	As at 31 March 2021	As at 31 March 2020
5 Cash and cash equivalents		
(a) Cash on hand	224.72	13.56
(b) Balances with banks		
- In current accounts	17,399.55	7,129.33
- In deposit accounts - not covered under lien	47,222.60	112,931.55
	64,846.87	**120,074.44**
5.1 Of the above, the balances that meet the definition of cash and cash equivalents as per Ind AS 7 cash flow statements is	64,846.87	120,074.44
6 Bank balance other than above (Also, refer note 17.1)		
Balances with Banks		
- In Deposit Accounts - under lien (Refer note 6.1 below)	18,721.99	20,229.57
	18,721.99	**20,229.57**

6.1 Deposit accounts under lien comprise of:

Deposits (excluding accrued interest) amounting to Rs. 12,842.59 (As at 31 March 2020 Rs. 9,187.50 lakhs) have been placed with certain banks for obtaining term loans.

Deposits (excluding accrued interest) amounting to Rs. 5,148.97 lakhs (As at 31 March 2020 : Rs. 9,924.66 lakhs) are placed as credit enhancement (cash collateral) towards securitization transactions.

7(a) Loans (at amortised cost)		
(A) Term loans	513,664.06	452,837.62
Less : Impairment loss allowance	34,144.89	18,510.11
Total	**479,519.17**	**434,327.51**
(B) Term loans in India		
(i) Secured by tangible assets		
Loans	4,360.92	1,467.92
Less : Impairment loss allowance	104.83	80.01
Sub Total	**4,256.09**	**1,387.91**
(ii) Unsecured		
Loans	509,303.14	451,369.70
Less : Impairment loss allowance	34,040.06	18,430.10
Sub Total	**475,263.08**	**432,939.60**
Total	**479,519.17**	**434,327.51**
(C) Term loans in India		
(A) Public sectors	-	-
(B) Others	513,664.06	452,837.62
Less : Impairment loss allowance	34,144.89	18,510.11
Total	**479,519.17**	**434,327.51**
7(b) Loans given to staff (at amortised cost)		
Loans to Staff	76.52	102.30
	76.52	**102.30**

7.1

Particulars	As at 31 March 2021	As at 31 March 2020
The loan receivables reflected above excludes microfinance loans assigned to a third party on direct assignment in accordance with RBI Guidelines which qualify for derecognition as per Ind AS 109. The amounts given are net of minimum retention retained in the books:	85,801.60	107,246.23

7.2

Particulars	As at 31 March 2021	As at 31 March 2020
Provisions as per RBI Prudential Norms	6,999.98	4,568.19
Provisions as per ECL model under Ind AS 109	34,144.89	18,510.11
Amount recorded in the books	34,144.89	18,510.11

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As at 31 March 2021

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net Carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(A)	(B)	(C)	(D)	E = (C-D)	(F)	G = (D-F)
Performing assets						
Standard	Stage 1	470,496.16	9,600.52	460,895.64	6,400.38	3,200.14
	Stage 2	34,081.12	15,475.69	18,605.43	340.81	15,134.88
Non Performing Assets (NPA)						
Substandard	Stage 3	9,086.78	9,068.68	18.10	258.79	8,809.89
Total		**513,664.06**	**34,144.89**	**479,519.17**	**6,999.98**	**27,144.91**

As at 31 March 2020

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net Carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(A)	(B)	(C)	(D)	E = (C-D)	(F)	G = (D-F)
Performing assets						
Standard	Stage 1	442,384.73	9,860.06	432,524.67	4,198.85	5,661.21
	Stage 2	1,842.76	39.92	1,802.84	17.02	22.90
Non Performing Assets (NPA)						
Substandard	Stage 3	8,610.13	8,610.13	-	352.32	8,257.81
Total		**452,837.62**	**18,510.11**	**434,327.51**	**4,568.19**	**13,941.92**

7.3 Reconciliation of impairment allowance on Loans

Particulars	Amount
Impairment allowance as at 1 April 2019	5,387.15
Add: Impairment allowance provided in statement of Profit & Loss	14,737.61
Less: Impairment allowance Utilised for writing off Loss assets	1,614.65
	18,510.11
Impairment allowance as at 31 March 2020	29,980.94
Add: Impairment allowance provided in statement of Profit & Loss	14,346.16
Less: Impairment allowance Utilised for writing off Loss assets	
Impairment allowance as at 31 March 2021	**34,144.89**



7.4 As per RBI guidelines on Securitisation DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 updated on April 16, 2019 the details of securitisation are given below*:

Particulars	As at 31 March 2021	As at 31 March 2020
(i) No of SPVs sponsored by the NBFC for securitisation transactions	14	13
a.Through Direct assignment	8	17
b.Through Pass through Certificates	22	30
Total		
(ii) Total amount of securitised assets as per books of the SPVs Sponsored	85,801.60	107,246.23
a.Through Direct assignment	6,822.72	60,412.09
b.Through Pass through Certificates	92,624.32	167,658.32
Total		
(iii) Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
a) Off-balance sheet exposures	-	-
First loss	-	-
Others		
b) On-balance sheet exposures	15,476.18	26,929.02
First loss	-	-
Others		
(iv) Amount of exposures to securitisation transactions Other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own securitizations	-	-
First loss	-	-
Others		
ii) Exposure to third party securitisations	-	-
First loss	-	-
Others		
b) On-balance sheet exposures		
i) Exposure to own securitisations	5,148.97	9,924.66
First loss	-	-
Others		
ii) Exposure to third party securitisations	-	-
First loss	-	-
Others		

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7.5 Details of Financial Assets sold to Securitisation Company*

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Total number of loan assets securitized during the year		
a.Through Direct assignment	175,430.00	691,762.00
b.Through Pass through Certificates	-	324,712.00
	175,430.00	**1,016,474.00**
Book value of loan assets securitized during the year		
a.Through Direct assignment	44,443.44	140,592.85
b.Through Pass through Certificates	-	65,106.74
	44,443.44	**205,699.59**
Sale consideration received during the year		
a.Through Direct assignment	39,999.79	127,463.62
b.Through Pass through Certificates	-	58,987.61
	39,999.79	**186,451.23**
MFI Loans Subordinated as Credit Enhancement on Assets Derecognised		
a.Through Direct assignment	4,443.64	13,129.23
b.Through Pass through Certificates	-	6,119.13
	4,443.64	**19,248.36**
Gain / (loss) on the securitization transaction recognised in P&L	-	-
a.Through Direct assignment	-	-
b.Through Pass through Certificates	-	-
Gain / (loss) on the securitization transactions deferred	-	-
a.Through Direct assignment	-	-
b.Through Pass through Certificates	-	-
	-	-
Quantum of Credit Enhancement provided on the transactions in the form of deposits	-	-
a.Through Direct assignment	-	9,924.66
b.Through Pass through Certificates	-	**9,924.66**
Quantum of Credit Enhancement as at year end	-	-
a.Through Direct assignment	-	9,924.66
b.Through Pass through Certificates	-	**9,924.66**
Interest spread Recognised in the Statement of Profit and Loss during the Year	7,147.98	12,590.98
a.Through Direct assignment	-	-
b.Through Pass through Certificates	**7,147.98**	**12,590.98**

*The securitised loans disclosed in the above notes, i.e. 7.4 and 7.5 do not qualify for de-recognition under Ind AS. Nevertheless, the information in the notes is presented to ensure compliance with the RBI disclosure requirements.

7.6 The Company has not given moratorium for SMA/Overdue accounts. Hence, disclosure as per RBI notification RBI/2019-20/220 DOR,No.BP.DC.63/21.04,048/2020-21 Dated 17 April 2020 is not applicable.

	As at 31 March 2021	As at 31 March 2020
8 Investments		
Investments at fair value through other comprehensive income	-	-
Outside India		
In India		
Unquoted equity instruments in India	5.00	5.00
Total	**5.00**	**5.00**
9 Other financial assets		
(a) Security deposits	614.60	484.77
(b) Deposit under Pradhan Mantri Garib Kalyan Yojna (PMGKY)	-	15.00
(c) Retained interest on asset assigned	4,417.17	7,273.10
(d) Others	1,535.17	1,751.47
	6,566.94	**9,524.34**
10 Current tax assets (net)		
Advance income tax (net)	1,858.88	1,544.24
	1,858.88	**1,544.24**
11 (a) Deferred tax assets (net)		
Deferred tax assets (net)	8,282.84	3,424.70
	8,282.84	**3,424.70**

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11 (b) Current tax and deferred tax

(i) Income tax expense

Particulars	31 March 2021	31 March 2020
(a) Current tax in respect of current year	6,618.90	9,832.60
(b) Deferred tax relating to origination and reversal of temporary differences	(4,828.08)	(2,335.35)
(c) Tax relating to earlier year	(410.94)	-
Total tax expense recognised in statement of profit and loss	**1,379.88**	**7,497.25**

(ii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

Particulars	31 March 2021	31 March 2020
Profit Before tax from operations	3,068.02	31,030.05
Income Tax using the Company's domestic Tax rate #	772.22	7,810.26
Effect of income exempt from tax	-	238.37
Effect of other permanent differences	88.23	(88.91)
Effect on utilisation of accumulated losses during the year	-	-
Effect of change in tax rate	-	(462.47)
Effect of deferred tax remeasurement	930.37	-
Effect of change in previous year tax amount	(410.94)	-
Income tax recognised in the statement of profit & loss	**1,379.88**	**7,497.25**

The tax rate used for the FY 2020-2021 and 2019-2020 reconciliations above are the Corporate tax rate of 22%, applicable surcharge and cess payable by corporate entities in India on taxable profits under the Income tax act.

(iii) Income tax on other comprehensive income

Particulars	31 March 2021	31 March 2020
Deferred tax		
Remeasurement of defined benefit obligation	(46.39)	7.82
Fair value changes on derivatives designated as cash flow hedge, net	16.35	-
Total	**(30.04)**	**7.82**

(iv) Following is the analysis of the deferred tax asset/(liabilities) presented in the Balance sheet

Particulars	For the Year Ended 31 March 2021			
	Opening Balance	(Charge)/Credit recognised in		Closing Balance
		Recognised in profit and Loss	Recognised in OCI	
Tax effect of items constituting deferred tax assets/deferred Tax liability :				
Property, plant and equipment	50.61	268.14	-	318.75
Provision for employee benefits	193.17	395.38	46.39	634.94
Impairment loss allowance - Loans	4,838.01	3,407.21	-	8,245.22
Provision for fraud insurance claim receivable	103.04	55.48	-	158.52
Borrowings	317.24	(345.52)	-	(28.28)
Loans at amortised cost	290.66	219.26	-	509.92
Leases	24.05	5.86	-	29.91
Effective interest rate on PTC loans	(2,392.08)	822.29	-	(1,569.79)
Cash flow hedge reserve	-	-	(16.35)	(16.35)
Total	**3,424.70**	**4,828.10**	**30.04**	**8,282.84**

Particulars	For the Year Ended 31 March 2020			
	Opening Balance	(Charge)/Credit recognised in		Closing Balance
		Recognised in profit and Loss	Recognised in OCI	
Tax effect of items constituting deferred tax assets/deferred Tax liability :				
Property, plant and equipment	260.80	(210.19)	-	50.61
Provision for employee benefits	286.76	(101.41)	7.82	193.17
Impairment loss allowance - Loans	1,341.38	3,496.63	-	4,838.01
Provision for fraud insurance claim receivable	124.23	(21.19)	-	103.04
Borrowings	120.86	196.38	-	317.24
Loans at amortised cost	127.16	163.50	-	290.66
Leases	-	24.05	-	24.05
Effective interest rate on PTC loans	(1,179.61)	(1,212.47)	-	(2,392.08)
Total	**1,081.58**	**2,335.30**	**7.82**	**3,424.70**

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12 Property, plant and equipment, other intangible assets, Right of use assets and Intangible assets under development

Particulars	Property, plant and equipment							Right of use asset	Other intangible assets- Softwares	Intangible assets under development
	Investment Property - Land	Computers	Furnitures & Fixtures	Leasehold Improvements	Office Equipments	Vehicles	Total			
Gross block										
As at 01 April 2019	8.64	794.13	216.14	0.97	136.97	81.60	1,229.81	18.41	129.45	-
Additions	-	729.46	382.96	170.01	162.86	-	1,445.29	827.34	2.35	-
Disposals	-	-	(207.14)	-	(64.77)	(26.74)	(298.65)	-	-	-
As at 31 March 2020	**8.64**	**1,523.59**	**391.96**	**170.98**	**235.06**	**54.86**	**2,376.45**	**845.75**	**131.80**	-
Additions	-	549.17	178.69	14.51	58.96	27.40	828.73	286.67	402.00	54.50
Disposals	-	-	-	-	(25.06)	-	(25.06)	-	-	-
As at 31 March 2021	**8.64**	**2,072.76**	**570.65**	**185.49**	**268.96**	**82.26**	**3,180.12**	**1,132.42**	**533.80**	**54.50**
Accumulated depreciation/amortisation:										
As at 01 April 2019	-	714.92	141.32	0.95	110.53	62.90	1,030.62	12.46	108.22	-
Depreciation/Amortisation expense	-	371.17	103.60	58.59	47.67	6.48	587.51	112.15	20.66	-
Eliminated on Disposal of Assets	-	-	(7.79)	-	-	(19.93)	(27.72)	-	-	-
Depreciation Adjustments	-	-	-	-	-	-	-	-	1.92	-
As at 31 March 2020	**-**	**1,086.09**	**237.13**	**59.54**	**158.20**	**49.45**	**1,590.41**	**124.61**	**130.80**	-
Depreciation/Amortisation expense	-	635.88	94.91	116.70	75.60	3.99	927.08	113.33	143.31	-
Eliminated on Disposal of Assets	-	-	-	-	(25.00)	-	(25.00)	-	-	-
Depreciation Adjustments	-	-	-	-	-	-	-	-	-	-
As at 31 March 2021	**-**	**1,721.97**	**332.04**	**176.24**	**208.80**	**53.44**	**2,492.49**	**237.94**	**274.11**	-
Net block										
As at 31 March 2020	8.64	437.50	154.83	111.44	76.86	5.41	786.04	721.14	1.00	-
As at 31 March 2021	8.64	350.79	238.61	9.25	60.16	28.82	687.63	894.48	259.69	54.50



	As at 31 March 2021	As at 31 March 2020
13 Other non financial assets		
(a) Goods & service tax credit (input) receivable	21.41	38.71
(b) Prepaid expenses	465.27	202.18
(c) Capital advances	-	4.31
(d) Opex advances	289.55	153.73
(e) Others	-	11.16
	776.23	**410.09**

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	As at 31 March 2021	As at 31 March 2020
14 Derivative financial instruments (Also, refer note 41.15)		
Currency derivatives		
Interest rate swap	135.30	-
	135.30	**-**
15 Other payables		
(a) Total outstanding dues of micro enterprises and small enterprises (Also, refer note 40)	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,447.22	1,762.70
	2,447.22	**1,762.70**

There are no dues payable as at 31 March 2021 and 31 March 2020 to Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. The information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

16 Debt securities (At amortised cost)		
(a) Redeemable non-convertible debentures		
- Secured	91,065.73	30,242.78
- Unsecured	30,839.72	24,348.97
(b) Commercial papers (Unsecured)	-	2,290.21
	121,905.45	**56,881.96**
(i) Debt securities in India	121,905.45	56,881.96
(ii) Debt securities outside India	-	-
	121,905.45	**56,881.96**

Also, refer note 17.2 and note 17.3

17 Borrowings (other than debt securities) (At amortised cost)		
(a) Secured		
- Term loan from banks	270,635.86	295,644.36
- Term loan from NBFCs	12,528.50	19,009.05
- Other financial institutions	24,285.51	2,770.28
	307,449.87	**317,423.69**
(b) Unsecured		
- Term loan from NBFCs	5,038.80	5,037.65
(c) Borrowings under securitisation arrangement	6,845.87	59,087.77
	319,334.54	**381,549.11**
Borrowings in India	306,361.89	378,778.83
Borrowings outside India	12,972.65	2,770.28
	319,334.54	**381,549.11**

17.1 Security on term loans from banks and others (Also, refer note 6)

All loans are secured by hypothecation of Micro Finance Loans. Further, the Company has provided a specific lien on deposits with Banks (Refer (a) below) and also have deposits with other NBFCs for Term Loans (Refer (b) below)

(a) Deposits with Banks & Others	18,721.99	20,084.57
(b) Deposits with NBFCs	-	145.00
	18,721.99	**20,229.57**

17.2 Details of commercial paper - Unsecured

Particulars	Tenor (Days)	Interest Rate	31 March 2021	31 March 2020
Issued to others (Anand Rathi)	365	10.30%	-	2,290.21

(i) Details of commercial paper issued/repaid during the current year ended 31 March 2021

Particulars	Tenor (Days)	Discount rate (per annum)	Date of Transaction	Redemption Date
CP-Anand Rathi Global Finance Ltd	365	10.30%	25-Feb-20	24-Feb-21

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17.2 Details of commercial paper - Unsecured (Continued)

(ii) Details of commercial paper issued/repaid during the current year ended 31 March 2020

Particulars	Tenor (Days)	Discount rate	Date of Transaction	Redemption Date
CP-Invesco	62	9.80%	26-Feb-19	29-Apr-19
CP-Invesco	65	9.35%	24-Apr-19	28-Jun-19
CP-Anand Rathi	333	11.10%	3-May-19	18-Mar-20
CP-15-CP-Utkarsh	62	9.16%	12-Jun-19	13-Aug-19
CP-Utkarsh SFB- 2	34	7.25%	27-Aug-19	30-Sep-19
CP Utkarsh SMF	87	7.95%	4-Oct-19	30-Dec-19
CP-Anand Rathi Global Finance Ltd	365	10.30%	25-Feb-20	24-Feb-21

17.3 Details of terms of repayment- Debentures and subordinated liabilities

ISIN No	Party	Type of NCD	No. of Debentures As at		Face value	Interest rate	Due date of redemption	Closing balance As at	
			31 March 2021	31 March 2020				31 March 2021	31 March 2020
INE516Q08166	IFMR Capital	Sub Debt	500	500	1,000,000.00	13.00%	30-Jun-22	5,138.69	5,137.39
INE516Q08158	Royal Sundaram	Sub Debt	150	150	1,000,000.00	12.42%	28-Jun-23	1,495.66	1,494.02
INE516Q08182	Reliance Nippon	Sub Debt	350	350	1,000,000.00	13.00%	15-Jul-22	3,510.77	3,501.70
INE516Q08174	Reliance Nippon	Sub Debt	150	150	1,000,000.00	13.00%	15-Jul-22	1,503.53	1,500.79
INE516Q08331	A K Capital	Sub Debt	10,000	-	100,000.00	11.90%	26-Jun-26	9,828.27	-
INE516Q08299	IFMR Capital	Other Than Sub Debt	-	150	1,000,000.00	12.00%	30-Jun-20	-	1,499.21
INE516Q07119	Blue Orchard	Other Than Sub Debt	330	330	1,000,000.00	13.25%	19-May-21	3,429.59	3,452.64
INE516Q07226	UTI International	Other Than Sub Debt	50	1,000	1,000,000.00	12.30%	9-Aug-23	505.69	10,141.42
INE516Q08281	Karvy	Other Than Sub Debt	50,000	50,000	10,000.00	11.63%	30-May-24	4,887.79	4,861.28
INE516Q08273	Credit Suisse Securities (India) Pvt Ltd	Other Than Sub Debt	100	100	1,000,000.00	11.00%	21-May-21	1,011.73	1,010.54
INE516Q07267	IFMR Capital	Other Than Sub Debt	250	250	1,000,000.00	12.00%	27-Jun-22	2,498.51	2,498.27
INE516Q07275	Blue Orchard	Other Than Sub Debt	700	700	1,000,000.00	12.48%	9-Mar-25	7,053.01	7,037.49
INE516Q07283	Bank of India	Other Than Sub Debt	750	-	1,000,000.00	10.50%	28-Apr-23	8,101.73	-
INE516Q07291	Canara Bank	Other Than Sub Debt	450	-	1,000,000.00	11.00%	29-May-23	4,894.33	-
INE516Q07309	Bandhan Bank	Other Than Sub Debt	417	-	1,000,000.00	11.25%	21-Apr-23	4,162.22	-
INE516Q07317	Union Bank	Other Than Sub Debt	850	-	1,000,000.00	11.00%	26-Jun-23	9,174.28	-
INE516Q07325	State Bank of India	Other Than Sub Debt	1,000	-	1,000,000.00	9.50%	5-Feb-22	10,590.39	-
INE516Q07333	Union Bank	Other Than Sub Debt	500	-	1,000,000.00	9.00%	8-Mar-22	5,231.89	-
INE516Q07341	Bank of Baroda	Other Than Sub Debt	1,500	-	1,000,000.00	8.60%	19-May-22	15,066.25	-
INE516Q07358	State Bank of India	Other Than Sub Debt	1,000	-	1,000,000.00	9.00%	14-Jun-22	10,243.25	-
INE516Q07366	Bank of India	Other Than Sub Debt	750	-	1,000,000.00	8.40%	30-Jun-22	7,630.02	-
INE516Q08307	A K Capital	Other Than Sub Debt	7,500	-	100,000.00	11.10%	5-Feb-23	7,508.85	-
INE516Q08315	Northern Arc	Other Than Sub Debt	1,000	-	1,000,000.00	10.50%	3-Mar-23	9,955.00	-
INE516Q08323	Anand Rathi and Others	Other Than Sub Debt	500	-	1,000,000.00	10.50%	8-Mar-23	4,976.18	-
INE516Q07382	CDC	Other Than Sub Debt	500	-	1,000,000.00	9.22%	30-May-25	4,984.74	-
INE516Q08216	Credit Suisse Securities (India) Pvt Ltd	Other Than Sub Debt	-	100	1,000,000.00	11.43%	22-May-20	-	260.86
INE516Q08224	Credit Suisse Securities (India) Pvt Ltd	Other Than Sub Debt	-	350	1,000,000.00	11.43%	22-Jun-20	-	903.41
INE516Q07242	Reliance MF	Other Than Sub Debt	-	1,000	1,000,000.00	11.55%	27-Nov-20	-	2,608.73
INE516Q07259	Credit Suisse Securities (India) Pvt Ltd	Other Than Sub Debt	-	245	1,000,000.00	11.00%	11-Dec-20	-	2,663.85
INE516Q07101	Blue Orchard	Other Than Sub Debt	-	700	1,000,000.00	12.53%	29-Mar-21	-	7,002.48
INE516Q08265	Brila Sun Life	Other Than Sub Debt	-	2,500	1,000,000.00	11.50%	31-Mar-21	-	10,651.57
								143,382.37	**66,225.65**

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17.4 Details of terms of repayment- term loans from banks and others

As at 31 March 2021

Tenure	Repayment	Interest Range	Due within 1 year		Due within 1-2 years		Due within 2-3 years		Due within 3-4 years		Due within 4-5 years		Over 5 years	
			No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount
1yr-3yrs	Monthly	7%-8%	3.00	1,250.00	-	-	-	-	-	-	-	-	-	-
		8%-9%	24.00	5,500.00	23.00	5,250.00	-	-	-	-	-	-	-	-
		9%-10%	193.00	42,020.56	120.00	28,371.50	2.00	416.67	-	-	-	-	-	-
		10%-11%	48.00	8,543.06	-	-	-	-	-	-	-	-	-	-
		11%-12%	70.00	20,313.72	19.00	8,783.27	1.00	666.67	-	-	-	-	-	-
	Quarterly	9%-10%	34.00	16,198.86	17.00	9,471.59	6.00	5,318.18	1.00	272.73	-	-	-	-
		10%-11%	29.00	25,199.62	15.00	10,567.52	-	-	-	-	-	-	-	-
		11%-12%	8.00	1,321.21	4.00	660.61	-	-	-	-	-	-	-	-
	Half Yearly	7%-8%	2.00	12,500.00	1.00	6,250.00	-	-	-	-	-	-	-	-
		9%-10%	1.00	1,666.00	2.00	3,334.00	-	-	-	-	-	-	-	-
	Bullet	8%-9%	2.00	12,500.00	-	-	-	-	-	-	-	-	-	-
		9%-10%	-	-	-	-	1.00	8,625.00	-	-	-	-	-	-
		10%-11%	1.00	5,000.00	-	-	2.00	13,020.00	-	-	-	-	-	-
3yrs Above	Monthly	9%-10%	21.00	2,625.00	14.00	1,166.67	11.00	763.89	4.00	277.78	-	-	-	-
	Quarterly	9%-10%	12.00	7,123.02	9.00	5,984.59	6.00	4,200.00	8.00	2,600.00	8.00	1,600.00	2.00	400.00
	Half-yearly	10%-11%	6.00	900.00	4.00	700.00	-	-	-	-	-	-	-	-
		11%-12%	10.00	8,967.00	8.00	7,244.00	8.00	7,319.00	4.00	4,225.00	-	-	-	-
	Bullet	10%-11%	-	-	-	-	2.00	1,893.30	1.00	946.70	-	-	-	-
			464.00	**171,628.07**	**236.00**	**87,783.75**	**39.00**	**42,222.70**	**18.00**	**8,322.21**	**8.00**	**1,600.00**	**2.00**	**400.00**

As at 31 March 2020

Tenure	Repayment	Interest Range	Due within 1 year		Due within 1-2 years		Due within 2-3 years		Due within 3-4 years		Due within 4-5 years		Over 5 years	
			No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount
1yr-3yrs	Monthly	9%-10%	49.00	15,130.95	34.00	12,708.33	8.00	6,666.67	-	-	-	-	-	-
		10%-11%	263.00	39,699.42	83.00	13,254.37	13.00	1,384.59	-	-	-	-	-	-
		11%-12%	196.00	43,065.93	87.00	20,956.11	3.00	466.67	-	-	-	-	-	-
	Quarterly	9%-10%	14.00	4,930.30	15.00	4,909.85	12.00	3,484.85	-	-	-	-	-	-
		10%-11%	58.00	28,908.12	40.00	30,170.45	23.00	24,240.91	-	-	-	-	-	-
		11%-12%	17.00	5,203.73	8.00	1,321.21	3.00	496.97	-	-	-	-	-	-
	Bullet	9%-10%	3.00	10,000.00	-	-	-	-	-	-	-	-	-	-
		11%-12%	-	-	1.00	5,000.00	-	-	-	-	-	-	-	-
3yrs Above	Monthly	10%-11%	6.00	250.00	-	-	-	-	-	-	-	-	-	-
		11%-12%	12.00	2,000.00	12.00	2,000.00	8.00	1,333.33	-	-	-	-	-	-
	Half-yearly	10%-11%	6.00	3,400.00	6.00	900.00	4.00	700.00	-	-	-	-	-	-
		11%-12%	10.00	8,760.00	10.00	8,967.00	8.00	7,244.00	8.00	7,319.00	4.00	4,225.00	-	-
	Bullet	10%-11%	-	-	-	-	-	-	2.00	1,893.30	1.00	946.70	-	-
			634.00	**161,348.45**	**296.00**	**100,187.33**	**82.00**	**46,017.99**	**10.00**	**9,212.30**	**5.00**	**5,171.70**	**-**	**-**

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17.5 Reconciliation of liabilities arising from financing activities

Particulars	Debt securities (including subordinated liabilities)	Borrowings (other than debt securities)	Commercial Paper	Total
01 April 2019	**84,989.47**	**251,844.17**	**4,961.71**	**341,795.35**
Proceeds	29,450.00	364,656.92	21,973.42	416,080.34
Repayment	(47,283.00)	(234,989.49)	(24,644.92)	(306,917.41)
Interest expense	8,964.44	30,858.77	438.11	40,261.32
Interest paid	(9,895.26)	(30,821.26)	(438.11)	(41,154.62)
31 March 2020	**66,225.65**	**381,549.11**	**2,290.21**	**450,064.98**
Proceeds	111,500.00	192,545.00	-	304,045.00
Repayment	(35,575.00)	(254,759.27)	(2,266.55)	(292,600.82)
Interest expense	10,365.51	34,620.96	209.79	45,196.25
Interest paid	(9,133.79)	(34,421.01)	(233.45)	(43,788.25)
Fair value changes*	-	(200.25)	-	(200.25)
31 March 2021	**143,382.37**	**319,334.54**	**-**	**462,716.91**

* Fair value changes in external commercial borrowings availed during the year. (Also, refer note 41.15)

	As at 31 March 2021	As at 31 March 2020
18 Subordinated liabilities		
Redeemable Non-Convertible Debentures (Unsecured) - Subordinated Debt	21,476.92	11,633.90
	21,476.92	**11,633.90**
Subordinated liabilities in India	21,476.92	11,633.90
Subordinated liabilities outside India	-	-
	21,476.92	**11,633.90**
19 Other financial liabilities		
(a) Interest payable on assets assigned	2,076.98	2,992.56
(b) Lease liabilities (Also, refer note 34)	1,035.56	810.96
(c) Other payables	2,930.87	496.15
	6,043.41	**4,299.67**
20 (a) Current tax liabilities (net)		
Provision for taxation (net)	725.91	-
	725.91	**-**
20 (b) Provisions (Also, refer note 35)		
(a) Provision for compensated absences	1,189.94	1,126.34
(b) Provision for gratuity	316.81	30.84
	1,506.75	**1,157.18**
21 Other non financial liabilities		
(a) Statutory dues payable	526.51	318.44
(b) Other payables	790.04	582.72
(c) Advance from customers	2,123.84	29,021.45
	3,440.39	**29,922.61**

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22 Equity share capital

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares*	Amount	No. of shares*	Amount
(a) Authorised				
Equity shares of Rs.10/- each	90,000,000	9,000.00	90,000,000	9,000.00
Cumulative redeemable non-convertible preference shares of Rs.100/- each	1,000,000	1,000.00	1,000,000	1,000.00
Sub-total	**91,000,000**	**10,000.00**	**91,000,000**	**10,000.00**
(b) Issued , subscribed and fully paid up equity shares of Rs.10/- each	53,311,887	5,331.19	53,311,887	5,331.19
Sub-total	**53,311,887**	**5,331.19**	**53,311,887**	**5,331.19**

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Equity Shares	As at 31 March 2021		As at 31 March 2020	
	No. of shares*	Amount	No. of shares*	Amount
At the beginning of the period/year	53,311,887	5,331.19	53,311,887	5,331.19
Issued during the year (Refer Note 22.1 below)	-	-	-	-
Outstanding at the end of the period/year	**53,311,887**	**5,331.19**	**53,311,887**	**5,331.19**

22.1 During the year ended 31 March 2021 and 31 March 2020, the Company has not issued any equity shares.

(ii) Details of shares held by the Holding Company:

Class of shares / Name of shareholder	As at 31 March 2021		As at 31 March 2020	
	No of shares held*	% holding in the class of shares	No of shares held*	% holding in the class of shares
Equity Shares of Rs. 10 each				
Manappuram Finance Limited (the Holding Company)	50,533,878	94.79%	49,757,889	93.33%

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2021		As at 31 March 2020	
	No of shares held*	% holding in the class of shares	No of shares held*	% holding in the class of shares
Equity Shares of Rs. 10 each				
Mr. S V Raja Vaidyanathan	2,451,977	4.60%	3,127,966	5.87%
Manappuram Finance Limited	50,533,878	94.79%	49,757,889	93.33%

(iv) Terms / Rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs.10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Dividend proposed by the Board of Directors, if any is subject to the approval of the shareholders at the Annual General Meeting, except in the case of interim dividend.

** No. of shares are in absolute numbers*

(v) Employees Stock Option Scheme (ESOS) (Also, refer note 50) :

During the year ended 31 March 2020, the Company introduced Employee Stock Option Scheme to eligible employees of the Company w.e.f. 01 July 2019 ("Relevant Date"). Accordingly 830,000 options were issued with a graded vesting period and 512,500 options are outstanding as at 31 March 2021.

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	As at 31 March 2021	As at 31 March 2020
23 Other equity		
(a) Capital redemption reserve	500.00	500.00
(b) ESOS Contribution from Holding Company	15.30	22.54
(c) Statutory reserve	9,756.91	9,419.28
(d) Securities premium account	55,810.89	55,810.89
(e) General reserve	35.93	35.93
(f) Surplus in statement of profit and loss	34,162.72	32,812.21
(g) Other comprehensive income (OCI)	(69.45)	19.84
	100,212.30	**98,620.69**

(a) Capital redemption reserve
In accordance with Section 69 of the Companies Act, 2013, the Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve

(b) ESOS Contribution from Holding Company
Under Ind AS 102, fair value of the options granted is required to be accounted as expense over the life of the vesting period as employee compensation costs, reflecting the period of receipt of service.

(c) Statutory reserve
Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve.

(d) Securities Premium Account
Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

(e) General reserve
General reserve represents an appropriation of profits by the Company.

(f) Surplus in statement of profit and loss
Surplus in statement of profit and loss represents the surplus in Profit and Loss Account and appropriations.

(g) Other comprehensive income (OCI)
Represents remeasurement of defined benefit liability which comprises of actuarial gains and losses excluding amounts included in net interest on the net defined benefit liability and cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI

(a) Capital redemption reserve		
Opening balance	500.00	500.00
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	**500.00**	**500.00**
(b) ESOS Contribution from Holding Company		
Opening balance	22.54	20.44
Add : (Reversal)/Contribution during the year	(7.24)	2.10
Less : Utilised during the year	-	-
Closing balance	**15.30**	**22.54**
(c) Statutory reserve		
Opening balance	9,419.28	4,712.72
Add: Additions during the year	337.63	4,706.56
Less: Utilised / transferred during the year	-	-
Closing balance	**9,756.91**	**9,419.28**
(d) Securities premium account		
Opening balance	55,810.89	55,810.89
Add : Premium on shares issued during the year	-	-
Less : Utilised during the year	-	-
Closing balance	**55,810.89**	**55,810.89**
(e) General reserve		
Opening balance	35.93	35.93
Add: Transferred from surplus in statement of profit and loss	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	**35.93**	**35.93**

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	As at 31 March 2021	As at 31 March 2020
23 Other equity (Continued)		
(f) Surplus in statement of profit and loss		
Opening balance	32,812.21	13,987.61
Add: Profit for the year	1,688.14	23,532.80
Less: Impact of Ind AS 116	-	(1.62)
Less: Transfer to Statutory Reserve	(337.63)	(4,706.58)
Closing balance	**34,162.72**	**32,812.21**
(g) Other comprehensive income (OCI)		
Opening balance	19.84	43.08
Less: (Loss) for the year	(89.29)	(23.24)
Closing balance	**(69.45)**	**19.84**
Total (a+b+c+d+e+f+g)	**100,212.30**	**98,620.69**

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	Year ended 31 March 2021	Year ended 31 March 2020
24 (a) Interest income		
On financial assets measured at amortised cost		
(i) Interest income from loan:		
- Interest on loan- microfinance loans	92,397.93	89,221.40
- Interest on loan- MSME loans	590.00	121.21
(ii) Interest on deposits with banks and financial institutions	2,774.95	1,968.94
(iii) Other interest income	-	26.51
	95,762.88	**91,338.06**
24 (b) Net gain on derecognition of financial instruments under amortised cost category		
Net gain on derecognition of financial instruments under amortised cost category	7,147.98	12,590.98
	7,147.98	**12,590.98**
24 (c) Dividend income		
Dividend income from mutual funds	1,286.86	947.06
	1,286.86	**947.06**
25 Other operating income		
Loss assets recovered	1,099.17	629.84
	1,099.17	**629.84**
26 Other income		
(a) Referral fees	2,271.21	4,543.28
(b) Miscellaneous income	150.26	95.18
	2,421.47	**4,638.46**
27 Finance cost		
On financial liabilities measured at amortised cost		
(a) Interest on borrowings		
- Term Loans from banks	27,719.75	19,460.54
- Term Loans from NBFCs	2,018.45	2,424.98
- Borrowings under securitisation arrangement	3,378.55	8,956.58
- Other financial institutions	1,504.21	16.67
- Commercial paper	209.79	438.11
- Overdraft	-	0.81
(b) Interest on debt securities		
- Debentures & subordinated liabilities	10,365.51	8,964.44
(c) Other interest expense		
- Interest on finance lease obligations	93.37	92.63
(d) Other Borrowing Costs		
- Loan processing fees	76.31	212.62
- Bank charges	388.20	376.48
	45,754.14	**40,943.86**

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	Year ended 31 March 2021	Year ended 31 March 2020
28 Impairment of financial instruments (At amortised cost)		
Loans (Also, refer note 7.3)	29,980.94	14,737.61
	29,980.94	**14,737.61**
Less : Exceptional item	-	5,502.64
	29,980.94	**9,234.97**
29 Employee benefit expenses		
(a) Salaries and wages	17,092.54	13,417.74
(b) Contributions to provident and other funds	1,442.23	1,335.46
(c) Gratuity expenses (Also, refer note 35)	272.72	174.05
(d) Staff welfare expenses	45.45	93.19
	18,852.94	**15,020.44**
30 Depreciation and amortisation expense (Also, refer note 12)		
(a) Depreciation of tangible assets	927.08	579.72
(b) Amortization of other intangible assets	143.31	22.58
(c) Amortization of right of use asset	113.33	112.15
	1,183.72	**714.45**
31 Other expenses		
(a) Electricity	128.29	101.62
(b) Rent (Also, refer note 36)	1,237.85	1,209.40
(c) Repairs and maintenance	65.56	40.61
(d) Insurance	292.49	363.65
(e) Rates and taxes	65.21	31.05
(f) Communication expenses	316.55	393.20
(g) Travel and conveyance	2,654.35	2,153.84
(h) Printing and stationery	237.97	289.97
(i) Directors' sitting fees	28.93	20.49
(j) Business promotion	5.76	7.86
(k) CSR expenses (Also, refer note 47)	344.54	150.57
(l) Legal and professional fees	502.00	663.69
(m) Provision for insurance claim receivable	301.70	86.31
(n) Subscription charges	79.61	44.11
(o) Software costs (Also, refer note 36)	2,045.16	1,001.25
(p) Security charges	6.94	20.65
(q) House keeping expenses	146.57	155.73
(r) Office expenses	62.71	92.91
(s) Directors commission (Also, refer note 36)	67.86	-
(t) Loss on sale of property, plant & equipment	0.06	-
(u) Payments to statutory auditors' (net of input tax credit)		
- Statutory audit	16.00	18.00
- Tax audit	2.00	2.00
- Other services (Limited Review, Interim Audit and Certification)	6.50	8.70
- Out of pocket expenses	2.73	0.73
(v) Miscellaneous expenses	261.26	841.65
	8,878.60	**7,697.99**



32 Segment reporting

The Company is engaged in extending micro credit advances to poor women, who are otherwise unable to access finance from the mainstream banking channels. Based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the Chief Operating Decision Marker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by the overall business segment, i.e. Microfinance and other loans. As the allocation of resources and profitability of the business is evaluated by the CODM on an overall basis, with evaluation into individual categories to understand the reasons for variations, no separate segments have been identified. Accordingly no additional disclosure has been made for the segmental revenue, segmental results and the segmental assets & liabilities.

33 Earnings per share

Basic and Diluted earnings per share :

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
(a) Net Profit attributable to Equity Shareholders - ₹ in lakhs (Basic and Diluted)	1,688.14	23,532.80
(b) Weighted average number of equity shares in calculating basic Earnings Per Share (Nos.)	53,311,887	53,311,887
(c) Earnings per share - Basic and Diluted - ₹ (Per share)	3.17	44.14

34 Leases

Details of Income/Expense recognised in the statement of Profit and Loss :

Depreciation expense on right-of-use assets	113.33	112.15
Interest expense on lease liabilities	93.37	92.63
Total cash outflow for leases	169.94	88.74
Lease expense on Low Value Assets / Short term assets	1,237.85	1,209.40

Maturity analysis of Lease Liabilities (valued on undiscounted basis):

	As at 31 March 2021	As at 31 March 2020
Year 1	649.29	736.13
Year 2	514.47	673.88
Year 3	493.72	592.90
Year 4	465.09	511.79
Year 5	325.82	420.39

35 Employee benefits

35.1 Defined contribution plan

(a) The Company makes Provident and Pension Fund contributions, which is a defined contribution plan, for qualifying employees. Additionally, the Company also provides, for covered employees, health insurance through the Employee State Insurance scheme. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(b) Expenses recognised	Year ended 31 March 2021	Year ended 31 March 2020
Included under 'Contributions to Provident and Other Funds' (Refer Note 29)		
Contributions to provident and pension funds	1,077.12	1,031.94
Contributions to Employee State Insurance	365.11	303.52
	1,442.23	**1,335.46**

35.2 Compensated absences

Expenses recognised

Included under salaries and wages (Refer Note 29)		
	324.68	733.99
	324.68	**733.99**

	As at 31 March 2021	As at 31 March 2020
Current portion	209.14	84.55
Non - current portion	980.80	1,041.79
Net liability recognised in the balance sheet	**1,189.94**	**1,126.34**

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35 Employee benefits (continued)

35.2 Compensated absences (continued)

The key assumptions used in the computation of provision for compensated absences are as given below:

	As at 31 March 2021	As at 31 March 2020
Discount Rate (% p.a)	6.59%	6.48%
Future Salary Increase (% p.a)	10.00%	10.00%
Attrition Rate	16.00%	16.00%

35.3 Defined benefit plans:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is calculated as per the Payment of Gratuity Act, 1972 and the benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

(a) Amount recognised in the statement of profit & loss in respect of the defined benefit plan are as follows :

	Year ended 31 March 2021	Year ended 31 March 2020
Amounts recognised in statement of profit & loss		
Service cost		
- Current service cost	276.32	181.11
- Past service cost	-	-
- Net interest expense	(3.60)	(7.06)
Components of defined benefit costs recognised in statement of profit or loss (A)	**272.72**	**174.05**
Amounts recognised in statement of other comprehensive income		
Actuarial (gain)/loss on Plan Obligations	170.64	17.04
Difference between actual return and interest income on plan assets- (gain)/loss	13.64	14.02
Components of defined benefit costs recognised in other comprehensive income (B)	**184.28**	**31.06**
Total	**457.00**	**205.11**

(i) The current service cost and interest expense for the year are included in the Note 29 - Employee benefit expenses in the statement of profit & loss under the line contribution to provident and other funds.
(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income.
(iii) The present value of the defined benefit obligation, and the related current service cost and paid service cost, were measured using the projected unit credit method.

(b) The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows :

	As at 31 March 2021	As at 31 March 2020
Present value of defined benefit obligation	1,215.92	599.24
Fair value of plan assets	899.11	568.40
Net (Liability) recognised in the balance sheet	(316.81)	(30.84)
Current portion of the above	-	-
Non current portion of the above	(316.81)	(30.84)
	(316.81)	(30.84)

(c) Movement in the present value of the defined benefit obligation are as follows :

	As at 31 March 2021	As at 31 March 2020
Present value of defined benefit obligation at the beginning of the year	599.24	385.32
Expenses recognised in profit and loss account		
- Current Service cost	276.32	181.11
- Interest expense (income)	38.44	28.42
Remeasurement gains / (losses)		
- Effect of Changes in financial assumptions	(14.40)	37.69
- Effect of experience adjustments	185.04	(20.65)
Benefit payments	(29.88)	(12.65)
Effect of transfer of employees from Holding Company	161.16	-
Present value of defined benefit obligation at the end of the year	**1,215.92**	**599.24**

(i) The weighted average duration of the benefit obligation at 31 March 2021 is 10.523 years (As at 31 March 2020 is 10.873 years).

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35 Employee benefits (continued)

35.3 Defined benefit plans (continued)

(d) Movement in fair value of plan assets are as follows :

	As at 31 March 2021	As at 31 March 2020
Fair value of plan assets at the beginning of the year	568.40	399.29
expenses recognised in profit and loss account		
- Expected return on plan assets	42.04	35.48
Remeasurement gains / (losses)		
- Actuarial gains/(loss) arising form changes in financial assumptions	(13.64)	(14.02)
Contributions by employer (including benefit payments recoverable)	171.03	160.30
Benefit payments	(29.88)	(12.65)
Effect of transfer of employees from Holding Company	161.16	-
Fair value of plan assets at the end of the year	**899.11**	**568.40**

(e) The fair value of plan assets for India at the end of the reporting period for each category are as follows :

	As at 31 March 2021	As at 31 March 2020
Investment funds with insurance company (Life Insurance Corporation of India)	899.11	568.40

(i) The plan assets comprise insurer managed funds. None of the assets carry a quoted market price in active market or represent the entity's own transferable financial instruments or property occupied by the entity.
(ii) The actual return on plan asset for the year ended 31 March 2021 was Rs.13.64 Lakhs (For the year ended 31 March 2020: Rs. 14.02 Lakhs).

(f) The principal assumptions used for the purpose of actuarial valuation were as follows :

Particulars	As at 31 March 2021	As at 31 March 2020
Discount rate	6.75%	6.58%
Expected rate of salary increase	10.00%	10.00%
Withdrawal Rate	16.00%	16.00%
Mortality		
Pre Retirement Mortality Rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Post Retirement Mortality Rate	LIC Ann (1996-98)	LIC Ann (1996-98)

1. The discount rate is based on the prevailing market yields of Indian Government securities as at balance sheet date for the estimated term of the obligation.
2. The estimates of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors.
3. In order to protect the capital and optimize returns within acceptable risk parameters, the plan assets are maintained with an insurer managed fund (maintained by the Life Insurance Corporation ("LIC")) and is well diversed.

Risks associated with plan provisions

Investment risk:
The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Interest risk:
A decrease in the yield of Indian government securities will increase the plan liability.

Longevity risk:
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:
The present value of the defined benefit plan liability is calculated by reference to the future salaries. In particular, there is a risk for the Company that any adverse salary growth can result in an increase in cost of providing these benefits to employees in future.

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35 Employee benefits (continued)

35.3 Defined benefit plans (continued)

Risks associated with plan provisions (continued)

Sensitivity analysis:
The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability.

	As at 31 March 2021	As at 31 March 2020
(a) Discount rate		
- Increase by 50 bps	(40.64)	(21.01)
- Decrease by 50 bps	43.27	22.42
(b) Salary growth rate		
- Increase by 50 bps	41.29	21.53
- Decrease by 50 bps	(39.32)	(20.42)
(c) Withdrawal rate		
- Increase by 50 bps	(23.07)	(13.77)
- Decrease by 50 bps	24.55	14.63
(d) Mortality rate		
- Increase by 50 bps	(0.10)	(0.05)
- Decrease by 50 bps	0.10	0.06

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There is no change in the methods and assumptions used in preparing the sensitivity analysis from the prior years.

(g) Effect of plan on entity's future cash flows
(i) The Company expects to make a contribution of Rs. 103.03 lakhs during the next financial year.
(ii) The weighted average duration of the benefit obligation at 31 March 2021 is 10.523 years (As at 31 March 2020 is 10.873 years).
(iii) Maturity profile of defined benefit obligation:

Expected cash flows over the next (valued on undiscounted basis):

	As at 31 March 2021	As at 31 March 2020
Within 1 year	103.03	43.37
1 to 5 years	536.85	253.70
More than 5 years	588.59	295.20

Experience Adjustments

Experience Adjustments	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
Defined benefit obligation	1,215.92	599.24	385.30	265.25	167.44
Fair value of plan assets	899.11	568.40	399.30	291.61	94.77
Surplus/(deficit)	(316.81)	(30.84)	14.00	26.36	(72.67)
Experience adjustment on plan liabilities	(170.64)	(17.04)	(35.36)	(58.09)	(3.52)
Experience adjustment on plan assets	(13.64)	(14.02)	(2.65)	(24.53)	0.87

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36 Related party transactions

36.1 Names of related parties and nature of relationship

Nature of relationship	Name of the party
Key Management Personnel (KMP) of the Company	Mr. S V Raja Vaidyanathan - Managing Director
	Mr. BN Raveendra Babu - Joint Managing Director (From 01 June 2020)
	Mr. Yogesh Ratnakar Udhoji - Chief Financial Officer (From 16 September 2019)
	Mr. Mayank Shyam Thatte - Chief Financial Officer (Upto 15 September 2019)
	Mr. V P Nandakumar - Chairman
	Mr. A Ramanathan - Independent Director
	Mr. Abhijit Sen - Independent Director
	Mr. Desh Raj Dogra - Independent Director
	Mr. Gautam Rathindranath Saigal - Non Independent Director
	Ms. Pushya Sitaraman - Independent Director
	Mr. Subrata Kumar Atindra Mitra - Independent Director
	Mr. T. Balakrishnan - Independent Director
	Mr. T.M. Manoharan - Independent Director
	Mr. V.R. Rajiven - Independent Director (Upto 19 October 2019)
	Mr. Anup Kumar Gupta - Company Secretary (Upto 05 December 2020)
	Mrs. Aparna Menon - Company Secretary (From 27 October 2020)
Holding company	Manappuram Finance Limited
Entity over which KMP has significant Influence	Asirvad Development Foundation
	Proficient Investment and Financial Consultancy Private Limited
Group companies	Manappuram Comptech and Consultants Limited
	Manappuram Foundation

Note: Related party relationships are as identified by the Management.

36.2 Transactions with the related parties

Nature	Name of the party	Year ended 31 March 2021	Year ended 31 March 2020
Remuneration to KMP	Mr. S V Raja Vaidyanathan	348.95	286.08
	Mr. BN Raveendra Babu	150.15	-
	Mr. Yogesh Ratnakar Udhoji	63.52	39.40
	Mr. Mayank Shyam Thatte	-	27.64
	Ms. Aparna Menon	5.21	-
	Mr. Anup Kumar Gupta	9.54	13.92
Donation	Asirvad Development Foundation	9.00	15.00
	Manappuram Foundation	315.54	121.00
Interest on loan	Manappuram Finance Limited	-	0.65
Rent & other amenities	Manappuram Finance Limited	0.73	-
	Proficient Investment And Financial Consultancy Pvt Ltd	4.54	4.96
Training expenses	Manappuram Finance Limited	18.63	-
Purchase of software	Manappuram Comptech and Consultants Limited	413.00	-
Software expense	Manappuram Comptech and Consultants Limited	792.52	15.78
Sitting fees	Mr. A Ramanathan	5.76	5.66
	Mr. Abhijit Sen	3.84	0.30
	Mr. D.R. Dogra	4.04	3.48
	Mr. Gautam Saigal	4.32	3.66
	Ms. Pushya Sitaraman	3.93	2.01
	Mr. Subrata Kumar Atindra Mitra	2.97	0.30
	Mr. T. Balakrishnan	3.84	3.60
	Mr. T.M. Manoharan	2.63	2.30
	Mr. V.R. Rajiven	-	0.89
Commission	Mr. A Ramanathan	10.00	11.00
	Mr. D.R. Dogra	10.00	11.00
	Mr. Subrata Kumar Atindra Mitra	10.00	-
	Mr. Abhijit Sen	10.00	-
	Mr. Gautam Saigal	10.00	11.00
	Ms. Pushya Sitaraman	10.00	11.00
	Mr. T. Balakrishnan	10.00	11.00
	Mr. T.M. Manoharan	10.00	11.00
	Mr. V.R. Rajiven	-	11.00

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36 Related party transactions (continued)

36.3 Balance as at year end

Nature	Name of the party	As at 31 March 2021	As at 31 March 2020
Rent payable	Proficient Investment And Financial Consultancy Pvt Ltd	0.38	0.38
Software expense payable	Manappuram Comptech and Consultants Limited	95.91	10.67
Performance incentive payable	Mr. S V Raja Vaidyanathan	150.00	100.00
	Mr. BN Raveendra Babu	60.00	-
	Mr. Yogesh Ratnakar Udhoji	-	6.40
Commission payable	Mr. A Ramanathan	10.00	11.00
	Mr. D.R. Dogra	10.00	11.00
	Mr. Subrata Kumar Atindra Mitra	10.00	-
	Mr. Abhijit Sen	10.00	-
	Mr. Gautam Saigal	10.00	11.00
	Ms. Pushya Sitaraman	10.00	11.00
	Mr. T. Balakrishnan	10.00	11.00
	Mr. V R Rajiven	-	11.00
	Mr. T.M. Manoharan	10.00	11.00

Note:

(a) The Company accounts for costs incurred by / on behalf of the Related Parties based on the actual invoices / debit notes raised and accruals as confirmed by such related parties.

(b) The Related Parties have confirmed to the Management that as at 31 March 2021 and 31 March 2020 there are no further amounts payable to / receivable from them, other than as disclosed above.

(c) The above compensation to key management personnel excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

(d) The transactions during the period are inclusive of GST.

36.4 Disclosures of Transactions Pursuant to Regulation 34(3) of SEBI (LODR) Regulations, 2015:

Particulars	As at 31 March 2021		As at 31 March 2020	
	Amount Outstanding	Maximum Amount Outstanding during the year	Amount Outstanding	Maximum Amount Outstanding during the year
Loans and advances in the nature of loans				
From Holding Company	-	-	-	-
To Fellow Subsidiaries	-	-	-	-
To Associates	-	-	-	-
Where there is				
No Repayment Schedule	-	-	-	-
Repayment Schedule beyond 7 years	-	-	-	-
No Interest	-	-	-	-
Interest below the rate as specified in section 186 of the Companies Act, 2013	-	-	-	-
To Firms / Companies in which directors are interested (Other the (a) and (b) above)				
Investments by the Loanee in the Shares of Parent Company and Subsidiary Company	-	-	-	-

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37 Capital Management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure. For the purpose of the Company's capital management, capital includes equity share capital and other equity. Debt includes term loans from banks, NBFC and debentures net of cash and bank balances. The Company monitors capital on the basis of the following gearing ratio. There is no change in the overall capital risk management strategy of the Company compared to last year.

Gearing ratio :

	As at 31 March 2021	As at 31 March 2020
Borrowings	462,716.91	450,064.97
Cash and bank balance	(64,846.87)	(120,074.44)
Net debt (A)	**397,870.04**	**329,990.53**
Equity share capital	5,331.19	5,331.19
Other equity	100,212.30	98,620.69
Total equity (B)	**105,543.49**	**103,951.88**
Net debt to equity ratio (A/B)	**3.77**	**3.17**

38 Fair value measurement

38.1 Financial instruments by category

Particulars	Carrying Value		Fair Value	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
(a) Financial assets				
Measured at amortised cost				
- Loans	479,519.17	434,327.51	479,519.17	434,327.51
- Cash and cash equivalents	64,846.87	120,074.44	64,846.87	120,074.44
- Bank balance other than above	18,721.99	20,229.57	18,721.99	20,229.57
- Other financial assets	6,566.94	9,524.34	6,566.94	9,524.34
- Loan given to staff	76.52	102.30	76.52	102.30
Measured at fair value through OCI				
- Investments	5.00	5.00	5.00	5.00
Total	**569,736.49**	**584,263.16**	**569,736.49**	**584,263.16**
(b) Financial liabilities :				
Measured at amortised cost				
- Debt securities	121,905.45	56,881.96	121,905.45	56,881.96
- Borrowings (other than debt security)	319,334.54	381,549.11	319,334.54	381,549.11
- Subordinated liabilities	21,476.92	11,633.90	21,476.92	11,633.90
- Trade payables	2,447.22	1,762.70	2,447.22	1,762.70
- Other financial liabilities	6,043.41	4,299.67	6,043.41	4,299.67
Hedge accounting				
- Derivative financial instruments	135.30	-	135.30	-
Total	**471,342.84**	**456,127.34**	**471,342.84**	**456,127.34**

The management assessed that fair value of loans, cash and cash equivalents, bank balances, other financial assets, borrowings, trade payables, derivative financial instrument and other financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

38.2 Fair value measurement hierarchy

The Company records certain financial assets and financial liabilities at fair value on a recurring basis. The Company determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

The Company holds certain financial assets which must be measured using the fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The Company determines fair values of its financial instruments according to the following hierarchy:

Level 1 - Valuation based on quoted market price: Financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2- Valuation using observable inputs: Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 - Valuation technique with significant unobservable inputs: Financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

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38.2 Fair value measurement hierarchy (Continued)

All the financial assets and liabilities except for derivative financial instruments is classified at amortised cost. The derivative financial instruments represents the cross currency interest rate swap (CCIRS) held for the purpose of hedging foreign currency denominated External Commercial Borrowings which is accounted as a cash flow hedge. CCIRS is being considered under Level 2 for fair valuation since observable inputs were used in the valuation of the instrument.

39 Financial Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages financial risk relating to the operations through internal risk reports which analyse exposure by degree and magnitude of risk. These risks include market risk (including interest rate risk and other price risk), credit risk and liquidity risk. Compliance with policies and exposure limits is reviewed by the management on a continuous basis.

(a) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

(I) Credit risk management

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. 'The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

The Company provides for expected credit loss based on the following:

Assets covered	Nature	Basis of expected credit loss
Cash and cash equivalents (excluding cash on hand), other bank balances, investments, loans and other financial assets	Low credit risk	Life time expected credit loss
Loans	Moderate credit risk	Life time expected credit loss
Loans	High credit risk	Life time expected credit loss

Financial assets that expose the entity to credit risk

Particulars	Nature	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents (excluding cash on hand)	Low credit risk	64,622.15	120,060.88
Bank balance other than above	Low credit risk	18,721.99	20,229.57
Loans	Low credit risk	460,895.64	432,524.67
Loans	Moderate credit risk	18,605.43	1,802.84
Loan given to staff	High credit risk	18.10	-
Investments	Low credit risk	76.52	102.30
Other financial assets	Low credit risk	5.00	5.00
	Low credit risk	6,566.94	9,524.34

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents (excluding cash on hand) and bank deposits is managed by only accepting highly rated deposits from banks and financial institutions across the country.

Other financial assets

Other financial assets measured at amortized cost includes security deposits, receivable on assignment, advances recoverable on behalf of business correspondence arrangements, insurance claim receivables and other receivables. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Loans

The Company closely monitors the credit-worthiness of the borrower's through internal systems and appraisal process to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for amounts loan receivables that become past due and default is considered to have occurred when amounts receivable become 90 days past due.



39 Financial Risk Management Framework (continued)

(a) Credit risk (continued)

The major guidelines for selection of the client includes:

1. The client's income and indebtedness levels must be within the prescribed guidelines of Reserve Bank of India;
2. The client must possess the required KYC documents
3. The client's household must be engaged in some form of economic activity which ensures regular and assured income;
4. Client must agree to follow the rules and regulations of the organisation and
5. Credit bureau check – In order to deal with the problem of over extension of credit and indebtedness of the client, the organisation undertakes credit bureau checks compulsorily for every client. The credit bureau check helps the organisation in identifying clients with poor repayment histories and multiple loans

(II) Credit risk exposure

(i) Expected credit losses for financial assets other than loans

The Company have not made expected credit losses for financial assets other than loans as the maturity is within twelve months from the balance sheet date.

Particulars	Cash and cash equivalents	Other bank balance	Loan given to staff	Investments	Other financial assets
As at 31 March 2021					
Estimated gross carrying amount	64,846.87	18,721.99	76.52	5.00	6,566.94
Less: Expected credit losses	-	-	-	-	-
Net carrying amount	**64,846.87**	**18,721.99**	**76.52**	**5.00**	**6,566.94**
As at 31 March 2020					
Estimated gross carrying amount	120,074.44	20,229.57	102.30	5.00	9,524.34
Less: Expected credit losses	-	-	-	-	-
Net carrying amount	**120,074.44**	**20,229.57**	**102.30**	**5.00**	**9,524.34**

(ii) Movement of carrying amount and expected credit loss for loans

Definition of default:
The Company considers default in all cases when the borrower becomes 90 days past due on its contractual payments. The Expected Credit Loss (ECL) is measured at lifetime ECL for Stage 1, Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default.

Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at 01 April 2019	**352,755.62**	**1,017.38**	**1,814.16**
Assets originated*	442,786.25	420.48	3,174.22
Net transfer between stages			
Transfer to stage 1	(7,682.33)	1,507.31	6,175.02
Transfer to stage 2	8.33	(513.58)	505.25
Transfer to stage 3	0.27	0.14	(0.41)
Assets derecognised or collected (excluding write offs)	(345,483.40)	(588.98)	(1,443.46)
Write - offs (including death cases)	-	-	(1,614.65)
Gross carrying amount as at 31 March 2020	**442,384.73**	**1,842.76**	**8,610.13**
Assets originated*	332,228.88	1,368.66	71.24
Net transfer between stages	-	-	-
Transfer to stage 1	7.00	(5.26)	(1.74)
Transfer to stage 2	(32,552.26)	32,553.06	(0.79)
Transfer to stage 3	(13,785.84)	(1,576.68)	15,362.52
Assets derecognised or collected (excluding write offs)	(257,786.34)	(101.43)	(608.42)
Write - offs (including death cases)	-	-	(14,346.16)
Gross carrying amount as at 31 March 2021	**470,496.16**	**34,081.12**	**9,086.78**

*Assets originated during the year has been presented on net basis i.e. the collections towards fresh loans has been netted off.

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39 Financial Risk Management Framework (continued)

(a) Credit risk (continued)

(II) Credit risk exposure (continued)

(iii) Reconciliation of loss allowance provision from beginning to end of reporting period:

Particulars	Stage 1	Stage 2	Stage 3
Loss allowance as at 01 April 2019	**3,529.40**	**10.54**	**1,847.21**
Increase of provision due to assets originated during the year	9,956.60	26.73	3,141.17
Net transfer between stages			
Transfer to stage 1	(76.82)	15.07	6,175.02
Transfer to stage 2	0.08	(5.14)	505.25
Transfer to stage 3	0.00	0.00	(0.41)
Assets derecognised or collected	(3,549.20)	(7.29)	(1,443.46)
Impact of ECL on exposures transferred between stages during the year	-	-	-
Write - offs (including death cases)	-	-	(1,614.65)
Gross carrying amount as at 31 March 2020	**9,860.06**	**39.92**	**8,610.13**
Increase of provision due to assets originated during the year	6,791.45	624.28	71.10
Net transfer between stages			
Transfer to stage 1	0.14	(2.40)	(1.74)
Transfer to stage 2	(665.44)	15,584.87	(0.79)
Transfer to stage 3	(281.81)	(719.16)	15,331.91
Assets derecognised or collected	(6,103.88)	(51.81)	(595.78)
Impact of ECL on exposures transferred between stages during the year	-	-	-
Write - offs (including death cases)	-	-	(14,346.16)
Gross carrying amount as at 31 March 2021 (#)	**9,600.53**	**15,475.69**	**9,068.68**

(#) If the probability of default and loss given default increases or decrease by 100 basis point the expected credit loss will increase or decrease by ₹ 341.45 Lakhs (As at 31 March 2020: ₹ 185.10 Lakhs).

(III) Concentration of loans (*)

Particulars	As at 31 March 2021	As at 31 March 2020
Micro finance loans	509,303.14	451,369.70
Micro, small and medium enterprise (MSME)	4,107.54	1,467.92
Gold loans	253.38	-
Total	**513,664.06**	**452,837.62**

(*) The above figures represents the gross loan value along with interest accrued

(b) Liquidity Risk Management :

Liquidity risk refers to the risk that the Company cannot meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Company maintains adequate reserves and banking facilities, and continuously monitors the forecast and actual cash flows by matching maturing profiles of financial assets and financial liabilities in accordance with the approved risk management policy of the Company periodically. The Company believes that the working capital (including banking limits not utilised) and its cash and cash equivalent are sufficient to meet its short and medium term requirements.

Refer Note 41.22 which details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The contractual maturity is based on the earliest date on which the Company may be required to pay.



39 Financial Risk Management Framework (continued)

(c) Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The Company is exposed to two types of market risk as follows:

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is subject to interest rate risk, principally because the Company lend to customers at fixed interest rates and for periods that may differ from our funding sources, while the borrowings are at both fixed and variable interest rates for different periods. The Company assess and manage the interest rate risk by managing the assets and liabilities. The Asset Liability Management Committee ensures that all significant mismatches, if any, are being managed appropriately.

The Company has Board approved Asset Liability Management (ALM) policy for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

Sensitivity

The sensitivity of the statement of profit and loss is the effect of the changes in market interest rates on bank and other borrowings. Below is the sensitivity of profit and loss in interest rates.

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest sensitivity*		
Interest rates – increase by 0.50%	851.85	1,337.22
Interest rates – decrease by 0.50%	(851.85)	(1,337.22)

** Holding all other variables constant*

Price Risk

The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surpluses in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

Foreign currency risk

The Company is exposed to foreign currency fluctuation risk for its External Commercial Borrowings (ECB). The Company's borrowings in foreign currency are governed by RBI guidelines (RBI master direction RBI/FED/2018-19/67 dated 26 March 2019 and updated from time to time) which requires entities raising ECB for an average maturity of less than 5 years to hedge minimum 70% of the its ECB exposure (Principal and Coupon). The Company hedges its entire ECB exposure for the full tenure of the ECB as per Board approved Interest Rate risk, Currency risk hedging policy.

The Company for its ECB, evaluates the foreign currency exchange rates, tenure of ECB and its fully hedged costs. The Company manages its currency risks by entering into derivatives contracts as hedge positions and the same are being governed through the Board approved Interest rate risk, Currency risk hedging policy.

The Company's exposure of foreign currency risk (Euros) at the end of the reporting period expressed in ₹ are as follows:

	As at 31 March 2021	As at 31 March 2020
Hedged		
ECB	(21,645.00)	-
Derivative financial instrument*	21,645.00	-
Unhedged	-	-

* represents the notional amount of the derivative financial instrument

Hedging policy

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.



40 Commitments and contingencies

	As at 31 March 2021	As at 31 March 2020
A. Contingent liabilities:		
(i) Income Tax		
- Income Tax (A.Y. 2015-16)	1,124.50	1,124.50
- Income Tax (A.Y. 2016-17)	1,978.91	1,978.91
- Income Tax (A.Y. 2017-18)	1,521.37	1,521.37
	4,624.78	**4,624.78**
B. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for:		
- Other Intangible Assets	382.00	-
	382.00	**-**

A) Income Tax

Income Tax (A.Y. 2015-16)
During the FY 2017-18, the Company has received an Assessment order under Section 143(3) for the AY 2015-16 with a demand of ₹ 1,124.50 by taxing the receipt of share premium amount received by the Company as unexplained cash credits, expense claimed towards employee stock option scheme and disallowance of depreciation under Section 32 of the Income Tax Act, 1961.

The Company has filed appeals against the above with the Commissioner of Income Tax - Appeals. Based on professional advice, the company strongly believe that case will be decided in their favour and hence no provision has been considered. However In the FY 2017-18 the Company has paid an amount of ₹ 224.90 Lakhs being 20% of the total demand and the same has been disclosed as part of Deposit under protest.

Considering the fact that, the ground of order received for AY 2015-16 is similar to order received for AY 2011-12 and AY 2014-15 for which the Company has received favourable order from CIT(A), the Company expects a favourable order to received for AY 2015-16 also. Further, outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals.

Income Tax (A.Y. 2016-17)
During the FY 2018-19, the Company has received an Assessment order under Section 143(3) for the AY 2016-17 with a demand of ₹ 1,978.91 Lakhs by taxing the receipt of share premium amount received by the Company as unexplained cash credits under Section 56(2)(viib) of the Income Tax Act, 1961.

The Company has filed appeals against the above with the Commissioner of Income Tax - Appeals. Based on professional advice, the company strongly believe that case will be decided in their favour and hence no provision has been considered. However In the FY 2017-18 the Company has paid an amount of ₹ 395.78 Lakhs being 20% of the total demand and the same has been disclosed as part of Deposit under protest

Considering the fact that, the ground of order received for AY 2016-17 is similar to order received for AY 2011-12 and AY 2014-15 for which the Company has received favourable order from CIT(A), the Company expects a favourable order to received for AY 2015-16 also. Further, outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals.

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40 Commitments and contingencies (continued)

Income Tax (A.Y. 2017-18)

The accounting for securitisation transaction is governed by guidelines issued by the Reserve Bank of India vide its Master Direction on Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016. Accordingly company has recorded securitization and assignment transactions during the year. At the time of regular assessment, Assessing Officer disallowed finance cost on above securitization and assignment transactions and added the same to our total income on the ground that company had made true sale of the securitized assets by derecognizing the assets from its financials and therefore there cannot be any loan or associated financial cost and raised demand of ₹ 1,424.27 Lakhs in this regard. Company had received advice from tax counsel to contest the above demand as the company's accounting of transactions is in line with RBI's extant guidelines. Assessing officer disallowed Demonetized currencies deposited to bank account subsequent to 8th November 2016 and added the same under Income from Other Sources as unexplained money u/s 69A of Income Tax Act on the ground that it is in contravention of SBN Cessation of Liabilities Act 2018 and SC judgement in earlier cases regarding the source of cash and had raised demand of ₹ 97.09 Lakhs in this regard. Company is advised by Tax Counsel to contest this demand on the ground that there is no specific provision in the Income Tax Act to tax the amounts received as demonetized currencies.

The Company had filed appeals against both the above demands with the Commissioner of Income Tax-Appeals. Based on professional advice, the company strongly believes that the case will be decided in their favour and hence no provision has been considered. However, in the FY 2019-20, the company had paid an amount of ₹ 304.27 Lakhs, being 20% of the above total demands and the same has been disclosed as part of Deposit under Protest. Further, outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals.

41 Disclosure pursuant to Master Direction DNBR. PD. 008/03.10.119/2016-17 issued by Reserve Bank of India

41.1 Customer complaints

	As at 31 March 2021	As at 31 March 2020
No. of complaints pending as at beginning of the year	29	2
No. of complaints received during the year	1,176	4,334
No. of complaints redressed during the year	865	4,307
No. of complaints pending as at end of the year	**340**	**29**

41.2 Details of registration with financial regulators

Regulator	Registration No.
Ministry of Company Affairs	CIN:U65923TN2007PLC064550
Reserve Bank of India	N-07-00769 dated 4 October 2013

41.3 Disclosure of penalties imposed by RBI and other regulators

There are no penalty imposed by Reserve Bank of India and other regulators during the financial year

41.4 Related party transactions

Details of all material related party transactions are disclosed in Note 36.

41.5 Remuneration of directors (other than Managing Director)

Details of commission payable to directors (other than managing director) are disclosed in Note 36.

41.6 Concentration of advances, exposures and NPA's

The Company operates in the business of microfinance providing collateral free loans for fixed amounts ranging from ₹ 10,000 to ₹ 60,000 to women engaged in various income generating activities. Also, the Company provides secured loans to MSME and is engaged in the business of providing gold loans. As at 31 March 2021, the Company has provided loans to more than 24.18 lakhs borrowers and hence, the disclosure relating to concentration to advances, exposures and NPA's are not applicable to the Company.

41.7 Ratings assigned by credit rating agencies

Particulars	As at 31 March 2021	As at 31 March 2020
Commercial paper*	A1+ (CRISIL)	A1+ (CRISIL)
Long Term Bank Facilities	AA-/Stable (CRISIL)	AA-/Stable (CRISIL) A+ / Stable (CARE)
Long term Non-Convertible Debentures	AA-/Stable (CRISIL) AA-/stable (Bric Works) A+/Stable(CARE)	AA-/Stable (CRISIL)
MFI Grading	MFI 1(CARE)	MFI 1(CARE)
Subordinated Debt	AA-/Stable (CRISIL)	AA-/Stable (CRISIL)
Market Linked Debentures	NA	AA-r /Stable (CRISIL)

*There is no outstanding balances of commercial paper as at 31 March 2021.

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41 Disclosure pursuant to Master Direction DNBR. PD. 008/03.10.119/2016-17 issued by Reserve Bank of India

41.8 Sector-wise NPAs:

	As at 31 March 2021	As at 31 March 2020
Agriculture & allied activities	2.32%	1.43%
MSME	3.08%	2.10%
Corporate borrowers	NA	NA
Services	NA	NA
Unsecured personal loans	NA	NA
Auto loans (commercial vehicles)	NA	NA
Other loans	0.00%	0.00%

41.9 Provisions and Contingencies (shown under the head Expenditure in Statement of Profit and Loss)

	Year ended 31 March 2021	Year ended 31 March 2020
Provision for income tax (excluding deferred tax)	6,618.90	9,832.60
Provision towards standard assets	15,176.24	4,919.11
Provision towards non performing assets	14,804.70	9,818.50
Provision and contingencies on gratuity	272.72	174.05
Provision towards compensated absences	324.68	733.99
Provision for insurance claim receivable	301.70	86.31
	37,498.94	**25,564.56**

41.10 Movement of NPAs

	As at 31 March 2021	As at 31 March 2020
Net NPAs to net advances (%)	0.00%	0.00%
Movement of NPAs (Gross)		
(a) Opening balance	8,610.13	1,814.16
(b) Additions during the year	14,822.81	8,410.62
(c) Reductions during the year	(14,346.16)	(1,614.65)
(d) Closing balance	**9,086.78**	**8,610.13**
Movement of Net NPAs		
(a) Opening balance	-	-
(b) Additions during the year	18.10	-
(c) Reductions during the year	-	-
(d) Closing balance	**18.10**	**-**
Movement of provisions for receivables under financing activities		
(a) Opening balance	18,510.11	5,387.16
(b) Provisions made during the year	29,980.94	14,737.60
(c) Write-off / write-back of excess provisions	(14,346.16)	(1,614.65)
(d) Closing balance	**34,144.89**	**18,510.11**

41.11 Overseas assets (for those with Joint ventures and Subsidiaries abroad)

The Company did not have any overseas assets during the current and previous year.

41.12 Off-balance sheet SPVs sponsored

The Company did not sponsor any SPVs during the current and previous year.

41.13 During the year company has not given any advances with intangible collateral such as charge over the rights, licenses, authority etc.

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41 Disclosure Pursuant to Master Direction DNBR. PD. 008/03.10.119/2016-17 issued by Reserve Bank of India (Continued)

41.14 Investments

	As at 31 March 2021	As at 31 March 2020
Value of Investments		
(i) Gross Value of Investments		
(a) In India	5.00	5.00
(b) Outside India.	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India.	-	-
(iii) Net Value of Investments		
(a) In India	5.00	5.00
(b) Outside India.	-	-
Movement of provisions held towards depreciation on investments	-	-
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off / write-back of excess	-	-
(iv) Closing balance	-	-

41.15 Derivatives:

	As at 31 March 2021	As at 31 March 2020
Forward Rate Agreement / Interest Rate Swap		
The notional principal of swap agreements	21,645.00	-
(Gains)/losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	(135.30)	-
Collateral required by the NBFC upon entering into swaps	-	-
Concentration of credit risk arising from the swaps	-	-
The fair value of the swap book	(135.30)	-

Quantitative disclosures

Particulars	31 March 2021
Derivatives (notional principal amount)	
For hedging	21,645.00
Marked to market positions	
a) Asset (+)	-
b) Liability (-)	135.30
Credit exposure	-
Unhedged exposure	-

Qualitative disclosure

During the year ended 31 March 2021, the Company has entered into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held by the Company are Cross Currency Interest Rate Swaps (CCIRS). Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain/loss is recognised in the Statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of profit and loss depends on the nature of the hedge relationship. During the year ended 31 March 2021, the Company has designated derivatives as cash flow hedges of a recognised liability and has no fair value hedges. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Hedge accounting

The Company makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk Management objective and strategy for undertaking the hedge. The documentation includes the Company's risk Management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

During the year ended 31 March 2021, hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows:



41 Disclosure Pursuant to Master Direction DNBR. PD. 008/03.10.119/2016-17 issued by Reserve Bank of India (Continued)

41.15 Derivatives (continued)

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect profit or loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as finance cost in the Statement of Profit and Loss. When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss.

41.16 Capital Adequacy Ratio

	As at 31 March 2021	As at 31 March 2020
Tier I Capital	95,776.00	95,035.28
Tier II Capital	17,991.72	4,105.56
Total Capital	**1,13,767.72**	**99,140.84**
Total Risk Assets	**4,87,752.64**	**3,90,794.75**
Capital Ratios		
Tier I Capital as a percentage of Total Risk Assets (%)	19.64%	24.32%
Tier II Capital as a percentage of Total Risk Assets (%)	3.69%	1.05%
Total Capital (%)	**23.33%**	**25.37%**
Amount of subordinated debt raised as Tier-II Capital	12,600.00	4,300.00

41.17 Exposure to Real Estate Sector

Category		
a) Direct exposure		
(i) Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	4,107.54	1,098.95
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits	-	368.97
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a.Residential	-	-
b.Commercial Real Estate	-	-
Total Exposure to Real Estate Sector	**4,107.54**	**1,467.92**

41.18 Exposure to capital market

The Company does not have any exposure to Capital market as at 31 March 2021 and 31 March 2020.

41.19 Details of financing of parent company products

The Company does not finance any parent company's products and accordingly disclosures is not required.

41.20 Details of Single Borrower Limit (SBL)/Group Borrower Limit (GBL) exceeded by the NBFC

There are no instances of exceeding the single and group borrowing limit by the Company during the current and previous year.

41.21 Unsecured Advances

Refer note 7(a)

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41 Disclosure Pursuant to Master Direction DNBR. PD. 008/03.10.119/2016-17 issued by Reserve Bank of India (Continued)

41.22 Asset Liability Management

(a) Maturity Pattern of certain items of Assets and Liabilities as at 31 March 2021

Particulars	1 to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & upto 6 month	Over 6 month & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years	Total
Liabilities											
Borrowings from Banks, Financial institution and NBFCs	1,242.31	2,371.03	14,063.16	12,800.72	12,133.13	45,172.06	83,845.42	1,30,006.45	9,922.21	400.00	3,11,956.49
Market Borrowings	416.67	-	-	5,654.17	416.67	6,920.83	27,858.33	73,450.00	15,750.00	10,000.00	1,40,466.67
Securitisation	-	429.28	2,644.91	1,547.12	1,143.84	1,080.72	-	-	-	-	6,845.87
Total	**1,658.98**	**2,800.31**	**16,708.07**	**20,002.01**	**13,693.64**	**53,173.61**	**1,11,703.75**	**2,03,456.45**	**25,672.21**	**10,400.00**	**4,59,269.03**
Assets											
Advances	5,944.85	14,487.96	14,749.93	26,144.55	27,917.24	82,393.87	1,43,717.42	1,93,305.01	2,738.43	-	5,11,399.26
Investments	-	-	-	-	-	-	-	-	-	5.00	5.00
Total	**5,944.85**	**14,487.96**	**14,749.93**	**26,144.55**	**27,917.24**	**82,393.87**	**1,43,717.42**	**1,93,305.01**	**2,738.43**	**5.00**	**5,11,404.26**

(b) Maturity Pattern of certain items of Assets and Liabilities as at 31 March 2020

Particulars	1 to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & upto 6 month	Over 6 month & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years	Total
Liabilities											
Borrowings from Banks, Financial institution and NBFCs	785.49	1,894.84	10,719.03	12,473.49	11,661.78	41,190.44	82,623.56	1,46,205.31	14,384.00	-	3,21,937.94
Market Borrowings	-	-	-	1,083.33	3,541.67	3,500.00	19,616.67	17,746.65	22,553.35	-	68,041.66
Securitisation	-	-	-	-	6,444.96	22,956.69	26,316.68	3,367.45	-	-	59,087.77
Total	**785.49**	**1,894.84**	**10,719.03**	**13,556.82**	**21,648.41**	**67,649.13**	**1,28,556.91**	**1,67,319.41**	**36,937.35**	**-**	**4,49,067.38**
Assets											
Advances	-	-	-	-	26,028.93	79,513.56	1,39,585.22	1,97,538.24	325.84	-	4,42,991.79
Investments	-	-	-	-	-	-	-	-	-	5.00	5.00
Total	**-**	**-**	**-**	**-**	**26,028.93**	**79,513.56**	**1,39,585.22**	**1,97,538.24**	**325.84**	**5.00**	**4,42,996.79**

42 Additional disclosure pursuant to paragraph 53 of Resolution Framework for COVID-19-related Stress- RBI/2020-21/16- DOR.No.BP.BC/3/21.04.048/2020-21 dated 06 August 2020

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Others	1,49,720	21,123.87	-	-	9,659.45

The Company, being NBFC, has complied with Ind-AS and its Expected Credit Loss policy duly approved by the Board for the purpose of provision on such restructured accounts. Column E denotes total provision held on such accounts as at 31 March 2021

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43 Disclosures in terms of RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 04 November 2019:

(i) Funding concentration based on significant counterparty (both deposits and borrowings):

As at 31 March 2021

Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
2	119,833.28	Not Applicable	25.12%

As at 31 March 2020

Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
1	54,956.30	Not Applicable	11.28%

Notes:
A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.
Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines.

(ii) Top 20 large deposits (amount in lakhs and % of total deposits) - Not applicable

(iii) Top 10 borrowings

Particulars	As at 31 March 2021		As at 31 March 2020	
	Amount	% of Total Borrowings	Amount	% of Total Borrowings
Top 10 borrowings	264,439.15	57.15%	225,963.01	50.21%

(iv) Funding concentration based on significant instrument / product

Name of the instrument/product	As at 31 March 2021		As at 31 March 2020	
	Amount	% of total liabilities	Amount	% of total liabilities
Borrowings (other than debt securities)	319,334.54	66.94%	381,549.11	78.31%
Debt securities	121,905.45	25.56%	54,591.75	11.21%
Subordinated liabilities	21,476.92	4.50%	11,633.90	2.39%

Notes:
A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines

(v) Stock Ratio Particulars	31 March 2021	31 March 2020
Commercial papers as a % of total liabilities	0.00%	0.47%
Commercial papers as a % of total assets	0.00%	0.39%
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	0.00%	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total assets	0.00%	0.00%
Other short-term liabilities as a % of total liabilities	2.65%	7.39%
Other short-term liabilities as a % of total assets	2.17%	6.09%

(vi) Institutional set-up for Liquidity Risk Management
The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business. The Board approves the governance structure, policies, strategy and the risk limits for the management of liquidity risk. The Board of Directors approves the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. The meetings of RMC are held at quarterly interval. Further, the Board of Directors also approves constitution of Asset Liability Committee (ALCO), which functions as the strategic decision making body for the asset-liability management of the Company from risk-return perspective and within the risk appetite and guard-rails approved by the Board. The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board. ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held once in a month or more frequently as warranted from time to time. The minutes of ALCO meetings are placed before the RMC and the Board of Directors in its next meeting for its perusal/ approval/ ratification.



44 Disclosure Pursuant to paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016):

S.No	Particulars	As at 31 March 2021		As at 31 March 2020	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	Liabilities:				
1	***Loans and Advances availed by the NBFC inclusive of interest accrued thereon but not paid:***				
(a)	Debentures				
	- Secured	91,065.73	-	30,242.78	-
	- Unsecured	52,316.64	-	35,982.87	-
	(other than falling within the meaning of public deposits)				
(b)	Deferred credits	-	-	-	-
(c)	Term loans				
	- Secured	307,449.87	-	317,423.69	-
	- Unsecured	5,038.80	-	5,037.65	-
(d)	Inter-corporate loans and borrowings	-	-	-	-
(e)	Commercial paper	-	-	2,290.21	-
(f)	Finance lease obligations	-	-	-	-
(g)	Associated liabilities in respect of securitization transactions	6,845.87	-	59,087.77	-
(h)	Cash credits	-	-	-	-

S.No	Particulars	Amount Outstanding	
		As at 31 March 2021	As at 31 March 2020
	Assets:		
2	***Break-up of Loans and Advances including Bills Receivables [other than those included in (3) below] :***		
(a)	Secured	4,360.92	1,467.92
(b)	Unsecured	509,303.14	451,369.70
3	***Break up of Leased Assets and Stock on Hire and Other Assets counting towards AFC activities***		
(i)	Lease assets including lease rentals accrued and due:		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
(ii)	Stock on Hire including Hire Charges under Sundry Debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed assets	-	-
(iii)	Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-

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44 Disclosure Pursuant to paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016) (continued)

S.No	Particulars	Amount Outstanding	
		As at 31 March 2021	As at 31 March 2020
4	***Break-up of Investments***		
	Current Investments		
I	**Quoted:**		
(i)	Shares:	-	-
	(a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government securities		
II	**Unquoted:**	-	-
(i)	Shares:		
	(a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government securities		
	Long Term Investments		
I	**Quoted:**	-	-
(i)	Shares:		
	(a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government securities		
II	**Unquoted:**		
(i)	Shares:	5.00	5.00
	(a) Equity	-	-
	(b) Preference	-	-
(ii)	Debentures and bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government securities		

5 ***Borrower Group-wise Classification of Assets Financed as in (2) and (3) above***

S.No	Category	As at 31 March 2021 (Net of Provisions)		As at 31 March 2020 (Net of Provisions)	
		Secured	Unsecured	Secured	Unsecured
1	Related parties				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
2	Other than related parties	4,256.09	475,263.08	1,387.91	432,939.60
		4,256.09	**475,263.08**	**1,387.91**	**432,939.60**

Note: The amount of Assets financed represents the net owned portfolio outstanding after adjusting the provisions for standard, substandard and doubtful assets.

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44 Disclosure Pursuant to paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016) (continued)

6 Investor Group-wise Classification of all Investments (Current and Long Term) in Shares and Securities (both Quoted and Unquoted) :

S.No	Category	As at 31 March 2021		As at 31 March 2020	
		Market Value / Break up Value or Fair Value or Net Asset Value	Book Value	Market Value / Break up Value or Fair Value or Net Asset Value	Book Value
1	Related parties				
(a)	(a) Subsidiaries	-	-	-	-
(b)	(b) Companies in the same group	-	-	-	-
(c)	(c) Other related parties	-	-	-	-
2	Other than related parties	5.00	5.00	5.00	5.00
		5.00	**5.00**	**5.00**	**5.00**

7 Other Information

S.No	Category	As at 31 March 2021		As at 31 March 2020	
		Related Parties	Other than Related Parties	Related Parties	Other than Related Parties
(i)	Gross non-performing assets	-	9,068.68	-	8,610.13
(ii)	Net non-performing assets	-	18.10	-	-
(iii)	Assets acquired in satisfaction of debt	-	-	-	-

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45 High Quality Liquid Assets disclosure pursuant to RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 04 November 2019

Particulars	As at 31 December 2020*		As at 31 March 2021	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets				
Cash and bank balances	15,655.12	15,655.12	17,624.27	17,624.27
Unencumbered fixed deposits	49,076.30	49,076.30	47,222.60	47,222.60
	64,731.42	**64,731.42**	**64,846.87**	**64,846.87**
Cash Outflows				
Unsecured wholesale funding	-	-	-	-
Secured wholesale funding	-	-	-	-
Additional requirements, of which	-	-	-	-
Outflows related to derivative exposures and other collateral requirements	-	-	-	-
Outflows related to loss of funding of debt products	-	-	-	-
Credit and liquidity facilities	37,270.49	42,861.06	29,820.96	34,294.10
Other contractual funding obligations	-	-	-	-
Other contingent funding obligations	**37,270.49**	**42,861.06**	**29,820.96**	**34,294.10**
Cash Inflows				
Secured lending	-	-	-	-
Inflows from fully performing exposures	-	-	-	-
Other cash inflows	48,883.40	36,662.55	42,277.22	31,707.91
	48,883.40	**36,662.55**	**42,277.22**	**31,707.91**

Liquidity coverage ratio

	As at 31 December 2020	As at 31 March 2021
Total high quality liquid assets (a)	64,731.42	64,846.87
Total net cash outflows (b) (Refer, note below)	10,715.27	8,573.53
Liquidity coverage ratio (a)/(b)	**604.10%**	**756.36%**

Note
Total net cash outflows over the next 30 days = Stressed Outflows - Minimum of (Stressed Inflows; 75% of Stressed Outflows).

* The inflows and outflows for the quarter ended 31 December 2020 have been extracted from the form DNBS4 filed by the Company with the Reserve Bank of India.

Qualitative disclosures
The Reserve Bank of India has prescribed monitoring of sufficiency of NBFC's liquid assets pursuant to RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 04 November 2019. The Liquidity Coverage Ratio (LCR) is aimed at measuring and promoting short-term resilience of NBFCs to potential liquidity disruptions by ensuring maintenance of sufficient high quality liquid assets (HQLAs) to survive an acute stress scenario lasting for 30 days.

Liquidity of the Company is managed by the Asset Liability Management Committee (ALCO) under the supervision of Borrowings committee.

The ratio comprises of high quality liquid assets (HQLAs) as numerator and net cash outflows in 30 days as denominator. Cash outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities by 1.15 times and cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by 0.75 times.

The weighted cash outflows are primarily driven by secured and unsecured from loans from banks, financial institutions (including ECBs), non-convertible debentures and securitization/direct assignment transactions. Borrowings contributed 79.47% and 82.39% of the total weighted cash outflows as at 31 March 2021 and 31 December 2020 respectively. The weighted cash inflows are primarily driven by unsecured micro loans and secured loans to MSME and individuals.

The Company has implemented the LCR framework and has consistently maintained LCR well above the regulatory threshold. The average LCR for the quarter ended 31 March 2021 was 756.36% which is above the regulatory requirement of 30.00%.

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46 Disclosures of Frauds Pursuant to Reserve Bank of India Notification DNBS.PD.CC. No. 256 /03.10.042 / 2011-12 dated 2 March 2012:

(a) Current Year 2020-21

Category	More than Rs. 1 lakh		Less than Rs. 1 lakh	
	Number of Instances	Amount	Number of Instances	Amount
Embezzlement/ misappropriation of cash				
- By Employees	7	231.34	4	1.69
- By Others	1	2.65	24	9.13
Total	**8**	**233.99**	**28**	**10.82**

(b) Previous Year 2019-20

Category	More than Rs. 1 lakh		Less than Rs. 1 lakh	
	Number of Instances	Amount	Number of Instances	Amount
Embezzlement/ misappropriation of cash				
- By Employees	10	56.41	5	3.37
- By Others	5	9.19	30	15.99
Total	**15**	**65.60**	**35**	**19.36**

Note: The above summary is prepared based on the information available with the Company and relied upon by the Auditors.

46.1 Disclosure as required under DNBS (PD) CC. No. 300 / 03.10.038/2012-13 dated August 3, 2012

Net Interest Margin during the Year:

	Year ended 31 March 2021	Year ended 31 March 2020
Average Interest (a)	20.34%	21.49%
Average effective cost for borrowing Interest (b)	10.42%	11.49%
Net Interest Margin (a-b)	**9.92%**	**10.00%**

The Average interest represents the effective rate at which loans have been disbursed to the customers for the years ended 31 March 2021 and 31 March 2020.

The Average interest cost of borrowings of the Company for the years ended 31 March 2021 and 31 March 2020 have been computed based on the monthly interest cost divided by the average monthly balances of outstanding borrowings. The Average cost of borrowings include the following :

a) Upfront processing fees paid by the Company for availing loans.
b) Interest loss on fixed deposits placed as collateral, being difference between rate of interest on fixed deposit and the interest rate on the borrowings.

47 Corporate Social Responsibility (CSR)

During the year, the Company incurred an aggregate amount of Rs.344.54 Lakhs (Previous Year - Rs.150.57 Lakhs) towards corporate social responsibility in compliance of Section 135 of the Companies Act 2013 read with relevant schedule and rules made thereunder. The details of the CSR spend are given below:

(i) Gross amount required to be spent by the Company during the year: Rs. 327.38 Lakhs
(ii) Amount spent by the Company during the year:

Particulars	Amount Paid	Yet to be Paid	Total
Manappuram Foundation	315.54	-	315.54
PM Cares Fund	20.00	-	20.00
Asirvad Development Foundation	9.00	-	9.00
Total	**344.54**	-	**344.54**

48 Statutory Reserve

As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund at a rate of 20% of the net profit after tax of the Company every year. Considering the Profit after tax for the year ended 31 March 2021, ₹ 337.63 Lakhs is transferred to the statutory reserve as required under Section 45-IC of Reserve Bank of India (RBI) Act, 1934.

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49 Impact of hedging activities

a) Disclosure of effects of hedge accounting on financial position:

Type of hedge and risks	Carrying amount of hedging instrument	Maturity date	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness	Line item in Balance Sheet
Cash flow hedge	**Liability**				
Foreign exchange forward contracts (Cross currency interest rate swaps)	135.30	27 August 2023, 13 October 2023 and 29 September 2023	(135.30)	200.25	Borrowings

b) Disclosure of effects of hedge accounting on financial performance

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Foreign exchange forward contracts (Cross currency interest rate swaps)	64.95	-	200.25	Finance Cost

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50 Employee Stock Option Scheme (ESOS), 2019

The details of the Employee Stock Option Scheme 2019 are as under:

Date of share holders' approval	February 2, 2019
Number of options approved	830,000
Date of grant	July 1, 2019
Number of options granted	25,000
Method of settlement	Equity
Graded Vesting	30% after two years from the date of grant i.e. July 1, 2021 and 35% after three years from the date of grant i.e. July 1,2022 and the balance 35% after four year from the date of grant i.e. July 1, 2023
Exercisable period	4 years from vesting date
Vesting conditions	Continuous employment /service as on relevant date of vesting and pre-determined performance parameters, if any

The Company has adopted the Employee Stock Option Scheme framed in accordance with the Section 62(1)(c) of the Companies Act 2013 read with Rules 12 of the Companies (Share Capital and Debenture) Rules, 2014 made thereunder.

The Company has granted 830,000 options at an exercise price of Rs. 364/- on July 1,2019 which will vest over a period of four years from the grant date (30% after two years from the date of grant i.e. July 1, 2021 and 35% after three years from the date of grant i.e. July 1,2022 and the balance 35% after four years from the date of grant i.e. July 1, 2023. The exercise period commences from the date of vesting and will expire not later than four years from the date of vesting.

The summary of the movements in options is given below:

	As at 31 March 2021	As at 31 March 2020
Options outstanding, beginning of year	655,000	-
Options granted during the year	-	830,000
Increase on account of Bonus issue	-	-
Lapsed Options restored during the year	-	-
Options lapsed during the year	142,500	175,000
Options Exercised during the year	-	-
Options unvested and Outstanding at the End of the Year	**512,500**	**655,000**
Options outstanding at the year end comprise of :		
- Options eligible for exercise at year end	-	-
- Options not eligible for exercise at year end	512,500	655,000
	512,500	**655,000**

Pro-forma Disclosures for ESOS :

In accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, no compensation cost for ESOS 2019 has been recognized based management's assessment that no options will be exercised is nil.

The fair value of options estimated at the date of grant using the Black-Scholes method and the assumptions used are as under

Option fair value	80.93
Risk free interest rate	6.88%
Expected Life (in years)	3.00
Expected volatility	50.00%
Share price on the date of grant (face value ₹ 10 per share)	239.37

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51 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated 27 March 2020 and 17 April 2020 and in accordance therewith, the Company has proposed a moratorium on the payment of all principal instalments and/ or interest, as applicable, falling due between 01 March 2020 and 31 August 2020 to all eligible borrowers who have no overdue as on 29 February 2020. For all such accounts where the moratorium was granted, the asset classification will remain at a standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the Company's policy). The collection received during moratorium period has been adjusted towards moratorium interest first and then towards principal. Revised repayment schedule has been drawn as at 01 September, 2020 and future collection will be adjusted towards current interest , moratorium interest and principal till the moratorium interest is fully recovered and thereafter towards current interest and principal and accordingly the collections received for the month of September 2020 onwards has been adjusted as per the revised repayment schedule.

Further as per RBI Resolution framework dated 06 August 2020, the Company has done restructuring of loans for its 1.1 Lakh customers who has made request for restructuring of their loan as their livelihood was severely impacted due to COVID and the loans worth ₹ 21,124 Lakhs were restructured.

As at 31 March 2021, the Company has made provision towards impairment loss allowance amounting to ₹ 34,145 Lakhs which includes potential impact on account of COVID-19 pandemic on the Company's operations. This provision was made based on available information then and given the uncertainty over the potential macro-economic impact and based on the policy approved by the board, to determine the provision for impairment of financial assets.

The company witnessed a substantial improvement in all the business parameters of the Company in the last quarter of the year. The Company has achieved overall collection efficiency of 93% in the last quarter and also there was good demand for its loan product given the fact that economic recovery was gaining the momentum.

The nation is now going through the second COVID wave, though the Company is well prepared to handle the COVID this time, as the lockdowns are more localized, digital collection through paytm/airtel has been activated, Micro Finance Institutions (MFIs) has been classified under essential service and so resultantly we have achieved collection efficiency of 91% in April 2021 despite of lockdown and restriction on employee movement. Further The RBI has taken the swift action has opened the restructuring window vide Resolution Framework 2.0 notification dated 05 May 2021 for NBFCs which will certainly benefit the Company.

The Company has taken adequate safety measures to protect its employees and also will ensure vaccination for its field staff on priority basis which will help company to continue its business operations with minimum disruption. The current provision made under impairment loss allowance with revised estimates seems to be adequate. However, the Company will continue to closely monitor any material changes to future economic conditions due to the impact of pandemic.

52 Standards issued but not yet effective
On 24 March 2021, the Ministry of Corporate Affairs ('MCA') through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III are applicable from 1 April 2021.

53 Previous year figures
Previous year's figures have been regrouped / reclassified, wherever necessary, to correspond with the current year's classification / disclosure.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountant
Firm Registration No: 001076N/N500013

Sumesh E S
Partner
Membership No: 206931

Place : Chennai
Date : 24 May 2021

WALKER CHANDIOK & CO LLP ★ CHENNAI ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Asirvad Micro Finance Limited

V P Nandakumar
Chairman
(DIN No.00044512)

S V Raja Vaidyanathan
Managing Director
(DIN No.01467098)

Yogesh Ratnakar Udhoji
Chief Financial Officer

Aparna Menon
Company Secretary

Place : Chennai
Date : 24 May 2021

ASIRVAD MICRO FINANCE LIMITED ★ CHENNAI 600 002