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: 9th Floor, No.9, Club House Road, Anna Salai, Chennai - 600 002
Telephone No: +91- 044-3529 8100, 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. Rajesh KRN Namboordipad, Contact details of Chief Financial Officer: +91-44-43510081; rajesh.krn@asirvad.in
Promoter(s): (1)Manappuram 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: September 27, 2022

ISSUE OF 1250 [RATED, SENIOR, SECURED, TRANSFERABLE, REDEEMABLE, LISTED, PRINCIPAL PROTECTED NON-CONVERTIBLE MARKET LINKED DEBENTURES] ("**DEBENTURE(S)**" OR "**NCD(S)**") OF FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKHS ONLY) OF THE AGGREGATE NOMINAL VALUE OF RS. 90,00,00,000 (RUPEES NINETY CRORES ONLY) WITH AN OPTION TO RETAIN OVER-SUBSCRIPTION UP TO RS. 35,00,00,000 (RUPEES THIRTY-FIVE CRORES ONLY) AGGREGATING TO A TOTAL OF RS. 125,00,00,000 (RUPEES ONE HUNDRED TWENTY-FIVE CRORES ONLY), (THE "**ISSUE**"), ON A PRIVATE PLACEMENT (THE "**ISSUE**"), BY **ASIRVAD MICRO FINANCE LIMITED** (THE "**COMPANY**" OR "**ISSUER**").

Debenture Trustee

Name	**Catalyst Trusteeship Limited**
Address	Windsor,6th floor,Office No.604, C.S.TRoad,kalina,Santacruz (East) Mumbai 400098.
Logo	

Register & Transfer Agent

Name	**S.K.D.C. Consultants Limited**
Logo	
Address	"Surya", 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore – 641 028

Credit Rating Agency

Name	**CRISIL Ratings Limited**
Address	Hiranandani Business Park, Central Avenue, Hiranandani Gardens, Powai, Mumbai, Maharashtra - 400 076
Logo	
Telephone number	+91 22 3342 3000
E-mail addresses	poonam.upadhyay@crisil.com

Telephone numbers	022-49220506	**Telephone number**	+91 422 4958995	**Contact Person**	Ms. Poonam Upadhyay
E-mail addresses	deesha.trivedi@ctltrustee.com	**Fax number**	+91 422 2539837		
Contact Person	Deesha Trivedi	**Website address**	https:// www.skdc-consultants.com		
		E-mail addresses	info@skdc-consultants.com		

[Insert any other details obtained for private placement]

Placement Memorandum:

Date of Placement Memorandum	September 27,2022
Type of Placement Memorandum	Private placement of non-convertible debentures

ISSUE SCHEDULE	
Issue Opens on:	September 28,2022
Issue Closes on:	September 28,2022
Date of earliest closing of the issue, if any	N.A.
Pay in Date	September 28,2022
Deemed date of allotment	September 28,2022

ISSUE DETAILS	
Nature	Rated, Senior, Secured, Transferable, Redeemable, Listed, Principal Protected Non-Convertible Market Linked Debentures
Number	1250 (One Thousand Two Hundred Fifty) Debentures
Price	10,00,000(Indian Rupees Ten Lakh) per debentures
Amount	NCDs aggregating up to Rs. 90 crores with an option to retain over-subscription up to Rs. 35 crores aggregating to a total of Rs. 125 crores
Issue size (base issue or green shoe)	NCDs aggregating up to Rs. 90 crores with an option to retain over-subscription up to Rs. 35 crores aggregating to a total of Rs. 125 crores
Coupon	Based on '*Reference Index Performance*', corresponding '*Annualized Coupon Rate' function'* will be applicable

	Reference Index Performance	*'Annualized Coupon Rate' function*
	<= -75%	*0%*
	> -75%	*8.50% XIRR*
Coupon Payment Frequency	Bullet	
Redemption Date	September 28, 2024	
Redemption Amount	Redemption at Par	
Credit Rating	CRISIL PPMLD AA- 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)	NCDs aggregating up to Rs. 90 crores with an option to retain over-subscription up to Rs. 35 crores aggregating to a total of Rs. 125 crores
Shelf or tranche size	NCDs aggregating up to Rs. 90 crores with an option to retain over-subscription up to Rs. 35 crores aggregating to a total of Rs. 125 crores

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 PPMLD AA-r Stable** to the Issue by the Company by a letter dated September 26, 2022. 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 Agency 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 X.
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 means any day, other than Saturday, Sunday or any other day on which banks are closed in Mumbai or Chennai.
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	1250 [rated, senior, secured, transferable, redeemable, Listed, principal protected non-convertible market linked debentures] ("Debenture(s)" or "NCD(s)") of face value of Rs. 10,00,000/- (Rupees Ten Lakhs Only) of the aggregate nominal value of Rs. 90,00,00,000 (Rupees Ninety Crores Only) with an option to retain over-subscription up to Rs. 35,00,00,000 (Rupees Thirty-Five Crores Only) aggregating to a total of Rs. 125,00,00,000 (Rupees One Hundred Twenty-Five 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 CATALYST TRUSTEESHIP LIMITED
Debenture Trustee Agreement	means the agreement entered into by and between the Issuer and the Debenture Trustee dated September 26, 2022
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 September 28, 2022
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 September 27, 2022 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	September 28,2022
Issue Closing Date	September 28,2022
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/DDHS/P/CIR/2021/613 dated August 10, 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 and SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/106 dated August 04, 2022 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

I. 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, 2022, the gross NPA was Rs. 452.96 on a gross portfolio of Rs. 7012.53 Crore (including managed / securitized portfolio of Rs. 1,162.15 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.

II. 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.

III. 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.

IV. ***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.

V. 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.

VI. 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.

VII. 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.

VIII. ***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 Capital 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 March 31, 2022 read together with the resolution dated September 26, 2022 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.

Material contracts and agreements

S. No.	Nature of Contract
1.	Certified true copy of the Memorandum & Articles of Association of the Issuer.
2.	Copy of the Board / Committee Resolution dated January 23, 2020 and March 31, 2022 read together with the resolution dated September 26, 2022 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 September 26,2022
6.	Letter from Debenture Trustee dated September 26, 2022 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 September 26, 2022 executed between the Issuer and the Debenture Trustee.
11.	Debenture Trust Deed dated September 27, 2022 executed between the Issuer and the Debenture Trustee.
12.	Deed of Hypothecation dated September 27, 2022 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:	The Company is an NBFC with major focus on gold loans.

7)	Positions/posts held in the past:	N.A.
8)	Directorships held:	N.A.
9)	Other ventures of the promoter:	Manappuram Finance Limited has subsidiaries including Asirvad Micro Finance Limited, Manappuram Home Finance Limited, Manappuram Insurance Brokers Limited and Manappuram Comptech and Consultants Limited
10)	Special achievements:	N.A.
11)	Their business and financial activities:	Gold Loan Business For more details kindly access https://www.manappuram.com/
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:	67
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:	Managing Director of the Company upto June 30, 2021. Non Executive, Non Independent Director of Asirvad Micro Finance Ltd
21)	Directorships held:	1. Abirami Consultants And Securities Private Limited; 2. Proficient Investment And Financial Consultancy Private Ltd; 3. Acsys Investments Private Limited; 4. Media Works Private Limited; 5. Farvision Securities Pvt. Ltd 6. Southern India Chamber of Commerce & Industry 7. Gradatim I.I. Ventures (India) Private Limited 8. Aham Housing Finance Private Limited 9. Voicegear Network Technologies Private Limited
22)	Other ventures of the promoter:	N.A.
23)	Special achievements:	Founder 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 CRISIL AA-** rating to these Debentures by a letter dated September 26, 2022. 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:	September 28, 2022
Issue Closes on:	September 28, 2022
Pay in Date	September 28, 2022
Deemed date of allotment	September 28, 2022

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

Debenture Trustee:	**Name**	Catalyst Trusteeship Limited
	Logo	Windsor,6th floor,Office No.604, **C.S.TRoad,kalina,Santacruz (East) Mumbai 400098.**
	Address	
	Website	**https://catalysttrustee.com/**
	E-mail address	**deesha.trivedi@ctltrustee.com**
	Telephone Number	**022-49220506**
	Contact Person Details	**Deesha Trivedi**
Register and Transfer Agent	**Name**	S.K.D.C. Consultants Limited
	Logo	
	Address	"Surya", 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028
	Website	https:// www.skdc-consultants.com
	E-mail address	info@skdc-consultants.com
	Telephone Number	+91 422 4958995
	Contact Person Details	Mr. K. Narendra
Credit Rating Agency	**Name**	CRISIL Ratings Limited
	Logo	
	Address	Hiranandani Business Park, Central Avenue, Hiranandani Gardens, Powai, Mumbai, Maharashtra - 400 076
	Website	https://www.crisil.com
	E-mail address	poonam.upadhyay@crisil.com
	Telephone Number	+91 22 3342 3000
	Contact Person Details	Ms. Poonam Upadhyay

Statutory 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
Legal Counsel, (If any)	I b&p bharucha & partners Advocates & Solicitors Name:Bharucha & Partners Advocates & Solicitors Address: 13th Floor, Free Press House, Free Press Journal Marg Nariman Point, Mumbai 400 021. India Website: https://bharucha.in/ Telephone: T. +91 22 2289 9300 F. +91 22 2282 3900 Email Address: rohit.sharma@bharucha.in Contact Person: Rohit Sharma, 9004578882
Guarantor, (If any)	None
Arrangers, (If any)	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.

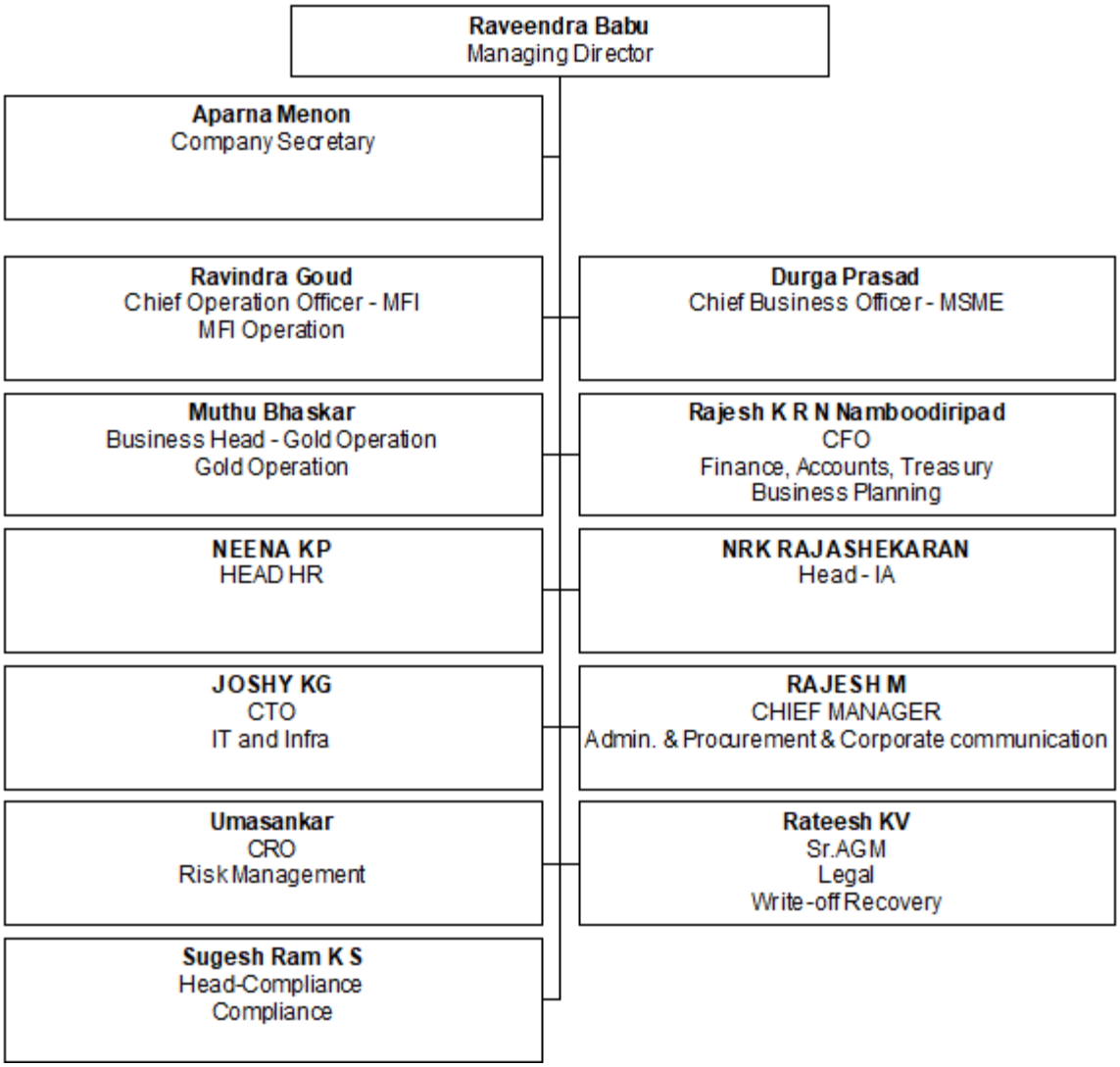
The Issuer has set up itself as an NBFC-MFI, rather than an NGO as it operates with adequate capital. The Issuer operates strictly within the legal and regulatory framework in India for financial institutions and is absolutely transparent.

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 31 2022, the Issuer operates in 1526 branches 22 states and 3 union territories. The Issuer's active customer base is 25,37,037 with a gross loan portfolio outstanding of Rs. 7,002.88 crores.

b. Corporate Structure of the Issuer

The corporate structure of the Company is given below:



c. Branch details:

As of March 31 2022, the Issuer operates in 1526 branches 22 states and 3 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, 2022 is attached as Annexure XIV

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.

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, 2022, March 31, 2021 and March 31, 2020 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-22	31-Mar-21	31-Mar-20	Quarter Ended 30-Jun-22
	Audited	**Audited**	**Audited**	**Unaudited**
Balance Sheet				
Financial Assets	6,56,318.16	5,69,736.49	5,84,263.16	N. A
Non-financial Assets	25,049.73	12,822.89	6,895.85	N. A
Total Assets	681,367.89	5,82,559.38	5,91,159.01	N. A
Financial Liabilities (including Derivate financial instruments, other Payables, Debt Securities, borrowings(other than debt securities), Subordinated liabilities, other financial liabilities.	5,71,244.13	4,71,342.84	4,56,127.34	N. A
Non-Financial Liabilities (including current tax liabilities(Net), Provisions, other non-financial lliabilities).	2,918.43	5673.05	31,079.79	N. A
Equity (equity and other equity)	107,205.33	1,05,543.49	1,03,951.88	N. A
Total equity and liabilities	681,367.89	5,82,559.38	5,91,159.01	N. A
Profit and Loss				
Total revenue from operations	1,35,569.96	1,05,296.89	1,05,505.94	36,064.21
Other income	4,400.01	2,421.47	4,638.46	73.15
Total Expenses	1,38,108.60	1,04,650.34	86,611.60	37,238.15
Total comprehensive income	1,677.14	1,598.85	23,509.56	(964.26)
Profit / loss	1,343.24	1,688.14	23,532.80	(828.59)

	31-Mar-22	31-Mar-21	31-Mar-20	Quarter Ended 30-Jun-22
	Audited	Audited	Audited	Unaudited
Other comprehensive income	333.90	-89.29	-23.24	(135.67)
Profit / loss after tax	1,343.24	1,688.14	23,532.80	(828.59)
Earnings per equity share: (a) basic; and	2.52	3.17	44.14	(1.55)
(b) Diluted	2.52	3.17	44.14	(1.55)
Continuing operations Discontinued operations Total Continuing and discontinued	1,677.14 0 1,677.14	1,598.85 0 1,598.85	23,509.56 0 23,509.56	(964.26) 0 (964.26)
Cash Flow				
Net cash generated from operating activities	-15,022.71	-26,755.54	2,675.90	N. A
Net cash used in / generated from invest-ing activities	-6,563.55	4,336.56	-2,507.97	N. A
Net cash used in financing activities	36,169.83	-32,808.59	67,316.49	N. A
Cash and cash equivalents	64,846.87	1,20,074.44	52,590.02	N. A
Balance as per statement of cash flows	79,430.46	64,846.87	1,20,074.44	N. A
Additional information				
Net Worth	1,07,205.33	1,05,543.49	1,03,951.87	N. A
Cash and Cash equivalents at the beginning of the year	79,430.46	64,846.87	1,39,063.94	N. A
Current investments	-	-	-	-
Assets Under Management (Gross)	5,75,569.31	5,12,660.22	5,48,767.28	5,85,038.08

	31-Mar-22	31-Mar-21	31-Mar-20	Quarter Ended 30-Jun-22
	Audited	Audited	Audited	Unaudited
Off balance sheet assets	1,24,649.00	85,801.60	1,07,246.23	1,16,215.07
Total Debts to Total assets	82%	79%	76%	N. A
Debt Service Coverage Ratios	N. A	N. A	N. A	N. A
Interest Income	118,084.12	95,762.88	89,342.61	32,703.72
Interest Expense	57,136.57	45,754.14	40,354.76	13,942.25
Interest service coverage ratio	N. A	N. A	N. A	N. A
Provisioning & write Offs	39,707.04	29,980.94	9,234.97	11,867.60
Bad debts to Account receivable ratio	N. A	N. A	N. A	N. A
Gross NPA (%)	1.67%	1.77%	1.76%	7.74%
Net NPA (%)	0.32%	0.00%	0.00%	1.91%
Tier I Capital Adequacy Ratio (%)	16.40%	19.65%	24.32%	15.95%
Tier II Capital Adequacy Ratio (%)	4.41%	3.69%	1.05%	3.88%

f. GROSS DEBT/ EQUITY RATIO OF THE COMPANY

Particulars	Value
Before the issue of debt securities	5.40
After the issue of debt securities	5.48

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 2022	As at 31 March 2021

(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, 2022 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, 2022, 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

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	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
06.11.2014	Ramesh. T	1500	15000	11.17	16,755	Cash	ESOP	1500	0.0015	0.000175	Nil
06.11.2014	Mr.R. Muthuramaliingam	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

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	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
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

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)	
12.02.2015	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
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

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. 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
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

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)	
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
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, 2022 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	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	Nandakumar V P	1,43,391	0.27	1,43,391
7	Raveendra Babu B N	50,166	0.09	50,166
8	Manappuram Finance Limited	5,19,85,856	97.51	5,19,85,856
9	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, 2022 ;

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	10,24,415	1.92	10,24,415
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	Nandakumar V P	Non-Promoter	1,43,391	0.27	1,43,391
7	Raveendra Babu B N	Non-Promoter	50,166	0.09	50,166
8	Manappuram Finance Limited	Promoter	5,19,85,856	97.51	5,19,85,856
9	Sheela Rajiven	Non-	7,709	0.01	7,709

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
		Promoter			
	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	67	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 - Voicegear Network Technologies 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)
							- Aham Housing Finance Private Limited - Garadatim I.T. Ventures (India) Private Limited - Southern India Chamber of Commerce and Industry	
2.	Mr. V.P. Nandakumar Chairman & Director 00044512	18/05/1954	68	3/564, Vazhapully House, 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	- 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)
							Consultants Ltd; - 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	

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)
							Development Council; - Lions co-ordination Committee of India Association	
3	Mr. B.N. Raveendra Babu Managing Director 00043622	10/02/1952	70	"Blangat House, Near Kalamuri, Kalpamangalam Thrissur, Kerala-680681	ABMPR2273B	10/02/2015	Nil	- No
4	Mr. Gautam Saigal Director 00640229	20/10/1965	56	Fl.2505, Ashok Tower C Wing, Dr Baba Saheb Ambedkar Marg Parel, Mumbai-400012	AJAPS2719M	- 18/03/2015	- Manappuram Home Finance Limited, - Bonanza Business Services Private Limited - ZIM Health Technologies Limited	- No
5	Mr. A. Ramanathan	25/12/1948	73	28 Tansi Ngr 18th St, Velacher y, Chennai, 600042,	AEHPA1356C	18/03/2015	- IIIFL Samasta 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)
	Independent Director 02645247			Tamil Nadu,			- Mangal Credit And Fincorp Limited - South India Finvest Pvt Ltd; - Svasti Microfinance Pvt Ltd; - Tattva Fincorp Limited; - Magalir Micro Capital Private Limited - Rgvn (North East) Microfinance Limited	
6	Mr. D.R. Dogra Independent Director 00226775	21/09/1954	67	Flat No 402, Somerset Bldg, Adishankara Coharya RD, CTS No 15C, Near Hirananda ni Garden, Powai,	ADZPD5926E	09/09/2016	- S Chand and Company Ltd; - Welspun Corp Ltd; - M Power Micro Finance 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)
				Mumbai – 76			- Aham Housing Finance Private Ltd.; - IFB Industries Ltd; - Capri Global Capital Ltd - G R Infraprojects Ltd - Axiscades Technologies Limited - Axiscades Aerospace & Technologies Private Limited	
7	Mr. T. Balakrishnan Independent Director 00052922	03/10/1951	70	9 -C, SFS Kings Wood Jawahar Ngr, Kowdiar P O, Thiruvanant Hapuram – 695 003	ACSPT2762Q	15/05/2018	- The Western India Plywoods Ltd; - Muralya Dairy Products Private Limited; - EICL Limited; - Cheraman Financial	- 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)
							Services Ltd; - Manappuram Home Finance Ltd; - Southern Veneers and Woodworks Limited	
8	Mr. T. M. Manoharan Independent Director 00225640	03/05/1952	70	Gowreesankaram, Unichira- T. Road Chang Ampuz Ha Nagar, P.O.- Kalamassery Ernakulam – 682 033	ADRPM4387L	15/05/2018	NIL	No
9	Mrs. Pushya Sitaraman Independent Director 06537196	23/12/1953	68	No 5, Subbarayar Avenue Abhiramapuram Chennai– 600018	AABPS6033J	02/02/2019	- Western India Plywoods Ltd; - Kohinoor Saw Mills Co Ltd; - Mayabandar Doors Limited; - Shiksha Financial Services 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)
							- Southern Veneers And Woodworks Limited	
10	Mr, Subrata Kumar Mitra Independent Director 00029961	16-01-1948	74	1201, Pheonix Tower B, Senapati Bapat Marg, Lower Parel, Mumbai-400013	ACPPM8147D	17/03/2020	- Centrum Capital Limited; - PPFAS Asset Management Private 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	-

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)
							Technologies Limited - Roadstar Investment Managers Limited	
11	Mr. Abhijit Sen Independent Director 00002593	17-11-1950	71	A-92, Gand Paradi, 572 Dadyseth Hill, August Kranti Marg, Near Kemps Corner, Mumbai – 400036	AAHPS6626D	17/03/2020	- Netafim 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	- 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)
							Wholesale Private Limited; - Booker India Private Limited; - Pramerica Life Insurance Limited	
12	Mr. Harshan Kollara Sankarakutty Independent Director 01519810	01-11-1951	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

Name	Designation	DIN	Date of Appointment	Date of Cessation, if applicable	Date of resignation, if applicable	Remarks
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
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, 2022 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, 2022,

Lender's Name	Type of Facility	Amount Sanctioned Rs in Lakhs	Principal Amount Outstanding Rs in Lakhs	Repayment Date / Schedule	Security
WaterCredit Investment Fund 3, LP	TL ECB	2,840	2,840	06-Mar-25	Charge over receivables
IIV Impact Investing Funds -DKM MicroFinzfond	TL ECB	4,400	4,400	27-Aug-23	Charge over receivables
IIV Impact Investing Funds -DKM MicroFinzfond	TL ECB	8,620	8,620	29-Sep-23	Charge over receivables
IIV Impact Investing Funds -DKM MicroFinzfond	TL ECB	8,625	8,625	13-Oct-23	Charge over receivables
World Business Capital	TL ECB	11,115	11,115	20-Mar-28	Charge over receivables
Nabkisan Finance Ltd	TL NBFC	1,800	164	31-Jul-22	Charge over receivables
Nabsamruddhi Finance Ltd	TL NBFC	2,000	167	30-Sep-22	Charge over receivables
Bajaj Finance Ltd	TL NBFC	2,000	583	29-Jan-23	Charge over receivables
Bajaj Finance Ltd	TL NBFC	4,000	1,333	25-Feb-23	Charge over receivables
MAS Financials	TL NBFC	7,500	2,000	25-Jun-24	Charge over receivables
MAS Financials	TL NBFC	7,500	3,250	09-Aug-24	Charge over receivables

TATA Capital	TL NBFC	4,000	3,000	05-Sep-24	Charge over receivables
Bajaj Finance Ltd	TL NBFC	5,800	3,625	30-Sep-24	Charge over receivables
Nabkisan Finance Ltd	TL NBFC	3,300	2,750	31-Dec-24	Charge over receivables
JM Financials	TL NBFC	7,500	6,930	14-Mar-24	Charge over receivables
NABARD	Refinance	5,000	100	31-Jul-22	Charge over receivables
NABARD	Refinance	5,000	100	31-Jul-22	Charge over receivables
NABARD	Refinance	10,000	500	31-Jan-23	Charge over receivables
NABARD	Refinance	11,100	888	31-Jan-24	Charge over receivables
NABARD	Refinance	6,500	3,900	31-Jul-24	Charge over receivables
NABARD	Refinance	20,000	12,000	31-Jul-24	Charge over receivables
NABARD	Refinance	5,000	2,000	31-Jan-25	Charge over receivables
NABARD	Refinance	10,000	6,500	31-Mar-26	Charge over receivables
NABARD	Refinance	10,000	6,500	31-Mar-26	Charge over receivables
NABARD	Refinance	40,000	37,200	31-Mar-27	Charge over receivables
MUDRA	Refinance	15,000	15,000	31-Mar-27	Charge over receivables
United Bank of India	TL Bank	2,000	200	31-Jul-22	Charge over receivables
Oriental Bank of Commerce	TL Bank	5,000	1,250	28-Feb-23	Charge over receivables
Indian Bank	TL Bank	3,000	750	01-Mar-23	Charge over receivables
State Bank of India	TL Bank	5,000	1,247	31-Jan-23	Charge over receivables
Syndicate Bank	TL Bank	2,500	682	17-Mar-23	Charge over receivables

Small Industries Development Bank of India (SIDBI)	TL Bank	20,000	6,667	10-Apr-23	Charge over receivables
State Bank of India	TL Bank	15,000	3,750	31-Jan-23	Charge over receivables
Bank of Baroda	TL Bank	40,000	333	19-Aug-22	Charge over receivables
Bank of India	TL Bank	7,500	1,364	30-Dec-22	Charge over receivables
Syndicate Bank	TL Bank	2,500	682	17-Mar-23	Charge over receivables
The Federal Bank	TL Bank	5,000	625	30-Sep-22	Charge over receivables
Woori Bank	TL Bank	3,500	438	30-Sep-22	Charge over receivables
Bank of Baroda	TL Bank	15,000	9,000	27-Dec-23	Charge over receivables
SBM Bank	TL Bank	3,500	1,021	29-Jan-23	Charge over receivables
HSBC	TL Bank	6,000	2,000	15-Feb-23	Charge over receivables
IDBI	TL Bank	10,000	2,083	18-Apr-23	Charge over receivables
Axis Bank	TL Bank	5,000	1,591	26-Jan-23	Charge over receivables
IDBI	TL Bank	10,000	2,083	18-Apr-23	Charge over receivables
Axis Bank	TL Bank	5,000	1,818	23-Feb-23	Charge over receivables
Punjab & Sind Bank	TL Bank	10,000	6,360	31-Mar-24	Charge over receivables
Indian Bank	TL Bank	20,000	3,889	30-Jan-23	Charge over receivables
Kotak Mahindra Bank	TL Bank	15,000	1,875	30-Mar-23	Charge over receivables
ICICI Bank	TL Bank	40,000	3,214	10-Mar-23	Charge over receivables

HSBC	TL Bank	4,000	1,667	15-Apr-23	Charge over receivables
ICICI Bank	TL Bank	40,000	7,619	10-Apr-23	Charge over receivables
CTBC Bank	TL Bank	2,500	2,500	26-Jul-23	Charge over receivables
ICICI Bank	TL Bank	40,000	9,286	10-Jul-23	Charge over receivables
Kotak Mahindra Bank	TL Bank	15,000	5,399	22-Jul-23	Charge over receivables
Standard Chartered Bank	TL Bank	5,000	5,000	30-Jul-22	Charge over receivables
The Federal Bank	TL Bank	5,000	2,917	06-Aug-23	Charge over receivables
SBM Bank	TL Bank	2,500	1,574	17-Nov-23	Charge over receivables
YES Bank Ltd.	TL Bank	13,500	7,875	26-Aug-23	Charge over receivables
Standard Chartered Bank	TL Bank	2,500	2,500	24-Aug-22	Charge over receivables
ICICI Bank	TL Bank	40,000	1,000	10-Aug-23	Charge over receivables
RBL Bank Ltd	TL Bank	12,500	7,188	31-Aug-23	Charge over receivables
BBK	TL Bank	3,000	2,045	21-Sep-23	Charge over receivables
Woori Bank	TL Bank	3,500	2,188	16-Sep-23	Charge over receivables
HSBC Bank	TL Bank	7,500	5,250	09-Feb-24	Charge over receivables
The Federal Bank	TL Bank	5,000	3,750	09-Sep-24	Charge over receivables
The Federal Bank	TL Bank	5,000	3,750	09-Sep-24	Charge over receivables
Suryodhay	TL Bank	3,000	2,359	05-Oct-24	Charge over receivables
IDBI Bank	TL Bank	7,500	5,625	30-Sep-24	Charge over receivables

Jana Small Finance Bank	TL Bank	7,500	5,994	03-Oct-24	Charge over receivables
Equitas Small Finance Bank	TL Bank	7,500	5,828	05-Oct-24	Charge over receivables
Union Bank of India	TL Bank	15,000	1,269	29-Sep-22	Charge over receivables
Utkarsh Small Finance Bank	TL Bank	3,000	2,100	30-Mar-24	Charge over receivables
Punjab National Bank	TL Bank	10,000	7,273	30-Jun-24	Charge over receivables
Punjab National Bank	TL Bank	10,000	10,000	24-Feb-25	Charge over receivables
UCO Bank	TL Bank	5,000	4,583	31-Dec-24	Charge over receivables
CTBC Bank	TL Bank	2,500	10,000	10-Mar-24	Charge over receivables
Bandhan Bank	TL Bank	20,000	2,500	08-Mar-24	Charge over receivables
Bank of Baroda	TL Bank	20,000	10,000	11-Feb-25	Charge over receivables
Axis Bank	TL Bank	25,000	1,875	28-Jun-24	Charge over receivables
Bank of Baroda	TL Bank	20,000	3,000	31-May-23	Charge over receivables
Indian Bank	TL Bank	9,000	2,000	30-Mar-25	Charge over receivables
Indian Overseas Bank	TL Bank	5,000	1,500	31-Dec-24	Charge over receivables
Bank of Baroda	TL Bank	10,000	7,000	28-Feb-25	Charge over receivables
Indian Overseas Bank	TL Bank	5,000	3,500	31-Dec-24	Charge over receivables
Indian Bank	TL Bank	9,000	7,000	30-Mar-25	Charge over receivables
Punjab & Sindh Bank	TL Bank	15,000	15,000	28-Jun-25	Charge over receivables
Axis Bank	TL Bank	25,000	625	28-Jun-24	Charge over receivables
ResponsAbility	NCD	10,000	500	09-Aug-23	Charge over receivables

Blue Orchard	NCD	7,000	7,000	07-Mar-25	Charge over receivables
Bank of India	NCD	5,000	5,000	28-Apr-23	Charge over receivables
Bank of Maharashtra	NCD	2,000	2,000	29-May-23	Charge over receivables
Canara Bank	NCD	2,500	2,500	29-May-23	Charge over receivables
Bandhan Bank	NCD	5,000	2,500	21-Apr-23	Charge over receivables
Union Bank of India	NCD	3,500	3,500	26-Jun-23	Charge over receivables
Punjab National Bank	NCD	5,000	5,000	26-Jun-23	Charge over receivables
Indian Bank	NCD	2,500	2,500	28-Apr-23	Charge over receivables
CDC Group	NCD	5,000	4,700	30-Mar-25	Charge over receivables
Navi Finserv and AK Capital MLD	NCD	10,000	6,280	13-Jul-23	Charge over receivables
Vivriti and others NCD	NCD	25,000	19,460	29-Jan-24	Charge over receivables
Blue Orchard - MEF	NCD	7,300	7,300	27-Feb-25	Charge over receivables
Blue Orchard	NCD	14,500	14,500	15-Sep-26	Charge over receivables
Northern Arc Capital Limited	NCD	4,500	4,500	09-May-24	Charge over receivables
Northern Arc Investment Managers	NCD	3,000	3,000	09-May-24	Charge over receivables

ii. Details of Unsecured Loan

The Company has availed unsecured loan as on the latest quarter end on **June 30, 2022** :

Lender's Name	Type of Facility	Amount Sanctioned Rs in Lakhs	Principal Amount Outstanding Rs in Lakhs	Repayment Date / Schedule
Royal Sundaram General Ins. Co. Ltd	NCD	1,500	1,500	28-Jun-23
Reliance Home Finance Ltd	NCD	3,500	3,500	15-Jul-22
Reliance Home Finance Ltd	NCD	1,500	1,500	15-Jul-22
Karvy capital	NCD	5,000	5,000	30-May-24
A K Capital	NCD	7,500	2,813	05-Feb-23
Anand Rathi Global Finance Limited	NCD	5,000	5,000	08-Mar-23
A K Capital	NCD	10,000	10,000	26-Jun-26
Vivriti NCD INR 50 Cr 09 July 2021	NCD	5,000	3,500	31-Dec-24
Northern Arc	NCD	4,500	3,000	23-Feb-24
Northern Arc Capital Limited	NCD	5,000	5,000	31-Dec-27
Viviriti Capital Private Limited & VAM	NCD	5,500	5,500	31-May-27
Aditya Birla Finance Ltd	TL NBFC	4,000	3,400	30-Sep-23

iii. **Non-Convertible Debentures**

Details of Debentures

The details of NCDs as on the latest quarter end on **June 30, 2022 :**

Series of NCDs	Tenor / Period of Maturity (in months)	Coupon	Amount (Rs. In Lakhs)	Date of allotment	Redemption Date / Schedule	Credit Rating	Secured / Unsecured	Security
DEB-17	72		500.00	09-08-2017	09-08-2023	CRISIL AA-/Stable	Secured	Charge over receivables

DEB-31	60		7,000.00	09-03-2020	07-03-2025	CRISIL AA-/Stable	Secured	Charge over receivables
DEB-32	35		5,000.00	28-05-2020	28-04-2023	CRISIL AA-/Stable	Secured	Charge over receivables
DEB-33	36		2,000.00	29-05-2020	29-05-2023	CRISIL AA-/Stable	Secured	Charge over receivables
DEB-34	36		2,500.00	12-06-2020	29-05-2023	CRISIL AA-/Stable	Secured	Charge over receivables
DEB-35	33		2,500.00	22-06-2020	21-04-2023	CRISIL AA-/Stable	Secured	Charge over receivables
DEB-36	35		3,500.00	26-06-2020	26-06-2023	CRISIL AA-/Stable	Secured	Charge over receivables
DEB-37	35		5,000.00	26-06-2020	26-06-2023	CRISIL AA-/Stable	Secured	Charge over receivables
DEB-38	33		2,500.00	25-07-2020	28-04-2023	CRISIL AA-/Stable	Secured	Charge over receivables
DEB-49	48		4,700.00	30-03-2021	30-03-2025	CRISIL AA-/Stable	Secured	Charge over receivables
DEB-52	24		6,280.00	13-07-2021	13-07-2023	CRISIL AA-/Stable	Secured	Charge over receivables
DEB-53	30		19,460.00	29-07-2021	29-01-2024	CRISIL AA-/Stable	Secured	Charge over receivables
DEB-54	42		7,300.00	27-08-2021	27-02-2025	CRISIL AA-/Stable	Secured	Charge over receivables
DEB-56	60		14,500.00	21-09-2021	15-09-2026	CRISIL AA-/Stable	Secured	Charge over receivables
DEB-57	60		4,500.00	09-11-2021	09-05-2024	CRISIL AA-/Stable	Secured	Charge over receivables
DEB-58	60		3,000.00	09-11-2021	09-05-2024	CRISIL AA-/Stable	Secured	Charge over receivables

DEB-14	78		1,500.00	28-12-2016	28-06-2023	CRISIL AA-/Stable	Unsecured	N.A
DEB-15	64		3,500.00	15-03-2017	15-07-2022	CRISIL AA-/Stable	Unsecured	N.A
DEB-16	64		1,500.00	15-03-2017	15-07-2022	CRISIL AA-/Stable	Unsecured	N.A
DEB-26	60		5,000.00	20-06-2019	30-05-2024	CRISIL AA-/Stable	Unsecured	N.A
DEB-45	24		2,812.50	05-02-2021	05-02-2023	CRISIL AA-/Stable	Unsecured	N.A
DEB-47	24		5,000.00	08-03-2021	08-03-2023	CRISIL AA-/Stable	Unsecured	N.A
DEB-48	63		10,000.00	26-03-2021	26-06-2026	CRISIL AA-/Stable	Unsecured	N.A
DEB-51	42		3,500.00	09-07-2021	31-12-2024	CRISIL AA-/Stable	Unsecured	N.A
DEB-55	30		3,000.00	06-09-2021	23-02-2024	CRISIL AA-/Stable	Unsecured	N.A
DEB-59	72		5,000.00	31-12-2021	31-12-2027	CRISIL AA-/Stable	Unsecured	N.A
DEB-60	62		5,500.00	31-03-2022	31-05-2027	CRISIL AA-/Stable	Unsecured	N.A
Total			**1,36,552.50**					

List of Top 10 debenture in terms of value (in cumulative basis) as on latest quarter end on June 30, 2022:

Sr. No.	Name of holders of Non-convertible Securities	Amount (Rs. In Lakhs)	% of total NCS outstanding
1	Blue Orchard	21,500.00	16%
2	Vivriti and others NCD	19,460.00	14%
3	A K Capital	12,812.50	9%
4	Northern Arc Capital Limited	9,500.00	7%
5	Blue Orchard - MEF	7,300.00	5%
6	Navi Finserv and AK Capital MLD	6,280.00	5%
7	Viviriti Capital Private Limited & VAM	5,500.00	4%
8	Anand Rathi Global Finance Limited	5,000.00	4%
9	Bank of India	5,000.00	4%
10	Karvy capital	5,000.00	4%

iv. Commercial Papers

The total Face Value of Commercial Papers Outstanding as on the latest quarter end **June 30, 2022** to be provided and its breakup in following table:

Maturity Date	Amount Outstanding
Nil	

v. Other Borrowings

Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as **on June 30, 2022**:

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

vi. 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 25,000- 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 2022(Rs. In Lakhs)
Standard	5,39,741.25
NPA	45,296.83
Off Book	1,16,215.08
Total	7,01,253.16

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 2022(Rs. In Lakhs)
ECB	35,600.00
Term Loans - Foreign Banks	26,182.02
Term Loans - NBFCs	23,802.18
Term Loans - Private Banks	80,197.76
Term Loans - PSU Banks	1,10,797.98
Refinance	84,688.00
Securitization	1,16,215.08
Debentures	1,36,552.50
Tier II NCD	27,000.00

Total	5,17,501.04

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-22**	**Mar-21**	**Mar-20**
GNPA Outstanding	9,607.96	9,086.78	8,610.13
GNPA-Provision	7,896.88	9,068.68	8,610.13
NNPA Outstanding	1,711.09	18.10	-
NNPA-Provision	1,711.09	18.10	-

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

Type of Borrowing	**Outstanding as at 30th June 2022 (Rs. In Lakhs)**	%
Secured Borrowings	4,67,788.54	74%
Unsecured Borrowings	49,712.50	8%
Off Book	1,16,215.08	18%
	6,33,716.12	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	34,920.56

2	Unsecured	6,65,297.76
	Total assets under management (AUM)*^	7,00,218.31

*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	4.29%
C	Vehicle finance	0%
D	MFI	95.01%
E	MSME	0.69%
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 as on 31st March 2022

Sl. No.	Top 5 states	Percentage of AUM
1	Tamil nadu	16.59%
2	Bihar	12.53%
3	West Bengal	9.35%
4	Karnataka	9.03%
5	Uttar pradesh	8.94%
	Total	56.44%

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

Movement of gross NPA as on 31st March 2022:

Movement of gross NPA*	Rs. Crore
Opening gross NPA	90.86
- Additions during the year	3,997.39
- Reductions during the year	(3,945.28)
Closing balance of gross NPA	**96.08**

*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	341.45
- Provisions made during the year	397.07
- Write-off/ write-back of excess provisions	(394.52)
Closing balance	**343.99**

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	96.08
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	**96.08**

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	351.80	261.44	279.17	823.93	1437.17	1,933.05	27.83	-	5,113.99
Investments	0	0	0	0	0	0	-	0.05	0.05
Borrowings	211.67	200.02	136.93	531.73	1,117.03	2,034.56	256.72	104.00	4,592.69
FCA*									
FCL*									

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

b. Disclosure of latest ALM statements to stock exchange:

Please refer to Annexure XIV.

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 2022**
ECB	35,600.00
Term Loans - Foreign Banks	26,182.02
Term Loans - NBFCs	23,802.18
Term Loans - Private Banks	80,197.76
Term Loans - PSU Banks	1,10,797.98
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Securitization	1,16,215.08
Debentures	1,36,552.50
Tier II NCD	27,000.00
Total	5,17,501.04

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-22**	**Mar-21**	**Mar-20**
GNPA Outstanding	9,607.96	9,086.78	8,610.13
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NNPA-Provision	1,711.09	18.10	-

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

Type of Borrowing	Outstanding as at 30th June 2022	%
Secured Borrowings	4,67,788.54	74%

Unsecured Borrowings	49,712.50	8%
Off Book	1,16,215.08	18%
	6,33,716.12	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 w.r.t the Company.
Details w.r.t Promoter is as per Annexure III- Litigations

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.

Catalyst Trusteeship 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	**September 28, 2022**

Issue Closing Date	**September 28, 2022**
Pay In Date	**September 28, 2022**
Deemed Date of Allotment	**September 28, 2022**

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	September 28, 2024
Tenure and Coupon Rate	24 Months & 8.50%
Frequency of the Interest Payment with specified dates	Bullet
Day Count Convention	Actual/Actual

Redemption Installments	Day & Redemption Date	No of Days in Coupon period	Interest to be redeemed per Debenture (in INR)	Amount to be redeemed per Debenture (in INR)
1st Coupon & Principal	Monday / 28-Sep-24	730	Please refer illustration scenarios and cash flows	10,00,000

Method of calculation of Effective Coupon Amount

Coupon Amount	$Face\ Value * [\ (1 + Annualized\ Coupon\ Rate)^{(Tenor\ in\ Days/365)} - 1\ ]$

<table>
<tr><td>Annualized Coupon Rate</td><td>Based on 'Reference Index Performance', corresponding 'Annualized Coupon Rate' function' will be applicable
<table>
<tr><th>Reference Index Performance</th><th>'Annualized Coupon Rate' function</th></tr>
<tr><td><= -75%</td><td>0%</td></tr>
<tr><td>> -75%</td><td>8.50% XIRR</td></tr>
</table></td></tr>
<tr><td>Face Value</td><td>INR 10,00,000 (Rupees Ten Lakh only) per Debenture</td></tr>
<tr><td>Tenor In Days</td><td>730 Days from Deemed Date of Allotment**</td></tr>
<tr><td>Reference Index</td><td>5.85% GS 2030</td></tr>
<tr><td>Reference Index Performance</td><td>$(\frac{Final\ Fixing\ Level}{Initial\ Fixing\ Level}) - 1$</td></tr>
<tr><td>Initial Fixing Level</td><td>Official closing level of the Reference Index as on Initial Fixing Date</td></tr>
<tr><td>Initial Fixing Date</td><td>Deemed Date of Allotment</td></tr>
<tr><td>Final Fixing Level</td><td>The official closing level of the Reference Index on the Final Fixing Date</td></tr>
<tr><td>Final Fixing Date</td><td>[●] or Early Redemption date, as applicable</td></tr>
</table>

Illustration of the Scenario and Cash Flow:-

VALUATION MATRIX

Assuming Initial Index level of 7.26%

Initial Index Level	Final Index Level	Performance of Index Level	Initial Investment on per Debentures (INR)	Annualized yield on Debentures	Investment per debenture	Maturity Amount per Debenture
7.26%	0.36%	-95.00%	1,000,000	0.00%	1,000,000	1,000,000
7.26%	0.73%	-90.00%	1,000,000	0.00%	1,000,000	1,000,000
7.26%	1.09%	-85.00%	1,000,000	0.00%	1,000,000	1,000,000
7.26%	1.45%	-80.00%	1,000,000	0.00%	1,000,000	1,000,000
7.26%	1.81%	-75.10%	1,000,000	0.00%	1,000,000	1,000,000
7.26%	1.82%	-74.90%	1,000,000	8.50%	1,000,000	1,177,488
7.26%	5.08%	-30.00%	1,000,000	8.50%	1,000,000	1,177,488
7.26%	7.26%	0.00%	1,000,000	8.50%	1,000,000	1,177,488
7.26%	9.44%	30.00%	1,000,000	8.50%	1,000,000	1,177,488

7.26%	12.34%	70.00%	1,000,000	8.50%	1,000,000	1,177,488

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 3 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 on outstanding principal amounts 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 X** 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 Chennai. 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 September 28, 2022 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.. 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 prior to each coupon payment/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 September 28,2022.

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 into 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 s 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 SEP 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 1,250
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)	Rs 35,00,00,000/- cr (Rupees Thirty Five Crore only)

<table>
<tr><td>Issue Size</td><td>Private Placement by the Company of NCDs aggregating up to Rs. 90 crores with an option to retain over-subscription up to Rs. 35 crores aggregating to a total of Rs. 125 crores</td></tr>
<tr><td>Minimum Subscription</td><td>N/A</td></tr>
<tr><td>Objects of the Issue/ Purpose for which there is requirement of funds</td><td>Issue proceed will be utilized for following purposes:
General Corporate Purpose
for ordinary course of business of Issuer
For deployment in business & growth of asset book</td></tr>
<tr><td>Details of the utilization of the Proceeds</td><td>The proceeds will be utilised as per the objects of the Issue.
No part of the proceeds would be utilized directly / indirectly towards equity capital markets or land acquisition or usages as restrictive for bank financing.</td></tr>
<tr><td>Coupon Rate (Annualized on XIRR basis)</td><td>Based on 'Reference Index Performance', corresponding 'Annualized Coupon Rate' function' will be applicable<table><tr><th>Reference Index Performance</th><th>'Annualized Coupon Rate' function</th></tr><tr><td><= -75%</td><td>0%</td></tr><tr><td>> -75%</td><td>8.50% XIRR</td></tr></table></td></tr>
<tr><td>Distribution Fee</td><td>The Issuer shall pay to the distributor, fees (if any) as per mutual agreement between the Issuer and Distributor</td></tr>
<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>September 28, 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 8.50% 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 2.00 % (Two point Zero Zero percent) per annum on outstanding principal amounts.</td></tr>
<tr><td>Tenor</td><td>730 Days from Deemed Date of Allotment**</td></tr>
</table>

<table>
<tr><td></td><td></td></tr>
<tr><td>Redemption Date</td><td>September 28, 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 (Rupees Ten Lakhs) 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>September 28, 2022</td></tr><tr><td>Issue Pay in Date</td><td>September 28, 2022</td></tr><tr><td>Issue Closing Date</td><td>September 28, 2022</td></tr><tr><td>Deemed Date of Allotment</td><td>September 28, 2022</td></tr></table></td></tr>
<tr><td>Issuance mode of the Instrument</td><td>Dematerialised form</td></tr>
<tr><td>Trading Mode of the Instrument</td><td>Dematerialised form</td></tr>
<tr><td>Settlement mode of the Instrument</td><td>RTGS / NEFT</td></tr>
<tr><td>Depository</td><td>NSDL and CDSL</td></tr>
<tr><td>Disclosure of Interest/Dividend / redemption dates</td><td>September 28, 2024</td></tr>
<tr><td>Business Day Convention</td><td>Means any day, other than a public holiday under Section 25 of the Negotiable Instruments Act, 1881 or a Sunday, on which banks are open for general business in Mumbai and Chennai;
(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;</td></tr>
</table>

	(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
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.)]	Mentioned below
Related Party Transactions	Issuer shall not enter into any transaction(s) with a related party without the prior written consent of the Debenture Trustee except in the ordinary course of business.
Affirmative Covenants	a) To utilise the proceeds of this issue in accordance with applicable laws and regulations b) To promptly inform notice of winding up / other legal proceedings c) To promptly inform Material adverse effect d) To comply with corporate governance, fair practices code prescribed by RBI And as set out in greater detail in the Debenture Trust Deed.
Negative Covenants	As listed in the Debenture Trust Deed.
Events of Default	As listed in the Debenture Trust Deed.
Reporting Covenants	(a) QUARTERLY REPORTS -within 45 (Forty-five) Calendar days after the end of each calendar quarter: (i) Information on financials, operations, portfolio growth & asset quality, , funding/borrower profile in formats acceptable to the Investor (ii) List of Board of Directors (iii) Shareholding Pattern (iv) Financial covenant compliance certificate (v) Copy of returns filed with RBI (b) ANNUAL REPORTS – within 120 days after the end of each fiscal year (i) Audited financials (ii) A certificate from the Director/CFO confirming that there is no Potential Default or Event of Default; (iii) Copy of all annual information submitted to the RBI; and (iv) corporate social responsibility report

	(c) EVENT BASED REPORTS – within 15 business days of event occurring (i) Change in the Constitutional Documents of the Company; (ii) Material Adverse Effect. (iii) Any dispute, litigation, investigation or other proceeding which could result in a Material Adverse Effect. (iv) Winding up proceedings Any Event of Default or Potential Default, and any steps taken / proposed to remedy the same.
Holding Covenant	The Company undertakes that the following covenants ("Holding Covenant") shall be maintained at all times until the Final Settlement Date, unless the prior written consent of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) is obtained: i. Manappuram Finance Limited shall hold minimum 51% stake in the Company, on fully diluted basis and management control of the Company.
Financial Covenants	1) The capital adequacy ratio as per applicable regulations and as prescribed by RBI from time to time. 2) NNPA (PAR 90 less provisions) not to exceed 3.50 % of the AUM. 3) Total Debt/Equity ratio to be within 6.5x For the purpose of aforementioned Financial Covenants, following terms shall have the following meanings: 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. 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 Loan Loss Provisions means the outstanding provision in the balance sheet of the Borrower pertaining to on book and securitised book assets to provide for potential losses. All covenants would be tested on quarterly basis for the Company i.e. as on 31 March, 30 June, 30 Sept and 31 Dec every year, starting from 30 September, 2022 on standalone balance sheet till the redemption

	of the Debentures. The covenants shall be certified by the Company within 60 days from end of each reporting quarter.
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 Offer Document/ Information Memorandum	The Debentures shall be secured by way of a first ranking, exclusive and continuing charge on identified receivables ("Hypothecated Receivables") created pursuant to the agreement of hypothecation to be executed between the Company and the Debenture Trustee as described herein. The Hypothecated Receivables shall include only gold loans pool and at all times be equal to the value of the outstanding principal amount of the Debentures. The Issuer undertakes: • to maintain the value of security at all times equal to 1.00 (one decimal point zero zero) time or 100% (one hundred Percent) the aggregate amount of principal outstanding of the NCDs where at least 1.00 (one decimal point zero zero) time or 100.0% (one hundred percent) of the security cover is from principal receivables ("Security Cover"); • to pay a penal interest of 2.0% (Two Percent) p.a. in case there is any delay in the creation, registration and perfection of the security over the Hypothecated Assets; • to provide a list on a monthly basis, of specific loan receivables/identified book debts to the Debenture Trustee over which the charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) ("Hypothecated Asset Report") • to add fresh loan assets to the Security Cover to ensure that the value of the Hypothecated Assets is equal to 1.00 (One decimal point zero zero) time or 100.0% (one hundred percent) the aggregate amount of principal outstanding of the NCDs where at least 1.00 (One decimal point zero zero) time or 100.0% (One Hundred Percent) of the security cover is from principal receivables. • to replace/top up any Hypothecated Receivables that become overdue for more than 0 days with current receivables in terms of the hypothecation agreement. Eligibility Criteria for the Hypothecated Receivables: • the receivables are existing at the time of selection and have not been terminated or pre-paid; • the receivables have not been restructured or rescheduled • All "Know Your Customer" norms have been complied with as prescribed by the Reserve Bank of India • Loans constituting the hypothecated receivables must be in the form of loans extended to businesses or to individual obligors for the purpose of his / her business.

	• Every loan originated from the facility should be originated by the Issuer and not loans purchased from a third party.
Transaction Documents	Debenture Trust Deed, Deed of Hypothecation, Disclosure Documents, Resolutions, the letters issued by the Rating Agency and the Registrar and all other documents in relation to the issuance of the Debentures. Disclosure Documents means collectively, (a) the debt disclosure document to be issued by the Issuer in terms of sub-regulation (1) of Regulation 21 (Disclosures in respect of Private Placements of Debt Securities) of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; and (b) private placement offer letter to be issued by the Issuer in terms of section 42 (Offer or invitation for subscription of securities on private placement) of the Companies Act, 2013. Resolutions means collectively, (a) special resolution of the shareholders of the Company under Section 180(1)(a) of the Companies Act, 2013; (b) special resolution of the shareholders of the Company under Section 180(1)(c) of the Companies Act, 2013; (c) board resolution of the board of directors of the Company under Section 42 and other applicable provisions of the Companies Act, 2013 and Rules thereunder; special resolution of the shareholders of the Company under the applicable provisions of the Companies Act, 2013 and Rule 14(2) and other applicable provisions of Companies (Prospectus and Allotment of Securities) Rules, 2014.
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- 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]	As listed in the Debenture Trust Deed.
Creation of recovery expense fund[2]	The Issuer will create and maintain the recovery expense funds as per the terms of the applicable laws and as may be specified by Debenture Trustee in this regard. The funds will be utilized by the Issuer for the purposes as specified and permitted by the applicable laws. In compliance with SEBI circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 Asirvad Micro Finance Limited has created on 06.02.2021 and renewed on 28.04.2022 with Karnataka Bank Limited, Recovery Expense Fund by way of Bank guarantee. Asirvad Micro Finance Limited guarantees BSE being the Designated Stock exchange a sum of Rs 25,00,000 in order to enable

[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.

	the debenture trustee to take prompt action for enforcement of security in case of default on listed debt securities. Details and purpose of the recovery expense fund: The recovery expense fund may be utilized by the Debenture Trustee upon occurrence of an Event of Default, for taking appropriate legal actions to enforce the Security in accordance with the relevant SEBI circulars.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	As listed in the Debenture Trust Deed.
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	As listed in the Debenture Trust Deed.
Risk factors pertaining to the issue/ Risk factors associated with MLD	Refer to Section 4 of this Disclosure Document

Early Redemption	Not Applicable
Governing Law and Jurisdiction	Indian Law with jurisdiction of the courts and tribunals of Chennai
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.

Cash Flow

As per SEBI circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 illustrative cash flows per Debenture is as under:

Series -A

Company	Asirvad Micro Finance Limited
Face Value (per security)	Rs. 10,00,000/- per security
Issue Date / Date of Allotment	September 28, 2022
Redemption	September 28, 2024
Frequency of the Interest Payment with specified dates	Bullet
Day Count Convention	Actual / Actual

Redemption Installments	Day & Redemption Date	No of Days in Coupon period	Interest to be redeemed per Debenture (in INR)	Amount to be redeemed per Debenture (in INR)
1st Coupon & Principal	Monday / 28-Sep-24	730	Please refer illustration scenarios and cash flows	10,00,000

Method of calculation of Effective Coupon Amount

Coupon Amount	$Face\ Value * [\ (1 + Annualized\ Coupon\ Rate)^{(Tenor\ in\ Days/365)} - 1\ ]$
Annualized Coupon Rate	Based on '*Reference Index Performance*', corresponding '*Annualized Coupon Rate' function'* will be applicable *Reference Index Performance* | *'Annualized Coupon Rate' function* *<= -75%* | *0%* *> -75%* | *8.50% XIRR*
Face Value	INR 10,00,000 (Rupees Ten Lakh only) per Debenture

Tenor In Days	*730* Days from Deemed Date of Allotment**
Reference Index	5.85% GS 2030
Reference Index Performance	$(\frac{Final\ Fixing\ Level}{Initial\ Fixing\ Level}) - 1$
Initial Fixing Level	Official closing level of the Reference Index as on Initial Fixing Date
Initial Fixing Date	Deemed Date of Allotment
Final Fixing Level	The official closing level of the Reference Index on the Final Fixing Date
Final Fixing Date	redemption date or Early Redemption date, as applicable

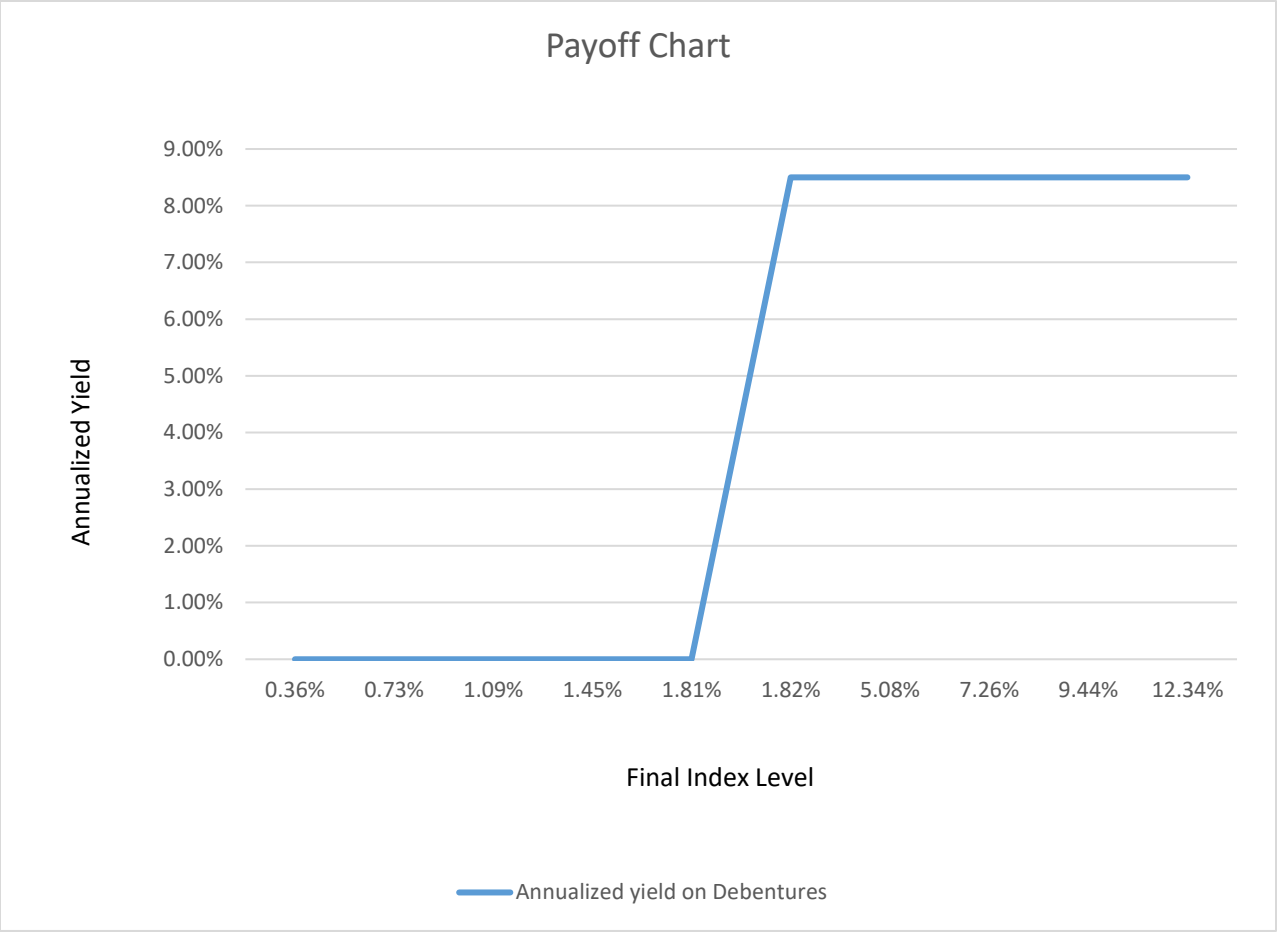
Illustration of the Scenario and Cash Flow:-

VALUATION MATRIX

Assuming Initial Index level of 7.26%

Initial Index Level	Final Index Level	Performance of Index Level	Initial Investment on per Debentures (INR)	Annualized yield on Debentures	Investment per debenture	Maturity Amount per Debenture
7.26%	0.36%	-95.00%	1,000,000	0.00%	1,000,000	1,000,000
7.26%	0.73%	-90.00%	1,000,000	0.00%	1,000,000	1,000,000
7.26%	1.09%	-85.00%	1,000,000	0.00%	1,000,000	1,000,000
7.26%	1.45%	-80.00%	1,000,000	0.00%	1,000,000	1,000,000
7.26%	1.81%	-75.10%	1,000,000	0.00%	1,000,000	1,000,000
7.26%	1.82%	-74.90%	1,000,000	8.50%	1,000,000	1,177,488
7.26%	5.08%	-30.00%	1,000,000	8.50%	1,000,000	1,177,488
7.26%	7.26%	0.00%	1,000,000	8.50%	1,000,000	1,177,488
7.26%	9.44%	30.00%	1,000,000	8.50%	1,000,000	1,177,488
7.26%	12.34%	70.00%	1,000,000	8.50%	1,000,000	1,177,488

GRAPHICAL PRESENTATION:-



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

Debenture Trust Deed, Deed of Hypothecation, Disclosure Documents, Resolutions, the letters issued by the Rating Agency and the Registrar and all other documents in relation to the issuance of the Debentures.

Disclosure Documents means collectively,

(a) the debt disclosure document to be issued by the Issuer in terms of sub-regulation (1) of Regulation 21 (Disclosures in respect of Private Placements of Debt Securities) of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and
(b) private placement offer letter to be issued by the Issuer in terms of section 42 (Offer or invitation for subscription of securities on private placement) of the Companies Act, 2013.

Resolutions means collectively,

(a) special resolution of the shareholders of the Company under Section 180(1)(a) of the Companies Act, 2013;
(b) special resolution of the shareholders of the Company under Section 180(1)(c) of the Companies Act, 2013;
(c) board resolution of the board of directors of the Company under Section 42 and other applicable provisions of the Companies Act, 2013 and Rules thereunder;

special resolution of the shareholders of the Company under the applicable provisions of the Companies Act, 2013 and Rule 14(2) and other applicable provisions of Companies (Prospectus and Allotment of Securities) Rules, 2014

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) he 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.

I) 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) (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) (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.

aa) 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) The Company will ensure that prior to the Final Redemption Date, there will be no sale, disposal or transfer in any matter whatsoever of the equity shares held by the Promoter in the Company whereby the equity stake of the Promoter in the share capital of the Company falls below 51%%, nor will the Promoter encumber (in any manner whatsoever) the equity shares held by the Promoter in the Company.

(iii) The Company shall not make any material modification to the structure of the Debentures in terms of coupon, conversion, Redemption, or otherwise without the prior approval of the stock exchange and such prior approval of the stock exchange would be obtained only after: (a) approval of the Board and the Debenture Trustee; and (b) complying with the provisions of Companies Act, 2013 including approval of the requisite majority of Debenture Holder(s). Further, any proposal of restructuring received by Debenture Trustee shall be communicated to Debenture Holder(s) immediately.

(iv) Until the Final Redemption Date, the Company will procure and ensure that the Promoter will not exit from or reduce its involvement from the management activities of the Company as is subsisting on the date of execution of this Deed.

(v) 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.

(vi) The Company shall not, without the prior consent of the Debenture Trustee, make any investment by way of deposits, loans, bonds, share capital, or in any other form upon the occurrence of any Event of Default .

(vii) The Company shall not, without the prior consent of the Debenture Trustee, abandon or agree to abandon its business.

(viii) The Company shall not, without the prior consent of the Debenture Trustee, voluntarily wind up or liquidate or dissolve its affairs or make any filing for initiation of corporate insolvency resolution process or liquidation under the Insolvency and Bankruptcy Code, 2016 or under any other Applicable Laws.

(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

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) **QUARTERLY REPORTS** -within 45 (Forty-five) Calendar days after the end of each calendar quarter:

(i) Information on financials, operations, portfolio growth & asset quality, funding/borrower profile in formats acceptable to the Investor
(ii) List of Board of Directors
(iii) Shareholding Pattern
(iv) Financial covenant compliance certificate
(v) Copy of returns filed with RBI

(b) **ANNUAL REPORTS** – within 120 days after the end of each fiscal year

(i) Audited financials
(ii) A certificate from the Director/CFO confirming that there is no Potential Default or Event of Default;
(iii) Copy of all annual information submitted to the RBI; and
(iv) corporate social responsibility report

(c) **EVENT BASED REPORTS** – within 15 business days of event occurring

(i) Change in the Constitutional Documents of the Company;
(ii) Material Adverse Effect.
(iii) Any dispute, litigation, investigation or other proceeding which could result in a Material Adverse Effect.
(iv) Winding up proceedings
Any Event of Default or Potential Default, and any steps taken / proposed to remedy the same.

V. FINANCIAL COVENANTS

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

1) The capital adequacy ratio as per applicable regulations and as prescribed by RBI from time to time.

2) NNPA (PAR 90 less provisions) not to exceed 3.50 % of the AUM.

3) Total Debt/Equity ratio to be within 6.5x

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

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.

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

Loan Loss Provisions means the outstanding provision in the balance sheet of the Borrower pertaining to on book and securitised book assets to provide for potential losses.

All covenants would be tested on quarterly basis for the Company i.e. as on 31 March, 30 June, 30 Sept and 31 Dec every year, starting from 30 September, 2022 on standalone balance sheet till the redemption of the Debentures. The covenants shall be certified by the Company within 60 days from end of each reporting quarter.

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 Company, 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. HOLDING COVENANT

The Company undertakes that the following covenants ("Holding Covenant") shall be maintained at all times until the Final Settlement Date, unless the prior written consent of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) is obtained:

i. Manappuram Finance Limited shall hold minimum 51% stake in the Company, on fully diluted basis and management control of the Company.

VII. 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) Clearances**

Any of the necessary clearances required or desirable in relation to the Company or the Debentures in accordance with any of the Transaction Documents is not received or is revoked or terminated, withdrawn, suspended, modified or withheld or shall cease to be in full force and effect which shall, in the reasonable opinion of Debenture Holder(s), have Material Adverse Effect on the Company or the Debentures.

(i) 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.

(j) 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.

(k) 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.

(l) 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.

(m) 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.

(n) 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.

(o) Repudiation

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

(p) 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.

(q) 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.

(r) 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.

(s) Cessation

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

(t) 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.

(u) 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.

(v) 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.

(x) 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.

(y) 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.

(z) 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.

(aa) 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.

(bb) 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.

(cc) Breach of Negative Covenants

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

(dd) 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, Rajesh KRN Namboodiripad , is authorized by the borrowing and securities allotment committee of the Board of Directors vide resolution dated September 26, 2022 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

RAJESH K R N NAMBOODIRIPAD

Digitally signed by RAJESH K R N NAMBOODIRIPAD
DN: c=IN, o=PERSONAL, title=4304, pseudonym=ca290aebee92717fe8d7fe4bc5aa0086, 2.5.4.20=EC16C7A5588502F368731C2467E3B24E96FA119B7C95E655EE48E53CE21A57F1, postalCode=410206, st=Maharashtra, serialNumber=48518036c6111a63b8f3da943ebe2c1e77c561c322556ccf34cf017a05f4a65b, cn=RAJESH K R N NAMBOODIRIPAD
Date: 2022.09.27 17:53:19 +05'30'

Date: September 27, 2022

Place: Chennai

ANNEXURE I: LAST AUDITED FINANCIAL STATEMENTS

The audited financial statements for FY 2021-22,2020-21 and FY 2019-20 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 2021-22,2020-21 and FY 2019-20 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 2022**	**31 March 2021**	**31 March 2020**
I	**Assets**			
1	**Financial assets**			
	(a) Cash and cash equivalents	79,430.46	64,846.87	1,20,074.44
	(b) Bank balance other than (a) above	12,392.06	18,721.99	20,229.57
	(c) Derivative financial instruments	274.10		
	(d) Receivables			
	(c) Loans	5,42,611.52	4,79,519.17	4,34,327.51
	(d) Loans given to staff	5.14	76.52	102.30
	(e) Investments	10,713.50	5.00	5.00
	(f) Other financial assets	10,891.38	6,566.94	9,524.34
		6,56,318.16	5,69,736.49	5,84,263.16

2	**Non-financial Assets**			
	(a) Current tax assets (net)	3,804.14	1,858.88	1,544.24
	(b) Deferred tax assets (net)	9,043.41	8,282.84	3,424.70
	(c) Investment property	8.64	8.64	8.64
	(d) Property, plant and equipment	3,423.04	687.63	786.04
	(e) Right of use asset	7,396.46	894.48	721.14
	(f) Other intangible assets	142.04	259.69	1.00
	(g) Intangible assets under development	94.18	54.50	-
	(h) Other non financial assets	1,137.83	776.23	410.09
		25,049.74	12,822.89	6,895.85
	Total assets	**6,81,367.89**	**5,82,559.38**	**5,91,159.01**
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	2,688.28	2,447.22	1,762.70

	(c) Debt securities	1,38,543.44	1,21,905.45	56,881.96
	(d) Borrowings (other than debt securities)	3,85,412.34	3,19,334.54	3,81,549.11
	(e) Subordinated liabilities	31,920.38	21,476.92	11,633.90
	(f) Other financial liabilities	12,679.69	6,043.41	4,299.67
		5,71,244.13	4,71,342.84	4,56,127.34
2	**Non-financial liabilities**			
	(a) Current tax liabilities (net)	-	725.91	-
	(b) Provisions	1,497.57	1,506.75	1,157.18
	(b) Deferred tax liabilities (net)			
	(c) Other non-financial liabilities	1,420.86	3,440.39	29,922.61
		2,918.43	5,673.05	31,079.79
3	**Equity**			
	(a) Equity share capital	5,331.19	5,331.19	5,331.19
	(b) Other equity	1,01,874.14	1,00,212.30	98,620.69
		1,07,205.33	1,05,543.49	1,03,951.88
	Total Liabilities and equity	**6,81,367.89**	**5,82,559.38**	**5,91,159.01**

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 2022**	**31 March 2021**	**31 March 2020**
I	Revenue from operations			
	Interest income	1,18,084.12	95,762.88	91,338.06
	Net Gain on derecognition of financial instruments under amortised cost category	11,697.22	7,147.98	12,590.98
	Dividend income	1,118.80	1,286.86	947.06
	Other operating income	4,669.82	1,099.17	629.84
		1,35,569.96	1,05,296.89	1,05,505.94
II	Other income	4,400.01	2,421.47	4,638.46
III	Total income (I + II)	1,39,969.97	1,07,718.36	1,10,144.40
IV	Expenses			
	Finance cost	57,136.57	45,754.14	40,943.86
	Impairment of financial instruments	39,707.04	29,980.94	9,234.97

	Employee benefit expenses	26,868.91	18,852.94	15,020.44
	Depreciation and amortisation expense	3,523.43	1,183.72	714.45
	Other expenses	10,872.65	8,878.60	7,697.99
	Total expenses (IV)	1,38,108.60	1,04,650.34	73,611.71
V	Profit before exceptional items and tax (III - IV)	1,861.37	3,068.02	36,532.69
VI	Exceptional items	-	-	5,502.64
VII	Profit before tax (V- VI)	1,861.37	3,068.02	31,030.05
VIII	Tax expense			
	(1) Current tax	1,664.62	6,618.90	9,832.60
	(2) Deferred tax	-872.88	-4,828.08	-2,335.35
	(3) Tax relating to earlier years	-273.61	-410.94	-
		518.13	1,379.88	7,497.25
IX	Profit for the year (VII - VIII)	1,343.24	1,688.14	23,532.80
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)	155.76	-184.28	-31.06
	b. Fair value changes on derivatives designated as cash flow hedge, (net)	290.44	64.95	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-112.30	30.04	7.82
	Subtotal (A)	333.90	-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)	333.90	-89.29	-23.24
XI	Total comprehensive income for the year (IX + X)	1,677.14	1,598.85	23,509.56

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 2022**	**31 March 2021**	**31 March 2020**
Cash flow from operating activities			
Profit before income tax	1,861.37	3,068.02	31,030.05
Adjustments for:			
Depreciation and amortisation expense	3,523.43	1,183.72	714.45
Impairment of financial instruments	39,707.04	29,980.94	14,737.61
Provision for insurance claim receivable	339.47	301.70	86.31
Loss/(Profit) on sale of fixed assets (net)	-	0.06	- 1.36
Dividend income	- 1,118.80	- 1,286.86	- 947.06
Finance cost	57,136.57	45,754.14	40,943.86
Interest on deposits	-1,925.67	- 2,774.95	- 1,968.94
Share based payments to employees	-15.30	- 7.24	-
Operating profit before working capital changes	99,508.11	76,219.53	84,594.92

Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Loans	-1,02,799.39	-75,172.60	-99,160.27
Loans given to staff	71.38	25.78	-21.89
Other financial assets	-4,663.91	2,655.70	-6,287.05
Other non financial assets	-361.60	-366.14	-135.29
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables	241.06	684.52	530.73
Other financial liabilities	-1,083.22	1,341.34	2,957.75
Other non financial liabilities	-2,019.53	-26,482.21	29,965.70
Other provisions	146.58	165.29	141.29
Cash flow generated used in operations	-10,960.53	-20,928.79	12,585.90
Interest Income on deposits			
Net cash flow (used in) operations	-10,960.53	-20,928.79	12,585.90
Refund received from income tax	-	-	-

Net Income tax paid	-4,062.18	-5,826.75	-9,910.00
Net cash (used in) in operating activities (A)	**-15,022.71**	**-26,755.54**	**2,675.90**
Cash flow from investing activities			
Capital Expenditure	-	-	-
Proceeds from sale of property, plant and equipment		25.00	8.50
Purchase of property, plant and equipment	-4,912.35	-801.33	-2,010.63
Purchase of other intangible assets	-317.10	-456.50	-
Net movement in bank deposits	6,438.58	1,013.48	-2,887.99
Dividend received	1,118.80	1,286.86	947.06
Investments	-10,708.50		
Interest income on deposits	1,817.02	3,269.05	1,435.09
Net cash flow generated from investing activities (B)	**6,563.55**	**4,336.56**	**-2,507.97**
Cash flow from financing activities			
Proceeds from long term borrowings - term loans	3,38,167.00	1,92,545.00	3,05,669.30
Repayment of long term borrowings - term loans	-2,73,763.08	-2,02,517.37	-1,16,935.68
Interest paid on term loans	-33,739.57	-31,042.46	-21,864.68

Hedge liability	-	-	-
Prepaid processing charges	-	-	-
Proceeds from long term borrowings - debentures	89,300.00	1,11,500.00	29,450.00
Repayment of long term borrowings - debentures	-59,315.59	-35,575.00	-47,283.00
Interest paid on debentures	-16,829.10	-9,133.79	-9,895.26
Prepaid processing charges			-
Proceeds from securitisation borrowings	-	-	58,987.62
Repayment of securitisation borrowings	-6,845.87	-52,241.91	-1,18,053.81
Interest paid on securitisation	-84.88	-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
Proceeds from finance lease	-	-	-8.98
Proceeds from Issue of Equity Shares	-	-	-

Other interest and charges paid	-719.07	-464.51	-682.56
Net cash flow from financing activities (C)	**36,169.83**	**-32,808.59**	**67,316.49**
Net increase in cash and cash equivalents (A+B+C)	**14,583.59**	**-55,227.57**	**67,484.42**
Cash and cash equivalents at the beginning of the period	64,846.87	1,20,074.44	52,590.02
Cash and cash equivalents at the end of the period	**79,430.46**	**64,846.87**	**1,20,074.44**

LIMITED REVIEW REPORT – JUNE 2022

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 Standalone Financial Results for the quarter ended 30 June 2022

(All amounts in Rs. lakhs unless otherwise stated)

S.No	Particulars	Quarter ended			Year ended
		30-Jun-22	31-Mar-22	30-Jun-21	31-Mar-22
		Unaudited	Unaudited (Refer Note 9)	Unaudited	Audited
(I)	**Revenue from operations**				
	(a) Interest income	32,703.72	30,134.30	26,442.48	1,18,084.12
	(b) Dividend income	-	77.46	266.94	1,118.80
	(c) Net Gain on derecognition of Financial Instruments under amortised cost category	1,044.38	6,349.24	2,049.23	11,697.22
	(d) Other operating income	2,316.11	1,385.72	931.57	4,669.82
	Total revenue from operations	**36,064.21**	**37,946.72**	**29,690.22**	**1,35,569.96**
(II)	Other income	73.15	265.95	565.40	4,400.01
	Total income (I+II)	**36,137.36**	**38,212.67**	**30,255.62**	**1,39,969.97**
(III)	**Expenses**				
	(a) Finance cost	13,942.25	14,368.54	11,921.54	57,136.57
	(b) Employee benefit expenses	7,728.02	7,985.27	5,355.35	26,868.91
	(c) Depreciation, amortization and impairment	1,261.06	1,606.88	352.98	3,523.43
	(d) Impairment of financial instruments	11,867.60	12,609.08	9,047.57	39,707.04
	(e) Other expenses	2,439.22	2,635.30	2,470.22	10,872.65
	Total expenses (III)	**37,238.15**	**39,205.07**	**29,147.66**	**1,38,108.60**
(IV)	**Profit/(Loss) before tax and exceptional Item (I + II - III)**	**(1,100.79)**	**(992.40)**	**1,107.96**	**1,861.37**
(V)	**Exceptional item**	-	-	-	-
(VI)	**Profit/(Loss) before tax (IV - V)**	**(1,100.79)**	**(992.40)**	**1,107.96**	**1,861.37**
(VII)	**Tax expense**	(272.20)	(280.06)	342.49	518.13
(VIII)	**Profit/(Loss) after tax (VI - VII)**	**(828.59)**	**(712.34)**	**765.47**	**1,343.24**
(IX)	**Other comprehensive income**				
	(i) Items that will not be reclassified to profit or loss				
	a. Remeasurement gains and (losses) on defined benefit obligations (net)	(11.40)	155.76	-	155.76
	b. Fair value changes on derivatives designated as cash flow hedge, (net)	(169.91)	845.76	(586.32)	290.44
	(ii) Income tax relating to items that will not be reclassified to profit or loss	45.64	(252.07)	147.58	(112.30)
	Total other comprehensive income (i+ii)	**(135.67)**	**749.45**	**(438.74)**	**333.90**
	Total Comprehensive Income for the period/year (Comprising Profit/(Loss) and Other Comprehensive Income) (VIII + IX)	**(964.26)**	**37.11**	**326.73**	**1,677.14**
(X)	Paid-up equity share capital (Face value of Rs. 10 per equity share)	5,331.19	5,331.19	5,331.19	5,331.19
(XI)	Earnings per share (EPS) (Face value of Rs. 10 per equity share)				
	- Basic	(1.55)	(1.34)	1.44	2.52
	- Diluted	(1.55)	(1.34)	1.44	2.52
	(EPS for the quarter ended June 30, 2022, March 31, 2022 and June 30, 2021 are not annualized.)				
(XII)	Other equity as per Balance Sheet of previous accounting year.	Not applicable	Not applicable	Not applicable	1,01,874.14

For identification purpose only

M. P. CHITALE & CO. FRN NO 101851W CHARTERED ACCOUNTANTS

RAVEENDRA BABU BLANGAT NARAYANAN

Digitally signed by RAVEENDRA BABU BLANGAT NARAYANAN
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Date: 2022.08.01 18:23:44 +05'30'

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 Standalone Financial Results for the quarter ended 30 June 2022

Notes to the Financial Results:

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meetings held on 01 August 2022 and subjected to limited review by statutory auditors, pursuant to regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The Financial Results have been prepared in accordance with IND AS, notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India. These financial results are available on the website of the Company viz . https://asirvadmicrofinance.co.in/results/ and on the website of BSE Limited (www.bseindia.com). The financial results are prepared following the same accounting policies and practices as those followed in the audited annual financial statements for the year ended 31 March 2022 subject to note no. 5 to the financial results for the quarter ended 30 June 2022.

2. 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.

3. The COVID-19 pandemic impacted economic activity during the last two fiscal years. Currently, while the number of new Covid-19 cases have reduced significantly and the Government of India has withdrawn Covid-19 related restrictions, the future trajectory of the pandemic may have an impact on the results of the company.

4. The Indian Parliament has approved the Code on Social Security, 2020, which would impact the contributions by the company towards Provident fund and Gratuity.The effective date from which the changes are applicable is yet to be notified and the final rules are yet to be framed. The Company will carry out an evaluation of the impact and record the same in the financial resultsin the period in which the code becomes effective and related rules are published.

5. During the quarter ended June 30, 2022, the Company started recognizing the revenue on the gross credit impaired portfolio net off provision harmonious with the requirements of IND AS 109 which was being recognized on actual receipt basis till now thereby aligning its accounting policy of recognition of revenue on credit impaired portfolio (Stage 3 portfolio) with the parent entity's accounting policy. Pursuant to the change in accounting policy and in accordance with requirements of IND AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the Company has not restated the comparative information for the quarter ended June 30, 2021, as the impact of the restatement is not material.

6. The following are the details of nature and extent of security provided towards secured listed non convertible debentures.

Serial Number	ISIN Number	Nature of security	Outstanding balance as on 30 June 2022 (Amount in Rs. Lakhs)	Rate of Interest	Security Cover
1	INE516Q07226	Accounts receivable	500.00	12.30%	110%
2	INE516Q07275	Accounts receivable	7,000.00	12.48%	108%
3	INE516Q07283	Accounts receivable	5,000.00	10.50%	105%
4	INE516Q07283	Accounts receivable	2,500.00	10.50%	105%
5	INE516Q07291	Accounts receivable	2,000.00	11.00%	110%
6	INE516Q07291	Accounts receivable	2,500.00	11.00%	110%
7	INE516Q07309	Accounts receivable	2,500.00	11.25%	110%
8	INE516Q07317	Accounts receivable	3,500.00	11.00%	110%
9	INE516Q07317	Accounts receivable	5,000.00	11.00%	110%
10	INE516Q07390	Accounts receivable	6,280.00	9.65%	105%
11	INE516Q07408	Accounts receivable	19,460.00	9.71%	105%
12	INE516Q07416	Accounts receivable	7,300.00	11.05%	105%
13	INE516Q07424	Accounts receivable	14,500.00	10.45%	110%
14	INE516Q07432	Accounts receivable	7,500.00	9.70%	105%

7. Additional information as required under Regulation 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (amended) as presented in below table.

Serial Number	Particulars	Quarter ended 30 June 2022
1	Debt equity ratio (no. of times)	4.54
2	Debt service coverage ratio	Not applicable
3	Interest service coverage ratio	Not applicable
4	Outstanding redeemable preference shares	Nil
5	Capital redemption reserve (Amount in Rs. Lakhs)	500
6	Debenture redemption reserve	Not applicable
7	Net worth (Amount in Rs. Lakhs)	1,06,241.07
8	Net profit after tax (Amount in Rs. Lakhs)	(828.59)
9	**Earnings per share (In Rs.) (Face value of Rs. 10 per equity share)**	
	Basic	(1.55)
	Diluted	(1.55)
10	Current ratio (no. of times)	1.56
11	Long term debt to working capital (no. of times)	1.43
12	Bad debts to accounts receivable ratio	Not applicable
13	Current liability ratio (no. of times)	0.46
14	Total debts to total assets (no. of times)	0.75
15	Debtors turnover	Not applicable
16	Inventory turnover	Not applicable
17	Operating margin (%)	-3.05%
18	Net profit margin (%)	-2.29%
19	**Sector specific equivalent ratios**	
	GNPA%	7.74%
	NNPA%	1.91%

M.P.CHITALE & CO. FRN NO 101851W CHARTERED ACCOUNTANTS

For identification purpose only

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 Standalone Financial Results for the quarter ended 30 June 2022

The following are the formulae used for the computation of ratios presented above

Serial Number	Ratio	Formula
1	Debt Equity Ratio	[Debt securities + Borrowings (Other than debt securities)+ Subordinate Liabilities - Cash and cash equivalents]/[Equity share capital + Other equity]
2	Total debt to total assets	[Debt securities + Borrowings (Other than debt securities)+ Subordinate Liabilities]/[Total assets]
3	Operating Margin	[Profit before tax (PBT)]/[Total Income]
4	Net Profit Margin	[Profit after tax(PAT)]/[Total Income]
5	% of Gross NPA	[Stage III loans (Greater than 90 DPD)]/[Gross loan outstanding]
6	% of Net NPA	[Stage III loans (Greater than 90 DPD) - Expected Credit Losses (ECL) on stage III loans]/[Gross loan outstanding - ECL on Stage III Loans]
7	Current Ratio	[Current assets] / [Current liabilities]
8	Current Liability Ratio	[Current Liabilities] / [Total Liabilities]
9	Long term debt to working capital	[Long term debt] / [current assets-current liabilities]

8. Details of loan transferred during the quarter ended June 30, 2022 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

Serial Number	Particulars	Quarter Ended
		30-Jun-22
1	Aggregate amount of loans transferred (Rs. In Lakhs)	22,732.61
2	Weighted average residual maturity (in years)	1.26
3	Weighted average holding period (In years)	0.72
4	Retention of beneficial interest	0.10
5	Tangible security Cover	Nil
6	Rating wise distribution of loans acquired by	Nil

9. The figures of the last quarter ended March 31, 2022 represents the balancing figures between the audited figures in respect of the full respective financial year and the published year to date figures upto the end of third quarter of the respective financial year.

For and on behalf of the Board of Directors

RAVEENDRA BABU BLANGAT NARAYANAN

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

Place : Mumbai
Date : 01 August 2022

For identification purpose only

M.P. CHITALE & CO. FRN NO 101851W CHARTERED ACCOUNTANTS

M.P. Chitale & Co.,
Chartered Accountants
759/70, Vatsala Bhavan, Prabhat Road, Lane No. 1, Pune - 411 004

Limited Review Report on quarterly unaudited Standalone Ind AS Financial Results pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To

The Board of Directors of Asirvad Micro Finance Limited

1. We have reviewed the accompanying statement of Unaudited Quarterly Standalone Ind AS Financial Results of Asirvad Micro Finance Limited ("the Company") for the quarter ended June 30, 2022, attached herewith ("the Statement") being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended from time to time ("the Listing Regulations").

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors in its meeting held on August 01, 2022 has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards 34 ("Ind AS 34"), Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013 ("the Act") as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 52 of the Listing Regulations, including circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Financial Statement are free from material misstatement. A review is limited to primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. We draw attention to note no. 5 of the accompanying Statement, during the quarter ended June 30, 2022, the Company aligned its accounting policy of recognition of revenue on credit impaired portfolio (Stage 3 assets) with the requirements of IND AS 109 and with that of the parent entity's accounting policy.

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards specified under section 133 of the Act as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other matter

6. The review of unaudited financial results for the quarter ended June 30, 2021, included in the statement was carried out and reported by Walker Chandiok & Co LLP, Chartered Accountants who have expressed an unmodified conclusion vide their review report dated August 07, 2021, whose reports 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.

For M. P. Chitale & Co.
Chartered Accountants
Firm Registration No. 101851W

NARENDRA VIDYADHAR JOSHI

Narendra Joshi
Partner
Membership No. 143582
UDIN: 22143582ANYYJZ2230
Place: Mumbai
Date: August 01, 2022

ANNEXURE II: CREDIT RATING LETTER

Ratings

CRISIL
An S&P Global Company

CONFIDENTIAL

RL/AVMFPL/298344/LTPPMLD/0722/39538/96392313/1
September 26, 2022

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

Dear Mr.Rajesh KRN,

Re: CRISIL Rating on the Rs.250 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 July 25, 2022 bearing Ref. no.: RL/AVMFPL/298344/LTPPMLD/0722/39538/96392313

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 Principal Protected Market Linked Debentures	250	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. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013, dated October 22, 2013) on centralized 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,

Prashant Pratap Mane
Associate 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 recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at

CRISIL Ratings Limited
(A subsidiary of CRISIL Limited)
Corporate Identity Number: U67190MH1987PLC038287

Registered Office: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076. Phone: +91 22 3342 3000 | Fax: +91 22 3342 3001

Rating Rationale

July 25, 2022 | Mumbai

Asirvad Microfinance Limited

Ratings Reaffirmed

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 (Reaffirmed)
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 reaffirmed its rating on long term bank facilities and outstanding debt instruments of Asirvad Microfinance Limited (Asirvad) at 'CRISIL AA-/CRISIL PP-MLD AA-r/Stable/CRISIL A1+'.

CRISIL Ratings has also **withdrawn** its rating on the Rs 565 crore non-convertible debentures and Rs 65 crore subordinated debt (see the annexure, 'Details of rating withdrawn', for details) at the request of the company. The rating action is in line with CRISIL Ratings' policy on withdrawal of ratings.

The ratings centrally factor in strong management and financial support from Manappuram Finance Ltd (MAFIL; rated 'CRISIL AA/Stable/CRISIL PPMLD AA r/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.

Asirvad's growth momentum moderated by the outbreak of Covid-19 at the onset of fiscal 2021. Nevertheless, with disbursements picking up from Q2 2021, the company's AUM stood at Rs 5,985 crore registering an on-year growth of 9.1% in fiscal 2021. In the aftermath of the second pandemic wave, growth momentum moderated during Q1 fiscal 2022. While, growth in disbursements picked up from July 2021 onwards, the management took a conscious call to focus on collections during H2 FY22, given the sizeable restructuring undertaken by the company during Resolution Framework 2.0. Hence, the company witnessed an overall y-o-y growth of only 11% during fiscal 2022. The total outstanding restructured book stood at Rs 753 crore (11% of AUM) as of March 2022. Any potential slippage from this restructured book will result in need for higher provisioning in the current fiscal as well. This is likely to have an impact on the gearing level for the company. However, CRISIL Ratings understands that the parent will bring in capital to keep gearing at below 6.5 times.

The company's collection efficiency (including overdues but excluding prepayments) that had revived to around 99.9% in March 2021 got impacted with the sharp spike in number of cases due to the second wave of the pandemic and lockdown like restrictions imposed across states to curb its spread - the collection efficiency reduced to 57% in May 2021. With relaxations in the restrictions, the same improved from June 2021 onwards and stood at over 100% in March 2022, marked by higher overdue payments. While disbursement pace slowed down in the first quarter of fiscal 2022, it revived during the second quarter with an average disbursement of Rs 441 core per month till February 2022 and Rs 635 crore in March 2022 alone. The company's ability to sustain collections for incremental disbursements as well as from the restructured book and eventually reach pre-pandemic levels of over 99% on a steady-state basis 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, 2022. 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 97.51% 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 1072 crore and 6.3[1] times, respectively, as on March 31, 2022, 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 13.4 in fiscal 2022, because of provisions of Rs 397 crore done by the company during the fiscal. 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 higher provisioning. Consequently, the RoMA dropped to 0.3% during fiscal 2021. During fiscal 2022, the company continued with higher provisioning of Rs 397 crore factoring in potential stress from restructured book (Rs 753 crore; 11% of the book as on March 31, 2022). This resulted in the company reporting a PAT of Rs 13.4 crore during fiscal 2022. 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. However, with the company now focusing on their gold loan portfolio, operating expenses have increased and is expected to remain elevated over the medium term.

  Credit cost rose to 5.3% in fiscal 2022, compared with 4.3% in fiscal 2021 (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, 2021 and 2022, profitability is expected to improve in the coming quarters of fiscal 2023. 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 33% of the company's portfolio as on March 31, 2022. 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, 2022. 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 and further to 3.4% in fiscal 2022.

Additionally, the company has total outstanding restructured portfolio of Rs 753 crore (11% of the AUM) as of March 2022. The performance of the restructured portfolio besides overall book, in the coming months will be a key monitorable. Any potential slippage from this restructured book will result in need for higher provisioning in the current fiscal as well. This is likely to have an impact on the gearing level for the company. However, CRISIL Ratings understands that the parent will bring in capital to keep gearing at below 6.5 times. Nevertheless, Asirvad's ability to manage asset quality and maintain healthy collections, especially from the restructured book will remain a monitorable.

- **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.

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[1]Includes off-book borrowings

Liquidity: Strong

Asirvad had cash and equivalents, including liquid investments, of Rs 330 crore as on June 30, 2022. As against this, debt obligation due for servicing over the three months through September 2022, aggregated to Rs 916 crore. In addition, the company had unutilised term loan of Rs 725 crore, cash credit and working capital term loan limits of Rs 125 crores and Rs 722 crores worth of securitisation as on June 30, 2022. Liquidity is also supported by steady collections (Rs 460 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 increased to 97.5% as on June 30, 2022. Asirvad had 1,203 branches across 316 districts in 21 states as on March 31, 2022.

Asirvad reported profit after tax of Rs 13.4 crore on total income of Rs 1,400 crore in fiscal 2022. Loan portfolio increased to Rs 6,653 crore as on March 31, 2022, from Rs 5,985 crore as on March 31, 2021, with a gradual revival in business activity through the second half of fiscal 2022 even as the momentum was curbed by lower disbursements in the first half, on account of the second wave of the Covid-19 pandemic.

Key Financial Indicators

As On/For The Period Ended	Unit	March-2022	March-2021	March-2020
Total managed assets	Rs crore	8040	6971	6985

Total Income	Rs crore	1400	1077	1101
Gross NPA	%	3.4	2.5	1.8
Adjusted gearing^	Times	6.3	5.5	5.4
Profit after tax	Rs crore	13.4	16.9	235
Return on managed assets	%	0.2	0.3	4.1

^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	105	Complex	CRISIL AA-/Stable
INE516Q08372	Subordinated debt	31-Dec-21	13.50%	31-Dec-27	50	Complex	CRISIL AA-/Stable
INE516Q08380	Subordinated debt	31-Mar-22	13.50%	31-May-27	55	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
INE516Q08182	Subordinated debt	15-Mar-17	13%	15-Jul-22	35	Complex	CRISIL AA-/Stable
NA	Commercial paper programme	NA	NA	7-365 days	400	Simple	CRISIL A1+
INE516Q07390	Long-term principal-protectedmarket-linked debentures	13-Jul-21	G-SEC LINKED	13-Jul-23	100	Highly complex	CRISIL PPMLD AA-r/Stable
INE516Q07408	Long-term principal-protectedmarket-linked debentures	29-Jul-21	G-SEC LINKED	29-Jan-24	250	Highly complex	CRISIL PPMLD AA-r/Stable
INE516Q07432	Long-term principal-protectedmarket-linked debentures	9-Nov-21	G-SEC LINKED	9-May-24	100	Highly complex	CRISIL PPMLD AA-r/Stable
NA	Long-term principal-protectedmarket-linked debentures^	NA	NA	NA	100	Highly complex	CRISIL PPMLD AA-r/Stable
NA	Long-term principal-protectedmarket-linked debentures^	NA	NA	NA	25.5	Highly complex	CRISIL PPMLD AA-r/Stable
INE516Q07226	Non-convertible debenture	9-Aug-17	12%	9-Aug-23	100	Simple	CRISIL AA-/Stable
INE516Q07275	Non-convertible debenture	9-Mar-20	11.8	9-Mar-25	70	Simple	CRISIL AA-/Stable
INE516Q07283	Non-convertible debenture	28-May-20	10.50%	28-Apr-23	50	Simple	CRISIL AA-/Stable
INE516Q07283	Non-convertible debenture	18-Jul-20	10.25%	24-Apr-23	25	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

INE516Q07416	Non-convertible debenture	27-Aug-21	10.45%	27-Feb-25	73	Simple	CRISIL AA-/Stable
INE516Q07424	Non-convertible debenture	21-Sep-21	10.45%	15-Sep-26	145	Simple	CRISIL AA-/Stable
INE516Q08281	Non-convertible debenture	30-May-19	11.63%	20-Jun-24	50	Simple	CRISIL AA-/Stable
INE516Q08307	Non-convertible debenture	4-Feb-21	11.10%	5-Feb-23	75	Simple	CRISIL AA-/Stable
INE516Q08323	Non-convertible debenture	8-Mar-21	10.50%	8-Mar-23	50	Simple	CRISIL AA-/Stable
INE516Q08349	Non-convertible debenture	25-May-21	10.50%	25-May-23	50	Simple	CRISIL AA-/Stable
INE516Q08355	Non-convertible debenture	9-Jul-21	11.40%	31-Dec-24	50	Simple	CRISIL AA-/Stable
INE516Q08364	Non-convertible debenture	6-Sep-21	10.00%	23-Feb-24	45	Simple	CRISIL AA-/Stable
NA	Non-convertible debenture^	NA	NA	NA	269	Simple	CRISIL AA-/Stable
NA	Term Loan	NA	NA	8-Mar-24	50	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	3-Oct-24	59.93	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	5-Oct-24	23.59	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	30-Mar-24	21	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	26-Aug-23	78.75	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	9-Mar-24	89.16	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	28-Jun-24	59.09	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	10-Mar-24	100	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	28-Feb-25	293.33	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	28-Apr-23	13.63	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	28-Jun-25	213.6	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	30-Sep-24	97.91	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	5-Oct-24	58.28	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	10-Aug-23	211.19	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	30-Mar-25	136.38	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	31-Dec-24	45.83	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	22-Jul-23	72.73	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	23-Feb-25	187.22	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	31-Aug-23	71.87	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	17-Nov-23	25.94	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	10-Apr-23	66.66	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	31-Dec-24	50	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	5-Jul-24	255	NA	CRISIL AA-/Stable

NA	Term Loan	NA	NA	31-Jan-23	49.97	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	17-Mar-23	13.63	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	29-Sep-24	12.69	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	16-Sep-23	26.25	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	9-Sep-24	110.41	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	21-Sep-23	20.45	NA	CRISIL AA-/Stable
NA	Term Loan	NA	NA	10-Mar-25	150	NA	CRISIL AA-/Stable
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	1335.51	NA	CRISIL AA-/Stable

^ *Yet to be issued*

Annexure - Details of ratings withdrawn

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Cr.)	Complexity Level
INE516Q08166	Subordinated debt	29-Dec-16	13%	29-Jun-22	50.00	Simple
INE516Q08174	Subordinated debt	15-Mar-17	13%	15-Jul-22	15.00	Simple
INE516Q07267	Non-convertible debenture	27-Dec-19	12%	24-Apr-22	40.00	Simple
INE516Q07333	Non-convertible debenture	8-Sep-20	9%	8-Mar-22	50.00	Simple
INE516Q07341	Non-convertible debenture	19-Nov-20	8.60%	19-May-22	50	Simple
INE516Q07366	Non-convertible debenture	31-Dec-20	8.40%	30-Jun-22	75	Simple
INE516Q08315	Non-convertible debenture	3-Mar-21	10.50%	3-Mar-23	100	Simple
INE516Q08265	Non-convertible debenture	24-Apr-19	12%	24-Apr-22	250	Simple

Annexure - Rating History for last 3 Years

	Current			2022 (History)		2021		2020		2019		Start of 2019
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	4000.0	CRISIL AA-/Stable	11-04-22	CRISIL AA-/Stable	19-11-21	CRISIL AA-/Stable	27-11-20	CRISIL AA-/Stable	31-08-19	CRISIL AA-/Stable	CRISIL A+/Positive
			--		--	28-07-21	CRISIL AA-/Stable	24-06-20	CRISIL AA-/Stable	10-06-19	CRISIL A+/Positive	--
			--		--	12-07-21	CRISIL AA-/Stable	14-05-20	CRISIL AA-/Stable		--	--
			--		--	17-02-21	CRISIL AA-/Stable	14-04-20	CRISIL AA-/Stable		--	--
			--		--		--	31-03-20	CRISIL AA-/Stable		--	--
			--		--		--	06-01-20	CRISIL AA-/Stable		--	--
Commercial Paper	ST	400.0	CRISIL A1+	11-04-22	CRISIL A1+	19-11-21	CRISIL A1+	27-11-20	CRISIL A1+	31-08-19	CRISIL A1+	CRISIL A1+
			--		--	28-07-21	CRISIL A1+	24-06-20	CRISIL A1+	10-06-19	CRISIL A1+	--
			--		--	12-07-21	CRISIL A1+	14-05-20	CRISIL A1+		--	--
			--		--	17-02-21	CRISIL A1+	14-04-20	CRISIL A1+		--	--
			--		--		--	31-03-20	CRISIL A1+		--	--
			--		--		--	06-01-20	CRISIL A1+		--	--
Non Convertible Debentures	LT	1925.0	CRISIL AA-/Stable	11-04-22	CRISIL AA-/Stable	19-11-21	CRISIL AA-/Stable	27-11-20	CRISIL AA-/Stable	31-08-19	CRISIL AA-/Stable	CRISIL A+/Positive
			--		--	28-07-21	CRISIL AA-/Stable	24-06-20	CRISIL AA-/Stable	10-06-19	CRISIL A+/Positive	--
			--		--	12-07-21	CRISIL	14-05-20	CRISIL		--	--

							AA-/Stable		AA-/Stable			
			--		--	17-02-21	CRISIL AA-/Stable	14-04-20	CRISIL AA-/Stable		--	--
			--		--		--	31-03-20	CRISIL AA-/Stable		--	--
			--		--		--	06-01-20	CRISIL AA-/Stable		--	--
Subordinated Debt	LT	425.0	CRISIL AA-/Stable	11-04-22	CRISIL AA-/Stable	19-11-21	CRISIL AA-/Stable	27-11-20	CRISIL AA-/Stable	31-08-19	CRISIL AA-/Stable	CRISIL A+/Positive
			--		--	26-07-21	CRISIL AA-/Stable	24-06-20	CRISIL AA-/Stable	10-06-19	CRISIL A+/Positive	--
			--		--	12-07-21	CRISIL AA-/Stable	14-05-20	CRISIL AA-/Stable		--	--
			--		--	17-02-21	CRISIL AA-/Stable	14-04-20	CRISIL AA-/Stable		--	--
			--		--		--	31-03-20	CRISIL AA-/Stable		--	--
			--		--		--	06-01-20	CRISIL AA-/Stable		--	--
Long Term Principal Protected Market Linked Debentures	LT	600.0	CRISIL PPMLD AA- r /Stable	11-04-22	CRISIL PPMLD AA- r /Stable	19-11-21	CRISIL PPMLD AA- r /Stable	27-11-20	CRISIL PPMLD AA- r /Stable	31-08-19	CRISIL PPMLD AA- r /Stable	--
			--		--	26-07-21	CRISIL PPMLD AA- r /Stable	24-06-20	CRISIL PPMLD AA- r /Stable	10-06-19	CRISIL PPMLD A+ r /Positive	--
			--		--	12-07-21	CRISIL PPMLD AA- r /Stable	14-05-20	CRISIL PPMLD AA- r /Stable		--	--
			--		--	17-02-21	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 Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Proposed Long Term Bank Loan Facility	1335.51	Not Applicable	CRISIL AA-/Stable
Term Loan	50	CTBC Bank Co Limited	CRISIL AA-/Stable
Term Loan	59.93	Jana Small Finance Bank Limited	CRISIL AA-/Stable
Term Loan	23.59	Suryoday Small Finance Bank Limited	CRISIL AA-/Stable
Term Loan	21	Utkarsh Small Finance Bank Limited	CRISIL AA-/Stable
Term Loan	78.75	YES Bank Limited	CRISIL AA-/Stable
Term Loan	89.16	The Hongkong and Shanghai Banking Corporation Limited	CRISIL AA-/Stable
Term Loan	59.09	Axis Bank Limited	CRISIL AA-/Stable
Term Loan	100	Bandhan Bank Limited	CRISIL AA-/Stable
Term Loan	293.33	Bank of Baroda	CRISIL AA-/Stable
Term Loan	13.63	Bank of India	CRISIL AA-/Stable
Term Loan	213.6	Punjab and Sind Bank	CRISIL AA-/Stable

Term Loan	97.91	IDBI Bank Limited	CRISIL AA-/Stable
Term Loan	58.28	Equitas Small Finance Bank Limited	CRISIL AA-/Stable
Term Loan	211.19	ICICI Bank Limited	CRISIL AA-/Stable
Term Loan	136.38	Indian Bank	CRISIL AA-/Stable
Term Loan	45.83	UCO Bank	CRISIL AA-/Stable
Term Loan	72.73	Kotak Mahindra Bank Limited	CRISIL AA-/Stable
Term Loan	187.22	Punjab National Bank	CRISIL AA-/Stable
Term Loan	71.87	RBL Bank Limited	CRISIL AA-/Stable
Term Loan	25.94	SBM Bank (India) Limited	CRISIL AA-/Stable
Term Loan	66.66	Small Industries Development Bank of India	CRISIL AA-/Stable
Term Loan	50	Indian Overseas Bank	CRISIL AA-/Stable
Term Loan	255	Standard Chartered Bank Limited	CRISIL AA-/Stable
Term Loan	49.97	State Bank of India	CRISIL AA-/Stable
Term Loan	13.63	Canara Bank	CRISIL AA-/Stable
Term Loan	12.69	Union Bank of India	CRISIL AA-/Stable
Term Loan	26.25	Woori Bank	CRISIL AA-/Stable
Term Loan	110.41	The Federal Bank Limited	CRISIL AA-/Stable
Term Loan	20.45	Bank of Bahrain and Kuwait B.S.C.	CRISIL AA-/Stable
Term Loan	150	Micro Units Development and Refinance Agency Limited	CRISIL AA-/Stable

This Annexure has been updated on 25-Jul-22 in line with the lender-wise facility details as on 19-Nov-21 received from the rated entity.

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
Aveek Datta Media Relations **CRISIL Limited** M: +91 99204 93912 B: +91 22 3342 3000 AVEEK.DATTA@crisil.com **Prakruti Jani** Media Relations **CRISIL Limited** M: +91 98678 68976 B: +91 22 3342 3000 PRAKRUTI.JANI@crisil.com **Rutuja Gaikwad** Media Relations **CRISIL Limited** B: +91 22 3342 3000 Rutuja.Gaikwad@ext-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 Senior 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: CRISIL.ratingdesk@crisil.com For Analytical queries: ratingsinvestordesk@crisil.com

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ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

CATALYST
Believe in yourself... Trust us!

CL/MUM/22-23/DEB/751 **September 26, 2022**

Asirvad Micro Finance Limited
First Floor, Lemuir House,
New No 10, Old no 125, GN Chetty Road,
T Nagar, Chennai - 600017

Kind Attn: - Mr. Saravanan

Dear Sir,

Consent to act as Trustee for Listed, Secured, Rated, Redeemable Non-Convertible Market-linked Debentures aggregating upto Rs. 90 crores with an option to retain over-subscription up to Rs. 35 crores aggregating to a total of Rs. 125 crores to be issued by your Company.

This is with reference to the discussions in respect of appointment of Catalyst Trusteeship Limited (CTL) (Formerly GDA Trusteeship Limited) to act as Debenture Trustee for the Listed, Secured, Rated, Redeemable Redeemable Non-Convertible Market-linked Debentures aggregating upto Rs. 90 crores with an option to retain over-subscription up to Rs. 35 crores aggregating to a total of Rs. 125 crores to be issued. In this connection, we are agreeable to act as Trustee on the following trusteeship remuneration:

Acceptance fees	: Rs.1,25,000/- plus applicable taxes (one-time, non-refundable payable on appointment as Debenture Trustee).
Service Charges	: Rs.1,87,500/- plus applicable taxes payable in advance, for each financial year or any part thereof, effective from the date of execution till satisfaction of charges in full. Pro-rata charges would apply for the first year from date of appointment till 31-Mar-2023.

All out of pocket expenses incurred towards legal fees, travelling, inspection charges, etc shall be levied and re-imbursed on actual basis.

Yours faithfully,
For Catalyst Trusteeship Limited

Authorized Signatory

We accept the above terms.
For Asirvad Micro Finance Limited

Authorized Signatory

NOTE: As per GST guidelines, CTL would be required to pay the applicable GST on the amounts / charges payable to us as indicated above. Please note that the Company would 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.

ANNEXURE IV: BOARD RESOLUTION

ASIRVAD MICRO FINANCE LIMITED
Subsidiary of MANAPPURAM FINANCE LTD.

EXTRACT FROM THE MINUTES OF THE MEETING NO. 11/2022-23 OF THE BORROWING AND SECURITIES ALLOTMENT COMMITTEE ("COMMITTEE") OF THE BOARD OF DIRECTORS OF ASIRVAD MICRO FINANCE LIMITED HELD ON MONDAY, SEPTEMBER 26, 2022 AT THE CORPORATE OFFICE SITUATED AT THE CORPORATE OFFICE SITUATED AT 09th FLOOR, No.9 CLUB HOUSE ROAD, ANNA SALAI, CHENNAI – 600 002 AT 9.00 AM

TO CONSIDER 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 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 amendedand 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 1,250 Rated, Senior, Secured, Transferable, Redeemable, Listed, Principal Protected, Non-Convertible Market Linked Debentures of face value of Rs.10,00,000/- (Rupees Ten Lakh only) each, and an aggregate amount of Rs.125,00,00,000/- (Rupees One Hundred and Twenty Five Crores only) [including a Green shoe option amounting to Rs.35,00,00,000/- (Rupees Thirty Five Crores only) comprising 350 (Three Hundred and Fifty Only) Rated, Senior, Secured, Transferable, Redeemable, Listed, Principal Protected, Non-Convertible Market Linked Debentures of face value of Rs.10,00,000/- (Rupees Ten Lakh only) each], 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 Mr. B. N. Raveendra Babu, Managing Director/or Mr. Rajesh KRN Namboodiripad,

Chief Financial Officer, on the terms and condition as follows:

Type of Security	:	Rated, Senior, Secured, Transferable, Redeemable, Listed, Principal Protected, Non-Convertible Market Linked Debentures
No. of Security	:	1,250
Face Value per NCD (InRs.)	:	Rs.10 Lacs per Debenture
Total Amount (In Rs.)	:	Rs.125 Crore
Coupon Rate		*Reference Index Performance* / *'Annualized Coupon Rate' function* <= -75% / 0% > -75% / 8.50% XIRR
Tenure		24 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. Rajesh KRN Namboodiripad, Chief Financial Officer, Mrs. Aparna Menon, Company Secretary, Mr. Amal Neeraj V, AGM – Finance & Treasury and Mr. Robert K.P., Joint General Manager- Head Accounts (**hereinafter referred to as "Authorized Persons"**) of the Company be and are hereby severally authorized to negotiate and settle the terms of issue of 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 BSE 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, 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 Catalyst Trustees 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 ExchangeBoard 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 maybe 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 toreceipt of funds pertaining to the aforesaid Private Placement including, without any limitation the following compliances: -

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 absolutediscretion, deem fit, necessary, desirable, incidental and/or consequential to give effect tothe 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 authorized to issue a copy of the aforesaid resolution certified to be true to any

ASIRVAD MICRO FINANCE LIMITED
Subsidiary of MANAPPURAM FINANCE LTD.

such authority as maybe required in this regard."

//Certified True Copy//

For Asirvad Micro Finance Limited

Aparna Menon
Digitally signed by Aparna Menon
Date: 2022.09.27 12:06:56 +05'30'

Aparna Menon

Company Secretary

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

EXTRACT FROM THE MINUTES OF THE 78TH MEETING OF THE BOARD OF DIRECTORS OF ASIRVAD MICRO FINANCE LIMITED HELD ON THURSDAY, 23RD JANUARY, 2020, AT THE COPRORATE OFFICE OF THE COMPANY SITUATED AT DOOR NO.9, 10TH FLOOR, CLUB HOUSE ROAD, ANNA SALAI, CHENNAI – 600 002, WHICH COMMENCED AT 2.00 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;

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;

For ASIRVAD MICRO FINANCE LIMITED

Aparna Menon
Company Secretary

ASIRVAD MICRO FINANCE LIMITED
Subsidiary of MANAPPURAM FINANCE LTD.
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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: September 03, 2022

ASIRVAD MICRO FINANCE LIMITED
Subsidiary of MANAPPURAM FINANCE LTD.
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EXTRACT FROM THE MINUTES OF THE 98TH MEETING OF THE BOARD OF DIRECTORS OF ASIRVAD MICRO FINANCE LIMITED HELD ON THURSDAY, MARCH 31 2022, THROUGH VIDEO CONFERENCING AT IV/470A(OLD) W638A(NEW), MANAPPURAM HOUSE, VALAPAD, THRISSUR – 680 567 (KERALA), WHICH COMMENCED AT 10:00 A.M.

APPROVED THE BORROWING PROGRAM IN LINE WITH THE BUSINESS PLAN AND DELEGATION OF POWERS TO COMMITTEES

a) **Private placement of Debentures:**

"RESOLVED THAT pursuant to Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 as in force or amended from time to time, the relevant rules / regulations / guidelines, if any, prescribed by the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI) and/or any other regulatory authority, the relevant provisions of the Articles of Association of the Company, approval of the Board be and is hereby accorded, to issue Redeemable Non-Convertible Debentures (NCDs) on a private placement basis, whether rated or otherwise in one or more tranches, for Rs. 4,800 Crore (Rupees Four Thousand Eight Hundred Crore only) during the Financial Year 2022-23, and if required, the same may be secured by the charge on assets of the company in favour of debenture trustees.

RESOLVED FURTHER THAT Borrowing and Securities Allotment Committee of the Board is hereby authorized to do all such acts, deeds and things to give effect to the above resolution including appointment of trustees, fixing the terms and conditions for the issue of NCDs, preparation and authentication of offer letters, issue and allotment of debentures, creation of charge, payment of applicable stamp duties, authorizing officers or intermediaries in connection with the issue of NCDs or any other matter incidental or ancillary thereto.

For ASIRVAD MICRO FINANCE LIMITED

Aparna Menon
Company Secretary

ASIRVAD MICRO FINANCE LIMITED
Subsidiary of MANAPPURAM FINANCE LTD.
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RESOLVED FURTHER THAT Borrowing and Securities Allotment Committee of the Board may authorize employees to affix common seal on such documents as may be necessary in compliance with provisions entailed in Articles of Association of the Company."

//Certified True Copy//

For **Asirvad Micro Finance Limited**



Aparna Menon
Company Secretary
Date: September 03, 2022

ANNEXURE V: SHAREHOLDERS RESOLUTION

ASIRVAD MICRO FINANCE LIMITED
Subsidiary of MANAPPURAM FINANCE LTD.
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CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTIONS 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

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."

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

For ASIRVAD MICRO FINANCE LIMITED

Aparna Menon

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

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)."

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ATTACHED ALONGWITH THE NOTICE

ITEM NO. 4 & 5

For ASIRVAD MICRO FINANCE LIMITED

Aparna Menon
Company Secretary

ASIRVAD MICRO FINANCE LIMITED
Subsidiary of MANAPPURAM FINANCE LTD.
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Keeping in view the Company's existing and future financial requirements, the Company may need additional funds. For this purpose, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/individuals as may be considered fit, which, together with the sums of money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits from Rs.7,500 Crore (Rupees Seven Thousand Five Crore Only) to Rs.12,000 Crore (Rupees Twelve Thousand Crore Only). Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting. In order to facilitate securing the borrowing made by the Company, it would be necessary to create a charge on the assets or whole or part of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the General Meeting.

The Board of Directors of the Company at its Meeting held on May 14, 2021, has already approved the above stated proposal and recommended the same as contained in Item no.4 and 5 of the Notice, to the Members of the Company.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested financially or otherwise in the proposed resolution as set out in the Notice.

The Company has disclosed all the related information and to the best of understanding of the Board of Directors, no other information and facts are required to be disclosed that may

For ASIRVAD MICRO FINANCE LIMITED

Aparna Menon
Company Secretary

ASIRVAD MICRO FINANCE LIMITED
Subsidiary of MANAPPURAM FINANCE LTD.
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enable Members to understand the meaning, scope and implications of the items of business and to take decisions thereon.

In compliance with the General circular number 20/2020 dated May 05, 2020, issued by the MCA, this item is considered unavoidable and forms part of this Notice.

//Certified True Copy//

For **Asirvad Micro Finance Limited**

Aparna Menon
Company Secretary
Date: September 03, 2022

ANNEXURE VI[3]: DUE DILIGENCE CERTIFICATE FROM DEBENTURE TRUSTEE

CATALYST
Believe in yourself... Trust us!

CTL/22-23/3500

DUE DILIGENCE CERTIFICATE AT THE TIME OF FILING THE DRAFT OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM

To,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai- 400001.

Dear Sir / Madam,

SUB.: ISSUE OF 1250 [RATED, SENIOR, SECURED, TRANSFERABLE, REDEEMABLE, LISTED PRINCIPAL PROTECTED NON-CONVERTIBLE MARKET LINKED DEBENTURES OF FACE VALUE OF RS. 10,00,000/- (RUPEES TEN LAKHS ONLY) OF THE AGGREGATE NOMINAL VALUE OF RS. 90,00,00,000 (RUPEES NINETY CRORES ONLY) WITH AN OPTION TO RETAIN OVER-SUBSCRIPTION UP TO RS. 35,00,00,000 (RUPEES THIRTY-FIVE CRORES ONLY) AGGREGATING TO A TOTAL OF RS. 125,00,00,000 (RUPEES ONE HUNDRED TWENTY-FIVE CRORES ONLY), ON A PRIVATE PLACEMENT 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 discussions 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).

c) The Issuer has made all the relevant disclosures about the security and 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 given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application.

[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.

f) 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 and given an undertaking that debenture trust deed would be executed before filing of listing application.

g) All disclosures made in the draft offer document or private placement memorandum/ information memorandum with respect to the debt securities are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.

We have satisfied ourselves about the ability of the Issuer to service the debt securities.

Place: Mumbai

Date: September 27, 2022

For Catalyst Trusteeship Limited

Authorised Signatory

Authorised Signatory

ANNEXURE VII: UNDERTAKING PURSUANT TO REGULATION 48 (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

RAJESH K R N NAMBOODIRIPAD

Digitally signed by RAJESH K R N NAMBOODIRIPAD
DN: c=IN, o=PERSONAL, title=4304, pseudonym=ca290aebee92717fe8d7fe4bc5aa0086, 2.5.4.20=EC16C7A5588502F368731C2467E3B24E96FA119B7C95E655EE48E53CE21A57F1, postalCode=410206, st=Maharashtra, serialNumber=48518036c6111a63b8f3da943ebe2c1e77c561c322556ccf34cf017a05f4a65b, cn=RAJESH K R N NAMBOODIRIPAD
Date: 2022.09.27 17:55:00 +05'30'

Name: Mr. Rajesh KRN Nambooridipad

Title: CFO

Date: September 27, 2022

ANNEXURE VIII: TERM SHEET

As Provided in Section 8 above.

ANNEXURE IX- TRANSACTION DOCUMENTS

As Provided in Section 8 above.

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: 9th Floor, No. 9, Club House Road, Anna Salai, Chennai-600002

Telephone No.: +91 044-3529 8100

Website: https://asirvadmicrofinance.co.in/

DEBENTURE SERIES APPLICATION FORM SERIAL NO.									

Issue of 1250 [Rated, Senior, Secured, Transferable, Redeemable, Listed, Principal Protected Non-Convertible Market Linked Debentures] ("Debenture(s)" Or "NCD(s)") of Face Value Of Rs. 10,00,000/- (Rupees Ten Lakhs Only) of the Aggregate Nominal Value of Rs. 90,00,00,000 (Rupees Ninety Crores Only) with an option to retain over-subscription up to Rs. 35,00,00,000 (Rupees Thirty-Five Crores Only) aggregating to a total of Rs. 125,00,00,000 (Rupees One Hundred Twenty-Five Crores Only), 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 September 27, 2022 ("**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 applicant will make the payment to be made to the following account(issuer bank account)

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.

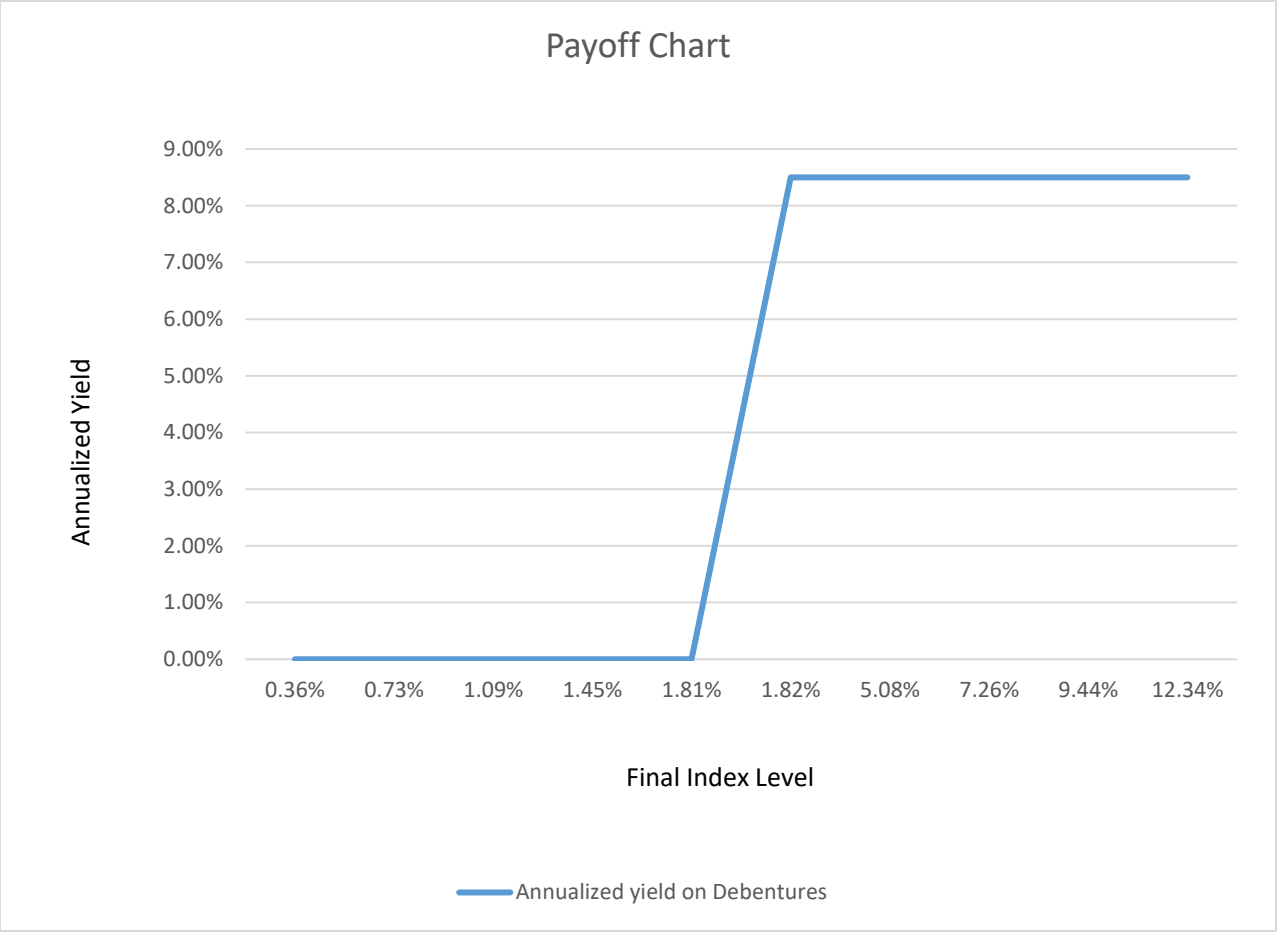
6. The application would be accepted as per the terms of the manner outlined in the transaction documents for the private placement.

ANNEXURE XI- VALUATION MATRIX FOR MLD

Assuming Initial Index level of 7.26%

Initial Index Level	Final Index Level	Performance of Index Level	Initial Investment on per Debentures (INR)	Annualized yield on Debentures	Investment per debenture	Maturity Amount per Debenture
7.26%	0.36%	-95.00%	1,000,000	0.00%	1,000,000	1,000,000
7.26%	0.73%	-90.00%	1,000,000	0.00%	1,000,000	1,000,000
7.26%	1.09%	-85.00%	1,000,000	0.00%	1,000,000	1,000,000
7.26%	1.45%	-80.00%	1,000,000	0.00%	1,000,000	1,000,000
7.26%	1.81%	-75.10%	1,000,000	0.00%	1,000,000	1,000,000
7.26%	1.82%	-74.90%	1,000,000	8.50%	1,000,000	1,177,488
7.26%	5.08%	-30.00%	1,000,000	8.50%	1,000,000	1,177,488
7.26%	7.26%	0.00%	1,000,000	8.50%	1,000,000	1,177,488
7.26%	9.44%	30.00%	1,000,000	8.50%	1,000,000	1,177,488
7.26%	12.34%	70.00%	1,000,000	8.50%	1,000,000	1,177,488

GRAPHICAL PRESENTATION:-



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

RAJESH K R N NAMBOODIRIPAD

Digitally signed by RAJESH K R N NAMBOODIRIPAD
DN: c=IN, o=PERSONAL, title=4304, pseudonym=ca290aebee92717fe8d7fe4bc5aa0086, 2.5.4.20=EC16C7A5588502F368731C2467E3B24E96FA119B7C95E655EE48E53CE21A57F1, postalCode=410206, st=Maharashtra, serialNumber=48518036c6111a63b8f3da943ebe2c1e77c561c322556ccf34cf017a05f4a65b, cn=RAJESH K R N NAMBOODIRIPAD
Date: 2022.09.27 17:53:58 +05'30'

ANNEXURE XIII- PAS 4

Addressed to:

September 27, 2022

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 1250 [Rated, Senior, Secured, Transferable, Redeemable, Listed, Principal Protected Non-Convertible Market Linked Debentures] ("Debenture(s)" Or "NCD(s)") of Face Value Of Rs. 10,00,000/- (Rupees Ten Lakhs Only) of the Aggregate Nominal Value of Rs. 90,00,00,000 (Rupees Ninety Crores Only) with an option to retain over-subscription up to Rs. 35,00,00,000 (Rupees Thirty-Five Crores Only) aggregating to a total of Rs. 125,00,00,000 (Rupees One Hundred Twenty-Five 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:	9th Floor, No. 9, Club House Road, Anna Salai, Chennai, Tamil Nadu - 600002, India
Telephone No.:	+91- 044-435298100
Website:	https://asirvadmicrofinance.co.in/
Fax:	NA
Contact Person:	Ms. Aparna Menon
Email:	cs@asirvad.in

(ii) **Date of Incorporation of the Company:**

August 29, 2007

(iii) **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 2022, the Issuer operates in 1526 branches 22 states and 3 union territories. The Issuer's active customer base is 25,37,037 with a gross loan portfolio outstanding of Rs. 7,002.88

Branch details:

As of March 2022, the Issuer operates in 1526 branches 22 states and 3 union territories.

Subsidiary details:

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

(iv) **Brief particulars of the management of the Company:**

Brief Profile of Key Managerial Personnel's		
Name	**Designation**	**Experience**
APARNA MENON	**COMPANY SECRETARY**	**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**

Brief Profile of Key Managerial Personnel's		
Name	**Designation**	**Experience**
		Ventures Private Limited and Prestige Estates Projects Limited.
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.**
DURGA PRASAD	**CHIEF BUSINESS OFFFICER-MSME**	**He is a MBA Holder,Having Post Graduation certification in Digital Marketing from SCDL.He have also done Digital Marketing and Analytics from IIM Kashipur. Having 14+ years' experience in Gold loans , School Finance and Teachers Loans He worked as Business Head Scholl Finance in Manappuram Finance Ltd.**
MUTHU BHASKAR	**BUSIENESS HEAD -GOLD LOAN**	**He is a MBA Holder from Sikkim Manipal university,Completed Operational Management from IIM Kashipur,Leadership and Managemnet certification Program from Wharton University.Having overall 15+ years of work experience at MANAPPURAM FINANCE LIMITED and its subsidiaries.**
RAJESH KRN NAMBOORIPAD	**CHIEF FINANCIAL OFFFICER**	**He is a Charted Accountant having over 21 years experience in audit, accounting, taxation and banking functions focused on timely delivery of quality output in the best interest of the organization.**

(v) **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. Nandakumar 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	Gowre Esank Aram, Unichi RA-T. Road Chang Ampuz Ha Nagar,	Professional

Sl.	Name of the Directors, Designation & DIN	Address	Occupation
	00225640	P.O.- Kalam Assery Ernakulam – 682 033	
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

(vi) 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, 2022, the gross NPA was INR 452.97 Crore on a gross portfolio of INR 7,012.53 Crore (including managed / securitized portfolio of INR 1,162.15 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.

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.

(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.

(j) ***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

(k) 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 Floor, No.9, Club House Road, Anna Salai, Chennai – 600 002

Phone No.: +91-44-43510081

Email: cs@asirvad.in

(l) 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 March 31, 2022 and the borrowing and securities allotment committee resolution dated September 26, 2022.
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 1250 [Rated, Senior, Secured, Transferable, Redeemable, Listed, Principal Protected Non-Convertible Market Linked Debentures] ("Debenture(s)" Or "NCD(s)") of Face Value Of Rs. 10,00,000/- (Rupees Ten Lakhs Only) of the Aggregate Nominal Value of Rs. 90,00,00,000 (Rupees Ninety Crores Only) with an option to retain over-subscription up to Rs. 35,00,00,000 (Rupees Thirty-Five Crores Only) aggregating to a total of Rs. 125,00,00,000 (Rupees One Hundred Twenty-Five 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**	Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value.

which the general meeting of the Company is scheduled to be held]	
The class or classes of persons to whom the allotment is proposed to be made	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.
Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer) [Not required in case of issue of non-convertible debentures]	Not applicable
The proposed time within which the allotment shall be completed	The Debentures will be deemed to be allotted on September 28, 2022 ("**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	NIL

<table>
<tr><td>the year, in terms of securities as well as price</td><td></td></tr>
<tr><td>The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer</td><td>Not applicable as each Debenture is a non-convertible debt instrument which is being issued at face value.</td></tr>
<tr><td>Amount, which the Company intends to raise by way of proposed offer of securities</td><td>NCDs aggregating up to Rs. 90 crores with an option to retain over-subscription up to Rs. 35 crores aggregating to a total of Rs. 125 crores</td></tr>
<tr><td>Terms of raising of securities:</td><td>
<table>
<tr><td>Duration, if applicable:</td><td>24 months from Deemed Date of Allotment</td></tr>
<tr><td>Rate of Interest or Coupon:</td><td>Based on 'Reference Index Performance', corresponding 'Annualized Coupon Rate' function' will be applicable
<table>
<tr><td>Reference Index
formance</td><td>'Annualized Coupon Rate' functio</td></tr>
<tr><td><= -75%</td><td>0%</td></tr>
<tr><td>> -75%</td><td>8.50% XIRR</td></tr>
<tr><td></td><td>f</td></tr>
</table></td></tr>
<tr><td>Mode of Payment</td><td>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 September 27, 2022 ("Placement Memorandum") issued by the Company to the addressee of this PPOA.</td></tr>
<tr><td>Mode of Repayment</td><td>cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer</td></tr>
</table>
</td></tr>
<tr><td>Proposed time schedule for which the Issue/Offer Letter is valid</td><td>Issue Open Date: September 28, 2022
Issue Closing Date: September 28, 2022
Pay-in Date: September 28, 2022
Deemed Date of Allotment: September 28, 2022</td></tr>
<tr><td>Purpose and objects of the Issue/Offer</td><td>Issue proceed will be utilized for following purposes:
General Corporate Purpose
for ordinary course of business of Issuer</td></tr>
</table>

	• For deployment in business & growth of asset book
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	The Debentures shall be secured by way of a first ranking, exclusive and continuing charge on identified receivables **("Hypothecated Receivables"**) created pursuant to the agreement of hypothecation to be executed between the Company and the Debenture Trustee as described herein. The Hypothecated Receivables shall include only gold loans pool and at all times be equal to the value of the outstanding principal amount of the Debentures. The Issuer undertakes: • to maintain the value of security at all times equal to 1.00 (one decimal point zero zero) time or 100% (one hundred Percent) the aggregate amount of principal outstanding of the NCDs where at least 1.00 (one decimal point zero zero) time or 100.0% (one hundred percent) of the security cover is from principal receivables ("Security Cover"); • to pay a penal interest of 2.0% (Two Percent) p.a. in case there is any delay in the creation, registration and perfection of the security over the Hypothecated Assets; • to provide a list on a monthly basis, of specific loan receivables/identified book debts to the Debenture Trustee over which the charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) ("Hypothecated Asset Report") • to add fresh loan assets to the Security Cover to ensure that the value of the Hypothecated Assets is equal to 1.00 (One decimal point zero zero) time or 100.0% (one hundred percent) the aggregate amount of principal outstanding of the NCDs where at least 1.00 (One decimal point zero zero) time or 100.0% (One Hundred Percent) of the security cover is from principal receivables. • to replace/top up any Hypothecated Receivables that become overdue for more than 0 days with current receivables in terms of the hypothecation agreement. Eligibility Criteria for the Hypothecated Receivables: • the receivables are existing at the time of selection and have not been terminated or pre-paid;

	• the receivables have not been restructured or rescheduled • All "Know Your Customer" norms have been complied with as prescribed by the Reserve Bank of India • Loans constituting the hypothecated receivables must be in the form of loans extended to businesses or to individual obligors for the purpose of his / her business. • Every loan originated from the facility should be originated by the Issuer and not loans purchased from a third party.
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 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	Please refer to Annexure III- Litigations

Remuneration of directors (during the current year and last 3 (three) financial years)	**Director**	**FY 2022-23 (Current Year)**	**F.Y 2021-22**	**F.Y 2020-21**	**FY 2019-20**	
	Mr. V.P.Nandakumar		-	-	-	
	Mr S V Raja Vaidyanathan		1,10,00,000	3,48,95,232	2,86,08,000	
	Mr B N Raveendra Babu		60,00,000	1,50,15,000	-	
	Mr Gautam Saigal		13,00,000	10,00,000	15,46,000	
	Mr T.Balakrishnan		13,00,000	10,00,000	15,40,000	
	Mr A Ramanathan		10,00,000	10,00,000	17,46,000	
	Mr Desh Raj Dogra		15,00,000	10,00,000	15,28,000	
	Mr T.M.Monaharan		10,00,000	10,00,000	14,10,000	
	Mrs.Pushya Sitaraman		13,00,000	10,00,000	3,89,000	
	Mr.S.K.Mitra		16,00,000	10,00,000	30,000	
	Mr.Abhijit Sen		10,00,000	10,00,000	30,000	
	Mr.Harshan Kollara Sankarakutty		10,00,000	-	-	
	Mr VR Rajiven				12,69,000	
			2,80,00,000	**5,79,10,232**	**3,80,96,000**	
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	Please refer to Annexure VII					
Summary of reservations or qualifications or adverse remarks of	Nil					

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	
Details of any inquiry, inspections or investigations 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	Nil

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 90,00,00,000 (Indian Rupees Ninety 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

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
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

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

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	**FY** | **PBT (in INR Cr)** | **PAT (in INR Cr)**

<table>
<tr><td>preceding the date of circulation of this private placement offer cum application letter</td><td>
<table>
<tr><td></td><td></td><td></td></tr>
<tr><td>2022 (Audi) IND-AS</td><td>18.61</td><td>13.43</td></tr>
<tr><td>2021 (Audi) IND-AS</td><td>30.68</td><td>16.88</td></tr>
<tr><td>2020 (Audi) IND-AS</td><td>310.30</td><td>235.33</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 2019-2020</th><th>FY 2020-2021</th><th>FY 2021-2022</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>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. Refer pg-143 of the Financial</td></tr>
</table>

	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.

PART B (To be filed by the Applicant)

(i) Name:

(ii) Father's name: N/A;

Director name:;

(iii) Complete Address including Flat / House Number, Street, Locality, Pin Code:;

(iv) Phone number; if any:

(v) Email ID, if any:

(vi) PAN Number:;

(vii) Bank Account details:

Bank Name	**:**
SWIFT Code	**: N/A**
IFSC Code	**:**
Address:	**:**
Account in Corresponding Bank	**:**

(viii) Tick whichever is applicable:-

(a) The applicant is not required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares.-

(b) The applicant is required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares and the same has been obtained, and is enclosed herewith.-

_____

Signature

_____

Initial of the Officer of the Company designated to keep the record

1.6. 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;

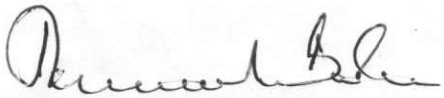
B. The compliance with the Companies Act, 2013 and the rules made thereunder do not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

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 Borrowing and Securities Allotment Committee of the Board of Directors of the Company *vide* resolution number resolution dated September 26, 2022 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**



Name: Mr. B.N. Raveendra Babu
Title: Managing Director
Date: September 27, 2022
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 Litigation

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 September 27, 2022

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 2022**	**31 March 2021**	**31 March 2020**
I	**Assets**			
1	**Financial assets**			
	(a) Cash and cash equivalents	79,430.46	64,846.87	1,20,074.44
	(b) Bank balance other than (a) above	12,392.06	18,721.99	20,229.57
	(c) Derivative financial instruments	274.10		
	(d) Receivables			
	(c) Loans	5,42,611.52	4,79,519.17	4,34,327.51
	(d) Loans given to staff	5.14	76.52	102.30
	(e) Investments	10,713.50	5.00	5.00
	(f) Other financial assets	10,891.38	6,566.94	9,524.34
		6,56,318.16	5,69,736.49	5,84,263.16
2	**Non-financial Assets**			
	(a) Current tax assets (net)	3,804.14	1,858.88	1,544.24

	(b) Deferred tax assets (net)	9,043.41	8,282.84	3,424.70
	(c) Investment property	8.64	8.64	8.64
	(d) Property, plant and equipment	3,423.04	687.63	786.04
	(e) Right of use asset	7,396.46	894.48	721.14
	(f) Other intangible assets	142.04	259.69	1.00
	(g) Intangible assets under development	94.18	54.50	-
	(h) Other non financial assets	1,137.83	776.23	410.09
		25,049.74	12,822.89	6,895.85
	Total assets	**6,81,367.89**	**5,82,559.38**	**5,91,159.01**
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	2,688.28	2,447.22	1,762.70
	(c) Debt securities	1,38,543.44	1,21,905.45	56,881.96

	(d) Borrowings (other than debt securities)	3,85,412.34	3,19,334.54	3,81,549.11
	(e) Subordinated liabilities	31,920.38	21,476.92	11,633.90
	(f) Other financial liabilities	12,679.69	6,043.41	4,299.67
		5,71,244.13	4,71,342.84	4,56,127.34
2	**Non-financial liabilities**			
	(a) Current tax liabilities (net)	-	725.91	-
	(b) Provisions	1,497.57	1,506.75	1,157.18
	(b) Deferred tax liabilities (net)			
	(c) Other non-financial liabilities	1,420.86	3,440.39	29,922.61
		2,918.43	5,673.05	31,079.79
3	**Equity**			
	(a) Equity share capital	5,331.19	5,331.19	5,331.19
	(b) Other equity	1,01,874.14	1,00,212.30	98,620.69
		1,07,205.33	1,05,543.49	1,03,951.88
	Total Liabilities and equity	**6,81,367.89**	**5,82,559.38**	**5,91,159.01**

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 2022**	**31 March 2021**	**31 March 2020**
I	Revenue from operations			
	Interest income	1,18,084.12	95,762.88	91,338.06
	Net Gain on derecognition of financial instruments under amortised cost category	11,697.22	7,147.98	12,590.98
	Dividend income	1,118.80	1,286.86	947.06
	Other operating income	4,669.82	1,099.17	629.84
		1,35,569.96	1,05,296.89	1,05,505.94
II	Other income	4,400.01	2,421.47	4,638.46
III	Total income (I + II)	1,39,969.97	1,07,718.36	1,10,144.40
IV	Expenses			
	Finance cost	57,136.57	45,754.14	40,943.86
	Impairment of financial instruments	39,707.04	29,980.94	9,234.97

	Employee benefit expenses	26,868.91	18,852.94	15,020.44
	Depreciation and amortisation expense	3,523.43	1,183.72	714.45
	Other expenses	10,872.65	8,878.60	7,697.99
	Total expenses (IV)	1,38,108.60	1,04,650.34	73,611.71
V	Profit before exceptional items and tax (III - IV)	1,861.37	3,068.02	36,532.69
VI	Exceptional items	-	-	5,502.64
VII	Profit before tax (V- VI)	1,861.37	3,068.02	31,030.05
VIII	Tax expense			
	(1) Current tax	1,664.62	6,618.90	9,832.60
	(2) Deferred tax	-872.88	-4,828.08	-2,335.35
	(3) Tax relating to earlier years	-273.61	-410.94	-
		518.13	1,379.88	7,497.25
IX	Profit for the year (VII - VIII)	1,343.24	1,688.14	23,532.80
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)	155.76	-184.28	-31.06
	b. Fair value changes on derivatives designated as cash flow hedge, (net)	290.44	64.95	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-112.30	30.04	7.82
	Subtotal (A)	333.90	-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)	333.90	-89.29	-23.24
XI	Total comprehensive income for the year (IX + X)	1,677.14	1,598.85	23,509.56

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 2022-21, FY 2021-20 and FY 2020-19 enclosed separately.

A summary of the audited financial statements for FY 2022-21, FY 2021-20 and FY 2020-19 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 2022**	**31 March 2021**	**31 March 2020**
Cash flow from operating activities			
Profit before income tax	1,861.37	3,068.02	31,030.05
Adjustments for:			
Depreciation and amortisation expense	3,523.43	1,183.72	714.45
Impairment of financial instruments	39,707.04	29,980.94	14,737.61
Provision for insurance claim receivable	339.47	301.70	86.31
Loss/(Profit) on sale of fixed assets (net)	-	0.06	- 1.36
Dividend income	- 1,118.80	- 1,286.86	- 947.06

Finance cost	57,136.57	45,754.14	40,943.86
Interest on deposits	-1,925.67	-2,774.95	-1,968.94
Share based payments to employees	-15.30	-7.24	-
Operating profit before working capital changes	99,508.11	76,219.53	84,594.92
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Loans	-1,02,799.39	-75,172.60	-99,160.27
Loans given to staff	71.38	25.78	-21.89
Other financial assets	-4,663.91	2,655.70	-6,287.05
Other non financial assets	-361.60	-366.14	-135.29
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables	241.06	684.52	530.73
Other financial liabilities	-1,083.22	1,341.34	2,957.75
Other non financial liabilities	-2,019.53	-26,482.21	29,965.70
Other provisions	146.58	165.29	141.29

Cash flow generated used in operations	-10,960.53	-20,928.79	12,585.90
Interest Income on deposits			
Net cash flow (used in) operations	-10,960.53	-20,928.79	12,585.90
Refund received from income tax	-	-	-
Net Income tax paid	-4,062.18	-5,826.75	-9,910.00
Net cash (used in) in operating activities (A)	**-15,022.71**	**-26,755.54**	**2,675.90**
Cash flow from investing activities			
Capital Expenditure	-	-	-
Proceeds from sale of property, plant and equipment		25.00	8.50
Purchase of property, plant and equipment	-4,912.35	-801.33	-2,010.63
Purchase of other intangible assets	-317.10	-456.50	-
Net movement in bank deposits	6,438.58	1,013.48	-2,887.99
Dividend received	1,118.80	1,286.86	947.06
Investments	-10,708.50		
Interest income on deposits	1,817.02	3,269.05	1,435.09
Net cash flow generated from investing activities (B)	**6,563.55**	**4,336.56**	**-2,507.97**
Cash flow from financing activities			

Proceeds from long term borrowings - term loans	3,38,167.00	1,92,545.00	3,05,669.30
Repayment of long term borrowings - term loans	-2,73,763.08	-2,02,517.37	-1,16,935.68
Interest paid on term loans	-33,739.57	-31,042.46	-21,864.68
Hedge liability	-	-	-
Prepaid processing charges	-	-	-
Proceeds from long term borrowings - debentures	89,300.00	1,11,500.00	29,450.00
Repayment of long term borrowings - debentures	-59,315.59	-35,575.00	-47,283.00
Interest paid on debentures	-16,829.10	-9,133.79	-9,895.26
Prepaid processing charges			-
Proceeds from securitisation borrowings	-	-	58,987.62
Repayment of securitisation borrowings	-6,845.87	-52,241.91	-1,18,053.81
Interest paid on securitisation	-84.88	-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
Proceeds from finance lease	-	-	-8.98
Proceeds from Issue of Equity Shares	-	-	-
Other interest and charges paid	-719.07	-464.51	-682.56
Net cash flow from financing activities (C)	**36,169.83**	**-32,808.59**	**67,316.49**
Net increase in cash and cash equivalents (A+B+C)	**14,583.59**	**-55,227.57**	**67,484.42**
Cash and cash equivalents at the beginning of the period	64,846.87	1,20,074.44	52,590.02
Cash and cash equivalents at the end of the period	**79,430.46**	**64,846.87**	**1,20,074.44**

Annexure III– Litigations

Promoter – Manappuram Finance Limited

RBI and SEBI Proceedings

1. The RBI had received a complaint against the Issuer, lodged by Ms. Sreekala Anil (the "Petitioner"). The Petitioner had instituted criminal proceedings against the Issuer on the grounds that the Petitioner was given deposit slips for MAGRO Farms, a proprietary concern of V. P. Nandakumar in respect of the money deposited with the Issuer which the Petitioner sought to renew. The Petitioner alleged that since the Issuer was no longer allowed to accept deposits from the public, the Issuer had illegally transferred the deposits to a non- existing company without the knowledge of the depositors. The Issuer had obtained anticipatory bail for V.P. Nandakumar, The Petitioner had also sought an RBI enquiry into the matter. The RBI advised the Issuer to stop using the branches of the Issuer to cross sell the products of the group companies, related companies and firms of V.P. Nandakumar and ensure that the Issuer maintains an arm's length relationship with its sister concerns and related firms, and directed the Issuer to immediately desist from allowing the use of the Issuer's premises, branches or officials by Manappuram Agro Farms or any other entity for accepting deposits from the public or for any other financial activity and to also clarify in the public domain the names of its group entities which were regulated by RBI. The Issuer responded to the RBI clarifying its position and informed the RBI that as of April 1, 2019, the total outstanding deposits laying in escrow account was Rs. 1.013 million. Further, Manappuram Agro Farms has issued demand drafts to the customers for Rs. 1.010 million since April 1, 2019 and consequently, as of December 31, 2020, the outstanding deposit laying in the escrow account is Rs. 0.011 million. The RBI pursuant to its letter dated January 01, 2015 confirmed its acknowledgement of the various quarterly status reports submitted by the Issuer with regard to the deposits collected by Manappuram Agro Farms and also stated that the reply to the show cause notice submitted by the Issuer is largely acceptable.

2. The RBI had through its letter dated August 11, 2017 issued a show cause notice to the Issuer in respect of (i) the non-declaration by the Issuer of the reserve price during the auction of gold ornaments pledged by the Customer; (ii) non-intimation to customers in the event of any change in the purity of gold as assessed by the company subsequent to a disbursement of the loan; (iii) splitting of high value loans greater than Rs.0.1 million so that the loan disbursements made above Rs.0.1 million are made in cash (including the issue of uncrossed cheques while disbursing loans above Rs.0.1 million) against which cash was withdrawn across bank counters by customers; (iv) post auction intimation sent to customers which did not mention details such as the date of the auction, the venue, the breakup of claim towards principal, interest and other charges recovered during auction (including not conducting auctions at designated
branches on specified dates despite advertising the same). The Issuer submitted a detailed reply to RBI providing necessary clarifications on the points observed along with supporting documents in this regard and also provided necessary clarifications and explanations to RBI in the personal hearing granted to the Issuer by RBI. Pursuant to this, the RBI vide its letter dated March 28, 2018 advised the Issuer to strictly follow the extant instructions of RBI pertaining to declaration of reserve price, certification of purity of gold, conduct of auction process, post auction intimation letter and disbursement of loan amount in cash, compliance of which will be continuously monitored by the RBI.

3. In connection with the off-site inspection / scrutiny of the entity conducted by Reserve Bank of India (RBI) in October 2020, a show cause notice was issued by RBI, vide letter DPSS.CO.OVRST.No.S514/06.07.004/2021-22

dated September 07, 2021, calling upon us to explain in writing why a penalty of ₹ 18,34,264 (Rupees eighteen lakh thirty four thousand two hundred and sixty four only) should not be imposed upon MAFIL under Section 30 of the PSS Act. After considering our reply to the said SCN, RBI vide speaking Order dated Mar 24, 2022, RBI came to the conclusion that the charge of non-compliance with the aforesaid RBI directions was substantiated and warranted imposition of monetary penalty of ₹ 17,63,965/- (Rupees seventeen lakh sixty three thousand nine hundred and sixty five only) and the said penalty has been paid by MAFIL

4. The Company received letter from SEBI, dated September 2, 2013 seeking information in relation to the directions issued to the Company by the RBI vide letter dated February1, 2012. The SEBI sought information on whether the Company had formulated a "code of internal procedure and conduct" and a "code of corporate disclosure practices" in accordance with SEBI directives. The SEBI also sought information on the time of opening and closing of trading window for the period January 1, 2012 to February 29, 2012. Copies of circulars and guidelines issued in this regard were also sought. Further, copies of press notes issued with reference to the directions of the RBI were sought. The details of permissions obtained by the Company's directors, key personnel and employees for dealing in the securities of the Company incompliance with the "code of internal procedure and conduct" and "code of corporate disclosure practices" were also sought. The Company has responded to each of the queries vide letter dated September 6, 2013. The Company has confirmed the formulation of the "code of internal procedure and conduct" and "code of corporate disclosure practices" in accordance with SEBI Regulations and provided the SEBI with all the information sought.

5. The SEBI has pursuant to emails dated December 26, 2013 observed that in the board meeting held on March 13, 2013, the probability of our Company reporting a negative profit for the quarter ended March 31, 2013 was discussed. The SEBI sought information from Company with respect to when Company could ascertain that it would be reporting a loss of up to ₹500 million, the names and addresses of the persons who were aware of the expected loss before the official announcement was made to the market on March 20, 2013 the details of trading by the persons on the scrip of Company and the details of the services availed by Company from Ambit Capital Private Limited. Company has responded to these queries by letter dated December 30, 2013 stating that the Company was aware of these expected losses during its review for the relevant quarter which was undertaken in the first week of March 2013 and disclosing the persons who were aware of the expected losses and the chronology of events leading to the official announcement on March 20, 2013.

Company has additionally informed SEBI that it was merely seeking consultancy from Ambit Capital Private Limited through its e-mail communication dated January 16, 2014, however no data had been shared by Company with Ambit Private Capital Limited.

6. SEBI Adjudicating Officer, Enquiries and Adjudication Department (EAD) vide EAD-3 notice dated May 29, 2019 bearing reference number (SEBI/HO/EAD-3/JS/DJ/OW/P/13577/1/2019) issued Show Cause Notice ("SCN") to Company and other persons including I, Unnikrishnan, Sachin Agarwal, Ambit Capital Private Limited for the alleged violations of certain Regulations under SEBI (Prohibition of Insider Trading Trading) Regulations, 1992 and SEBI (Prohibition of Insider Trading Trading) Regulations, 2015, Clause 36 of the listing agreement along with Section 21 of Securities Contract Regulation Act, 1956, Section 12A(c) of SEBI Act, 1992 read with certain Regulations of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 as more specifically provided in the SCN. SEBI had conducted investigation in the matter of selective disclosure of unpublished price sensitive information by Company for period from March 1, 2013 to March 20, 2013 and had directed Company and other SCN notices to submit their reply with regard to their respective alleged violations mentioned in the SCN. Company informed SEBI of its intention to file settlement application which was accepted by SEBI. On July 15, 2019 Company submitted a detailed reply to SEBI on all the

violations alleged against MAFIL and SCN notices No. 1 to 3 and 8 to 10. Further, Company also submitted a settlement application on July 25, 2019 for settlement under section 3 of the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018 on behalf of MAFIL and SCN notices No. 1 to 3 and 8 to 10.

7. Vide SEBI Email Communication dated 05th March 2020, Company and the other Noticees were advised to attend SEBI internal Committee Meeting on the basis of Settlement Application Nos. 4003-10/2019 and 4033/2019. Company and the other noticees authorized, Mr. Dinesh Kallarackal,- Legal Head of the Company to attend the said meeting. Meeting was advised to submit the consent to settlement terms within the stipulated time. Company along with other Noticees agreed to the consent as approved by Board of Directors at their meeting held on 19th March 2020 and intimated to SEBI.
The High Powered Advisory Committee (HPAC), considered the settlement application and recommended the case for settlement on payment of the settlement charges. The panel of Whole Time Members of SEBI approved the recommendation of HPAC on June 8,2020, accordingly the Company paid the Settlement Charges on June 23, 2020 and consequently the instant adjudication proceedings stands disposed as per the Settlement Order from SEBI dated 07th July 2020.
8. SEBI has vide its emails dated March 5, 2014 and March 11, 2014 requested for certain information relating to Manappuram Agro Farms (including, its bank account statements from October 1, 2011 to February 29, 2012, its audited financial statements for FY2011-12) and clarifications as to whether Senmon V. P., Muthu Bhaskar, K..S. Sudhish, Sarada Sankaranarayan (wife of independent director A. R. Sankaranarayan) were designated as employees or dependents for the purpose of the Company's insider trading policies, copy of the resignation of Athulya Suresh, information relating to the transfer of shares of the Company by M. Anandan and when the Company was informed of this. The Company has responded to SEBI's emails on March 12, 2014 and March 13, 2014 pro- viding the bank account statements and audited financial statements for the relevant period and the resignation of Athulya Suresh dated November 1,

2011, clarifying that Senmon V. P., Muthu Bhaskar, K.S. Sudhish are not designated employees for the purpose of the code of conduct while Sarada Sankaranarayan is a dependent and that M. Anandan had informed the Company of the sale of its shares on September 6, 2013.

9. SEBI has by its letter dated May 30, 2014 observed that there have been delays in processing of rematerialisation requests of investors of the acquirer on accounts of delays by the Acquirer in issuing signed share certificates. The Acquirer has in its response dated June 20, 2014 clarified that the delay was on account of non-availability of stationery since the relevant debenture issuance was only in demat form and there were delays in collection of the original demat register from the office of the registrar and transfer agent. as corrective measures, the acquirer has proposed allotment of debentures in physical and demat form, designating a senior manager to co-ordinate with the registrar and transfer agent and ensuring that sufficient copies of the share certificates are available with the registrar and transfer agent.

10. SEBI has issued a notice dated August 6, 2014 under Section 4 of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 to our Managing Director and Chief Executive Officer, V. P. Nandakumar, our Directors, I. Unnikrishnan, B. N. Raveendra Babu and our Company Secretary, Rajesh Kumar. In this notice, SEBI has observed that the RBI issued a press release on February 6, 2012 stating that our Company cannot accept or renew public deposits. On February 7, 2012 the price of our Company's scrip declined by 19.95% from the previous trading day. The NSE suspected insider trading by certain entities who sold their shares prior to the RBI press release. Further, on February 2, 2012 the financial results for the three months' period ended December 31, 2011 was announced and an interim dividend was declared. In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 1992 declaration of financial results and dividends are price sensitive

information and the trading window is to be closed during this period. Although, the trading window was closed from January 27, 2012 to February 2, 2012 our Company has failed to comply with the relevant SEBI Regulations which require that the trading window to be closed for a period up to 24 hours after the corporate announcement. On these grounds, SEBI has issued a notice to show cause as to why an inquiry should not be held against them for violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992. An identical show cause notice dated August 6, 2014 has also been issued to our Company. We had been provided with a period of 14 days to respond. We have replied to SEBI by our letter dated September 1, 2014 requesting for permission to undertake inspection of all documents and records available with SEBI in relation to the show cause notice. On a review of the documents, we have filed a consent application dated November 29, 2014 along with an application dated November 29, 2014 for condonation of delay. In our consent application we have stated our willingness to consent to a settlement without admitting or denying any wrongdoing on our part. We have also requested the SEBI Internal Committee and the High Powered Advisory Committee to arrive at a settlement amount commensurate with the merits of the case and have expressed our willingness to pay the same as a full and final settlement of all proceedings arising out of the notice. The Company, directors and KMP have received settlement order dated September 23, 2015 in respect of the show cause notice dated August 6, 2015 was issued to the applicants alleging that they violated the provisions of the code of conduct and paid the settlement amount.

SEBI vide its letter No. SRO/KLO/DMU/OW/CIS/29388/2015 dated October 19, 2015 to Mr. V.P. Nandakumar, sought information pertaining to operations of Manappuram Agro Farms ("MAGRO"), its books of accounts, bank accounts including escrow account details among other particulars under the subject of allegation of fund raising in violation of the provisions of SEBI (Collective Investment Schemes) Regulations, 1999 and SEBI Act. As per the abovementioned SEBI letter, the information sought was based on the receipt of complaints by SEBI under CIS regulations. Mr. V.P. Nanadakumar had provided an interim reply on October 26, 2015 seeking more time to provide the documents sought by SEBI. Mr. V.P. Nandakumar provided the detailed reply along with relevant/supporting documents on November 25, 2015 and December 4, 2015 as sought by SEBI vide its letter dated October 19, 2015. In continuation to the above reply, SEBI vide its letter No. SRO/KLO/DMU/OW/P/2016/12685/1 dated May 2, 2016 sought further clarification and information based on the documents provided earlier. Mr. V.P. Nandakumar provided reply on May 03, 2016 and May 26, 2016 along with relevant/supporting documents and SEBI has not yet reverted on the reply provided by Mr. V.P. Nandakumar.

12. The SEBI has pursuant to its letter dated August 17, 2012 sought information from MAFIL with respect to the RBI's press release dated February 6, 2012 in respect of MAFIL stating that acceptance of deposits either by MAFIL or by Manappuram Agro Farms is an offence punishable with imprisonment. MAFIL had been asked to provide details of the correspondence between the RBI and to clarify whether MAFIL or any of its top management had any relationship with certain persons mentioned in the letter. MAFIL has responded to each query raised in the above mentioned letter, by its letter dated August 27, 2012. No further communication has been received from SEBI.

ANNEXURE IV – PROPOSED CASH FLOWS

COUPON PAYMENT DATES, PRINCIPAL PAYMENT DATE AND PRINCIPAL AMOUNTS

Redemption Schedule

Redemption Installments	Day & Redemption Date	No of Days in Coupon period	Interest to be redeemed per Debenture (in INR)	Amount to be redeemed per Debenture (in INR)
1st Coupon & Principal	Monday / 28-Sep-24	730	Please refer illustration scenarios and cash flows	10,00,000

Method of calculation of Effective Coupon Amount

Coupon Amount	$Face\ Value * [\ (1 + Annualized\ Coupon\ Rate)^{(Tenor\ in\ Days/365)} - 1\ ]$
Annualized Coupon Rate	Based on '*Reference Index Performance*', corresponding '*Annualized Coupon Rate' function'* will be applicable *Reference Index Performance* | *'Annualized Coupon Rate' function* *<= -75%* | *0%* *> -75%* | *8.50% XIRR*
Face Value	INR 10,00,000 (Rupees Ten Lakh only) per Debenture
Tenor In Days	*730* Days from Deemed Date of Allotment** **In the case of an Early Redemption, Tenor in Days will be number of days between the Deemed Date of Allotment and Early Redemption Date
Reference Index	5.85% GS 2030
Reference Index Performance	$(\frac{Final\ Fixing\ Level}{Initial\ Fixing\ Level}) - 1$

Initial Fixing Level	Official closing level of the Reference Index as on Initial Fixing Date
Initial Fixing Date	Deemed Date of Allotment
Final Fixing Level	The official closing level of the Reference Index on the Final Fixing Date
Final Fixing Date	[●] or Early Redemption date, as applicable

Illustration of the Scenario and Cash Flow:-

VALUATION MATRIX
Assuming Initial Index level of 7.26%

Initial Index Level	Final Index Level	Performance of Index Level	Initial Investment on per Debentures (INR)	Annualized yield on Debentures	Investment per debenture	Maturity Amount per Debenture
7.26%	0.36%	-95.00%	1,000,000	0.00%	1,000,000	1,000,000
7.26%	0.73%	-90.00%	1,000,000	0.00%	1,000,000	1,000,000
7.26%	1.09%	-85.00%	1,000,000	0.00%	1,000,000	1,000,000
7.26%	1.45%	-80.00%	1,000,000	0.00%	1,000,000	1,000,000
7.26%	1.81%	-75.10%	1,000,000	0.00%	1,000,000	1,000,000
7.26%	1.82%	-74.90%	1,000,000	8.50%	1,000,000	1,177,488
7.26%	5.08%	-30.00%	1,000,000	8.50%	1,000,000	1,177,488
7.26%	7.26%	0.00%	1,000,000	8.50%	1,000,000	1,177,488
7.26%	9.44%	30.00%	1,000,000	8.50%	1,000,000	1,177,488
7.26%	12.34%	70.00%	1,000,000	8.50%	1,000,000	1,177,488

ANNEXURE V - COPIES OF BOARD RESOLUTIONS AND THE RESOLUTION OF THE BORROWING AND SECURITIES ALLOTMENT COMMITTEE RESOLUTION

ASIRVAD MICRO FINANCE LIMITED
Subsidiary of MANAPPURAM FINANCE LTD.

EXTRACT FROM THE MINUTES OF THE MEETING N0. 11/2022-23 OF THE BORROWING AND SECURITIES ALLOTMENT COMMITTEE ("COMMITTEE") OF THE BOARD OF DIRECTORS OF ASIRVAD MICRO FINANCE LIMITED HELD ON MONDAY, SEPTEMBER 26, 2022 AT THE CORPORATE OFFICE SITUATED AT THE CORPORATE OFFICE SITUATED AT 09th FLOOR, No.9 CLUB HOUSE ROAD, ANNA SALAI, CHENNAI – 600 002 AT 9.00 AM

TO CONSIDER 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 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 amendedand 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 1,250 Rated, Senior, Secured, Transferable, Redeemable, Listed, Principal Protected, Non-Convertible Market Linked Debentures of face value of Rs.10,00,000/- (Rupees Ten Lakh only) each, and an aggregate amount of Rs.125,00,00,000/- (Rupees One Hundred and Twenty Five Crores only) [including a Green shoe option amounting to Rs.35,00,00,000/- (Rupees Thirty Five Crores only) comprising 350 (Three Hundred and Fifty Only) Rated, Senior, Secured, Transferable, Redeemable, Listed, Principal Protected, Non-Convertible Market Linked Debentures of face value of Rs.10,00,000/- (Rupees Ten Lakh only) each], 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 Mr. B. N. Raveendra Babu, Managing Director/or Mr. Rajesh KRN Namboodiripad,

Regd. Office : 9th Floor, No: 9, Club House Road, Anna Salai, Chennai - 600 002. T : 044 3529 8100
Web : www.asirvadmicrofinance.co.in E-mail : info@asirvad.in CIN : U65923TN2007PLC064550

Chief Financial Officer, on the terms and condition as follows:

Type of Security	:	Rated, Senior, Secured, Transferable, Redeemable, Listed, Principal Protected, Non-Convertible Market Linked Debentures
No. of Security	:	1,250
Face Value per NCD (InRs.)	:	Rs.10 Lacs per Debenture
Total Amount (In Rs.)	:	Rs.125 Crore
Coupon Rate		*Reference Index Performance* / *'Annualized Coupon Rate' function* <= -75% / 0% > -75% / 8.50% XIRR
Tenure		24 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. Rajesh KRN Namboodiripad, Chief Financial Officer, Mrs. Aparna Menon, Company Secretary, Mr. Amal Neeraj V, AGM – Finance & Treasury and Mr. Robert K.P., Joint General Manager- Head Accounts (**hereinafter referred to as "Authorized Persons"**) of the Company be and are hereby severally authorized to negotiate and settle the terms of issue of 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 BSE 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, 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 Catalyst Trustees 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 ExchangeBoard 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 maybe 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 toreceipt of funds pertaining to the aforesaid Private Placement including, without any limitation the following compliances: -

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 absolutediscretion, deem fit, necessary, desirable, incidental and/or consequential to give effect tothe 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 authorized to issue a copy of the aforesaid resolution certified to be true to any

ASIRVAD MICRO FINANCE LIMITED
Subsidiary of MANAPPURAM FINANCE LTD.

such authority as maybe required in this regard."

//Certified True Copy//

For Asirvad Micro Finance Limited

Aparna Menon
Digitally signed by Aparna Menon
Date: 2022.09.27 12:06:56 +05'30'

Aparna Menon

Company Secretary

ASIRVAD MICRO FINANCE LIMITED
Subsidiary of MANAPPURAM FINANCE LTD.
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EXTRACT FROM THE MINUTES OF THE 78TH MEETING OF THE BOARD OF DIRECTORS OF ASIRVAD MICRO FINANCE LIMITED HELD ON THURSDAY, 23RD JANUARY, 2020, AT THE COPRORATE OFFICE OF THE COMPANY SITUATED AT DOOR NO.9, 10TH FLOOR, CLUB HOUSE ROAD, ANNA SALAI, CHENNAI – 600 002, WHICH COMMENCED AT 2.00 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;

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;

For ASIRVAD MICRO FINANCE LIMITED

Aparna Menon
Company Secretary

ASIRVAD MICRO FINANCE LIMITED
Subsidiary of MANAPPURAM FINANCE LTD.
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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: September 03, 2022

ASIRVAD MICRO FINANCE LIMITED
Subsidiary of MANAPPURAM FINANCE LTD.
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EXTRACT FROM THE MINUTES OF THE 98TH MEETING OF THE BOARD OF DIRECTORS OF ASIRVAD MICRO FINANCE LIMITED HELD ON THURSDAY, MARCH 31 2022, THROUGH VIDEO CONFERENCING AT IV/470A(OLD) W638A(NEW), MANAPPURAM HOUSE, VALAPAD, THRISSUR – 680 567 (KERALA), WHICH COMMENCED AT 10:00 A.M.

APPROVED THE BORROWING PROGRAM IN LINE WITH THE BUSINESS PLAN AND DELEGATION OF POWERS TO COMMITTEES

a) **Private placement of Debentures:**

"RESOLVED THAT pursuant to Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 as in force or amended from time to time, the relevant rules / regulations / guidelines, if any, prescribed by the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI) and/or any other regulatory authority, the relevant provisions of the Articles of Association of the Company, approval of the Board be and is hereby accorded, to issue Redeemable Non-Convertible Debentures (NCDs) on a private placement basis, whether rated or otherwise in one or more tranches, for Rs. 4,800 Crore (Rupees Four Thousand Eight Hundred Crore only) during the Financial Year 2022-23, and if required, the same may be secured by the charge on assets of the company in favour of debenture trustees.

RESOLVED FURTHER THAT Borrowing and Securities Allotment Committee of the Board is hereby authorized to do all such acts, deeds and things to give effect to the above resolution including appointment of trustees, fixing the terms and conditions for the issue of NCDs, preparation and authentication of offer letters, issue and allotment of debentures, creation of charge, payment of applicable stamp duties, authorizing officers or intermediaries in connection with the issue of NCDs or any other matter incidental or ancillary thereto.

For ASIRVAD MICRO FINANCE LIMITED

Aparna Menon
Company Secretary

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RESOLVED FURTHER THAT Borrowing and Securities Allotment Committee of the Board may authorize employees to affix common seal on such documents as may be necessary in compliance with provisions entailed in Articles of Association of the Company."

//Certified True Copy//

For **Asirvad Micro Finance Limited**

Aparna Menon
Company Secretary
Date: September 03, 2022

ANNEXURE VI - COPY OF SHAREHOLDERS RESOLUTIONS

ASIRVAD MICRO FINANCE LIMITED
Subsidiary of MANAPPURAM FINANCE LTD.
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CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTIONS 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

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."

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

For ASIRVAD MICRO FINANCE LIMITED

Aparna Menon

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

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)."

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ATTACHED ALONGWITH THE NOTICE

ITEM NO. 4 & 5

For ASIRVAD MICRO FINANCE LIMITED

Aparna Menon
Company Secretary

ASIRVAD MICRO FINANCE LIMITED
Subsidiary of MANAPPURAM FINANCE LTD.
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Keeping in view the Company's existing and future financial requirements, the Company may need additional funds. For this purpose, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/individuals as may be considered fit, which, together with the sums of money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits from Rs.7,500 Crore (Rupees Seven Thousand Five Crore Only) to Rs.12,000 Crore (Rupees Twelve Thousand Crore Only). Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting. In order to facilitate securing the borrowing made by the Company, it would be necessary to create a charge on the assets or whole or part of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the General Meeting.

The Board of Directors of the Company at its Meeting held on May 14, 2021, has already approved the above stated proposal and recommended the same as contained in Item no.4 and 5 of the Notice, to the Members of the Company.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested financially or otherwise in the proposed resolution as set out in the Notice.

The Company has disclosed all the related information and to the best of understanding of the Board of Directors, no other information and facts are required to be disclosed that may

For ASIRVAD MICRO FINANCE LIMITED

Aparna Menon
Company Secretary

ASIRVAD MICRO FINANCE LIMITED
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enable Members to understand the meaning, scope and implications of the items of business and to take decisions thereon.

In compliance with the General circular number 20/2020 dated May 05, 2020, issued by the MCA, this item is considered unavoidable and forms part of this Notice.

//Certified True Copy//

For **Asirvad Micro Finance Limited**

Aparna Menon
Company Secretary
Date: September 03, 2022

ANNEXURE VII – RELATED PARTY TRANSACTIONS

FY 2021-22

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	Name of the party
	Mr. BN Raveendra Babu - Managing Director
	Mr. Yogesh Ratnakar Udhoji - Chief Financial Officer
	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. Harshan Kollara - Independent Director
	Mr. S V Raja Vaidyanathan - Non Independent Director
	Mrs. Aparna Menon - Company Secretary
Holding Company	Manappuram Finance Limited
Entity over which KMP has significant Influence	Adlux Medcity And Convention Centre P Ltd
	Proficient investment and financial consultancy Private Limited
Group companies	Manappuram Comptech and Consultants Limited
	Manappuram Health care Limited
	Manappuram Foundation

Note: Related party relationships are as identified by the Management.

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36.2 Transactions with the related parties

Nature	Name of the party	Year Ended March 31, 2022	Year Ended March 31, 2021
Remuneration to KMP	Mr. S V Raja Vaidyanathan	295.14	348.95
	Mr. BN Raveendra Babu	120.30	150.15
	Mr. Yogesh Ratnakar Udhoji	72.51	63.52
	Ms. Aparna Menon	15.03	5.21
	Mr. Anup Kumar Gupta	-	9.54
Donation	Asirvad Development Foundation	-	9.00
	Manappuram Foundation	149.89	315.54
Business Associate service	Manappuram Finance Limited	1.79	-
Rent & other amenities	Manappuram Finance Limited	8.86	0.73
	Proficient Investment And Financial Consultancy Pvt Ltd	4.77	4.54
Training expenses	Manappuram Finance Limited	69.02	18.63
Purchase of software	Manappuram Comptech and Consultants Limited	281.71	413.00
Software expense	Manappuram Comptech and Consultants Limited	1,127.02	792.52
Staff welfare expenses	Adlux Medcity And Convention Centre P Ltd	1.56	-
Staff welfare expenses	Manappuram Health care Limited	0.58	-
Staff welfare expenses	Manappuram Foundation	0.02	-
Sitting fees	Mr. A Ramanathan	6.12	5.76
	Mr. Abhijit Sen	6.02	3.84
	Mr. D.R. Dogra	5.89	4.04
	Mr. Gautam Saigal	6.27	4.32
	Ms. Pushya Sitaraman	4.24	3.93
	Mr. Subrata Kumar Atindra Mitra	3.57	2.97
	Mr. T. Balakrishnan	5.77	3.84
	Mr. T.M. Mancharan	3.44	2.63
	Mr. Harshan Kollara	3.16	-
	Mr. S V Raja Vaidyanathan	6.07	-
Commission	Mr. A Ramanathan	10.00	10.00
	Mr. D.R. Dogra	15.00	10.00
	Mr. Subrata Kumar Atindra Mitra	16.00	10.00
	Mr. Abhijit Sen	10.00	10.00
	Mr. Gautam Saigal	13.00	10.00
	Ms. Pushya Sitaraman	13.00	10.00
	Mr. T. Balakrishnan	13.00	10.00
	Mr. T.M. Mancharan	10.00	10.00
	Mr.Harshan Kollara	10.00	-
	Mr. S V Raja Vaidyanathan	10.00	-
	Mr BN Raveendra Babu	60.00	

36.3 Balance as at year end

Nature	Name of the party	Year Ended March 31, 2022	Year Ended March 31, 2021
Rent payable	Proficient Investment And Financial Consultancy Pvt Ltd	0.88	0.38
	Manappuram Finance Limited	1.79	-
Staff welfare expenses payable	Manappuram Health Care Limited	0.01	-
Interest Generated from CSR fund	Manappuram Foundation	1.56	-
Software expense payable	Manappuram Comptech and Consultants Limited	136.24	95.91
Performance incentive payable	Mr. S V Raja Vaidyanathan	-	150.00
	Mr. BN Raveendra Babu	60.00	60.00
Commission payable	Mr. A Ramanathan	10.00	10.00
	Mr. D.R. Dogra	15.00	10.00
	Mr. Subrata Kumar Atindra Mitra	16.00	10.00
	Mr. Abhijit Sen	10.00	10.00
	Mr. Gautam Saigal	13.00	10.00
	Ms. Pushya Sitaraman	13.00	10.00
	Mr. T. Balakrishnan	13.00	10.00
	Mr. T.M. Manoharan	10.00	10.00
	Mr Harshan Kollara	10.00	-
	Mr. S V Raja Vaidyanathan	10.00	-

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 March 31, 2022 and March 31, 2021 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:

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

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.

FY 2019-20

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.

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	-

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.

ANNEXURE XIV- ALM STATEMENTS

ASIRVAD MICRO FINANCE LIMITED

Subsidiary of MANAPPURAM FINANCE LTD.

Small Loans... Big Dreams..

A NEW BEGINNING. A PROMISING FUTURE.



15TH ANNUAL REPORT 2021-2022

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To view this report online, please visit:
www.asirvadmicrofinance.co.in

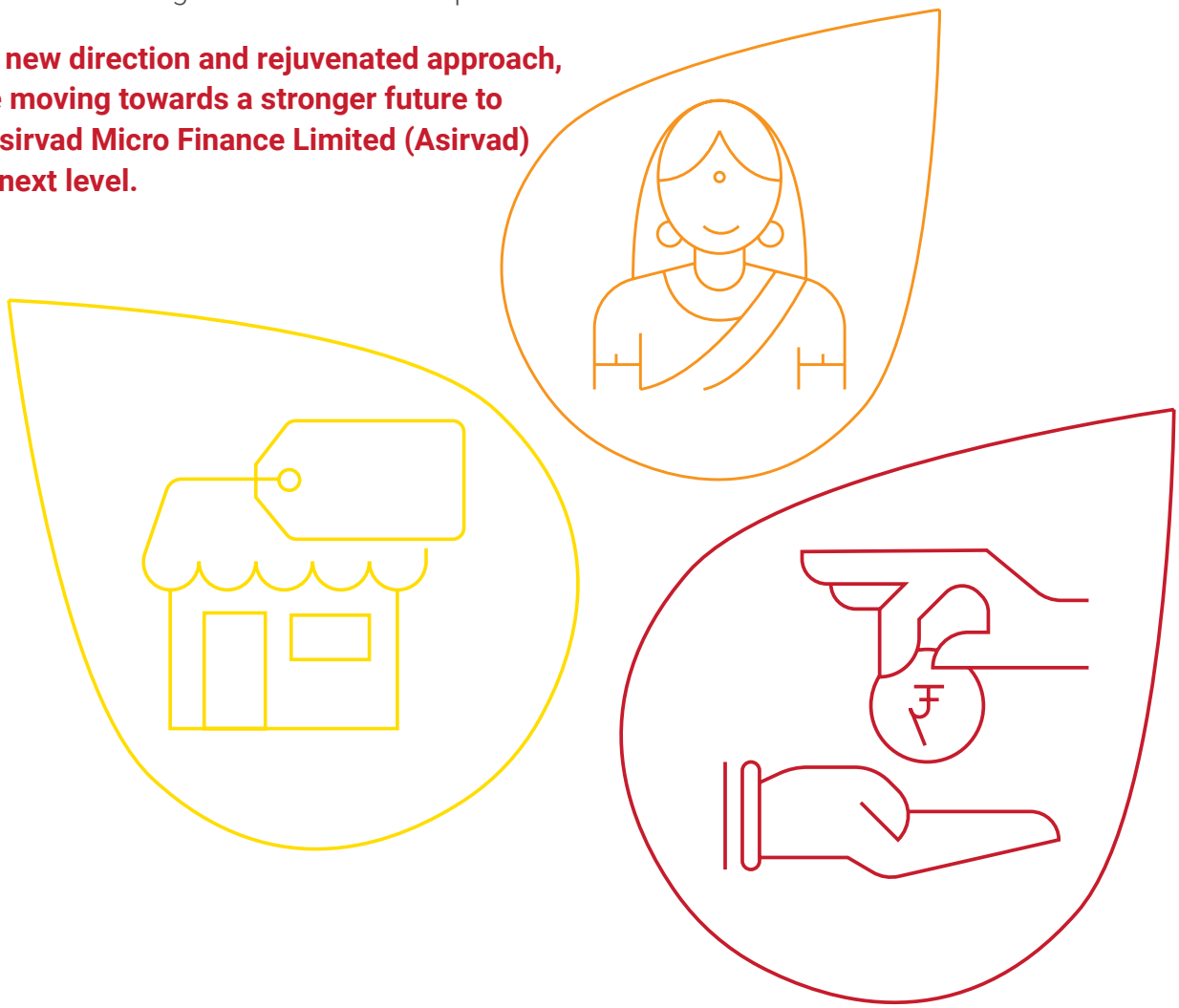
The last two years have been extraordinary with challenges of an unprecedented scale. We have weathered the tough times and emerged stronger after each crisis, on the back of our solid foundation and robust capabilities. Our core strengths of customer centricity and quick adoption of top-notch technology for seamless operations help us stay ahead.

Our strategic initiatives in the past have resulted in strong growth in our loan book and enhanced customer experience.

We are more focussed than ever and are well placed to be at the forefront of upcoming opportunities and achieve new milestones.

The new regulatory framework for microfinance institutions aims to bring regulatory parity among NBFC-MFIs and curtail regulatory arbitrage enjoyed by other microlenders. Removal of pricing caps on small loans will allow low-cost lenders, like us, to gain higher market share while maintaining profitability. It will also lead to an increase in ticket size and boost the growth of the lenders through new customer acquisitions.

With a new direction and rejuvenated approach, we are moving towards a stronger future to take Asirvad Micro Finance Limited (Asirvad) to the next level.

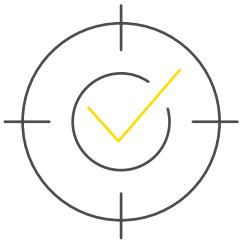


About Us

Asirvad Micro Finance Limited is an NBFC promoted by an IIT & IIM alumni Shri S.V. Raja Vaidyanathan and his family members in the year 2007. In February 2015, Asirvad became a subsidiary of Manappuram Finance Limited. We provide microfinance loans to women from poor and low-income households to improve their livelihoods through our widespread network of branches across 22 States and 3 Union Territories.

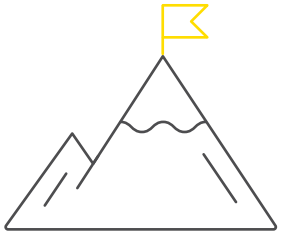
Our product portfolio encompasses loans such as Micro Finance loans, MSME loans, and Gold loans. We have a reputation of being one of the lowest-cost micro finance companies in India with an operating expense to Assets Under Management (AUM) of 6% as on March 31, 2022.

We have a vast knowledge of the market, extensive portfolio and regional presence, powerful systems and processes, and a talented workforce. We continue to leverage our excellence and expertise to power profitable growth while considering the interests of all stakeholders.



Vision

To empower the members at the bottom of the pyramid by providing financial assistance.



Mission

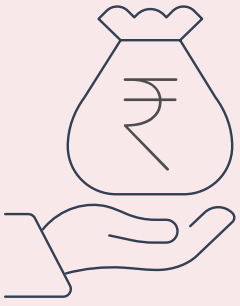
To organise groups of committed poor women and provide innovative financial services in a sustainable manner with a view to alleviate poverty through viable income generation activities.



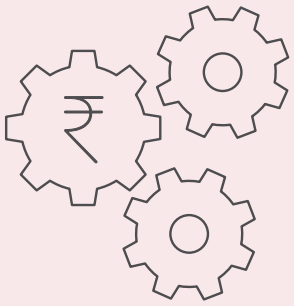
Values

- Acceptance
- Support
- Integrity
- Resilience
- Viable
- Adaptable
- Dependable

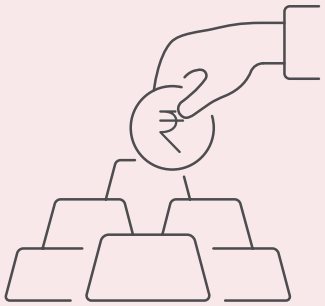
Our Offerings



Micro Finance Loan



MSME Loan



Gold Loan

Branch Network



Map not to scale. For illustrative purposes only.

Quick Facts

1,526*
No of branches

2.5 million*
Active borrowers

12,581*
No. of employees

₹ 7,002.18 Crores*
Assets under Management (AUM)

₹ 8,557 Crores*
Total disbursements

AA-/Stable
Long Term Rating by CRISIL

A1+
Short Term Rating by CRISIL

A+/Stable
Rating by CARE

*Data as on March 31, 2022
**During the FY 2021-22

Our Journey

2007

Obtained NBFC licence from the Reserve Bank of India (RBI) in December and started operations in Tamil Nadu with eight employees.

2011

Portfolio crossed ₹ 100+ Crores with 2.20 Lakh active members and a branch network of 85 in Tamil Nadu.

2015

Acquired by Manappuram Finance with 80% stake.

2016

Crossed ₹ 1,000+ Crores in Assets Under Management (AUM).

2018

- Rated MFI 1 by CARE, the highest rating in the industry.
- Joined the elite club of large MFIs with total AUM of ₹ 2,400+ Crores.

2019

Crossed ₹ 5,000+ Crores in Assets Under Management (AUM).

2021

Launched a new business line, Asirvad Gold Loan

Chairman's Message



Mr. V P Nandakumar
Chairman

Asirvad's AUM growth during the year outpaced the industry growth, increasing by over 17 percent to cross the ₹ 7,000 Crores milestone, while posting a net profit of ₹ 13.4 Crores. Your Company's operating income increased by 29 percent, up from ₹ 1,053 Crores in FY 2020-21 to ₹ 1,355.7 Crores in FY 2021-22.

Dear Shareowners,

It is my pleasure to present to you our 15th Annual Report for the year ended March 31, 2022.

You will recall that the year began on a very sombre note with the appalling second wave of COVID-19 overwhelming our healthcare infrastructure and disrupting economic activity across the country. Notwithstanding the many macro and industry-specific challenges that ensued, we have ended the year with substantial growth and improving collection efficiency. With the turbulence behind us, we now look forward with optimism to the days ahead. I have no doubt that the future holds tremendous promise for our Company, especially in the light of RBI's new harmonised regulations for the microfinance sector announced in March 2022, which is acknowledged as a milestone for the sector.

Economic Outlook

As is well known, the world economy had suffered a severe slowdown in FY 2020-21 following the onset of the COVID-19 pandemic. The Indian economy, in particular, faced its worst setback since Independence as the strict nationwide and state-level lockdowns those were enforced to stem the advance of the pandemic disrupted economic activities across the spectrum. India's GDP contracted sharply during the year, registering a decline of 6.6 percent. While hopes of a smart recovery in

FY 2021-22 were high to begin with, it was soon tempered by the onset of the second wave in April 2021 and the third wave in January 2022. However, with the benefit of the experience gained from the first wave, the response was more finely calibrated, and blanket lockdowns were avoided. The Russia-Ukraine war that began in February 2022 added to the uncertainties with prices soaring in the global commodity and energy markets. Notwithstanding the difficulties, India's GDP for FY 2021-22 registered a healthy growth of 8.7 percent, making it one of the fastest growing economies in the world. While the base effect did play a part, as seen in the first quarter of the year which registered an unprecedented GDP growth of 20.1 percent, the sustained trend of record GST collections and robust growth in higher value-added exports pointed to a sharp rebound in the formal sector of the economy.

At the same time, with persisting disruptions in the global supply chain, a severe global shortage of semi-conductors, and a sharp rise in energy and commodity prices in the fourth quarter, GDP growth showed a steadily weakening trend, falling to 8.4 percent in the second (September) quarter and then to 5.4 percent in the December quarter. In the final, fourth quarter (March) of the year, GDP growth slowed further to 4.1 percent, in line with global trends where major Western economies appear to be heading into recession.

India's agricultural farm sector recorded a growth of 3 percent as compared to 3.3 percent in FY 2020-21. Importantly, sectoral growth in the fourth quarter was a healthy 4.1 percent which holds promise of a better year ahead for agriculture provided the monsoon holds good as predicted.

Microfinance Sector

The microfinance business model gives people at the bottom of the pyramid access to financial services provided by the formal sector and is therefore critical to the country's efforts to further financial inclusion. It is then heartening to learn that despite all the troubles of the year, the Gross Loan Portfolio (GLP) of the microfinance industry grew by 10 percent in FY 2021-22 to nearly ₹ 2.9 Lakh Crores, up from ₹ 2.6 Lakh Crores in the preceding year. The average ticket size for NBFC-MFIs increased from ₹ 35,266 to ₹ 38,647 during the year.

However, it was in the fourth quarter that the sector showed signs of sustained recovery. According to a report by Sa-Dhan, a self-regulatory organisation of the industry, there was over 13 percent portfolio growth over the previous quarter, indicating that activity levels in microfinance is gradually returning to pre-pandemic levels. Non-banking financial companies (NBFC-MFIs) registered a growth of 19 percent with their GLP crossing ₹ 94,000 Crores while their disbursements in the quarter jumped to ₹ 30,216 Crores compared to ₹ 27,364 Crores in the fourth quarter of FY 2020-21. The Portfolio at Risk (PAR) for loans overdue by more than 30 days also improved significantly in the fourth quarter along with collection efficiency, indicating that a return to normalcy for MFI borrowers is on the cards.

Industry Poised for Growth

Having weathered the storms of the past two years, the NBFC-MFI business model stands vindicated once again. The Reserve Bank of India has reiterated its confidence in the sector with the introduction, in March 2022, of harmonised regulations for microfinance as an asset class. The new regulations give greater flexibility to NBFC-MFIs in managing their risks and increasing their reach and this is likely to spur further investment in the sector. The uniform applicability of the regulations and the removal of the NIM cap are major positives for the industry, while the implementation of the total loan repayment to income ratio benefits borrowers. India's microfinance sector is now better placed to fulfil its goal of extending credit to the unbanked sections.

Performance of the Company

It is heartening that despite India's uneven economic recovery where the informal sector continues to lag behind, your Company was able to post significant growth in business volumes. In any macro-economic crisis, the MFI sector is usually hit the hardest, but your Company was able to control credit costs through focussed efforts on collections.

Asirvad's AUM growth during the year outpaced the industry growth, increasing by over 17 percent to cross the ₹ 7,000 Crores milestone, while posting a net profit of ₹ 13.4 Crores. Your Company's operating income increased by 29 percent, up from ₹ 1,053 Crores in FY 2020-21 to ₹ 1,355.7 Crores in FY 2021-22. We now serve 2.57 million customers, up from 2.41 million recorded in the preceding year.

A Word in Gratitude

Finally, let me thank all our shareholders, our banking partners, the Reserve Bank of India being our regulators, and all other stakeholders for the support extended over the years. I take this opportunity to thank Mr. B.N. Raveendra Babu, Managing Director, and the entire team at Asirvad, for admirably steering the ship through choppy waters. I would also like to place on record my gratitude to Mr. S.V. Raja Vaidyanathan, the founder of the Company and its Managing Director till June 30, 2021, for his many and valuable contributions to the Company. Thanks to their efforts, we are now well-positioned to consolidate and grow.

With best wishes,

V P Nandakumar
Chairman

Message from Managing Director



B N Raveendra Babu
Managing Director

During FY 2021-22, we disbursed ₹ 8,557 Crores loans and served 26 Lakh customers across MFI, MSME, and Gold Loan segments and witnessed a 17% growth in AUM with enhancement of 461 branches taking the total branch network to 1,526 during the year.

Dear Shareholders,

It gives me immense pleasure to share the 15th Annual Report. I feel privileged to have led your Company as Managing Director during the most crucial year FY 2021-22.

The year began with the second wave of the pandemic which had a serious impact on lives and livelihoods, especially on the people at the bottom of the pyramid. Communities and businesses across the world adapted to the new normal. This year was a concoction of learning, unlearning, and relearning.

Staying true to its vision, your Company stood by its customers during this challenging year. It is our commitment to continue to empower the members at the bottom of the pyramid.

During FY 2021-22, we disbursed ₹ 8,557 Crores loans and served 26 Lakh customers across MFI, MSME, and Gold Loan segments and witnessed a 17% growth in AUM with enhancement of 461 branches taking the total branch network to 1,526 during the year.

I am also privileged to announce that your Company has developed an inclusive and sustainable digital ecosystem through substantial investment, skilled resources, adequate and scalable cloud infrastructure, agile processes, secure and a conducive regulatory environment, making it clear that Asirvad Information Technology has become the key driver for current and future advancement of business.

The Reserve Bank of India's (RBI) new regulatory framework for microfinance loans issued on March 14, 2022 is a welcome move. The RBI has completely redefined the microfinance business, which will provide more flexibility and create a level playing field for all. With the deregulation of margin cap, the opportunity for risk-based pricing sets the backdrop of a promising future for MFI's.

The process of adaptation has been very challenging, starting from change in strategies, processes, approaches, and systems. This year has witnessed a high degree of resilience demonstrated by our beloved employees. Their remarkable contributions are the reason that your Company has grown in these unprecedented times.

I take the opportunity to express my sincere gratitude to the regulators for their continuous guidance and support in helping us build a sustainable business. The commitment and co-operation of the employees is the backbone of your Company and I thank them for being true asset. I have no doubt that everyone from the bottom to the top of the pyramid will strive to take Asirvad to the next level and make your Company the epitome of success.

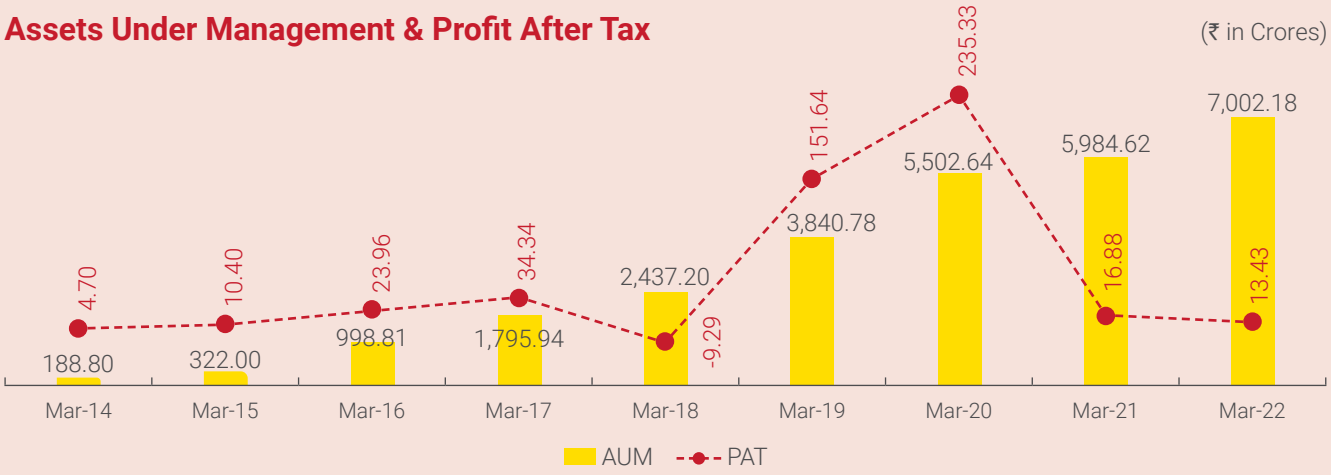
I also appreciate the efforts and guidance of our esteemed Board members and the parent Company. I express my gratitude to all our shareholders and customers for their continued support.

I am optimistic that, together, we can take Asirvad to newer heights in creating value for the community.

Performance Highlights

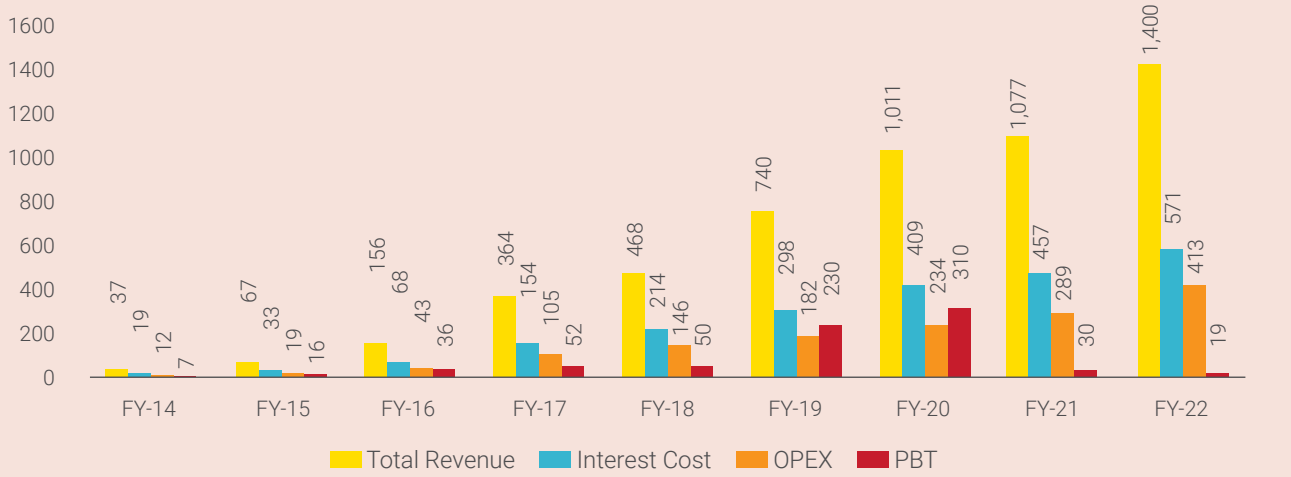
Assets Under Management & Profit After Tax

(₹ in Crores)



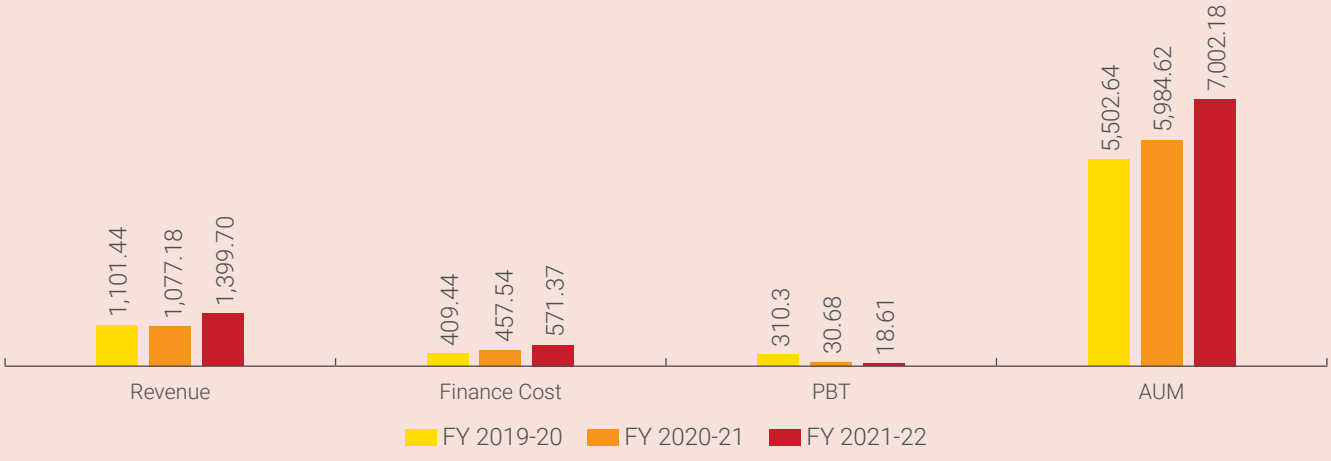
Total Revenue, Interest Cost, OPEX, Profit Before Tax (PBT)

(₹ in Crores)

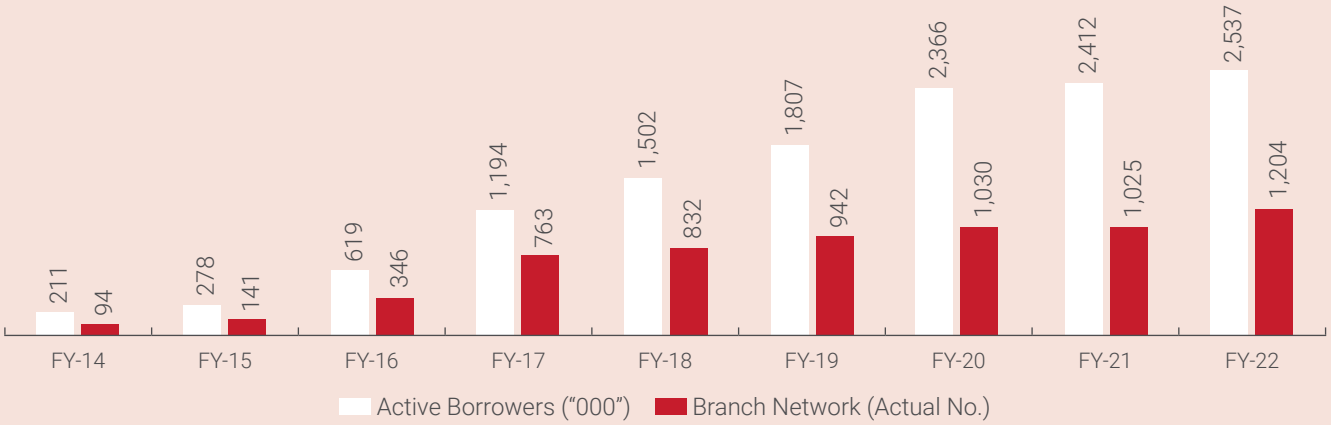


Revenue, Finance Cost and PBT & AUM

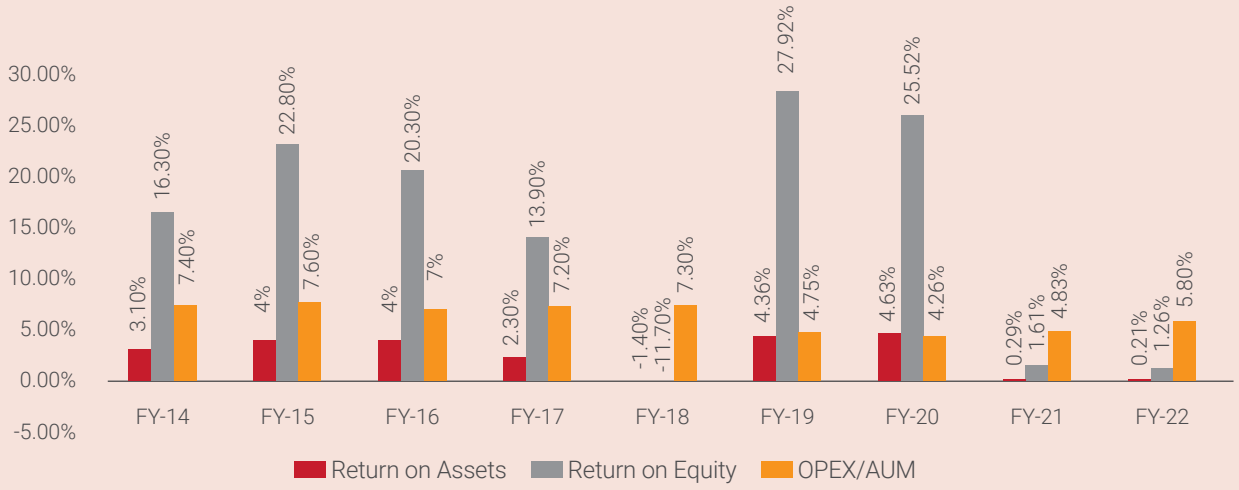
(₹ in Crores)



Operational Metrics(MFI)



Financial Ratios



Strengthening Our Technology Edge

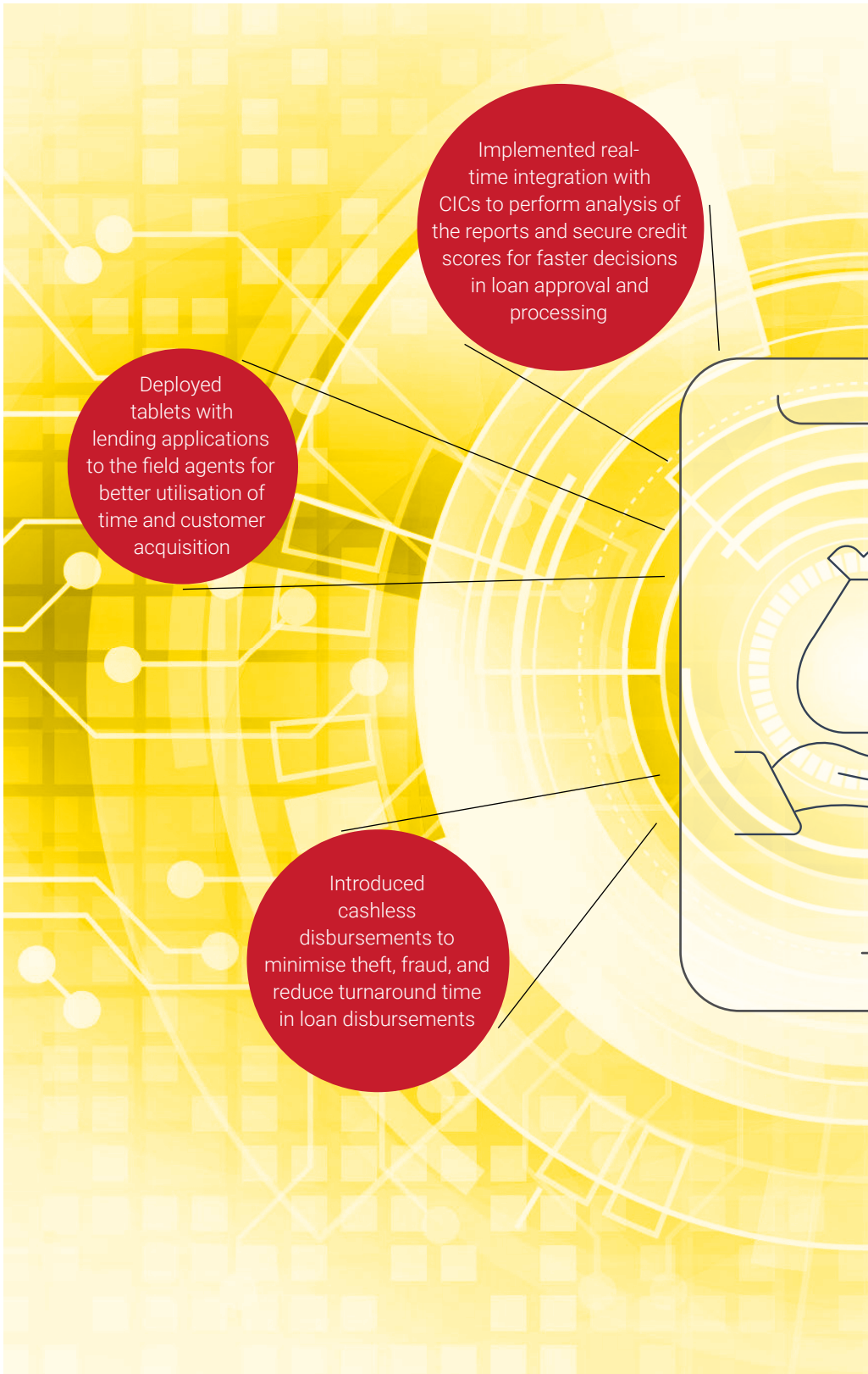
We have been actively adopting innovative digital technologies to simplify processes for our customers and our people. Our intent is to integrate technology to improve efficiencies and strengthen our competitive edge.

Information technology has become a key driver for our business processes and functions. Increased penetration of mobile technology brings multiple benefits and helps us track transactions on a real-time basis, digitise physical records, and improve transparency and process efficiencies. Advanced technologies are being used for verifying and capturing KYC details and geo-tagging locations as enhanced security measures.

We leverage end-to-end Loan Origination System (LOS) and Loan Management System (LMS) platform through open Application Program Interface (APIs), General Packet Radio Service (GPRS) enabled applications, real-time data transfer to servers maintained at Oracle Cloud Infrastructure (OCI).

We have also digitised MFI collection transactions through integration with Bharat Bill Payment System (BBPS) and introduced a customer app to facilitate customers in online and seamless payment of EMIs, access statements, etc.

Digitalisation Initiatives to Enhance Customer Experience





Way forward

- Implementation of E-KYC to digitise the KYC process, enabling us to authenticate the identity of the customer in real time
- Implementation of workforce management system to help us manage the workforce effectively and efficiently
- Implementation of E-SIGN (Electronic Sign Services) and digitisation of loan processing documents using Aadhaar authentication services
- Implementation of Oracle Business Intelligence (BI), Oracle Analytics platform that provides on-the-fly report configuration, Drag and Drop model and will enable us to make better decisions and implement efficient processes with an analytic dashboard
- Implementation of Enterprise Risk Management System to facilitate building Integrated risk-based Management and Decision Architecture
- Deployment of credit risk rating and scoring system to facilitate prudent individual lending and differential risk-based pricing of loan products

Board of Directors



Mr. V P Nandakumar
Chairman

He is a post-graduate in science with additional qualifications in Banking and Foreign Trade. He started his career with the erstwhile Nedungadi Bank. In 1986, he resigned to take over the family business, following the demise of his father, V.C. Padmanabhan. In 1992, he promoted Manappuram Finance Limited and has been a Director of the Company since then. He is a managing committee member of leading trade and industry associations such as Associated Chambers of Commerce (ASSOCHAM) and Federation of Indian Chambers of Commerce (FICCI). He is also a former Chairman of the Kerala State Council of the CII and a finalist at the EY Entrepreneur of the Year Awards 2017.



Mr. B N Raveendra Babu
Managing Director

Mr. B. N. Raveendra Babu holds a master's degree in Commerce from the Calicut University and has completed his internship from the Institute of Certified Management Accountants.

Prior to joining the Manappuram Group, Mr. Babu occupied senior positions in Finance and Accounts in various organisations in the Middle East. He has been a Director of MAFIL since 1992. He was appointed Joint Managing Director in January 2010 and was made Executive Director in May 2012.

He was redesignated as Non-Executive Director of the Company with effect from June 2020, pursuant to his appointment in Asirvad Micro Finance Limited as Joint Managing Director. He was appointed as the Managing Director in Asirvad Micro Finance Limited effective from July 01, 2021.



Mr. S V Raja Vaidyanathan
Non-Executive and Non-Independent Director

B.Tech (IIT Madras), MBA (IIM Calcutta), AICWAI, ACS and has more than 40 years of experience in the field of Financial Services, Infrastructure, Media, Telecom & Retail sectors. He is the founder of the Company and has been actively involved in building Asirvad for the last decade and a half initially as Chairman and MD and last 11 years as MD of the Company.



Mr. Gautam Saigal
Non-Executive and Non-Independent Director

Mr. Gautam Saigal is founder partner of Pachira Financial Services LLP. He has over 30 years of experience in financial services covering Investment Banking, Private Equity Investments and Advisory Services.

Gautam was the Managing Director of AA Indian Development Capital Advisors Ltd., advisors to the India dedicated mid-market focussed private equity fund launched by the Ashmore Group and Alchemy Partners, UK (2006-2013).

Prior to this, he was Vice President, AIG Global Investment Group (Asia) and Co-Head of its India Private Equity advisory practice, responsible for leading several private equity investments across various sectors (1997-2006). Earlier to this, he was in Investment Banking for 6 years.

From September 2013 till August 2021, he was an Advisor to Manappuram Finance Ltd. He is presently a member of the Board of Directors of their subsidiary companies - Asirvad Micro Finance Limited and Manappuram Home Finance Ltd.

He is a Chartered Accountant and a post-graduate in Commerce.



Mr. A Ramanathan
Independent Director

He retired as a Chief General Manager from NABARD in Micro Credit Innovations Department. He is an expert in Institutional Development, Organisational Development, Organisational Behaviour, Small Business Development, Training Need Assessment, Training Techniques, etc. He has more than 35 years of rich experience in the banking industry.



Mr. D R Dogra
Independent Director

Former Managing Director & CEO of CARE Ratings. Have around 39 years of experience in the financial sector in the areas of banking and credit rating. He has expertise in product conception and development across all sectors including Manufacturing, Infrastructure, Finance, and SME among others. Have maintained a high growth trajectory after taking over as acting Managing Director and made CARE the second largest rating agency.

Board of Directors



Mr. T Balakrishnan
Independent Director

A former member of Indian Administrative Service, Mr Balakrishnan retired as Additional Chief Secretary, Industries and IT Departments Kerala. He has rich experience in various fields including Public Administration, Regulations, Industry, Tourism, Infrastructure, IT and Local Self Government. He has worked in Tamil Nadu, Kerala, Delhi and New York in his long career. He has served in more than 40 Boards including State PSUs, Central PSUs, Statutory Boards and reputed Private Sector Companies, as Director. He has attended several National and International Conferences, Training Programs and Seminars.



Mr. T M Manoharan
Independent Director

He is a retired officer of Indian Forest Service (IFS). He was Principal Chief Conservator of Forests and Head of Forest Forces, Kerala, and Chairman of Kerala State Electricity Board as well as Kerala State Electricity Regulatory Commission. He holds a Masters Degree in Chemistry and Sociology and is also a law graduate.



Ms. Pushya Sitaraman
Independent Director

She is a Law graduate from Madras Law College and holds a Bachelor's degree in Arts from Stella Maris College. She is a designated Senior Advocate of the Madras High Court and has been practising as an advocate for over 40 years, specialising in the field of taxation and corporate laws.



Mr. S K Mitra
Independent Director

Having started his career in 1970, in the year 1977, Mr. S K Mitra played a vital role in setting up the Merchant Banking Division of the Bank of India. During the period from 1978 to 1984, he worked for Standard Chartered Bank in investment banking and was advisor for several domestic and international business houses for new projects and acquisitions.

Later, in year 1985, Mr. Mitra joined American Express Bank and was the head of Corporate Banking and Investment Banking in India.

He joined GIC Mutual Fund in 1990 as the Managing Director. In 1994, he joined Aditya Birla Group as Director, Financial Services and set up a wide range of successful ventures.

He served as Independent Director on the Board and Committees of several reputed organisation. Currently, he is India Correspondent for Asia Asset Management, Hong Kong. He continues to be an Advisor to a large international Bank. Has been advisor to a few PE firms and Start-up firms. He has also been a nominee director on Board of companies on behalf of PE firms. He continues to be associated with several international and domestic NGOs and business chambers in India.



Mr. Abhijit Sen
Independent Director

He has a B. Tech (Hons) degree from the Indian Institute of Technology (IIT), Kharagpur and a Postgraduate Diploma in Management from IIM, Kolkata with majors in Finance and Information Systems. He retired as Chief Financial Officer of Citibank, India Subcontinent in 2015 post 20 years of service. Post retirement, he is associated with a large Big 4 firm as an External Advisor, for their activities in the banking and financial services sector. He serves on several Boards including Kalyani Forge, Trent, U Gro Capital, Manappuram Finance Limited and Cashpor Microcredit. He also chairs the Audit Committees of Kalyani Forge, Tata Investment Corporation and U Gro Capital in addition to participating on several other Board Committees. In the past, he was on the Boards of National Securities Depository Ltd and various Citi entities and has been an external advisor to General Atlantic.



Mr. Harshan Kollara
Independent Director

He is an alumnus of Mumbai University. He has over 40 years of experience in banking and financial services in India and abroad. He has been with diverse institutions like Union Bank of India and ICICI Bank (as EVP and Head of International banking), Union Bank of California (as Vice President and Regional Head of South Asia Region) and Federal Bank (as its Executive Director). He has been the Non-executive Director of Experian Credit Information Company of India Private Limited and is a person regulated by the Financial Conduct Authority (FCA). He has extensive experience in foreign exchange, cross-border trade finance, payment business, consumer credit, core banking application system implementation, and compliance including anti-money laundering, counter-terrorism financing and financial crime prevention practices. He is experienced in global standards and best practices in governance.

Corporate Information

Company

Asirvad Micro Finance Limited

Corporate Identification Number

U65923TN2007PLC064550

Registered Office

1st Floor, Desabandhu Plaza, 47, Whites Road, Royapettah, Chennai – 600014, Ph: +91- (44) 43510081

*Upto August 31, 2022

Corporate Office

9th & 10th Floor, 9, Club House Road, Anna Salai, Royapettah, Chennai - 600 002, Ph: +91- (44) 4212 4493

**Registered office w.e.f September 01, 2022

Managing Director

Mr. B N Raveendra Babu

Statutory Auditors

M. P. Chitale & Co, Chartered Accountants
Firm Registration No. 101851W CTS 759 / 70, Ground Floor, Vatsala Bhavan, Prabhat Road, Lane No. 1, Pune - 411 004, Maharashtra

Secretarial Auditors

KSR & Co., Company Secretaries LLP
Indus Chambers, No.101, Govt. Arts College Road, Coimbatore - 641 018

Registrars & Transfer Agents

S.K.D.C. Consultants Limited
"Surya", 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028 (Tamil Nadu)
Phone: 0422 4958995, 2539835 / 836
Fax : 0422 2539837
Email: info@skdc-consultants.com

Debenture Trustees

Catalyst Trusteeship Limited
(Erstwhile GDA Trusteeship Limited)
Office No. 604, 6th Floor, Windsor, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098

IDBI Trusteeship Services Limited
Ground Floor, Asian Building, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 051

Vardhman Trusteeship Private Limited
The Capital, A Wing, 412A, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051

List of Lenders

Refinance Institution and Financial Institution
NABARD
SIDBI

PSU Banks
Bank of Baroda
Bank of India
Bank of Maharashtra
Canara Bank
UCO Bank
Indian Bank
Punjab & Sind Bank
Punjab National Bank
Indian Overseas Bank
State Bank of India
Union Bank of India
IDBI Bank

Private Sector Banks
Axis Bank
Bandhan Bank
CSB Bank
Federal Bank
ICICI Bank
IDBI Bank
Kotak Mahindra Bank
DBS Bank
RBL Bank
South Indian Bank
YES Bank Ltd
Karnataka Bank

Foreign Institutional Investors
Blue Orchard
CDC Group
IIV Impact Investing Funds -DKM MicroFinzfond
ResponsAbility
WaterCredit Investment Fund 3, LP
World Business Capital

Foreign Banks
CTBC Bank
HSBC Bank
SBM Bank (India)
SMBC
Standard Chartered Bank
Woori Bank
Bank of Bahrain and Kuwait

Small Finance Banks
Equitas Small Finance Bank
Utkarsh Small Finance Bank
Suryoday Small Finance Bank
Jana Small Finance Bank

NBFCs
A K Capital
Aditya Birla Finance Ltd
Anand Rathi Global Finance Ltd
Bajaj Finance Ltd
JM Financial Products Ltd
MAS Financial Services
Navi Finserv Ltd.
Karvy Capital
Nabkisan Finance Ltd
Nabsamruddhi Finance Ltd
Northern Arc Ltd
Northern Arc Investment Managers
Reliance Home Finance Ltd
Royal Sundaram General Ins. Co. Ltd
TATA Capital Ltd
Vivriti Capital
Vivriti Asset Management

Board and its Committees

Board of Directors

Mr. V P Nandakumar
Chairman

Mr. Abhijit Sen
Independent Director

Mr. A Ramanathan
Independent Director

Mr. B N Raveendra Babu
Managing Director

Mr. D R Dogra
Independent Director

Mr. Gautam Saigal
Non-Executive and Non-Independent Director

Mr. Harshan Kollara
Independent Director

Mrs. Pushya Sitaraman
Independent Director

Mr. S K Mitra
Independent Director

Mr. S V Raja Vaidyanathan
Non-Executive and Non-Independent Director

Mr. T Balakrishnan
Independent Director

Mr. T M Manoharan
Independent Director

Nomination & Remuneration Committee

Mr. T Balakrishnan
Chairman

Mr. A Ramanathan
Member

Mr. Gautam Saigal
Member

Mrs. Pushya Sitaraman
Member

Borrowing and Securities Allotment Committee

Mr. B N Raveendra Babu
Chairman

Mr. A Ramanathan
Member

Mr. S V Raja Vaidyanathan
Member

Mr. V P Nandakumar
Member

Risk Management Committee

Mr. Gautam Saigal
Chairman

Mr. Abhijit Sen
Member

Mr. B N Raveendra Babu
Member

Mr. D R Dogra
Member

Mr. S V Raja Vaidyanathan
Member

Mr. T M Manoharan
Member

Mr. S. Umasankar (CRO)
Member & Secretary

Management Committee

Mr. V. P. Nandakumar
Chairman

Mr. Abhijit Sen
Member

Mr. B N Raveendra Babu
Member

Mr. D R Dogra
Member

Mr. Gautam Saigal
Member

Mr. Harshan Kollara
Member

Mr. S V Raja Vaidyanathan
Member

Audit Committee

Mr. D R Dogra
Chairman

Mr. Abhijit Sen
Member

Mr. Gautam Saigal
Member

Mr. S V Raja Vaidyanathan
Member

Mr. T Balakrishnan
Member

Mr. Harshan Kollara
Member

Corporate Social Responsibility Committee

Mrs. Pushya Sitaraman
Chairperson

Mr. B N Raveendra Babu
Member

Mr. D R Dogra
Member

Mr. T Balakrishnan
Member

Asset Liability Committee

Mr. B N Raveendra Babu
Chairman

Mr. Ravindra Goud (COO)
Member

Mr. S Umasankar (CRO)
Member

Mr. Rajesh KRN Namboodiripad (CFO)
Member & Secretary

IT Strategy Committee

Mr. S K Mitra
Chairman

Mr. Abhijit Sen
Member

Mr. B N Raveendra Babu
CIO

Mr. S V Raja Vaidyanathan
Member

Mr. Joshy KG
CTO

Stakeholders Relationship Committee

Mr. S K Mitra
Chairman

Mr. B N Raveendra Babu
Member

Ms. Pushya Sitaraman
Member

Mr. T. M. Manoharan
Member

**Mr. Harshan Kollara has been appointed as the Independent Director w.e.f August 07, 2021*

Management Discussion and Analysis

INDUSTRY STRUCTURE AND DEVELOPMENTS [1]

Microfinance, also called microcredit, is the provision of collateral-free loans of small amounts to low-income individuals or groups who otherwise have limited access to alternate credit sources. Almost 99% of microfinance loans in India are provided to women from low-income households.

The last few years saw the micro-credit industry becoming more aligned with the broader financial services sector. Some of the large NBFC-MFIs were successful in becoming universal banks or Small Finance Banks (SFBs) taking advantage of the new Licensing regime and few merged with banks and large NBFCs. Banks and NBFCs also started building their own micro-credit portfolios through Business Correspondent (BC) partnership models. As a result, the micro-credit sector has become more competitive with a diverse set of players – Banks, SFBs, NBFC-MFIs, BCs, and NBFCs.

Besides this, various category of lenders, the ecosystem of MFIs comprises other stakeholders including the regulators, the Government, financial institutions, credit bureau, employee bureau, rating agencies, and others who play an important role in the microfinance activity.

About 98% of loans are provided through the Joint Liability Group (JLG) lending model wherein a group of customers, usually 5-10, individually come under JLG to take loans and agree to support and repay the loans if customers in the group face difficulty in repayment. This group model brings efficiencies in operational costs and leverages social collateral towards underwriting and against the risks of defaults. The microfinance industry has a diverse supply side with multiple lenders (nearly 194) including banks, Small Finance Banks, NBFC-MFIs, and NBFCs. The industry has an outreach in almost 632 districts of India. In terms of geographic spread, 76% of the loan portfolio is rural and 24% is urban. Loans are primarily for income-generating activities but are also taken for household expenses like education, health care, and housing.

Like many other countries, the modern microfinance industry in India started in 1990s and was also inspired by the Grameen Model of Prof. Mohammad Yunus in Bangladesh. Over the years , as this model evolved and became successful, it gained the confidence of customers, MFIs, and other stakeholders and started to scale-up. From 2005-06, many not-for-profit MFIs converted into for-profit NBFCs and many new for-profit NBFCs also entered the micro-credit business, attracting private capital, commercialisation, professionalism, and scale. This fuelled growth, competition, and scale with a sharp focus on specialisation in delivering micro-credit efficiently and profitably. As a result, within 5 years, the micro-credit industry in India grew multi-fold to reach loans outstanding of nearly ₹ 20,000 Crores. However, this period also witnessed some degree of turbulence around customer protection, over-leverage, inadequate disclosures, lack of customer awareness, unaffordable pricing as well as risks of geographic concentration, ghosts' loans, local-level interferences beyond the reach of regulatory oversight.

Recognising the need for improved regulatory oversight, the Reserve Bank of India introduced a new category of NBFCs called NBFC-MFIs in Dec 2011 with specific regulations for the micro-credit sector, focussing on customer protection. Post these regulatory changes, the industry had a highly successful decade. Today, the micro-credit sector is diverse and competitive with over 100 regulated players – Banks, SFBs, NBFC-MFIs, and NBFCs. A clear regulatory framework, a sound underlying business model, performance trends overtime, and potentially large unmet demand has attracted private capital to sustain the growth. As a result, micro-credit in India is one of the most tightly regulated sectors in comparison to several other geographies. It is also one of the largest micro-credit sectors globally, quite unmatched in terms of its outreach with low-ticket loans, scale, diversity of supply-side, spread, efficiency, performance, customer-protection standards, and contribution of the private sector.

As on March 31, 2022, 12 banks hold the largest share of portfolio in micro-credit with a total loan outstanding of ₹ 1,14,051 Crores, which is 40.0% of total micro-credit universe. The NBFC-MFIs are the second largest provider of micro-credit with a loan amount outstanding of ₹ 1,00,407 Crores, accounting for 35.2% of total industry portfolio. SFBs have a total loan amount outstanding of ₹ 48,314 Crores with a total share of 16.9%. NBFCs account for another 6.9% and Other MFIs account for 1.0% of the universe.

Apart from MFI's, NABARD SHG Bank Linkage Programme (SBLP) also contributes significantly to the microfinance universe. As on March 31, 2021, around 57.8 Lakhs SHGs had an outstanding portfolio of ₹ 1,03,290 Crores with them.

Considering SBLP's outreach and CAGR of around 12.6% since March 2016, the overall size of the universe in terms of GLP as on March 31, 2022 is roughly ₹ 4,01,723 Crores.

Types of Entity	No. of Entities	Active Loan Accounts (Crores)	Portfolio outstanding in (Crores)
NBFC - MFIs	84	4.2	1,00,407
Banks	12	4.3	1,14,051
SFB	9	1.8	48,314
NBFC	58	0.8	19,698
Others	39	0.2	2,971
Total	**202**	**11.3**	**2,85,441**

[1] Source - MFIN

New Regulatory Developments

The Reserve Bank of India, on March 14, 2022, released a new regulatory framework for microfinance loans after due consultation with the public. The new guidelines have brought in a new regulatory regime for MFIs impacting borrowers' assessment norms, delivery, and revenue business models significantly. Key features of the new regime are as under:

- Revised definition of microfinance – including, inter alia, based on annual household income
- Requirement of assessment of household income by lenders
- Limit on loan repayment obligations of a household
- Pricing of Loans – Regulatory spread cap over cost of funds removed leaving more headroom for lenders
- Harmonisation of guidelines across all lenders
- Qualifying criteria for threshold level of MFI assets to be classified as MFI reduced to 75% from 85% – lenders allowed to lend more outside MFI including secured loans
- Modified norms on the conduct of business and operations

Overall, these guidelines are considered positive for NBFC-MFIs. There would not be much change for banks/SFBs as pricing cap, qualifying assets criteria, etc. were not applicable to them earlier. Assessing household income and all the loans outstanding for customers to calculate the instalment amount is likely to be a challenge and the industry will have to go through a learning curve.

A brief analysis of the key features impacting the sector are stated below:

Revision to qualifying income criteria

Qualifying income criteria to be eligible for being classified as micro finance assets have been increased to ₹ 3,00,000 as household income from ₹ 1,25,000/2,00,000 earlier in rural and semi-urban/urban locations. This will expand the market size, especially for rural and semi-urban audiences. The RBI has also clearly defined 'household' as a husband, wife, and unmarried children. Further, it has capped instalment-to-income ratio at 50%. Lenders will need to ensure all outstanding loans (MFI or otherwise) are included in calculating 'Instalment'; Instalment includes principal and interest amount.

Though the process may take time, it is expected to bring more discipline for both borrowers and lenders. Regulatory experts consider micro lending to be driven by "Responsible lending and Responsible borrowing which is for the benefit of both".

Risk-based pricing to be followed

The RBI has provided flexibility to regulated entities, to decide on the pricing of MFI loans versus the previous system of spread cap-based pricing for NBFC-MFIs. This is positive in the near-to-medium term for NBFC-MFIs (SFBs/banks are not covered under the pricing cap), considering the pricing power financiers enjoy in this segment. However, over a longer period, the competitive intensity may take the pricing lower. Further, the RBI clearly stated: "Interest rates and other charges/fees on microfinance loans should not be usurious. These shall be subjected to supervisory scrutiny by the Reserve Bank".

Other important changes:

- Qualifying assets to be classified as NBFC-MFIs relaxed to 75% from 85%
- NBFCs can lend 25% of the total assets to MFI versus 10% earlier
- No lien on deposits allowed anymore.

The changes will help NBFC-MFIs diversify into non-MFI segment than what was allowed previously and will help the lenders to balance the credit risk better. They can expand their reach to addressable market audiences. These will also pave the path for the next phase of growth in the industry and help more players enter the segment.

OPERATIONS OF THE COMPANY

MFI

Asirvad Micro Finance Limited (AML) had formed a considerable base in the past years, which helped it reach the top 2 NBFC-MFIs in India in terms of Assets Under Management (AUM). During the year, AML had achieved multiple milestones of serving over 2.5 million clients, crossing ₹ 6,652.98 Crores AUM, branches under operations crossing 1,204, and gross income exceeding ₹ 1,399.7 Crores.

As on March 31, 2022, AML operated 1,204 branches across 20 States and 3 Union Territories with a presence in 361 districts, with client base of 2.5 million spread across over 2,57,332 centres serviced by over 9,625 staff, majority of them in the field. By reducing the Bank borrowing cost, AML had passed the benefits to its clients by way of reduction of 32 bps interest rates charged to 20.35% from 20.67%.

AML invested in upgradation of its technology to serve its clients faster and digitised its operations to reduce paperwork and TAT to customers.

AML continued to achieve higher business volumes through its multi-state operations. It has disbursed ₹ 5,066.12 Crores to 10,33,784 clients during the year when compared to ₹ 3,696.48 Crores to 12,36,845 clients in the previous year, a growth of 37% in value terms. AUM stood at ₹ 6,652.98 Crores during the year as against ₹ 5,940.87 Crores, a growth of 11.99% over the previous year. All India Business Operations is divided into 4 zones, 20 regions, and 103 divisions.

It has a presence in 10 states with more than ₹ 300 Crores portfolio each and having more than 20,99,656 members in such states. AML continues to follow its risk management practices of spreading its business risk across states and getting into district-level risk concentration during the year.

MSME Loans

The Company commenced the MSME business in July 2019. The loan products, process and people focus on enhancing the economic output of its customers. It caters to the "Missing Middle" segment largely comprising small businesses like Kirana Shops, Small Manufacturing units, Agri and Allied trading, etc., its non-traditional methods of income assessments not only have given good results but are also well appreciated by the customers. All the MSME loans are backed with land and building as collateral. As on March 31, 2022, total branches stood at 23, customer base at 1,200 and AUM at ₹ 48.64 Crores.

Loans against Jewellery

The Company has a large captive channel strength and customer base. Given that these can be leveraged to provide complementary loans to existing customers, the Company has launched a new loan product called "Gold Loan" in Odisha and West Bengal on March 10, 2021. This was introduced with a key objective to help customers to provide them business capital for the income generation activity. So far, the Company provides gold loan from 305 branches spread across Assam, Andhra Pradesh, Bihar, Haryana, Madhya Pradesh, Odisha, Punjab, Rajasthan, Telangana, Uttar Pradesh & West Bengal. The Company offers progressively higher loan amounts at higher price points through different gold loan schemes with different interest rates.

AML is intensely looking to expand the business. As a Company, it believes in the power of technology and over the years has adopted various innovations such as Loan Management System (LMS) and usage of DigiPay and other digital platforms for payment, with many other initiatives in the pipeline. Automation has enriched the lives of both its employees and customers without compromising on the quality of work. The Company constantly strives to improve the knowledge and skills of employees and has introduced the Learning Management System to create awareness, knowledge, and vigilance. Also, to further improve the morale and confidence of the women employees, it launched a "Women's Club" in March 2021 on International Women's Day. The Club provides them with a platform within the organisation where they can showcase their skills and talent for a healthy work environment.

FINANCIAL HIGHLIGHTS

(₹ in Crores)

Particulars	March 2022	March 2021	March 2020	March 2019	March 2018	March 2017	March 2016	March 2015	March 2014
Paid-up Capital	53.31	53.31	53.31	53.31	32.07	26.28	26.27	20.76	8.07
Assets Under Management*	7,002.18	5,984.62	5,502.64	3,840.78	2,437.20	1,795.94	998.81	322.00	188.80
Borrowings	5,558.77	4,627.17	4,500.65	3,418.05	2,400.77	1,592.70	778.32	240.17	165.29
Total Revenue	1,399.70	1,077.18	1,101.44	740.45	469.59	363.42	156.09	67.33	37.30
Profit after Tax	13.43	16.88	235.33	151.64	(9.29)	34.34	23.96	10.40	4.70
Total Comprehensive Income	16.77	15.99	235.10	151.85	(9.06)	NA	NA	NA	NA
Total Assets	6,813.68	5,825.59	5,912.46	4,257.66	2,705.63	1,961.95	1,044.61	368.81	215.44

*AUM includes direct assignment assets which are derecognised in financial statements.

KEY RATIOS

Ratio	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
PBT / Total Income	1.33%	2.85%	28.17%	31.16%	-10.66%	14.39%	23.24%
PBT / Total Assets	0.27%	0.53%	5.25%	5.42%	-2.00%	2.67%	3.47%
ROE	1.26%	1.61%	25.52%	27.92%	-11.70%	13.9%	20.3%
Return on Portfolio	0.25%	0.37%	6.00%	5.18%	-1.53%	2.46%	3.99%
Capital Adequacy	20.81%	23.33%	25.37%	28.90%	15.19%	20.6%	24.8%
Book Value ₹	201.09	197.97	194.99	150.89	89.59	100.61	87.55
Net Interest Margin	10%	9.92%	10.00%	9.39%	9.86%	9.96 %	9.47%

Assets Under Management

The loan approval process of AML is decentralised, with set overall loan sanction limits, consideration of customer loan track, and the loan cycle. During the year, the Company's microfinance loan book increased to ₹ 6,652.98 Crores from ₹ 5,940.88 Crores in the previous year. The increase in the loan book was ₹ 712.10 Crores which was determined after taking into account loan repayments of ₹ 4,131.04 Crores (previous year ₹ 3,231.03 Crores) and loans written off during the year amounting to ₹ 394.53 Crores (previous year ₹ 143.46 Crores) The growth in the microfinance loan book, after adding back loans assigned in the preceding twelve months was 11.99%.

As on March 31, 2022, the MSME loan book outstanding stood at ₹ 47.97 Crores while the old SME loan book stood at ₹ 0.67 Crore.

The Company has started the Gold Loan business in selected states. As on March 31, 2022, the AUM stood at ₹ 300.57 Crores.

Direct Assignment

During FY 2021-22, the Company finalised Direct Assignment deals assets worth ₹ 1,415.48 Crores as against ₹ 444.43 Crores in the previous year. With direct assignment, the Company ensures broad basing of the borrowing profile and reduced cost of funds as the underlying assets rank for classification under priority sector lending by the banks. The outstanding assigned assets portfolio stood at ₹ 1,246.5 Crores as on March 31, 2022.

Resource Mobilisation & Treasury Operations

The funding for the business is from an optimum mix of equity and debt. The Company continues to follow the policy of diversification of funding sources. The Company has existing relationships with about 62 lenders across Banks, Financial Institutions, NBFCs, and Overseas FII investors, who have sanctioned a total of ₹ 6,350.15 Crores (including direct assignment of ₹ 2,635 Crores and undrawn sanction) during the year, out of which ₹ 4,615 Crores has been availed as on March 31, 2022. It includes ₹ 893 Crores of NCDs issued during the year.

The Funding mix of the Company as on March 31, 2022 is given below:

Term Loan	57.80%
Non-convertible Debentures	24.96%
Direct Assignment	17.24%
Commercial Paper	0%

Investments: The Investment Policy approved by the Board of Directors envisages deployment of temporary cash surplus, arising out of the gap between cash inflows and outflows, in mutual funds and/or fixed deposits with Banks. The investment function ensures adequate levels of liquidity to support business requirements, maintaining a high degree of safety and optimising the level of returns, consistent with acceptable levels of risk by investing in short-term instruments. As at March 31, 2022, the investment in Fixed deposits free of lien stood at ₹ 532 Crores.

Provision for Contingencies

During the year, the Company made a provision of ₹ 2.54 Crores (previous year ₹ 156.35 Crores) excluding write-off of ₹ 394.53 Crores through a charge to the Statement of Profit and Loss. The provisioning is higher than the amount to be provided for as per RBI norms which requires provisioning of 100% for assets falling due for more than 180 days.

This was done with the objective of further strengthening the Company's balance sheet.

Opportunities and Outlook

During FY 2020-21 and 2021-22, India was hit by the COVID-19 pandemic and subsequent lockdowns and restrictions. The pandemic severely impacted the livelihoods and incomes of micro-entrepreneurs/low-income households. The industry, in the past, has seen similar black swan events like AP crisis, demonetisation, etc. However, the recovery in economic activity and customer demand will boost credit growth and revival of the microfinance industry.

Digital collection is an opportunity for lending businesses and reduces cash-carrying risk and time to deposit in banks, which provides sufficient time for field operations and reduce cash misappropriation frauds. Towards this, AML has introduced various cashless payment options. It has introduced Asirvad DigiPay application to facilitate such payment options to customers.

Leveraging Channels

The Company has a large footprint in India and is deeply entrenched in the communities it serves. This provides an opportunity for the Company to leverage its channel strength to expand the customer base and cross-sell products.

Building non-MFI Portfolio

The new regulatory regime has increased the appetite for non-MFI loans by 10% to 25% of the loan book. This will help the Company build a non-MFI loan book comprising secured loans by leveraging retail loans and management bandwidth. This will also help the Company to balance the credit risk profile to a larger extent.

Leveraging Technology Capability

The Company has replaced the existing technology platform with a new package that is contemporary and more scalable. The system will enable the Company to facilitate digital delivery of products and reduce the cost of intermediation wherever possible.

Opportunity for Higher NIM

The regulatory regime has allowed liberty for pricing loans. Though competition is expected, interest rates to settle down lower in the long run, the Company expects to realise better net interest margin from the MFI portfolio.

RISK MANAGEMENT

Asirvad is exposed to various risks that are inherent to the microfinance business. The major risks are credit risk, operational risk, competition risk, and liquidity risk, among others. Asirvad has a robust risk management framework in

place, which covers the policies, procedures, methodologies, and framework established to systematically manage the material risks. The risk management framework is subject to review and upgradation on an ongoing basis, in tune with regulatory guidelines and best practices in the industry.

The Board of Directors oversees and approves the risk management policies and strategies to establish the risk management framework and control system. The Risk Management Committee of the Board (RMC) oversees the management of various risks associated with business, systems, and processes. The risk management committee oversees the implementation of annual risk management plan. Risks are reported to the RMC and monitored by the Chief Risk Officer (CRO) and management team and quarterly updates are provided, and further actions are taken thereafter by the management. The risk management framework is overseen by Board committees.

The Company has put in place an improved mechanism to manage the credit concentration risk by way of internal Prudential Exposure Limits framework for geographies. These exposure norms are monitored regularly and risks in different geographies are monitored continuously, and wherever warranted, the geographies concerned are reviewed immediately.

The major risks faced by the Company and their mitigation measures are stated below:

Credit Risk

Non-repayment of loan by a borrower forms the credit risk and results in monetary loss to the Company. Asirvad ensures that the required expertise and capability are put in place to develop systems, procedures, and tools to effectively manage credit risk. Risk management guidelines issued by RBI and SRO act as guiding factors in implementing the risk management system. Further, Asirvad is more focussed to develop a credit rating model and quantify risks through expected loan losses.

Liquidity Risk

Liquidity risk is the potential inability to fund increase in assets and decrease in liabilities or meet obligations as they fall due, without incurring unacceptable losses. It involves maintaining sufficient working capital on a continuous basis to meet obligations in the future without delays. Asirvad adheres to the prudential limits for liquidity as per the Board-approved ALM policy. Asirvad monitors Liquidity Risk through Liquidity Coverage Ratio (LCR), Structural Liquidity Gaps, Dynamic Liquidity monitoring, Liquidity Ratio Analysis, Prudential Limits for negative gaps in various time buckets, etc. The Asset Liability Management Committee (ALCO) is responsible for monitoring its adherence to liquidity risk and interest rate risk limits.

Competition Risk

The level of competition has been increasing in the MFI industry. While the Company is well positioned to counter the competitive onslaught, it is mindful of the threat arising from both existing and new competitors. The Company has been constantly tracking its competitors and has been engaged in devising strategies to mitigate competition risk and maintain its market share.

Operational Risk

The MFI activity is highly labour-intensive with large geographical outreach and is prone to high operational risk. The Company has put in place effective audit and follow-up mechanisms to prevent, detect and take related measures to address operational risks effectively.

Further, it has a robust information and cyber security framework for securing its IT infrastructure and systems. Dissemination of information and cyber security awareness among the staff and customers is undertaken on a regular basis through various modes.

Attrition Risk

The MFI industry has been facing high attrition, thus impacting its operations. The Company is aware of the same and has put in place adequate measures to reduce the level of attrition and improve hiring and training practices to address this challenge.

INTERNAL AUDIT & CONTROLS

Asirvad has a comprehensive internal control framework which is supplemented with appropriate procedures across all its business and support activities. The internal controls implemented are intended to manage the risks, ensure compliance with laws and regulations, and provide reliable and timely financial reporting.

Internal audit at Asirvad is an independent, objective assurance and consulting department has been assigned to add value to and improve the organisation's operations. It helps the Company accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal audit achieves this by providing insight and recommendations based on analyses and assessments of data and business processes. With commitment to integrity and accountability, internal audit provides value to governing bodies and senior management as an objective source of independent advice.

The scope of internal audit department within Asirvad includes the operations, processes, governance, risk management, management controls over efficiency of operations, and safeguarding of assets. The internal audit team also conducts proactive fraud audits to identify potentially fraudulent acts; participates in fraud investigations under the direction of fraud investigation professionals; and conducts post investigation fraud audits to identify control breakdowns and establish financial loss.

At Asirvad, the internal audit department audits the branch operations as well as conducts corporate audits covering all the key functions. The internal audit team covers the entire business process, and in addition, special branch audits are undertaken to meet specific requirements of the Company. Based on their risk and occurrence, the internal audit observations are broadly categorised into three categories, viz. Critical, High, Medium & Low, and these are highlighted to the operations department for compliance. Compliance is also critical to the audit process. To ensure that the Branch and Divisional office staff understand the discrepancies regarding documentation and processes, compliance of the audit observations are mandatory for each audit.

INFORMATION TECHNOLOGY

Asirvad's Information Technology (IT) philosophy is committed to operate and maintain a well governed, structured and process-oriented IT function that proactively delivers to the strategic and operational requirements for achievement of the Company's mission & vision, with continuous improvement according to the changes in the business processes and regulatory requirements.

The IT infrastructure is created keeping the following key factors in mind:

- Information & Data Security
- Improved operational efficiency
- Efficient portfolio tracking and monitoring
- Better customer service
- Reduced transactional costs
- Compliance with statutory requirements
- Moving towards paperless transactions
- 100% on cloud

The following enhancements were implemented in the Information Technology arena during the year:

- Introduction of the DigiPay App which helped customers in the payment of their EMI using various online payment options. This App facilitates the customer to get complete information with respect to loan account in the form of statement of account, repayment schedule, etc.
- Integration with BBPS (Bharat Bill Payment System) which supports customers to make payments to their loan accounts through Google Pay, PhonePe, Amazon Pay, etc.
- Migration of its loan management system to the new Loan Management System (LMS) developed by Manappuram Comptech Consultants Limited, one of the group companies of the parent Company

HUMAN RESOURCES

The Company is embarking on a new growth journey with new aspirations and milestones. FY 2021-22 has been a very exciting period for Asirvad. The Company to rise above the challenges related to transformation, governance, and several structural changes.

Human Capital

A total of 10,949 candidates joined the Asirvad family in FY 2021-22 and total manpower strength stood at 12,581 as on March 31, 2022 spanning 23 States, 2 Union Territories, and 1,526 branches pan-India.

Employee Connect Initiatives

Asirvad strongly believes in creating an environment that ensures last-mile connectivity with the field employees.

The following are the organisation's communication channels for the employees and each one serves a different purpose.

- Know your HR & HR Hour: "Know your HR" poster has been displayed in all branches of Asirvad and a dedicated "HR Hour" has been allotted for employees to contact their HR Manager for seeking any help and guidance
- Speak-Up: To report anything confidential, employees can write to speak-up on their e-mail ids
- Asirvad Connect: A quarterly corporate newsletter has been launched for internal and external stakeholders

Training

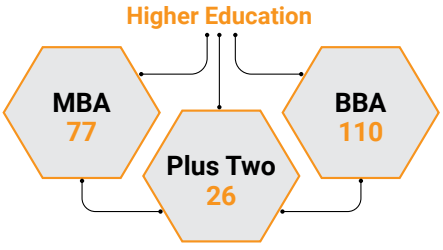
The Company believes in moulding its human resources through a series of training and employee engagement programs to foster a positive attitude, right skills, and creative thinking. AMFL's training department plays a vital role in creating a dynamic workplace by augmenting the functional and behavioural skills of employees.

The following are the training programs conducted during FY 2021-22:

Activity	No. of Programs	No. of Participants
Induction Training	16	1,752
Audit Managers Training	1	209
Product Process and Compliance Training	21	1,437
Leadership Compass Webinar for AM's & DM's	7	368
Employee Excellence Webinar for Branch Managers	8	1,137
Refresher Training for Branch Manager	2	618
RBI Master Direction Training	6	581

As Asirvad is growing in line with the evolving technological developments, it has implemented a Learning Experience Platform called 'MADU', recommended by Manappuram to make learning culture digital in Asirvad. With this platform, we aim to evolve a peculiar learning strategy with increasing knowledge retention and intuitive user experience. Around 2,51,573 courses have been completed by 11,628 employees during the year, with 77% on the course completion status.

Certification Through On-Line Courses



For and on behalf of the Board of Directors
ASIRVAD MICRO FINANCE LIMITED

V. P. Nandakumar
Chairman
DIN: 00044512

B N Raveendra Babu
Managing Director
DIN: 00043622

Date: June 27, 2022
Place: Chennai

Board Report

Dear Members,

Your Board of Directors have immense pleasure in presenting the 15th Annual Report of Asirvad Micro Finance Limited ("Company"), together with the Audited Financial Statements for the year ended March 31, 2022.

FINANCIAL HIGHLIGHTS AND STATE OF AFFAIRS

(₹ in Crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Gross Income	1399.70	1077.18
Total Expenditure	1381.09	1046.5
Profit before Tax	18.61	30.68
Tax Expenses net of Deferred tax	5.18	13.80
Profit after Tax	13.43	16.88
Appropriations		
Transfer to Statutory Reserve	2.69	3.38
Surplus in Profit & Loss	352.37	341.63

During the financial year ended March 31, 2022, your Company recorded a turnover of ₹ 1,356 Crores as compared to the turnover of ₹ 1,053 Crores recorded during the previous financial year ended March 31, 2021. Revenue from operations for the year ended March 31, 2022 has increased by 29% over the corresponding period ended March 31, 2021. The Net profit of your Company for the financial year ended March 31, 2022 stood at ₹ 13.43 Crores as against the Net Profit of ₹ 16.88 Crores for the financial year ended March 31, 2021. The Profit before tax for the financial year ended March 31, 2022 reflects a degrowth of 39.33% over the corresponding Profit for the financial year ended March 31, 2021.

OPERATIONAL HIGHLIGHTS

MFI

Particulars	Financial Year 2022	Financial Year 2021	Change (%)
Number of Branches	1,204	1,025	17%
Number of Active Members (in Lakhs)	2,537,031	2,412,147	5%
Gross Loan Portfolio (in Crores)	6,652.98	5,941	11.99%
Total Disbursement (in Crores)	5,238	3,597	46%
No. of States (in Operation)	22	22	0%

Gold Loan

(₹ in Crores)

Particulars	Financial Year 2022	Financial Year 2021	Change (%)
Number of Branches	305	21	93.11%
AUM (in Crores)	300.57	2.55	99.15%
Total Disbursement (in Crores)	3300.47	5.05	99.85%
No. of States (in Operation)	11	4	63.64%

MSME

(₹ in Crores)

Particulars	Financial Year 2022	Financial Year 2021	Change (%)
*Number of Branches	23	22	1.05 %
AUM (in Crores)	48.64	40.35	1.18 %
No. of States (in Operation)	4	4	0 %

*Includes co-located branches

There was no change in nature of operation of the Company during the year under review.

TRANSFER TO RESERVE

As per the extant guidelines of Reserve Bank of India for NBFCs, the Company has proposed to transfer ₹ 268.65 Lakhs to the Statutory Reserve created under Section 45-IC of the Reserve Bank of India Act, 1934.

DEBENTURE REDEMPTION RESERVE

Pursuant to notification issued by Ministry of Corporate Affairs on August 16, 2019 in exercise of the powers conferred by sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government amended the Companies (Share Capital and Debentures) Rules, 2014.

In the principal rules, in rule 18, for sub-rule (7), the limits with respect to adequacy of Debenture Redemption Reserve and investment or deposits for the Company is not applicable, as Debenture Redemption Reserve is not required to maintain in case of privately placed debentures for NBFCs registered with Reserve Bank of India under section 45-IA of the RBI Act, 1934.

DIVIDEND

In order to augment capital as required for supporting the growth of the Company through retention of internal accruals, the Board of Directors has not recommended any dividend for the Financial Year 2021-22.

DEPOSITS

The Company is registered with Reserve Bank of India (RBI) as Non-Deposit Accepting NBFC under Section 45-IA of the RBI Act, 1934 and classified as NBFC-MFI, effective from

October 04, 2013. The Board of Directors hereby confirm that the Company has not accepted any public deposit during the year under review and will not accept deposit in future without prior approval of Reserve Bank of India. Further, necessary documents has already been submitted before the Reserve Bank of India in this regard.

RBI REGULATIONS.

Your Company has generally complied with all the regulatory provisions of the Reserve Bank of India applicable to Non-Banking Financial Company - Systemically Important Non-Deposit taking Company. Constitution of Statutory committees are in compliance with the corporate governance provisions as specified in the master direction issued by the Reserve Bank of India.

The Company is in compliance of the regulatory requirements of net owned funds ('NOF') as defined under Section 45-IA of the RBI Act, 1934, to carry on the business of an NBFC-MFI.

RESOURCES

The Company as an NBFC, mobilisation of resources at optimal cost and its deployment in the most profitable and secured manner constitutes the two important functions of the Company.

Management has been making continuous efforts to broaden the resource base of the Company so as to maintain its competitive edge

Your directors are confident that the Company will be able to raise adequate resources for onward lending in line with its business plans.

TOTAL BORROWINGS

The Company's overall borrowing as on March 31, 2022 was ₹ 6678.96 Crores

i) Non-Convertible Debentures

During the year under review, your Company has raised funds of ₹ 788 Crores through issue of Non-Convertible Debentures (NCDs) on private placement basis and outstanding NCDs as on March 31, 2022 was ₹ 1347.40 Crores

ii) Sub- ordinated Debts

During the year, your Company had raised funds of ₹ 105 Crores through issuance of Sub- ordinated Debts on private placement basis and outstanding Sub-ordinated Debts as on March 31, 2022 was ₹ 320 Crores

iii) Commercial Paper

During the year, the Company had not done any issuance through Commercial Papers and outstanding as on March 31, 2022 was ₹ Nil

iv) External Commercial Borrowings

In the financial year ended March 31, 2022, the Company has raised ₹ 111.15 Crores through External Commercial Borrowing and total outstanding as on March 31, 2022 was ₹ 356 Crores as term loan.

SUBSIDIARY/ JOINT VENTURE/ ASSOCIATE COMPANIES

The Company does not have any Subsidiary Company, Joint Venture and Associate Company during the Financial Year under review in terms of Companies Act, 2013 ("Act").

Further, the Company continues to remain the subsidiary of Manappuram Finance Limited, which holds 5,19,85,856 Equity Shares of ₹ 10/- each aggregating to ₹ 51,98,58,560 /- constituting 97.51% of the Share Capital of the Company as on March 31, 2022.

CREDIT RATING

CARE has maintained the grading of your Company to "MFI 1", the highest in the industry. The bank loan rating is also re-affirmed as CRISIL AA-/Stable outlook By CRISIL

The Company has debt credit ratings as follows:

Credit Rating Agency	Instrument	Rating
CRISIL	Bank Loan	CRISIL AA-/Stable outlook (Reaffirmed)
CRISIL	Long term -NCD	CRISIL AA-/Stable outlook (Reaffirmed)
CRISIL	Long term subdebt	CRISIL AA-/Stable outlook (Reaffirmed)
CRISIL	Commercial Paper	CRISIL A1+ (Reaffirmed)

Credit Rating Agency	Instrument	Rating
Brick work	Long term -NCD	BWR AA-/stable

Credit Rating Agency	Instrument	Rating
CARE	Long term -NCD	CARE A+/stable

CAPITAL ADEQUACY

Your Company being a Systemically Important Non-Deposit Accepting NBFC is subject to the capital adequacy requirements prescribed by the Reserve Bank of India. The Company was required to maintain a minimum Capital to Risk Asset Ratio (CRAR) of 15% as prescribed under the Non- Banking Financial Company- Micro Finance Institutions (Reserve Bank) Directions, 2016 (as amended from time to time) based on total capital to risk weighted assets. As of March 31, 2022, the Company's total Capital Adequacy Ratio (CAR) stood at 20.81% which is well above the regulatory minimum of 15%.

Out of the above, Tier I capital adequacy ratio stood at 16.4% and Tier II capital adequacy ratio stood at 4.41%.

SHARE CAPITAL

During the year under review, there was no change in the Authorised Capital as well as Paid up Capital of the Company and the same stood at ₹ 100 Crores and ₹ 53.31 Crores, respectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are provided in Note No. 8 to the Financial Statement.

RELATED PARTY TRANSACTIONS

Contracts/ arrangements/ transactions entered by the Company during the FY 2021-22 with related parties under Section 188 of the Act were in ordinary course of business and on arm's length basis. During the year, the Company had not entered any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the provisions of Regulation 23 of SEBI LODR and the Company's policy on related party transactions. Therefore, particulars of contracts/ arrangements with related parties under Section 188 in Form AOC-2 is not annexed with this report. Necessary disclosures as required in compliance with accounting standards with related parties are disclosed in notes forming part of the financial statements in the annual report.

Board of Directors has formulated a Policy on Related Party Transaction, which is available on the website of the Company at https://asirvadmicrofinance.co.in/related-party-transaction-policy/ and the same is also annexed to this report as "Annexure – A".

CORPORATE GOVERNANCE REPORT

Your Company has framed an Internal Guidelines on Corporate Governance, in compliance with the Directions issued by RBI for NBFCs. The Company has put in place various policies, systems and processes to achieve transparency, high level of business ethics and compliance with applicable laws.

A Complete Report on Corporate Governance is attached as "Annexure –B" forming part of the Director's Report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF FINANCIAL YEAR AND THE DATE OF THE REPORT

There are no material changes and commitments affecting the financial position of the Company, which has occurred between the end of the financial year of the Company i.e March 31, 2022 and the date of the Director's Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis report for the year under review is attached as a separate annexure forming part of the Annual Report.

EXTRACT OF ANNUAL RETURN

Annual return in Form-MGT-07 has been posted in the website. The link of the same is https://asirvadmicrofinance.co.in/announcements/

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of your Company has an optimum combination of Executive and Non- Executive Directors in adherence to the applicable provisions.

As on March 31, 2022, the Board had Twelve Directors, which comprises of One Executive (Managing Director), One Promoter Director and ten Non-Executive Directors out of which eight are Independent Directors. Your Company believes that a well-structured Board initiate better practices and governance based on the vast knowledge and experience of the Board Members.

In the Annual General Meeting dated September 08, 2021, appointment of Mr. Harshan Kollara (holding DIN: 01519810) as Independent Director of the Company.

Members also approved the re-appointment of Mr. D R Dogra (holding DIN: 00226775) as Independent Director of the Company.

In the Extra Ordinary General Meeting held on January 10, 2022, Members approved the reappointment of Mrs. Pushya Sitaraman (DIN: 06537196).

In the opinion of the Board of Directors the aforesaid Independent Directors are persons of integrity and possess the relevant expertise & experience. Further, all the Independent Directors are registered in the Databank maintained by the institute in terms of Section 150 of the Companies Act, 2013 and are also exempted for the online proficiency self-assessment test.

Key Managerial Personnel

During the Financial Year ended March 31, 2022, the appointment of Mr. B N Raveendra Babu as the Managing Director of the Company effective July 01, 2021, was approved by the members at their Meeting held on May 21, 2021 due to end of term of Mr. S.V. Raja Vaidyanathan, then Managing Director of the Company.

The Board placed on record, the immense contribution by founder Mr. S.V. Raja Vaidyanathan who also served as a Director for more than a decade and chartered growth of the company. On our invitation, he continues as a Non-Executive Non- Independent Director.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnels of the Company as on March 31, 2022 are:

- Mr. B N Raveendra Babu Managing Director;
- Mr. Yogesh Ratnakar Udhoji, Chief Financial Officer; and
- Ms. Aparna Menon, Company Secretary

Director retiring by rotation

Mr. S. V. Raja Vaidyanathan (01467098), Director is liable to retire by rotation in terms of provisions of the Companies Act, 2013 at the ensuing Annual General Meeting and being eligible, has offered himself for reappointment. The Board recommends his reappointment.

DECLARATION FROM INDEPENDENT DIRECTOR

Your Company has received necessary declarations from all Independent Directors of the Company confirming that they meet criteria as mentioned in Section 149 of the Act and SEBI LODR.

Your Company has also received undertaking and declaration from each director on fit and proper criteria in terms of the provisions of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ("RBI NDSI Master Directions, 2016").

INDEPENDENT DIRECTOR'S MEETING

During the year, meeting of Independent Directors were held on November 19, 2021 and March 21, 2022 as required under Companies Act, 2013 and in compliance with requirement under Schedule IV of the Act to consider the matters specified therein.

RISK MANAGEMENT

Risk Management at Asirvad Micro Finance includes risk identification, risk assessment, risk measurement, and risk mitigation with its main objective to minimise the negative impact on profitability and capital. Asirvad Micro Finance is exposed to various risks that are an inherent part of any Microfinance business. The major risks are credit risk, operational risk, liquidity risk, and market risk.

Asirvad is committed to creating an environment of increased risk awareness at all levels. It also aims at continually upgrading the risk management measures to ensure avoidance or mitigation of various risks. Asirvad has policies and procedures in place to measure, assess, monitor, and manage these risks systematically across the organisation, which makes it pioneer to undertake the implementation of the advanced approaches under credit, market, and operational risk. An independent Risk Governance Structure, in line with best industry practices, is put in place, in the context of separation of duties and ensuring the independence of risk measurement, monitoring and control functions.

Asirvad has put an improved mechanism in place to manage Credit Concentration Risk, by way of Internal Prudential Exposure Limits framework for geographies. These exposure norms are monitored regularly at defined periods. Risks in the different geographies are monitored continuously, and wherever warranted, the geographies concerned are reviewed immediately.

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or external events. Key elements of Asirvad's Operational Risk Management include timely incident reporting and ongoing review of Systems and Controls, monitoring of Key Risk Indicators (KRIs) and aligning Risk Management activities with Business Strategy. Asirvad has a detailed Business Continuity Plan (BCP) in place for ensuring continuity of operations at the Branches and Offices during disruptions.

The various risks across the organisation are monitored and reviewed through the Executive Level Committees and the Risk Management Committee of the Board (RMCB), which meets regularly. The Board of directors and its various sub-committees have met from time to time and ensured adherence to the guidelines issued by RBI. Liquidity risk management, interest rate risk, funding and capital planning, profit planning and growth projections, pricing, credit risk, portfolio risk management, operational and process risk management have also been reviewed from time to time and the sub-committees have also been making necessary changes to KYC and other disclosure norms based on the policies being issued by the Central Bank at periodic intervals.

The Board has appointed a chief risk officer as the asset size of the Company is above ₹ 50 billion.

The Company has a Board approved risk management policy which caters to the overall risk framework and monitoring commensurate to the size and operations of the Company.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility (CSR) activities have been undertaken by the Company in accordance with the CSR Policy of the Company as formulated by the Board of Directors on the recommendation of the CSR Committee in pursuant to Section 135 of the Companies of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

For detailed information regarding CSR Committee, please refer the Corporate Governance Report. Further, CSR Annual Report is attached here as Annexure -C, which forms an integral part of this report. The Company's CSR policy is committed towards CSR activities as envisaged in Schedule VII of the Companies Act, 2013.

The CSR policy is available on https://asirvadmicrofinance.co.in/csr-policy/

AUDITORS

Statutory Auditors & their Report

As per the section 139 of the Act, read with the Companies (Audit and Auditors) Rule 2014, the members of the Company at the fourteenth Annual General Meeting appointed M. P. Chitale & Co, Chartered Accountants (Firm Registration No. 101851W) for a period of 3 years commencing from the conclusion of 14th Annual General Meeting (AGM) till the conclusion of 17th AGM of the Company.

The Statutory Auditor's Report does not contain any qualification, reservation, or adverse remarks.

Secretarial Auditor & their Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Board at its meeting held on May 14, 2021 appointed KSR & CO Company Secretaries LLP as the Secretarial Auditor of the Company, to conduct the Secretarial Audit for the financial year ended March 31, 2022.

The Secretarial Audit Report as received in the prescribed Form No.MR-3, do not contain qualification, reservation, or adverse remarks. The Secretarial Audit Report for the Financial Year 2021-22 is appended as **Annexure- D** to this report.

Annual Secretarial Compliance Report

The Company has undertaken an audit for the Financial Year ended March 31, 2022 for all applicable compliances as per the Regulation 24A of the Listing Regulations and Circulars/ Guidelines issued thereunder. The Annual Secretarial Compliance Report issued by KSR & Co, Company Secretaries LLP has been submitted to the stock exchanges within 60 days of the end of the financial year.

Information systems Audit

In terms of the Master Direction on Information Technology Framework for the NBFC Sector, NBFCs are required to have an information system audit at least once in a year. In compliance with the RBI Master Direction on the IT framework for the NBFC sector, we are doing the Information Systems Audit at least once in every year.

In the financial year 2022, the Company had transitioned its IT systems form a Saas model to an on-premises model. This was a significant exercise which resulted in elimination of multiple platforms and saw the operations of the Company transition into a single platform, aimed at seamless functioning of the IT systems. Audits were done periodically during the transition, to ensure the accuracy of the activity.

The Company had engaged Deloitte Touche Tohmatsu India LLP for conducting IS audit for the FY 2022. The Audit Report were duly placed before the IT Strategy Committee and Audit Committee.

Internal Audit

As part of the efforts to evaluate the effectiveness of the internal control systems, your Company's internal audit function reviews all the control measures on a periodic basis and recommends improvements, wherever appropriate. The Audit Committee regularly reviews the audit findings as well as the adequacy and effectiveness of the internal control measures.

NON-APPLICABILITY OF MAINTENACE OF COST RECORDS

The provisions of Section 148 of the Companies Act, 2013 and Rules framed thereunder pertaining to maintenance of cost records as well as appointment of Cost Auditors are not applicable to the Company.

FRAUDS REPORTED BY AUDITORS

During the year under review, no fraud has been reported neither by the Statutory Auditor nor Secretarial Auditor to the Audit Committee, under Section 143(12) of the Companies Act, 2013 against the Company by its officer or employees.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) of the Companies Act, 2013, the Directors confirm that:

i. In the preparation of the Annual Accounts for the year ended March 31, 2022, the applicable accounting standards as set out with the requirements under Schedule- III of the Act, had been followed with the proper explanation relating to material departures for the same.

ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and the profit and loss of the Company for the year ended on that date.

iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. They have prepared the annual accounts on a going concern basis and

v. They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively

vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MEETINGS OF THE BOARD OF DIRECTORS

The Board of the Company has met Ten times during the year under review. For details regarding the said meetings of the Board, please refer the Corporate Governance Report, which is a part of this report.

ANNUAL PERFORMANCE EVALUATION

The Company has in place the Board Evaluation Policy which has been approved by the Board to evaluate the performance of the Board, its committees and individual directors and in accordance with the criteria specified in the said policy, the process of annual evaluation has been designed.

A structured questionnaire was prepared, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The Directors have expressed their satisfaction with the evaluation process.

NOMINATION AND REMUNERATION POLICY

The Board of Directors has adopted a policy on director's appointment and remuneration for directors, Key Managerial Personnel and other employees including criteria for determining qualification, positive attributes, independence etc. as laid down by the Nomination Committee of the Board in compliance with the provisions of Section 178 of the Act. The policy can be viewed at https://asirvadmicrofinance.co.in/nomination-remuneration-policy/.

The policy of Nomination and Remuneration Policy is attached as "Annexure –E" forming part of the Director's Report.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has put in place adequate policies and procedures to ensure that the system of internal financial control is commensurate with the size and nature of its business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records and ensuring compliance with Company's policies. However, no material weakness observed by the Company.

Further, the Company is having its well-structured Internal Audit Team to perform timely and frequent internal audit to evaluate the adequacy of systems and procedures and also to evaluate the status of compliance to Company's guidelines and other statutory requirements.

Your Company has an independent internal audit function which carries out regular internal audits to test the design, operations, adequacy, and effectiveness of its internal control processes and also to suggest improvements to the management. The department is manned by a team of over 200 dedicated personnel who constantly engaged in safeguarding your Company's assets, ensures the quality of assets pledged and also evaluates the adequacy of risk management systems at its operating units.

We are following a practice to place the report of the Internal Audit Team regarding significant audit findings and also preventive and corrective measures to protect the interests of the Company before the Audit Committee on quarterly basis.

Furthermore, during the Financial Year 2021-22, KPMG was appointed as consultants to support the Audit services of the Company and the report of the said consultant along with the management responses were also placed before the Audit Committee on quarterly basis.

DETAILS OF AUCTIONS HELD DURING THE YEAR 2021-22

Additional disclosures as required by RBI NDSI Master Directions, 2016:

Year	Number of Loan Accounts	Principal Amount O/S at the date of Auctions (A)	Interest Amount O/S at the date of Auctions (B)	Total	Value Fetched
March 2021-2022	2	195909	37734 (Including Charges)	233643	250000 (Excluding GST)

DEMATERIALISATION OF SHARES

As on March 31, 2022, all the shares held by the Shareholders are in Demat form.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors of the Company had approved the Policy on Vigil Mechanism/Whistle Blower to deal with instance of fraud and mismanagement, if any and the same is also available on the website of the Company. This Policy inter-alia provides direct access to the Chairman of the Audit Committee. Your Company hereby affirms that no Director/employee has been denied access to the Chairman of the Audit Committee and that 3 complaints were received during the year from a Director or an Employee.

CREDIT BUREAU SUBSCRIPTION

In order to address the issue of multiple lending or over indebtedness and also to know the credit history of the customer, the Company continues to submit monthly and weekly data to Highmark, CIBIL, Equifax and Experian Credit Bureaus and also use their credit report for each of the loan sanctions. This coupled with great deal of hard work, intense follow-ups and efficient processes have resulted in constantly building high quality assets with minimal delinquencies.

FAIR PRACTICE CODE

RBI had been issuing revised Fair Practices Code guidelines from time to time and your Company has adhered to all of them. The new Fair Practices Code, Code of Conduct, Code of Ethics and Grievance Redressal Mechanism which have been approved by the Board are displayed prominently in all the branches of your Company.

DETAILS OF ISSUE OF SWEAT EQUITY SHARES IN TERMS OF RULE 8(13) OF THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014

During the year under review, the Company has not issued any Sweat Equity Shares and hence disclosure relating to same is not applicable.

DETAILS OF THE EMPLOYEES STOCK OPTION SCHEME IN TERMS OF RULE 12 (9) OF COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014

The Company has granted the options under "Asirvad Employee Stock Option Scheme, 2019" and the necessary disclosures are made in "Annexure – F" of this report.

ENERGY CONSERVATION, TECHNOLOGY ABSORBTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo as required to be disclosed under section134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (accounts) Rules, 2014, is disclosed in "Annexure – G" as attached with this report.

SECRETARIAL STANDARDS OF ICSI

The Company is in compliance with the applicable Secretarial Standards on Meetings of the Board of Directors (SS - 1) and General Meetings (SS - 2) issued by The Institute of Company Secretaries of India.

COMPOSITION OF COMMITTEES

The Composition of Committees including CSR Committee and Audit Committee are detailed in the Corporate Governance Report.

PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has constituted Internal Complaint Committee (ICC) in line with requirement of the provision of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder.

Your Company is also having in place a detailed policy on Harassment Free Workplace, which promotes gender equality and justice and also to create a discrimination free workplace.

The following is the summary of sexual harassment complaints received and disposed off during the year:

1.	No. of complaints received during the year	3
2.	No. of complaints disposed off	3
3.	No. of Complaints pending at the year end	Nil

All Employees (Permanent, Contractual, Temporary, Trainees etc.) are covered under the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

OTHERS

- No equity shares were issued with differential rights as to dividend, voting or otherwise.
- The Company has not resorted to any buy back of its equity shares during the year under review.
- The Company, in the capacity of Financial Creditor, has not filed any applications with National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 during the financial year 2021-22 for recovery of outstanding loans against any customer being Corporate Debtor.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and operations of the Company in future.

CERTIFICATE ON CORPORATE GOVERNANCE

Certificate provided by KSR & Co., Practicing Company Secretaries LLP, towards compliance of the provisions of Corporate Governance, forms an integral part of this Report and is given as Annexure H.

PARTICULARS OF EMPLOYEES

The Company had 12581 employees as on March 31, 2022. Details of remuneration as required to be provided pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been annexed herewith as Annexure- I.

DETAILS OF REMUNERATION/ COMMISSION RECEIVED BY MANAGING DIRECTOR FROM SUBSIDIARIES

Mr. B N Raveendra Babu, Managing Director/whole time director has received sitting fee of ₹ 4,00,000/- from Manappuram Insurance Brokers Limited which is a subsidiary of the parent Company Manappuram Finance Limited for the FY 2021-22.

NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

No Company became or ceased to be subsidiary or joint venture or associate Company of Asirvad Micro Finance Limited during the Financial Year 2021-22.

CHANGE IN NATURE OF BUSINESS IF ANY

There has been no change in the nature of business during the financial year 2021-22

ACKNOWLEDGEMENT

Your Directors wish to place on record their deep appreciation for the assistance and co-operation extended by the Reserve Bank of India, Bankers, Financial Institutions, Business Associates, Government Authorities, Sa-Dhan, MFIN, Customers, Vendors and other stakeholders during the year under review.

We are grateful for the continuous confidence and faith shown by the promoters of the Company.

Your Directors appreciate and value of the contribution made by employees of Asirvad Family.

For and on behalf of the Board of Directors
ASIRVAD MICRO FINANCE LIMITED

V. P. Nandakumar
Chairman
DIN: 00044512

B N Raveendra Babu
Managing Director
DIN: 00043622

Date: June 27, 2022
Place: Chennai

Annexure - A

ASIRVAD MICRO FINANCE LIMITED
RELATED PARTY TRANSACTIONS (RPTs) POLICY

1. Preamble

The Related Party Transactions Policy provides a framework to regulate transactions between Asirvad Micro Finance Limited ("Company/AMFL") and its Related Parties based on the applicable laws and regulations applicable on the Company.

2. Definitions

"**Audit Committee**" or "**the Committee**" means the committee of Board of Directors of the Company constituted under the provisions of Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('SEBI Listing Regulations') read with Section 177 of the Companies Act, 2013;

"MAFIL**" means Manappuram Finance Limited, which is the Holding Company of AMFL**

"**Material Related Party Transactions**" means a transaction with a Related Party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company or ₹ 1,000 Crores, whichever is less;

Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity

"Related Party" means related party as defined in Regulation 2(1)(zb) of the SEBI Listing Regulations, which inter alia provides that a "related party" means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards[1].

Further,

i. any person or entity forming part of the promoter or promoter group of the Company;

ii. Any person or entity holding equity shares of 20% or more, (10% or more with effect from April 01, 2023) in the Company, either directly or indirectly or on a beneficial interest basis (as per Section 89 of the Act) at any time during the immediate preceding financial year.

shall be deemed to be a related party.

"**Related Party Transaction**" means related party transaction as defined under Regulation 2(1)(zc) of the SEBI Listing Regulations;

"Relative" means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under.

All other words and expressions used but not defined in this policy, defined in Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, and SEBI Listing Regulations and IndAS 24 shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case maybe.

3. Policy

All Related Party Transactions shall require prior approval of the Audit Committee comprising of a quorum of only Independent Directors being members of the said Committee approving the same. Such approval shall be only at a meeting of the Audit Committee and not by circulation.

All proposed Related Party Transactions and subsequent material modification of such Related Party Transaction must be presented before the Audit Committee for prior approval by the Independent Directors of the Committee.

1 Applicable Accounting Standard is IndAS 24

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the 'reporting entity'). (a) A person or a close member of that person's family is related to a reporting entity if that person: (i) has control or joint control of the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key managerial personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to a reporting entity if any of the following conditions applies: (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others). (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member). (iii) Both entities are joint ventures of the same third party. (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity. (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity. (vi) The entity is controlled or jointly controlled by a person identified in (a). (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key managerial personnel of the entity (or of a parent of the entity). (viii) The entity, or any member of a group of which it is a part, provides key managerial personnel services to the reporting entity or to the parent of the reporting entity.

In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Committee may grant omnibus approval.

The Company Secretary shall be responsible for implementation of the Policy.

4. Transactions that are considered as Related Party Transactions:

Following types of the transactions considered as related party as per section 188 of Companies Act, 2013:

(a) Sale, purchase or supply of any goods or materials;

(b) selling or otherwise disposing of, or buying, property of any kind;

(c) leasing of property of any kind;

(d) availing or rendering of any services;

(e) appointment of any agent for purchase or sale of goods, materials, services or property;

(f) such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company; and

(g) underwriting the subscription of any securities or derivatives thereof, of the Company.

Types of the transactions considered as related party transaction as per Reg.2(1)(zc) of SEBI Listing Regulations.

a) A transaction involving a transfer of resources, services or obligations between

i) A listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand

(ii) A listed entity or any of its subsidiaries on one hand and any other person or entity on the other hand the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries with effect from April 01, 2023

Regardless of whether a price is charged and a transaction with a related party shall be construed to include a single transaction or group of transactions in a contract.

As per IND AS-24 of the Companies (Indian Accounting Standards) Rules, 2015 following are examples of transactions that are disclosed if they are with a related party:

(a) Purchases or sales of goods (finished or unfinished);

(b) Purchases or sales of property and other assets;

(c) Rendering or receiving of services;

(d) leases;

(e) Transfer of research and development;

(f) Transfer under license agreements;

(g) Transfer under finance arrangements (including loans and equity contribution in cash or in kind);

(h) Provision of Guarantees and Collaterals;

(i) Commitments to do something if a particular event occurs or not occur in the future, including executory contracts (recognised and unrecognised)

(j) Settlement of liabilities on behalf of the entity or by the entity on behalf of that related party;

(k) Management contracts including for deputation of employees.

Parties are considered to be related under IND AS 24, if one party has the ability to control the other party or exercise significant influence over the other party, directly or indirectly, in making financial and/or operating decisions and includes the following:

1. A person or a close member of that person's family is related to a Company if that person:

   a. has control or joint control or significant influence over the Company; or

   b. is a key managerial personnel of the Company or of a parent of the Company; or

2. An entity is related to a Company if any of the following conditions applies:

   a. The entity is a related party under Section 2(76) of the Companies Act, 2013; or

   b. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); or

   c. Both entities are joint ventures of the same third party; or

   d. One entity is a joint venture of a third entity and the other entity is an associate of the third entity; or

   e. The entity is controlled or jointly controlled by a person identified in (1); or

   f. A person identified in (1)(b) has significant influence over the entity (or of a parent of the entity)

5. Transactions that are not considered as Related Party Transactions:

The following transactions are not considered as Related Party Transactions

a. The issue of specified securities on a preferential basis, subject to compliance of the requirements under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

b) The Corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding

(i) Payment of dividend;

(ii) Subdivision or consolidation of securities;

(iii) Issuance of securities by way of a rights issue or a bonus issue; and

(iv) Buy-back of securities

6. Identification of Related Parties and Interested Director with respect to transactions:

Every Director will be responsible for providing a declaration in the format as per **Form RPT** (Annexure-1 to this Policy) containing the following information to the Company Secretary on an annual basis:

1. Names of his / her Relatives;

2. Partnership firms in which he / she or his / her Relative is a partner;

3. Private Companies in which he / she or his / her Relative is a member or Director;

4. Public Companies in which he / she is a Director and holds along with his/her Relatives more than 2% of paid up share capital as at the end of immediate preceding financial year;

5. Any Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with his / her advice, directions or instructions (other than advice, directions or instructions obtained from a person in professional capacity);

6. Persons on whose advice, directions or instructions, he / she is accustomed to act (other than advice, directions or instructions obtained from a person in professional capacity); and

7. Body Corporate or any Association of Individuals in which he / she or his / her Relative is a Director or owner or Partner or Promoter or Manager or Chief Executive Officer of Body Corporate or Member of the Association of Individuals.

Every Key Managerial Personnel other than a Director will also be required to provide the names of his / her Relatives in the format as per **Form RPT** on an annual basis.

Every Director and the Key Managerial Personnel will also be responsible to update the Company Secretary of any changes in the above relationships, directorships, holdings, interests and / or controls immediately upon him / her becoming aware of such changes.

7. Transactions and factors for consideration by the Committee in approving and recommending the proposed Related Party Transactions for approval by the Board:

Transactions that require prior approval of Audit Committee

a) All Related Party Transactions and subsequent material modifications to such Related Party Transactions;

Transactions that require prior approval of Audit Committee of MAFIL:

a) Related Party Transactions to which AMFL is a party but MAFIL is not a party shall require prior approval of Audit Committee of MAFIL if the value of such transactions whether entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the annual consolidated turnover as per the last audited financial statements of MAFIL;

b) With effect from April 1, 2023 Related Party Transactions to which AMFL is a party but MAFIL is not a party shall require prior approval of Audit Committee of MAFIL if the value of such transactions whether entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the annual standalone turnover as per the last audited financial statements of AMFL;

Material Modification

Any material modification to the terms approved by the Audit Committee for the Related Party Transactions will require its prior approval. The following terms shall be considered as material terms in respect of every Related Party Transaction, except in case of financial transactions:

a. Substitution of the name of the Related Party arising due to succession, corporate re-structuring, acquisition etc.

b. Nature of goods or services

c. Total value of the Related Party Transaction

d. Period approved for Related Party Transaction

In respect of financial transactions like providing of loan, inter-corporate deposit:

a. Substitution of the name of the Related Party arising due to succession, corporate re-structuring, acquisition etc.

b. Quantum of loan or inter-corporate deposit.

c. Interest related terms including interest holiday, if any, security terms, if any

d. Period

e. Repayment terms

Information to be placed before Audit Committee:

The following information shall be placed before the Audit Committee of the Board of Directors to enable the independent directors who are members of the Audit Committee to consider and decide on the approval in respect of Related Party Transactions:

a. Type, material terms and particulars of the proposed transaction;

b. Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);

c. Tenure of the proposed transaction (particular tenure shall be specified);

d. Value of the proposed transaction;

e. The percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a Related Party Transaction involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);

f. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary:

   i) details of the source of funds in connection with the proposed transaction;

   ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,

   - nature of indebtedness;
   - cost of funds; and
   - tenure;

   iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and

   iv) the purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the related party transactions.

g. Justification as to why the Related Party Transaction is in the interest of the Company;

h. A copy of the valuation or other external party report, if any such report has been relied upon;

i. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed related party transaction, on a voluntary basis;

j. Any other information that may be relevant

The Audit Committee of the Board shall also review the status of long-term (more than one year) or recurring related party transactions on an annual basis.

Factors to be considered by the Audit Committee

While considering any related party transaction, the Committee shall also take into account all relevant facts and circumstances including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters as specified in the relevant applicable circulars issued by SEBI from time to time

Prior to the approval, the Committee may, inter-alia, consider the following factors to the extent relevant to the transaction:

a. Whether the terms of the Related Party Transaction are in the ordinary course of the Company's business and are on an arm's length basis;

b. Whether the transaction could be material or significant by value;

c. The business reasons for the Company to enter into the Related Party Transaction and the nature of alternative options available, if any;

d. Whether the Related Party Transaction includes any potential reputational risks or misuse of corporate assets that may arise as a result of or in connection with the proposed Transaction; and

e. Whether the Related Party Transaction would affect the independence or present a conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial interest or benefit

to the Director, Key Managerial Personnel or other Related Party concerned, the direct or indirect nature of the Director's interest, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Committee deems relevant.

f. While considering the arm's length nature of the transaction, the Committee may take into account the facts and circumstances as were applicable at the time of entering into the transaction with the Related Party. The Committee may also take into consideration subsequent events (i.e., events after the initial transactions have commenced) like evolving business strategies / short term commercial decisions to improve / sustain market share, changing market dynamics, local competitive scenario, economic / regulatory conditions affecting the global / domestic industry, may impact profitability but may not have a bearing on the otherwise arm's length nature of the transaction.

A standard template w.r.t information to be placed before the Committee is part of this policy as Annexure-2.

Omnibus Approval

For granting omnibus approval, the committee shall specify the following details:

a. Name of the related party;

b. Nature of the transaction;

c. Period of the transaction;

d. Maximum amount of the transactions that can be entered into;

e. Indicative base price / current contracted price and formula for variation in price, if any;

f. Justification for the omnibus approval.

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction for the specific period approved.

The Audit Committee shall, review quarterly and take note of all Related Party Transactions for which omnibus approval has been granted by the Audit Committee.

The omnibus approval shall be valid for a period of one financial year however subject to quarterly review and fresh approval shall be obtained after the expiry of one year.

8. Approval by the Board:

If the Committee determines that a Related Party Transaction should be brought before the Board or a Related Party Transaction is not in the Ordinary Course of Business or not at Arms' Length or is a material related party transaction or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction at a meeting.

The Board shall take note of all transactions approved by the Audit committee.

9. Approval by Shareholders

The Board of Directors of the Company shall mandatorily place before the members of the Company, all Material RPTs and obtain their approval prior to undertaking such transactions.

Except with the prior approval of the Shareholders by a resolution, a Company shall not enter into any RPTs as mandated under Section 188 of Companies Act, 2013 read with Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 and/or material related party transactions as stipulated in Regulation 23 of SEBI Listing Regulations.

In all cases, where shareholders' approval is necessary for any RPT, the Company Secretary shall ensure that the agenda of the Board meeting at which the resolution is proposed to be moved shall disclose-

a. All the information provided by the management of the Company to the Audit Committee;

b. Any other information that may be relevant.

The Company Secretary shall ensure that the explanatory statement to be annexed to the notice of a general meeting convened for obtaining approval of members in relation to the proposed RPTs shall contain the following particulars:

a. Summary of the information provided by the management of the Company to the Audit Committee;

b. Justification for why the proposed transaction is in the interest of the Company;

c. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details placed before the Audit Committee except the information on source of funds and cost of funds.

d. A statement that the valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction will be made available through the registered email address of the shareholders;

e. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;

f. Any other information that may be relevant.

The Board shall be ultimately responsible for seeking approvals from shareholders as per the requirements of Applicable Laws which may vary from time to time.

Transactions that require prior approval of Shareholders of MAFIL:

Related Party Transactions to which AMFL is a party but MAFIL is not a party, shall require prior approval of shareholders of MAFIL, if transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of MAFIL as per the last audited financial statements of the Company or ₹ 1,000 Crores, whichever is less.

10. Disclosure, recording and reporting of Related Party Transactions:

a. Company shall disclose each year in the Audited Financial Statements transactions with Related Parties as prescribed in the applicable Accounting Standard as well as accounting policies governing transactions with Related Parties.

b. Disclosure in the Board's Report to the shareholders shall be made as prescribed under Companies Act, 2013/ SEBI Listing Regulations.

c. Company shall submit along with publication of half yearly financial results, disclosures of all RPTs, in the format specified by SEBI to the stock exchanges and publish the same on its website.

d. The Company Secretary shall make necessary entries in the Register of Contracts required to be maintained under the Companies Act, 2013.

11. Dissemination of Policy:

Either this Policy or the important provisions of this policy shall be disseminated to all functional and operational heads and other concerned persons of the Company and website of the Company and web link thereto shall be provided in the annual report of the Company.

12. Policy Review:

Board shall review the overall policy once in three years and modify or update the same in accordance with the changes to the threshold limits or as may be required by the amendments to Applicable Laws.

Annexure-1

Form RPT

To,
The Company Secretary & Compliance Officer
Asirvad Micro Finance Limited
Deshabandhu Plaza, First Floor,
47, Whites Road, **Chennai- 600 014**

Dear Sir,

A. I, _____, S/o/W/o/D/o _____, resident of ____, holding __ Shares (equity) of ₹ 10/- each as on 31/03/____ in the Company in my name, being a Director in the Company, hereby give notice that I am interested directly/through my Relatives (Schedule) in the following private Company or companies or firms:

Sr. No.	Name of the Private Companies / Partnership Firms	Nature of Interest or concern / Change in Interest or Concern	Shareholding	Date on which Interest or Concern arose/changed

B. The following Public Companies in which I am a Director and holds along with my Relatives (Schedule) more than 2% of paid up share capital as on the end of this financial year:

Sr. No.	Name of the Public Companies holding more than 2% of paid up share capital	Shareholding	Date on which Interest or Concern arose/changed

C. The Following are the Bodies Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with any advice, directions or instructions of mine:

Sr. No.	Name of the Body Corporate

D. I am accustomed to act on the advice, directions or instructions of the following persons (other than advice, directions or instructions obtained in professional capacity).

Sr. No.	Name of the person	Relation

E. The following are Bodies Corporate or association of individuals in which I am or my Relatives (Schedule) interested as a Director of Body Corporate or Member of Association:

Sr. No.	Name of the Bodies Corporate / Association of Individuals	Nature of Interest or concern / Change in Interest	Date on which Interest or Concern arose / changed

Signature: _____
Name: _____
Designation: Director
DIN No: ____

Date: ___
Place: _____

Schedule to Form RPT

LIST OF RELATIVES

Sr. No.	Relationship	Full Name	Address	Shareholding in the Company
1.	Spouse			
2.	Father (including Step-Father)			
3.	Mother (including Step-Mother)			
4.	Son (including Step-son)			
5.	Son's Wife			
6.	Daughter			
7.	Daughter's Husband			
8.	Brother (Including Step-Brother)			
9.	Sister (Including Step-Sister)			
10.	Members of HUF			

Signature: _____
Name: _____
Designation: Director
DIN No: ____

Date: ___
Place: _____

Annexure-2

Disclosure to be placed before Audit Committee:

Sl. No.	Particulars	Information
1.	Name of the Product/Service	
2.	Name of the Related Party	
3.	Relationship of Related Party with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise)	
4.	Type/ Nature of the proposed transaction	
5.	Material terms and particulars of the proposed transaction	
6.	Tenure/ Term of the proposed transaction (particular tenure shall be specified)	
7.	Value of the proposed transaction	
8.	The percentage of the Company's turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	
9A.	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company then source of funds in connection with the proposed transaction	
9B.	Where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments: • Nature of indebtedness • Cost of funds • tenure	
9C.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security;	
9D.	Purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the RPT	
10.	Justification as to why the RPT is in the interest of the Company	
11.	A copy of the valuation or other external party report, if any such report has been relied upon	
12.	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis (If available)	
13.	Brief details of the Arm's length test conducted	
14.	Ordinary Course or not	
15.	Necessity of entering into the transaction	
16.	Does the transaction require prior approval of MAFIL Audit Committee	
17.	Does the transaction require prior approval of MAFIL Shareholders	
18.	Any other information that may be relevant	

Annexure - B

Corporate Governance Report

A good Corporate Governance practice is a key factor of sustainable corporate growth and maintains a long term relationship with the stakeholders of the Company. Asirvad Micro Finance limited **("Asirvad / the Company")** is committed to the highest level of Corporate Governance practices and emphasises the need for full transparency and accountability in all transactions, in order to protect the interests of its stakeholders. This enables the Company to attract high quality financial and human capital.

Asirvad believes that a strong, professionally balanced Board of Directors is necessary to ensure the highest standards of Corporate Governance. We have an appropriate mix of Executive/ Non-Executive and Independent Directors in our Board. The Board of Directors represents the shareholder's interest in perpetuating a successful business and optimising long term financial returns in a manner consistent with applicable regulatory and legal requirements and ethical considerations.

Applicability of SEBI (Listing Regulations and Disclosure Requirements), Regulations, 2015 ("SEBI LODR")

During the financial year 2022, SEBI LODR has widened the regulations for high value debt listed Companies and hence the requirements of Regulations 17 to 27 are now applicable to Asirvad Micro Finance.

Even though the requirement is on a comply or explain basis, your Company has adhered to the requirements.

RBI Guidelines on Corporate Governance

In order to enable NBFCs to adopt best practices and greater transparency in their operations, RBI has stipulated all NBFCs to frame an internal guideline on Corporate Governance. In pursuance of the aforesaid guidelines, the Company has framed the Policy of Internal guidelines on Corporate Governance and reviews and updates the same periodically.

Company's Philosophy on Corporate Governance

In terms of corporate governance philosophy, all statutory and significant material information is placed before the Directors to enable them to effectively supervise the Company.

Asirvad's Corporate Governance philosophy is based on the following principles:

- Compliance to law in both letter and spirit
- Utmost transparency in dealings with all the stakeholders
- Clear communication of relevant information and high degree of disclosure levels
- Make a clear distinction between personal conveniences and corporate resources
- Communicate externally, in a truthful manner, about how the Company is running internally
- Have a simple, transparent and efficient corporate structure driven solely by business needs
- Create value for all stakeholders without compromising on ethical principles.

Board of Directors

As at March 31, 2022, your Company's Board consists of 12 (twelve) members. The composition of the Board is in conformity with the provisions of Companies Act, 2013, SEBI LODR and Reserve Bank of India.

Composition and Category of Directors as at March 31, 2022:

Name of Director	Category	Designation
Mr. V. P. Nandakumar	Non- Executive	Non-Independent Director (Chairman)
Mr. Abhijit Sen	Non- Executive	Independent Director
Mr. A. Ramanathan	Non- Executive	Independent Director
Mr. B. N. Raveendra Babu*	Executive	Managing Director
Mr. Desh Raj Dogra	Non- Executive	Independent Director
Mr. Gautam Saigal	Non- Executive	Non-Independent Director
Mrs. Pushya Sitaraman	Non- Executive	Independent Director
Mr. Subrata Kumar Atindra Mitra	Non- Executive	Independent Director
Mr. S. V. Raja Vaidyanathan**	Non- Executive	Non-Independent Director, Promoter
Mr. T. Balakrishnan	Non- Executive	Independent Director
Mr. T. M. Manoharan	Non- Executive	Independent Director
Mr. Harshan Kollara	Non- Executive	Independent Director

*Managing Director from July 01,2021

**Managing Director till June 30,2021

Attendance during the financial year 2021-22 of each Director at the Board Meetings as well as previous Annual General Meeting are as follows:

Sl. No.	Name of the Director	Category	Attended (Board meeting)	Attended last AGM held on September 08, 2021
1.	Mr. V. P. Nandakumar	Chairman	10	YES
2.	Mr. Abhijit Sen	Independent Director	10	YES
3.	Mr. A. Ramanathan	Independent Director	9	YES
4.	Mr. B. N. Raveendra Babu	Managing Director	10	YES
5.	Mr. Desh Raj Dogra	Independent Director	10	YES
6.	Mr. Gautam Saigal	Non-Executive Non Independent Director	10	YES
7.	Mrs. Pushya Sitaraman	Independent Director	9	YES
8.	Mr. Subrata Kumar Atindra Mitra	Independent Director	9	YES
9.	Mr. S. V. Raja Vaidyanathan	Non- Executive Non-Independent Director	10	YES
10.	Mr. T. Balakrishnan	Independent Director	10	YES
11.	Mr. T. M. Manoharan	Independent Director	9	YES
12.	Mr. Harshan Kollara	Independent Director	8	YES

The details of Shareholding, Directorship and Chairmanship/Membership of Committees:

Sl. No.	Name of the Director	Total no. of Directorships*	Memberships in Audit / Stakeholders Relationship Committee	Chairmanships in Audit / Stakeholders Relationship Committee**	Shareholding of Non-Executive Directors**	Category of directorship and Names of listed entities where person is a director
1.	**Mr. V. P. Nandakumar** Chairman	1	3	0	143391	1. Manappuram Finance Limited, Executive and Non-Independent Director
2.	**Mr. B. N. Raveendra Babu** Managing Director	1	2	0	NA	1. Manappuram Finance Limited, Non-Executive and Non-Independent Director
3.	**Mr. Abhijit Sen** Independent Director	4	1	4	-	1. Kalyani Forge Limited Independent Director 2. Manappuram Finance Limited Independent Director 3. Ugro Capital Limited Independent Director 4. Tata Investment Corporation Limited Independent Director
4.	**Mr. A. Ramanathan** Independent Director	1	4	0	32000	1. Mangal Credit and Fincorp Limited, Independent Director
5.	**Mr. Desh Raj Dogra** Independent Director	6	2	2	-	1. S Chand and Company Limited, Independent Director 2. Welspun Corp Limited, Independent Director 3. IFB Industries Ltd, Independent Director 4. Capri Global Capital Limited, Independent Director 5. Axiscades Technologies Limited, Independent Director 6. G R Infraprojects Limited, Independent Director
6.	**Mr. Gautam Saigal** Non-Executive Non Independent Director	0	0	1	40993	-

Sl. No.	Name of the Director	Total no. of Directorships*	Memberships in Audit / Stakeholders Relationship Committee	Chairmanships in Audit / Stakeholders Relationship Committee**	Shareholding of Non-Executive Directors**	Category of directorship and Names of listed entities where person is a director
7.	**Mrs. Pushya Sitaraman** Independent Director	1	2	0	-	1. Western India Plywoods Limited, Independent Director
8.	**Mr. Subrata Kumar Atindra Mitra** Independent Director	5	4	5	-	1. Onward Technologies Limited, Independent Director 2. IL&FS Engineering and Construction Company Limited, Independent Director 3. IL&FS Transportation Networks Limited, Independent Director 4. Centrum Capital Limited, Independent Director 5. AGS Transact Technologies Limited, Independent Director
9.	**Mr. S. V. Raja Vaidyanathan** Non- Executive Non-Independent Director	0	0	0	1024415	-
10.	**Mr. T. Balakrishnan** Independent Director	1	3	1	-	1. Western India Plywoods Limited Non-Executive, Non Independent Director
11.	**Mr. T. M. Manoharan** Independent Director	0	0	0	-	-
12.	**Mr. Harshan Kollara** Independent Director	1	1	1	-	1. Manappuram Finance Limited, Independent Director

*As required by Clause 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosures includes the count for the number of listed entities on which a person is a director / independent director shall be only those whose equity shares are listed on a stock exchange

**As required by Clause 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosures include Membership/ Chairpersonship of Audit Committee and Stakeholders Relationship Committee of Companies including Manappuram Finance Limited only are shown.

Meetings of the Board

During the year, the Board met 10 (Ten) times on the following dates:

S. No.	Date of Meeting
1	Friday, May 14, 2021
2	Monday, May 24, 2021
3	Saturday, August 07, 2021
4	Thursday, October 21, 2021
5	Friday, November 12, 2021
6	Wednesday, December 15, 2021
7	Wednesday, January 05, 2022
8	Friday, February 11, 2022
9	Monday, March 14, 2022
10	Thursday, March 31, 2022

There is no relationship between Directors inter se.

Familiarisation Programme for Independent Directors

Pursuant to Regulation 25(7) of the Listing Regulations, the Company has put in place a system to familiarise its Independent Directors about the Company, its financial products, the industry and business model of the Company. The Company has conducted a program during the financial year 2021-22. The details of the same uploaded in the Company's website at the web link : https://amlcdn.b-cdn.net/img/ID-Familarisation-program.pdf

None of the Directors of the Company have exceeded the maximum number of Directorship as specified under Section 165 of the Companies Act, 2013.

The brief profiles of Directors are also available on the website of the Company https://asirvadmicrofinance.co.in/board-of-directors/

Pursuant to Clause C(2)(i) of Schedule V of Listing Regulations, in the opinion of the Board the independent directors fulfill the conditions as specified in the Listing Regulations and are independent of the management.

Separate meetings of the Independent Directors

Separate Meetings of Independent Directors were held on Friday, November 19, 2021 & Monday, March 21, 2022 without the presence of Non-Independent Directors and Members of Management. All the Independent Directors attended the meeting and:

- reviewed the performance of non-independent directors and the Board as a whole;
- reviewed the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Committees of the Board

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted the following set of Committees with specific terms of reference / scope. The Committees are operating as empowered agents of the Board as per their Charter / terms of reference.

Audit Committee

The Board of Directors has constituted and entrusted the Audit Committee with the responsibility to supervise internal controls and financial reporting processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

The Audit Committee met on the following dates during the financial year 2021-22:

S. No.	Date of Meeting	Attended (Audit Committee)
1.	Thursday, May 13, 2021	6
2.	Monday, May 24, 2021	6
3.	Wednesday, July 28, 2021	6
4.	Saturday, August 07 2021	6
5.	Friday, October 08, 2021	6
6.	Monday, November 08, 2021	6
7.	Saturday, December 04, 2021	6
8.	Wednesday, February 09, 2022	6
9.	Saturday, March 12, 2022	6

Composition of the Audit Committee as on March 31, 2022 are as follows:

Name of the Director	Position and Category
Mr. D R Dogra	Chairman, Independent Director
Mr. Abhijit Sen	Member, Independent Director
Mr. Harshan Kollara Sankarakutty	Member, Independent Director
Mr. Gautam Saigal	Member, Non-Executive Director
Mr. S V Raja Vaidyanathan	Member, Non-Executive Director
Mr. T Balakrishnan	Member, Independent Director

Role of Audit Committee

- The recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- Review and monitor the Auditor's independence and performance, and effectiveness of Audit process;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Oversight of financial reporting process and disclosures of financial information to ensure that the Financial Statement is correct, sufficient and credible;
- Examining/ Reviewing with management the annual Financial Statement and the Auditors' Report thereon before submission to the board for approval, with particular reference to:

1. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
2. changes, if any, in accounting policies and practices and reasons for the same;
3. major accounting entries involving estimates based on the exercise of judgment by management;
4. significant adjustments made in the financial statements arising out of audit findings;
5. compliance with listing and other legal requirements relating to financial statements;
6. disclosure of any related party transactions;
7. modified opinion(s) in the draft audit report

- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Security of inter-corporate Loans and Investments;
- Valuation of undertakings or Assets of the Company, wherever it is necessary;

- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blower mechanism;
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee;
- Reviewing the utilisation of loans and/ or advances from/ investment by the holding Company in the subsidiary exceeding rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

Nomination and Remuneration Committee

The Board has constituted the Nomination and Remuneration Committee pursuant to the provisions of the Companies Act, 2013 and SEBI LODR. The primary purpose of the Committee, among other things, is to determine and propose the following for Board's approval: -

a) To identify persons who are qualified to become Directors and also who may be appointed in senior management positions in accordance with the criteria laid down and recommend to the Board their appointment and removal;

b) To formulate the criteria for performance evaluation of Independent Directors and the Board;

c) To carry out performance evaluation of Independent Directors along with the Board as a whole;

d) To evaluate the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate Directors.

The Nomination and Remuneration Committee met on the following dates during the financial year 2021-22:

S. No.	Date of Meeting	Attended(Nomination and Remuneration Committee)
1.	Tuesday, May 11, 2021	4
2.	Tuesday, July 27, 2021	4
3.	Monday, August 23, 2021	4
4.	Wednesday, November 03, 2021	4
5.	Wednesday, November 17, 2021	4
6.	Wednesday, March 09, 2022	4

Composition of the Nomination and Remuneration Committee as on March 31, 2022 are as follows:

Name of the Director	Category
Mr. T. Balakrishnan	Chairman, Independent Director
Mr. A Ramanathan	Member, Independent Director
Mr. Gautam Saigal	Member, Non- Executive Director
Mrs. Pushya Sitaraman	Member, Independent Director

CRITERIA FOR PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

The criteria and manner for evaluation of performance of Independent Directors provide certain parameters like:

- Understanding and knowledge of the entity in which it operates and the applicable regulatory norms
- Constructive and analytical decision making abilities and core competencies for effective functioning of the Board

- Understanding of the risk attached with the business structure
- Availability for meetings of the Board and attendance in the meeting of Committees regularly and timely, without delay
- Level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.)
- Participation in decisions taken during meetings are unbiased, based on ethical judgment and are in strict conformity to the applicable regulatory norms
- Commitment to ensure that there is fairness and integrity in the Company, in letter as well as spirit
- Exercise of own judgment and voicing of opinion freely

The Board completed the performance evaluation of directors as per requirement of law. The Independent directors fulfilled the requirement of independence as laid down in the Act and Listing Regulations and are independent of management.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee is constituted pursuant to Section 178 of the Companies Act, 2013 read with rules made thereunder and SEBI LODR.

Role of the Committee:

The role of the Committee, inter-alia, shall include the following:

Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

- Review of measures taken for effective exercise of voting rights by shareholders
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent
- Review of the various measures and initiatives taken by the Company for ensuring timely receipt of annual reports/statutory notices by the security holders of the Company.
- Review of all communications to security holders mandated by LODR and Companies Act, 2013

During the financial year 2021-22, the Stakeholder Relationship Committee met two times on the following dates:

S. No.	Date of Meeting
1.	Tuesday, July 27, 2021
2.	Saturday, January 22, 2022

Composition of the Stakeholder Relationship Committee as on March 31, 2022 are as follows:

Name of the Director	Category
Mr. Subrata Kumar Atindra Mitra	Chairman, Independent Non-Executive Director
Mr. B. N. Raveendra Babu	Member, Managing Director
Mrs. Pushya Sitaraman	Member, Independent Director
Mr. T. M. Manoharan	Member, Independent Director

Name, designation and address of Compliance Officer:

Mrs. Aparna Menon
Company Secretary
Asirvad Micro Finance Limited
9th & 10th Floor No.9 Club House Road,
Anna Salai- Chennai- 600002
Ph: 9345960647 Email ID : cs@asirvad.in

There are no complaints received from the security holders during the FY 2021-22

Risk Management Committee

The risk management framework is perhaps one of the most important parameters that define the success of a financial services organisation. A risk management programme establishes a process of identifying and assessing the major risks covering all areas of the institution's activities. The Board of Directors is responsible to ensure that management has implemented a risk management programme, that resources are allocated for risk management and internal controls, and that there is adequate oversight of the audit function as one of the Board of Director's responsibilities. The Board has constituted Risk Management Committee to ensure proper management of risk in the Company.

The Risk Management Committee met four times on following dates during the financial year 2021-22:

S. No.	Date of Meeting	Attended (Risk Management)
1.	Wednesday, May 5, 2021	6
2.	Wednesday, July 28, 2021	6
3.	Tuesday, October 26, 2021	6
4.	Saturday, January 29, 2022	6

Composition of the Risk Management Committee as on March 31, 2022 are as follows:

Name of the Director	Category
Mr. Gautam Saigal	Chairman, Non-Executive Director
Mr. Abhijit Sen	Member, Independent Director
Mr. B N Raveendra Babu	Member, Managing Director
Mr. D. R. Dogra	Member, Independent Director
Mr. S. V. Raja Vaidyanathan	Member, Non-executive Director
Mr. T. M. Manoharan	Member, Independent Director
Mr. S. Umasankar	Member cum Secretary of the Committee, CRO

Role of the Committee:

The role of the Risk Management Committee, inter-alia, shall include the following:

- To formulate a detailed Risk Management Policy, which shall cover the following:

1. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;

2. Measures for risk mitigation including systems and processes for internal control of identified risks;

3. Business continuity plan

- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;

- Identification, monitoring and measurement of the risk profile of the Company (including market risk, operational risk, compliance risk, credit risk, transactional risk etc.);

- Overseeing its integrated risk measurement system;

- To analyze the critical decision for investments and corporate lending;

- Perform such other act, including the acts and functions stipulated by RBI and any other regulatory authority, as prescribed from time to time.

Corporate Social Responsibility Committee

In accordance with the provisions of Section 135 of the Companies Act, 2013 read with Rules made thereunder, the Board of Directors of the Company have constituted the Corporate Social Responsibility Committee ("CSR Committee"). The Committee has formulated and recommended a CSR Policy to the Board and various recommendations of the Committee including the amount of expenditure to be incurred on CSR activities. The Committee has framed a transparent monitoring mechanism for implementation of CSR projects or programs as per the Annual Action Plan of the Company and also monitors CSR policy from time to time.

The Corporate Social Responsibility Committee met four times on below mentioned dates during the financial year 2021-22:

S. No.	Date of Meeting
1.	Monday, May 03, 2021
2.	Tuesday, July 27, 2021
3.	Friday, October 22, 2021
4.	Saturday, January 22, 2022

Composition of the Corporate Social Responsibility Committee as on March 31, 2022 are as follows:

Name of the Director	Category
Mrs. Pushya Sitaraman	Chairperson, Independent Director
Mr. B N Raveendra Babu	Member, Managing Director
Mr. D R Dogra	Member, Independent Director
Mr. T Balakrishnan	Member, Independent Director

Role of the CSR Committee includes:

- Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;

- Recommend the amount of expenditure to be incurred

- Monitor the CSR Policy of the Company from time to time;

- Formulation of Annual Action Plan in accordance with CSR Policy

IT Strategy Committee

IT Strategy Committee was constituted as per the RBI Master Directions on IT Framework for NBFC Sector. The Constitution of IT Strategy Committee is mandatory for the Company.

During the financial year 2021-22, the IT Strategy Committee met Five times on the following dates:

S. No.	Date of Meeting
1.	Friday, April 30, 2021
2.	Tuesday, July 27, 2021
3.	Friday, September 24, 2021
4.	Saturday, January 22, 2022
5.	Wednesday, March 30, 2022

Composition of the IT Strategy Committee as on March 2022 are as follows:

Name of the Director	Category
Mr. Subrata Kumar Atindra Mitra	Chairman, Independent Director
Mr. Abhijit Sen	Member, Independent Director
Mr. B.N Raveendra Babu	Member, Chief Information Officer, Managing Director
Mr. S.V. Raja Vaidyanathan	Member, Non-executive Director
Mr. Joshy K.G.	Chief Technology Officer

Borrowing & Securities Allotment Committee

The Borrowing & Securities Allotment Committee is in place inter alia to approve fresh borrowings from banks and financial institutions and also to empower designated individuals in the senior management to finalize the terms and conditions relating to the proposal under consideration and for allotment of Securities.

The Borrowing & Securities Allotment Committee met on the following dates during the financial year 2021-22:

22.04.2021	29.04.2021	19.05.2021	*09.07.2021	13.07.2021
27.07.2021	29.07.2021	26.08.2021	27.08.2021	02.09.2021
06.09.2021	15.09.2021	21.09.2021	27.09.2021	09.11.2021
30.12.2021	31.12.2021	12.01.2022	04.03.2022	09.03.2022
12.03.2022	24.03.2022	30.03.2022	31.03.2022	

*Two meetings were conducted on the same day

Composition of the Borrowing and Security Allotment Committee as on March 31,2022 are as follows:

Name of the Director	Category
Mr. B.N. Raveendra Babu	Chairman, Managing Director
Mr. A. Ramanathan	Member, Independent Director
Mr. S V Raja Vaidyanathan	Member, Non- Executive Director
Mr. V.P. Nandakumar	Member, Non- Executive Director

Asset Liability Committee

Asset Liability Committee is constituted to inter alia monitor the asset liability gap, strategise action to mitigate the risk associated, ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Company (on the assets and liabilities sides) in line with the Company's budget and decided risk management objectives.

During the financial year 2021-22, the Asset Liability Committee met twelve times on the following dates:

29.04.2021	20.05.2021	23.06.2021	15.07.2021	25.08.2021	21.09.2021
16.10.2021	18.11.2021	21.12.2021	19.01.2022	23.02.2022	25.03.2022

Composition of the Asset Liability Committee as on March 31, 2022 are as follows:

Name of the Director	Category
Mr. B N Raveendra Babu	Chairman, Managing Director
Mr. Ravindra Goud,	Member, COO
Mr. Umasankar Srinivasan	Member, CRO
Mr. Yogesh Udhoji	Member and Secretary of the Committee, CFO

Management Committee

For ensuring effective management of overall operations of the Company, the Management Committee was constituted. The said Committee meets from time to time for monitoring the activities of various departments of the Company in order to give a high-level strategy for the functioning of business. The said Committee meets from time to time for monitoring the activities of various departments of the Company in order to ascertain that procedures/ codes of the Company are adhered effectively.

During the Financial Year, the said Committee met twice i.e., on October 18, 2021 and March 09, 2022.

Further, the composition of Management Committee as on March 31, 2022 are as follows**:**

Name of the Director	Category
Mr. V P Nandakumar	Chairman, Non-Executive Director
Mr. Abhijit Sen	Member, Independent Director
Mr. B.N Raveendra Babu	Member, Managing Director
Mr. D. R. Dogra	Member, Independent Director
Mr. Gautam Saigal	Member, Non-Executive Director
Mr. Harshan Kollara Sankarakutty	Member, Independent Director
Mr. S.V. Raja Vaidyanathan	Member, Non-Executive Director

Remuneration to Directors

Details of remuneration of the Directors for the financial year ended March 31, 2022:

(₹ In Lakhs, unless otherwise mentioned)

Name of the Directors	Salary, Perquisite & Pension	Sitting Fee	Commission paid during the year (₹)	Stock Options	Shareholding (Equity) (No.)
Mr. V.P. Nandakumar	-	-	-	-	1,43,391
Mr. S.V. Raja Vaidyanathan	57.90	6.07	110	-	10,24,415
Mr. B.N. Raveendra Babu	120.30	-	60	-	50,166
Mr. Gautam Saigal	-	6.27	13	-	40,993
Mr. T. Balakrishnan	-	5.77	13	-	-
Mr. A. Ramanathan	-	6.12	10	-	32,000
Mr. Desh Raj Dogra	-	5.89	15	-	-
Mr. T.M. Manoharan	-	3.44	10	-	-
Mrs. Pushya Sitaraman	-	4.24	13	-	-
Mr. S. K. Mitra	-	3.57	16	-	-
Mr. Abhijit Sen	-	6.02	10	-	-
Mr. Harshan Kollara Sankarakutty	-	3.16	10	-	-

Criteria of making payments to Non-Executive Directors

While considering the level of commission payable to the independent, non-executive directors, the Nomination and Remuneration Committee takes into account various factors such as attendance, level of participation, contribution to the meetings and its decision making, continuity on the Board, fit and proper status and feedback of performance appraisal questionnaire, etc.

Disclosures with respect to Remuneration

Executive Directors

Mr. S.V. Raja Vaidyanathan- Managing Director upto June 30, 2021

(i) all elements of remuneration package of individual directors summarised under major groups, such as salary, benefits, bonuses, stock options, pension etc;

Name of the Directors	Salary, Perquisite & Pension	Sitting Fee	Commission paid during the year (₹)	Stock Options	Shareholding (Equity) (No.)	Gratuity	Leave Encashment
Mr. S.V. Raja Vaidyanathan	57.90	6.07	110	-	10,24,415	102.49	34.74

- Salary: ₹ 2,31,84,000 (Rupees Two Crores Thirty One Lakh and Eighty Four Thousand Only);
- Commission: Not exceeding 1% of net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013. The quantum of commission to be determined by the Board of Directors subject to the norms framed by the Board from time to time;
- Expenses Reimbursement: The Company will reimburse all reasonable expenses incurred by Mr. S. V. Raja Vaidyanathan, during the course of the employment period which are consistent with Company policies in effect from time to time.
- Contribution to Pension Fund, Superannuation Fund, Gratuity Fund, Encashment of leave at the end of the tenure of appointment as per the rules of the Company (These shall not be included in the computation of remuneration or ceiling on the perquisites);
- In the event of inadequacy of profits or no profits Mr. Raja Vaidyanathan, Managing Director shall be entitled to consolidated remuneration including Commission but not exceeding ₹ 3.5 Crores during financial year 2021-2022.

(ii) performance criteria includes the below;

Competent, as per the criteria identified by the Nomination and Remuneration Committee for the effective functioning of the entity and the Board

Understanding and knowledge of the entity and the sector in which it operates

Fulfills the function as assigned to him/her by Board and the regulatory norms.

Actively takes initiative with respect to various areas

Ensure that there is fairness and integrity in the Company, in letter as well as in spirit

Highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.).

(iii) service contracts, notice period, severance fees; NA

(iv) stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable: NA

Mr. B.N. Raveendra Babu, Managing Director from June 30, 2021

(i) all elements of remuneration package of individual directors summarised under major groups, such as salary, benefits, bonuses, stock options, pension etc;

Name of the Directors	Salary, Perquisite & Pension (₹)	Sitting Fee	Commission paid during the year (₹)	Stock Options
Mr. B.N. Raveendra Babu	120.30	-	60	-

- Salary: ₹ 1,24,20,000 (Rupees One Crore Twenty Four Lakh and Twenty Thousand Only) per annum with effect from July 01, 2021 with an annual increment of 6,00,000/- (Rupees Six Lakh Only);
- Commission: Not exceeding 1% of net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013. The quantum of commission to be determined by the Board of Directors subject to the norms framed by the Board from time to time;
- Retirement Benefits / Perquisites Contribution to PF: @ 12% of the monthly salary;
- Employee Stock Option Plan: Eligible to the extent of number of shares arising based on options approved to be issued by the Nomination & Remuneration Committee of the Company;
- Contribution to Pension Fund, Superannuation Fund, Gratuity Fund, Encashment of leave at the end of the tenure of appointment as per the rules of the Company (These shall not be included in the computation of remuneration or ceiling on the perquisites);
- Medical Reimbursement Expenses: For self and family including premium payable for medical insurance;
- Personal Accident Insurance: As per the rules of the Company;
- Leave Travel Concession: For self and family once in a year as per the rules of the Company;
- Fee for Clubs: Subject to maximum of two clubs excluding admission and life membership fees;
- Others: Such other allowances, perquisites, benefits and amenities as may be provided by the Company from time to time.
- In the event of inadequacy of profits or no profits, Mr. B. N. Raveendra Babu, Managing Director shall be entitled to consolidated remuneration including Commission but not exceeding ₹ 3 Crores during any financial year and such remuneration shall remain in force for a period of three years commencing from the year the Company has inadequacy of profits or reports loss.

(ii) performance criteria includes the below;

Competent, as per the criteria identified by the Nomination and Remuneration Committee for the effective functioning of the entity and the Board

Understanding and knowledge of the entity and the sector in which it operates

Fulfills the function as assigned to him/her by Board and the regulatory norms.

Actively takes initiative with respect to various areas

Ensure that there is fairness and integrity in the Company, in letter as well as in spirit

Highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.).

(iii) service contracts, notice period, severance fees; NA

(iv) stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable: NA

Resignation of Independent Director

No Independent Director has resigned during the Financial Year 2021-22.

General Body Meeting

Details of the last three Annual General Meetings of the Company are given below:

Sl. No	Meeting	Date & Time	Venue
1	Annual General Meeting	September 08, 2021 at 04.00 PM	Door No.9, 10th Floor, Club House Road, Anna Salai, Chennai- 600002 (THROUGH VIDEO CONFERNCE)
	Special Resolutions Passed ☐ To increase the borrowing power of the Company U/s 180(1) (c) of the Companies Act, 2013 ☐ To create 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 ☐ Re-appointment of Mr. D R Dogra (holding DIN: 00226775) as Independent Director of the Company		
2	Annual General Meeting	August 25, 2020 at 10.00 AM	Door No.9, 10th Floor, Club House Road, Anna Salai, Chennai- 600002 (THROUGH VIDEO CONFERNCE)
	Special Resolutions Passed ☐ To increase the borrowing power of the Company U/s 180(1) (c) of the Companies Act, 2013 ☐ To create 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 ☐ To offer or invite subscription for Non-convertible Debentures (NCDs) and Commercial Paper (CPs) ☐ To appoint Mr. B. N. Raveendra Babu as Joint Managing Director and Key Managerial Personnel		
3	Annual General Meeting	August 08, 2019 at 4.00 PM	Hotel Blu Radisson GRT Meenambakkam, Chennai- 600016
	No Special Resolutions Passed during the FY 2018-19		

No resolutions were passed vide Postal Ballot during the financial year 2021-22. No special resolution is proposed to be conducted through postal ballot.

All the proposed resolutions, including special resolutions were passed by the shareholders as set out in their respective notices.

Details of Extraordinary General Meeting during the FY 2021-22: -

Sl. No	Meeting	Date & Time	Venue
1	Extraordinary General Meeting	May 21, 2021 at 3.00 PM	IV/470A(OLD) W638A(NEW), Manappuram House, Valapad, Thrissur – 680 567 (Kerala) (Through Audio-Visual Mode)
2	Extraordinary General Meeting	January 10, 2022 at 10.30 PM	IV/470A(OLD) W638A(NEW), Manappuram House, Valapad, Thrissur – 680 567 (Kerala) (Through Audio-Visual Mode)

Means of Communication

The Company publishes the un-audited / audited financial results on quarterly basis in accordance with the provisions of SEBI (LODR) Regulations, 2015. The financial results in the prescribed format are published in leading newspapers like Financial Express. The Company has its website at https://asirvadmicrofinance.co.in/ where in relevant information about the Company and its performance including board approved policies / code are given. The financial results of the Company are also posted on its web site. The Company is a debt listed Company hence it does not upload the presentations to institutional investors/ analysts.

All information/communication for debenture holders are duly filed with BSE Limited and the same are posted in the Company's website.

General Shareholders Information as on March 31, 2022

(a)	Annual general meeting - date, time and venue;	September 24, 2022 at 11.00 AM Venue: Audio Visual Means
(b)	Financial year;	2021-22
(c)	Dividend payment date;	NA (No payment during the FY 2021-22)
(d)	The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s);	BSE Limited (BSE) 25th floor, P. J. Towers, Dalal Street, Mumbai - 400 001 Annual listing fee for FY 2021-22 has been paid by the Company to BSE within due date.
(e)	Stock code;	BSE Scrip Code- 950689
(f)	Market price data- high, low during each month in last financial year;	NA (Debt listed Company)
(g)	Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc;	NA (Debt listed Company)
(h)	In case the securities are suspended from trading, the directors report shall explain the reason thereof;	NA
(i)	Registrar to an issue and share transfer agents;	S.K.D.C. Consultants Limited, Category I Registrars and Share Transfer Agents "Surya" 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028, TN, India Phone: +91 422 4958995, 2539835/ 836
(j)	Share transfer system;	All shares and debentures of the Company are in the Demat form and are transferrable through Depository System.
(k)	Outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity;	NA (It is a debt listed Company)
(l)	commodity price risk or foreign exchange risk and hedging activities;	Please refer the Notes No. 39 of financial statements
(m)	Plant locations;	There are no plants for the Company, however, we have branches across India
(n)	Address for correspondence.	Registered Office: Deshbandhu Plaza, First Floor 47, Whites Road Chennai TN 600014 IN Corporate Office : Door No.9, 9th Floor, Club House Road Anna Salai Chennai 600002 TN IN
(o)	List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad.	Details of Credit Rating is detailed in the Directors' Report.

Dematerialisation and Liquidity

The Company is a member of the depository services of the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialisation of its shares. As on March 31,2022, 100% of the equity shares of the Company are in electronic form with the depositories as detailed below:

Category	No.of Shares	%
National Securities Depository Ltd	53304178	99.99%
Central Depository Services Ltd	7709	.014%
Total	**53311887**	**100%**

Distribution of shareholding as on March 31, 2022

SL No	No. of Equity Shares	No of Shareholders	% of Shareholders	No of Shares held	% of Shareholders
1.	1000 - 10000	1	11.11	7709	0.01
2.	10001 - 20000	2	22.22	27357	0.05
3.	20001 - 30000	0	0.00	0	0.00
4.	30001 - 40000	1	11.11	32000	0.06
5.	40001 - 50000	1	11.11	40993	0.08
6.	Above 50000	4	44.44	53203828	99.80
	Total	**9**	**100.00**	**53311887**	**100**

Other Disclosures

- There were no materially significant related party transactions having potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note 36 of Standalone financial statements.

- There were no instances of non-compliance by the Company for which any penalties or strictures were imposed on the Company by the Stock Exchanges and SEBI, or any statutory authority on any matter related to capital markets during the last three years.

- The Company has adopted the Whistle Blower Policy and has established the necessary mechanism in line with the Stock Exchanges, for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee. The Vigil Mechanism as per Regulation 22 of Listing Regulations ensures standards of professionalism, honesty, integrity and ethical behavior. The Whistle Blower Policy/Vigil Mechanism is uploaded on the Company's website at the web link https://asirvadmicrofinance.co.in/whistle-blower/

- Details of compliance with Mandatory requirements and adoption of non-mandatory requirements- Company is in compliance with all mandatory requirements applicable to it as per SEBI LODR i.e., Chapter II, Chapter III, Chapter IV (From Regulation 17 to 27) and Chapter V.

- The Company does not currently have any material listed/ unlisted subsidiary companies as defined in Regulation 24 (1) of Listing Regulations. The Policy on Material Subsidiaries may be accessed at https://asirvadmicrofinance.co.in/policy-on-determining-material-subsidiaries/

- The policy on dealing with related party disclosures is uploaded on the Company's website at the web link of https://asirvadmicrofinance.co.in/related-party-transaction-policy/

- The disclosure of commodity price risks and commodity hedging activities

  The Company lends against the collateral of used gold jewellery. When the customer fails to repay the principal plus interest of the loan, the Company auctions the collateral and recovers the dues as per the RBI guidelines on gold loan auctioning. The amount recovered at the time of auction depends on the price of the gold content of the jewellery. As gold is a commodity, the Company does therefore bear an exposure to commodity price risk. If gold prices are high, the amount of recovery at the time of auction is more and when the price of gold is low the amount recovered at the time of auction is lower. At the time of auction, the Company may not collect fully the amount of interest due, especially if the price of gold is lower at the time of auction than at the time of disbursement.

- Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). _ NA

- A certificate from a Company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is published at the report as Annexure_A

- Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof: _ NA

- Total fees for all services paid by the listed entity to the statutory auditor –

Payment to Statutory Auditor - FY 21-22 (Amt in Lakhs)		
-	Statutory audit	16.00
-	Tax audit	1.50
-	Other services (Limited Review, Interim Audit and Certification)	9.50
-	Out of pocket expenses	2.43

- Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. number of complaints filed during the financial year – 3 Nos

  b. number of complaints disposed of during the financial year - 3 Nos

c. number of complaints pending as on end of the financial year - 0

- Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount'- Nil

- Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed. – Nil

- The Company is in compliance with all the corporate governance requirements mandated by Part A to D of Schedule II of the SEBI (LODR) Regulations, 2015.

  - The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the SEBI (LODR) Regulations, 2015:

  - The Company does not spend for the non-executive chairperson's office and also does not reimburse expenses incurred in performance of his duties

  - The auditors' report on statutory financial statements of the Company are unmodified.

  - Mr. V. P. Nandakumar is the Non-Executive Chairman of the Company and Mr. B.N. Raveendra Babu is the Managing Director of the Company. The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director

  - The internal auditor may report directly to the audit committee

- The Company has complied with all the disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27.

Clauses (b) to (i) of sub regulation (2) of Regulation 46 of Listing Regulations (relating to disclosure on the website of the Company) is not applicable to the Company.

Code of Conduct

As per Regulation 26 of SEBI (LODR) Regulations, 2015, the Company has framed a Code of Conduct for the directors and senior management personnel and the same has been uploaded on to the website of the Company and is accessible to the shareholders of the Company at https://asirvadmicrofinance.co.in/code-of-conduct-for-directors-and-senior-management/.

It is hereby affirmed that all the Board members and senior management personnel have complied with Code of Conduct of the Company. In terms of the provisions of Part E of Schedule V of the SEBI (LODR) Regulations, 2015, a declaration signed by the Managing Director of the Company is published in this report as Annexure - B.

MD/CFO Certification

The requisite certification made by MD/CFO as per the Regulation 17(8) as specified in Part B of Schedule II of the SEBI (LODR) Regulations, 2015 for FY 2021-22 which was taken note by the Board of Directors at its meeting held on May 16, 2022 is published in this report as Annexure – C.

Matrix setting out the skills/expertise/competence of the board of directors

Leadership
Extended business leadership experience resulting in understanding of organisational and administrative processes and practices, strategic planning and risk management
People Practices
Experience and strengths in developing talent, planning succession, driving change and long-term growth. Understands the drivers leading to behavior change.
Financial Management & Control
Proven expertise in financial management, financial control, capital planning and Accounting with understanding of associated standards and reporting practices
Diversity including gender and occupation
Representation of diversity in terms of gender, geography, culture, occupations that bring varied independent perspectives expanding the Board's understanding of the needs and viewpoints of customers, partners, employees, government, and other stakeholders.
Technology
A significant background in technology including applications, Infrastructure, information security etc resulting in knowledge of how to anticipate technological trends, generate disruptive innovation, and extend or create new business models.
Governance
Service in a public Company board with good insights on Governance requirements and practices for Board and management and accountability, protecting shareholder interests.
Sales and Marketing
Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation

Regulatory and compliance
Extended experience and understanding of the regulatory environment operating in the context of the business of financial services including financial risk management
Law
Legal background and experience
Financial Services
Extended experience in a financial services firm enabling a rich understanding of the sector and the context including financial Inclusion practices and strategies
Sustainability
Experience and exposure in understanding sustainability from the business perspective with regard to employees, customers and the larger community including the environment.

Please insert a "✓" against core skills/expertise/competencies as defined below, which each Director identifies that he/she possess.

Name of Director	Mr. V. P. Nandakumar	Mr. Abhijit Sen	Mr. A. Ramanathan	Mr. B. N. Raveendra Babu	Mr. Desh Raj Dogra	Mr. Gautam Saigal	Mrs. Pushya Sitaraman	Mr. Subrata Kumar Atindra Mitra	Mr. S. V. Raja Vaidyanathan	Mr. T. Balakrishnan	Mr. T. M. Manoharan	Mr. Harshan Kollara
Leadership	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
People Practices	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Financial Control	✓	✓	✓	✓	✓	✓		✓	✓			✓
Diversity including gender and occupation	✓						✓	✓		✓	✓	✓
Technology		✓		✓				✓	✓			✓
Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sales and Marketing	✓			✓		✓		✓	✓			
Regulatory	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓
Law							✓		✓	✓	✓	
Financial Services	✓	✓	✓	✓	✓	✓		✓	✓			✓
Sustainability	✓			✓					✓	✓	✓	

For and on behalf of the Board of Directors
ASIRVAD MICRO FINANCE LIMITED

V. P. Nandakumar
Chairman
DIN: 00044512

B N Raveendra babu
Managing Director
DIN: 00043622

Date: June 27, 2022
Place: Chennai

Annexure - A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V - Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Asirvad Micro Finance Limited
Deshbandhu Plaza, First Floor
47, Whites Road Chennai-600014

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Asirvad Micro Finance Limited** (CIN U65923TN2007PLC064550) and having its registered office at Deshbandhu Plaza, First Floor, 47 Whites Road, Chennai-600014 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V- Para C Sub-clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment/Re-appointment in the Company
1.	Abhijit Sen	00002593	March 17, 2020
2.	Subrata Kumar Atindra Mitra	00029961	March 17, 2020
3.	B.N Raveendra Babu	00043622	February 10, 2015 / July 01, 2021*
4.	V.P.Nandakumar	00044512	February 10, 2015
5.	T.Balakrishnan	00052922	May 15, 2018
6.	T M Manoharan	00225640	May 15, 2018
7.	Desh Raj Dogra	00226775	September 09, 2016 / September 08, 2021 #
8.	Gautam Saigal	00640229	March 18, 2015
9.	Harshan Kollara	01519810	August 07, 2021
10.	S V Raja Vaidyanathan	01467098	August 29, 2007
11.	Ramanathan Annamalai	02645247	July 31, 2015 / July 31 2020 #
12.	Pushya Sitaraman	06537196	February 02, 2019 / February 01, 2022 #

* Appointed as Managing Director
Second term as Independent Director

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

For **KSR & Co Company Secretaries LLP**

Sd/-
Dr.C.V.Madhusudhanan
Partner
FCS: 5367; CP: 4408
UDIN: F005367D000532511

Date : June 27, 2022
Place : Coimbatore

Annexure - B

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted Code of Conduct for the Directors and senior management personnel. I confirm that the Company has in respect of the year ended March 31, 2022, received from the Senior Management Personnel of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

On Behalf of the Board

Sd/-
B N Raveendra Babu
Managing Director

Date: April 30, 2022
Place: Valapad

Annexure - C

CEO & CFO CERTIFICATION UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To: The Board of Directors of Asirvad Micro Finance Limited

We, B.N. Raveendra Babu, Managing Director and Yogesh Ratnakar Udhoji, Chief Financial Officer of Asirvad Micro Finance Limited, ("the Company") hereby certify that: -

(a) We have reviewed financial statements and cash flow statement for the quarter ended March 31, 2022, and that to the best of our knowledge and belief:

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

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company for the quarter ended March 31, 2022, which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the audit committee

1. significant changes in internal control over financial reporting during the quarter;

2. significant changes in accounting policies during the quarter and that the same have been disclosed in the notes to the financial statements; and

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

Sd/-
B.N. Raveendra Babu
Managing Director

Sd/-
Yogesh Ratnakar Udhoji
Chief Financial Officer

Date: May 16, 2022
Place: Chennai

Annexure - C

Annual Report on Corporate Social Responsibility (CSR) Activities

1. A brief outline of the Company's CSR Policy

In accordance with the provisions of Section 135 of the Companies Act, 2013 read with Rules made thereunder, the Board of Directors of the Company have constituted the Corporate Social Responsibility Committee (CSR Committee). The Committee has formulated and recommended a CSR Policy to the Board and various recommendations of the Committee including the amount of expenditure to be incurred on CSR activities are submitted to the Board for approval. The Committee has framed a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company and also monitors CSR policy from time to time.

2. Compositions of the Corporate Social Responsibility Committee are as follows:

SL No	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mrs. Pushya Sitaraman	Chairperson, Independent Director	4	3
2.	Mr. S.V. Raja Vaidyanathan	Member, Non Executive Director	4	1*
3.	Mr. A Ramanathan	Member, Independent Director	4	1*
4.	Mr. B N Raveendra Babu	Member, Managing Director	4	4
5.	Mr. T Balakrishnan	Member, Independent Director	4	3
6.	Mr. D R Dogra	Member, Independent Director	4	3

*CSR Committee reconstituted on May 24, 2021

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

Composition of CSR committee is available on the Company's website at https://asirvadmicrofinance.co.in/sub-committee/

The CSR Policy of the Company as approved by the Board of Directors is available on the Company's website at https://asirvadmicrofinance.co.in/csr-policy/

CSR projects approved by the board is available on the Company's website at https://asirvadmicrofinance.co.in/announcements/

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if any - NA

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - Yes

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set- off for the financial year, if any (in ₹)
1.	2020-21	17,15,798.39	17,15,798.39
2.	-	-	-
3.	-	-	-
	TOTAL	**17,15,798.39**	**17,15,798.39**

6. Average net profit of the Company for last three financial years : ₹ 190.56 Crores

7. (a) Two percent of average net profit of the Company as per section 135(5) : ₹ 3.81 Crores

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : ₹ 0.016 Crores

(c) Amount required to be set off for the financial year, if any : ₹ .17 Crores

(d) Total CSR obligation for the financial year (7a+7b-7c) : ₹ 3.64 Crores

8. (a) CSR amount spend or unspent for the financial year

Total Amount spent for the Financial Year (in Cr.)	Amount Unspent (in Cr)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 0.52	₹ 3.14	₹ 0.20 on 18-Apr-2022 ₹ 2.94 on 29-Apr-2022	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation- Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District.						Name	CSR Registration number.
1.	Promotion of quality education through Manappuram Civil Service Academy	Promotion of Quality education	Yes	Kerala	Thrissur	6 Months	6000000	1697686	4302314	No	Through Implementation Agency - Manappuram Foundation	CSR00004545
2.	Construction of houses directly and in association with LIONS clubs.	Rural development projects and measures for reducing inequalities faced by socially and economically backward group.	No	Kerala	All over Kerala	2 Years	17887000	117290	17769710	No	Through Implementation Agency - Manappuram Foundation	CSR00004545
3.	Improvement of health facilities at Kidwai Memorial Institute of Oncology- Bangalore through Lions Club International Foundation	Promotion of Healthcare/ preventive healthcare	No	Karnataka	Bangalore	10 Months	11400000	2242500	9157500	No	Through Implementation Agency - Manappuram Foundation	CSR00004545
	TOTAL	-	-	-	-	-	**3,52,87,000**	**40,57,476**	**31229524**	-	-	-

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation- Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration number
1.	Support to Physically challenged and Women victims	Promotion of Health care and Women empowerment	Yes	Tamil Nadu	Ariyalur, Dharmapuri, Chennai and Vellore	11,00,000	No	Through Key Implementation Agency - Manappuram Foundation	CSR00004545
2.	Providing the food kits/ groceries to the victims of natural calamities / pandemic	Eradicating hunger, poverty and malnutrition	Yes	Bihar	Bhagalpur, Purnia, Samastipur and Supaul	9,680	No	Through Key Implementation Agency - Manappuram Foundation	CSR00004545

(d) Amount spent in Administrative Overheads - Nil

(e) Amount spent on Impact Assessment, if applicable - Nil

(f) Total amount spent for the Financial Year (b+c+d+e) - ₹ 0.52 Crore

(g) Excess amount for set off, if any - Nil

Sl. No.	Particular	Amount (in Cr.)
1.	Two percent of average net profit of the Company as per section 135(5)	3.64
2.	Total amount spent for the Financial Year	0.52
3.	Excess amount spent for the financial year [(ii)-(i)]	-
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

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

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

Sl No	(a) Date of creation or acquisition of the capital asset(s)	(b) Amount of CSR spent for creation or acquisition of capital asset	(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
1.	25.01.2022	103,160	Manappuram Foundation Address : V/104, Manappuram House, Valapad P O, Thrissur, Kerala - 680 567	Interior works for Manappuram Civil Service Academy including Furniture & fittings Location : Manappuram Civil Service Academy, 4th Floor, Shobha Heights, Punkunnam, Thrissur, Kerala

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5)–
The amount remains unspent is pertaining to the ongoing projects and the same have been transferred to CSR unspent account. In certain case, there were procedural delays in getting permission from statutory authorities to complete the projects which lead to extend the projects more than one year. The amount so transferred will be spent with in a period of 3 years.

For and on behalf of the Board of Directors
ASIRVAD MICRO FINANCE LIMITED

Pushya Sitaraman
Chairperson of CSR Committee
DIN: 06537196

B N Raveendra Babu
Managing Director
DIN: 00043622

Date: June 27, 2022
Place: Chennai

Annexure - D

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 read with

Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the Financial Year ended March 31, 2022

To,

The Members,
Asirvad Micro Finance Limited
Deshbandhu Plaza, First Floor
47, Whites Road Chennai-600014

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Asirvad Micro Finance Limited** (CIN U65923TN2007PLC064550) (hereinafter called "the Company"). Secretarial Audit was conducted for the financial year ended on March 31, 2022 in a manner that provided us reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.

On the basis of the above and on our verification of documents, books, papers, minutes, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the Audit, we hereby report that in our opinion, the Company has, during the period covered under the Audit as aforesaid, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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

(i) The Companies Act, 2013 and the Rules made there under.

(ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made there under.

(iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under.

(iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowing (ECB).

(v) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992:

a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

d) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 (limited to obligations of the Company)

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021

(vi) The following laws, regulations, directions, orders are applicable specifically to the Company:

a) The Reserve Bank of India Act, 1934

b) Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016.

c) Raising Money through Private Placement of Non-Convertible Debentures (NCDs) by NBFCs - RBI Guidelines.

d) Master Circular – Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015.

e) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

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

(i) the Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India.

(ii) Listing Agreement for debt securities entered into with BSE Limited in respect of privately placed non-convertible debentures issued by the Company.

We further report that

The Board of Directors of the Company is duly constituted with the proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes made to the composition of the Board of Directors was duly carried out during the period covered under the Audit.

Adequate notice and detailed notes on Agenda were given to all Directors at least seven days in advance to schedule the Board Meetings except in certain instances shorter notice was provided and decisions taken in compliance of Section 173(3) of the Act. There exists a system for seeking and obtaining further information and clarifications on the Agenda items before the Meeting and for meaningful participation at the Meeting.

Majority decision is carried through and recorded as part of the minutes. We understand that there were no dissenting members' views requiring to be captured in the minutes.

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

We further report that during the period covered under the Audit, the Company has made the following specific actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, referred to above:

a. The Company has raised an amount of ₹ 893 Crores (Secured: ₹ 643 Crores, Unsecured: ₹ 250 Crores) by issue of 7,380 Redeemable Listed Non-Convertible Debentures (NCDs) of ₹ 10 Lakhs each (Face value), 1050 Redeemable Unlisted Non-Convertible Debentures (NCDs) of ₹ 10 Lakhs each (Face value) and 5000 Redeemable Unlisted Non-Convertible Debentures (NCDs) of ₹ 1 Lakh each (Face value) on a private placement basis, in one or more series/ tranches.

b. The Company has not raised any debt through public issue.

c. The Memorandum of Association of the Company was amended twice during the year to include main objects such as, to act as authorised money dealers, Forex dealers, money transfer agents, to facilitate all kinds of e-commerce business etc and to act as collection agents for insurance companies, banks, financial institutions, utility companies and entities.

For **KSR & Co Company Secretaries LLP**

Dr. C.V. Madhusudhanan
Partner
(FCS: 5367; CP: 4408)
UDIN: F005367D000330318

Date: May 16, 2022
Place: Coimbatore

Annexure - E

ASIRVAD MICRO FINANCE LIMITED

NOMINATION & REMUNERATION POLICY

Introduction

The Board of Directors of Asirvad Micro Finance Limited **("the Company")** has constituted Nomination and Remuneration Committee ("the Committee") pursuant to Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("LODR"), which is a combination of Non- Executive Directors and Independent Directors. The Committee has formulated and recommended to the Board a policy called **"Nomination & Remuneration Policy"** in adherence to Companies Act, 2013, the provisions of LODR and the regulatory framework for Non-Banking Financial Companies (NBFCs) issued by Reserve Bank of India (RBI).

This policy aims to ensure the payment of equitable, competitive remuneration to all Directors, Key Managerial Personnel (KMP), Senior Management and employees of the Company which is based on individual performance, Company's benchmark and Industry practices. It envisions that the synergy of versatile individuals with diversified skillsets at the board level will contribute to bringing the Company into great heights. Therefore, it is important to have a competent and highly professional team of board members who leads us.

Key Principles of the Remuneration Policy

The following are the set of principles that act as guiding factors:

- The remuneration of KMPs and Senior Management shall be aligned with the policy of the Holding Company;
- Minimise complexity and ensure transparency;
- Promote a culture of meritocracy and is linked to key performance and business drivers;
- Reflective of market competitiveness, so as to attract the best talent.

Objective and purpose of the Remuneration Policy

The following are the key objectives of the policy:

- To guide the Board in relation to the appointment and removal of Directors, KMP and Senior Management;
- To evaluate the performance of the members of the Board and provide the necessary report to the Board for further evaluation;
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;
- To 'Pay for Performance' i.e. the remuneration shall be linked to the performance and to strike the right balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the goals of the Company;
- To ensure compliance and maintain high standards of governance.

Appointment and Removal of Director, KMP and Senior Management Personnel

1. Appointment Criteria and Qualifications

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/ her appointment;

b) A person should possess the adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has the discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position;

c) The Company shall not appoint or continue the employment of any person as Director, Managing Director, Whole Time Director or Manager who has attained the age of seventy years. However, in case of Managing Director, Whole Time Director or Manager, who has attained the age of seventy years his/ her appointment may be made by passing a special resolution;

d) The Committee shall undertake a process of Due Diligence based on the criteria of qualification, technical expertise, track record, integrity etc and shall ensure that proposed or existing Director meets the fit and proper criteria as prescribed by the Reserve Bank of India.

2. Tenure

a) Managing Director / Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.

b) Independent Director:

An Independent Director shall hold office for a term up to maximum five consecutive years on the Board of the Company and will be eligible for re-appointment for another term of maximum five year on the passing of a special resolution by the Company. Independent Directors shall not retire by rotation.

The Chairman/ Managing Director of the Company shall issue and sign the appointment letter of Independent Directors.

3. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend to the Board with reasons recorded in writing, removal of Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said act, rules and regulations.

Remuneration to the Directors, KMP and Senior Management Personnel

i) Executive Directors and Non- Executive Directors/ Independent Directors

- The remuneration and commission of Executive and Non- Executive Directors/ Independent Directors shall be recommended by the Committee to the Board of Directors and shall be subject to the provisions of Companies Act, 2013.
- The remuneration for Executive Directors shall be arrived at by considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry, future contribution, etc. The elements of the remuneration and limits are applicable as defined in the Companies Act, 2013 and rules/ schedules made thereunder.
- The remuneration of Executive Directors shall be divided into two components i.e. fixed and variable. The fixed component comprises salary, allowances, perquisites, provident fund, gratuity etc. The variable component comprises annual performance pay which may be a fixed amount as decided by the Board. In addition to this, the Executive Director may also be offered and allotted shares under the Employee Stock Option Scheme (ESOS) of the Company.
- The Non-Executive and Independent Directors of the Company would be paid sitting fees within the permissible limits prescribed under the Companies Act, 2013 and rules framed thereunder for attending meetings. The sitting fee shall be decided by the Board from time to time on the recommendation of the Committee.
- In case of profits/inadequate profits/ losses, the Directors may also be paid remuneration by way of Commission as defined in the Companies Act, 2013 read with Schedule V of the said act. The Committee shall recommend to the Board for the payment of Commission to Directors.
- The Board of Directors shall decide the actual amount to be paid to each Non-Executive/ Independent Director based on factors such as meetings attended by the Director, time and effort put in and contribution made by them.
- Independent Directors shall not be entitled to stock options.

ii) KMP and Senior Management

- The remuneration for the KMP, Senior Management and Employees of the Company would be guided by the Industry Standard and internal policy of the Company. The remuneration structure is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, PF etc. The variable component comprises the annual performance of the Individual employee. In addition to this, the Company also has an Employee Stock Option Scheme (ESOS), pursuant to which, equity shares of the Company may be offered and allotted to the employees identified by the Committee.
- "Senior management" shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/ manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include Company secretary and chief financial officer.
- Internally, performance ratings of all Employees would be spread across a normal distribution curve. The rating obtained by an employee will be used as an input to determine variable and merit pay increases. Variable and merit pay increases will be calculated using a combination of individual performance and organisational performance. Compensation can also be determined based on identified skill sets critical to the success of our organisation. It is determined as per management's review of market demand and supply, Industry benchmarks etc.

Membership & Quorum:

The Committee shall consist of minimum of 3 Non-Executive Directors, majority of them being independent. The quorum of the Committee shall be one-third of its total strength or two members, whichever is higher including at least one independent director in attendance.

Chairperson:

1. The Chairperson of the Committee shall be appointed by the Board. In case of absence of Chairperson, the members of the Committee shall elect among them to act as Chairperson;
2. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairperson of the Committee;

3. Chairperson of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

Frequency of Meetings

The meeting of the Committee shall be held at such regular intervals as may be required but at least once in a year.

POLICY ON DIVERSITY OF BOARD OF DIRECTORS

This policy on diversity is largely framed to address the importance of a diverse Board in harnessing the unique and individual skills and experiences of the members in a way that collectively benefits the organisation and business. The basic essence is to provide a framework for leveraging on the differences within the expertise of the Board, offering a broad range of perspectives that are directly relevant to the business. A truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will ensure that the Company retains its competitive advantage.

The Company believes that a diverse Board will amongst others–

a. Enhance the quality of decisions making and ensure better business performance.

b. Encourage diversity of perspectives thereby fuel creativity and innovation.

c. Complement and expand the skills, knowledge and experience of the Board as a whole.

d. Provide better Corporate Governance.

The board of Directors of the Company should have a fair combination of executive and non-executive Directors with not less than 50 percent being Non-Executive Directors. The Company shall maintain the strength of Independent Directors on its board keeping in mind the regulatory requirements and guidelines on Corporate Governance.

The Company shall appoint Directors keeping in mind an ideal diversity in knowledge or expertise that could add value to the overall performance of the board and of the Company. The desired diversity may be fixed by the Nomination and Remuneration Committee ("the Committee") based on the nature of business of the Company from time to time. The diversity of the total board may include the following;

Expertise in;

i. Banking, Finance, Accountancy, Taxation

ii. Governance, Regulatory background, Law and practice

iii. Management, Administration

iv. Engineering, Human resource, Subject of social relevance

v. IT, Marketing

All Board appointments will be done on merit, in the context of skills as required for the areas of our business operations, management and also expertise in the fields of regulatory, legal, research, human capital management, strategic planning, marketing and general administration.

The Committee is responsible for reviewing and assessing the composition and performance of the Board, as well as identifying appropriately qualified persons to occupy Board positions.

While all appointments to the Board will continue to be made on merit, the Committee will consider the benefits of diversity (including but not limited to the attributes listed above) in identifying and recommending persons for Board membership, as well as in evaluating the Board and its individual members.

Further, the Committee will ensure that no person is discriminated against on grounds of religion, race, gender, pregnancy, childbirth or related medical conditions, national origin or ancestry, marital status, age, sexual orientation, or any other personal or physical attribute which does not speak to such person's ability to perform as a Board member.

Accordingly, the Committee shall:

1. assess the appropriate mix of diversity, skills, experience and expertise required on the Board and assess the extent to which the required skills are represented on the Board,

2. make recommendations to the Board in relation to appointments, and maintain an appropriate mix of diversity, skills, experience and expertise on the Board, and

3. periodically review and report to the Board requirements, if any, in relation to diversity on the Board.

Annexure - F

DETAILS OF THE EMPLOYEES STOCK OPTION SCHEME IN TERMS OF RULE 12 (9) OF COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014

The Company has granted the options under "Asirvad Employee Stock Option Scheme, 2019" and following are the details:

Option granted	5,12,500 Options (Outstanding as on April 01, 2021)
Options vested	-
Options exercised	-
The total no. of shares arising as a result of exercise of option.	-
Option lapsed	2,70,000 Options
The exercise price	₹ 364/ per option/ equity
Variation of terms of option	-
Money realised by exercise of options	-
Total no. of options in force	2,42,500 (Outstanding as on March 31, 2022)
Employee wise details of options granted to:-	Nil
a) KMP	Nil
b) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	Nil
c) Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	

For and on behalf of the Board of Directors
ASIRVAD MICRO FINANCE LIMITED

V. P. Nandakumar
Chairman
DIN: 00044512

B N Raveendra Babu
Managing Director
DIN: 00043622

Date: June 27, 2022
Place: Chennai

Annexure - G

A. CONSERVATION OF ENERGY

i. the steps taken or impact on conservation of energy

Asirvad in partnership with Microenergy Credits (MEC) is committed to reduce the carbon emission from environment by way of distributing/ facilitating/ promoting products, which can reduce emission such as solar lantern, improved cook stoves or water purifiers and the same is part of the Global Clean & Renewable Energy program under UNFCCC.

ii. the steps taken by the Company for utilising alternate sources of energy

Clean energy is more affordable than fossil fuels on a lifecycle basis, but the upfront cost of such technologies is prohibitive to most households. Access to financial aid can drive households to adopt clean energy and save money in their first month. MEC works by partnering with Micro Finance Institutions and NBFCs which already serve low income and rural households. MEC provides technical & operational assistance to help the MFIs increase the use of energy efficient products among people.

In this partnership, Asirvad has committed to distribute/ facilitate/promote products which can reduce emission such as solar lantern, improved cook stoves or water purifiers.

iii. the capital investment on energy conservation equipment

There was no capital investment spent on energy conservation investments as Company acts as a facilitator.

B. TECHNOLOGY ABSORPTION

i. the efforts made towards technology absorption

Asirvad Micro finance limited is one of the first NBFC-MFIs to develop and work a centrally overseen programming application and every one of its all branches overworking online with direct admittance to the centrally facilitated applications, through cloud environment.

ii. the benefits derived like product improvement, cost reduction, product development or import substitution

The Company keeps on separating itself from other market runners by ceaselessly developing new technological area stages to offer simplicity of tasks and straightforwardness for its clients, these cutting-edge advancements are ready to totally change the MFI industry.

iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

a) the details of technology imported

b) the year of import

c) whether the technology been fully absorbed

d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

Not Applicable

iv. the expenditure incurred on Research and Development

Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earnings during the year and outgo were as follows:

Description	Nature	Currency	Amount in INR
Interest	Outgo	EUR and USD	32,23,96,813.14
Micro Energy Credit	Earnings	USD	17,48,686.75

For and on behalf of the Board of Directors
ASIRVAD MICRO FINANCE LIMITED

V. P. Nandakumar
Chairman
DIN: 00044512

B N Raveendra Babu
Managing Director
DIN: 00043622

Date: June 27, 2022
Place: Chennai

Annexure - H

CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Members,
Asirvad Micro Finance Limited
Deshbandhu Plaza, First Floor
47, Whites Road Chennai-600014

We have examined documents, books, papers, minutes, forms and returns filed and other records maintained by the Company and all the relevant records for certifying the compliance of conditions of Corporate Governance by **Asirvad Micro Finance Limited** (CIN U65923TN2007PLC064550) (the Company) for the year ended March 31, 2022, in pursuance to Notice ref. 20220107-16 dated January 7, 2022 of Bombay Stock Exchange (BSE) as stipulated in Para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further in pursuance to Notice ref. 20220107-16 dated January 7, 2022 of Bombay Stock Exchange (BSE).

Management's Responsibility

The compliance of conditions of Corporate Governance (in respect of Regulations 16 to 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015) is the responsibility of the management. The management along with the Board of Directors are responsible in implementation and maintenance of internal control and procedures to ensure compliance with conditions of corporate governance as stated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015.

Our Responsibility

Our examination was limited to implementation of the conditions thereof and adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance under Regulations 16 to 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Our Opinion

In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with the conditions of Corporate Governance as specified in regulations 17 to 27 and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **KSR & CO COMPANY SECRETARIES LLP**

Sd/-
Dr. C. V. MADHUSUDHANAN
Partner
FCS: 5367; CP: 4408
UDIN: F005367D000330331

Place : Coimbatore
Date : May 16, 2022

Annexure - I

REMUNERATION DETAILS OF DIRECTORS, KMPS, AND EMPLOYEES

1. REMUNERATION DETAILS OF TOP TEN EMPLOYEES

(Amount in ₹)

Employee Name	Designation	Nature of Employment	Age	Date of joining	Qualification & Experience	Last Employment	% of equity shares held in the Company	Relative of any Director or Manager of the Company	Total Earnings FY 21-22
Yogesh Ratnakar Udhoji	Chief Financial Officer	Full Time	51	16-Sep-19	Chartered Accountant, Experience – 20 years	Easy Home Finance Ltd.	Nil	No	7260000
Ravindra Goud	Chief Operating Officer	Full Time	50	06-Jan-20	Master Of Business Administration, Experience – 23 years	Origo Finance Pvt Ltd.	Nil	No	4151208
Adinath K R	Chief Digital Officer	Full Time	36	01-06-2020	PH. D	Macom-Vice President - IT	Nil	No	4000000
Kalivarathan K	Vice President	Full Time	49	04-Sep-19	Master Of Arts, Experience – 19 years	Belstar Microfinance Ltd.	Nil	No	3399096
Nikhilesh Kumar Jain	Deputy CFO	Full Time	35	01-08-2016	Chartered Accountant	Manappuram Finance Ltd. Sr. Manager	Nil	No	3170760
Sriram Balakrishnan	Senior Vice President	Full Time	54	15-Feb-19	Master Of Business Administration, Experience – 15 years	Western India Transport Finance Co Pvt Ltd.	Nil	No	3142752
Robert K P	Joint General Manager	Full Time	35	04-01-2020	Chartered Accountant	Manappuram Finance Ltd. Chief Manager	Nil	No	2991168
Venkataraghavan J	Senior Vice President	Full Time	47	01-09-2017	Chartered Accountant	Manappuram Finance Ltd. Chief Manager	Nil	No	2916576
Alok Pattanayak	Vice President	Full Time	-	16-09-2019	MBA	IFMR Rural Channels and Services	Nil	No	25,76,844
Ritesh Kumar Singh	Vice President	Full Time	-	11-09-2019	MBA	Midland Microfin Ltd.	Nil	No	25,42,848

2. EMPLOYEES EMPLOYED THORUGHOUT THE FINANCIAL YEAR AND DRAWING A REMUNERATION OF 1.02 CRORES OR ABOVE PER ANNUM

Employee Name	Designation
BN Raveendra Babu	Managing Director

Employee Name	Designation	Nature of Employment	Age	Date of joining	Qualification & Experience	Last Employment	% of equity shares held in the Company	Relative of any Director or Manager of the Company	*Total Earnings FY 21-22
Raveendra Babu BN	Managing Director	Appointed by Board for a term of Five years till 30th May, 2026	69	01-Jun-21	Master's Degree in Commerce (Certificate from Institute of certified Management Accounts UK) Experience: 29 years	Executive Director – Manappuram Finance Limited	0.09%	No	₹ 120.30 Lakhs

*The amount detailed in the above table only related to Salary. Commission and other benefits are detailed in Corporate Governance Report.

3. EMPLOYEES EMPLOYED FOR A PART OF THE FINANCIAL YEAR AND DRAWING A REMUNERATION OF NOT LESS THAN EIGHT LAKHS AND FIFTY THOUSAND RUPEES PER MONTH

Employee Name	Designation	Nature of Employment	Age	Date of joining	Qualification & Experience	Last Employment	% of equity shares held in the Company	Relative of any Director or Manager of the Company	*Total Earnings FY 21-22
S.V. Raja Vaidyanathan	Managing Director	Appointed by Board for a term of three years till June 30, 2021	67	29-08-2007	B. Tech (IIT Madras); MBA (IIM Calcutta), AICWAI & ACS Experience: 42 years	President Reliance Industries Limited	1.92%	No	₹ 57.91 Lakhs

*Tenure of Mr. S V Raja Vaidyanathan as Managing Director till June 30, 2021

**The amount detailed in the above table only related to remuneration, commission and other benefits are not part of this.

4. if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.- NA

For and on behalf of the Board of Directors
ASIRVAD MICRO FINANCE LIMITED

V. P. Nandakumar
Chairman
DIN: 00044512

B N Raveendra Babu
Managing Director
DIN: 00043622

Date: June 27, 2022
Place: Chennai

FINANCIAL STATEMENTS

Independent Auditors' Report

To,

The Members of Asirvad Micro Finance Limited.

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of **Asirvad Micro Finance Limited** (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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 ('Ind AS') prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing ("the SAs") specified under sub-section (10) of section 143 of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Expected Credit Loss - Impairment of carrying value of loans and advances and implementation of Resolution Framework 2.0** Refer to Note 3(i) of significant accounting policies and Note 39. Under Ind AS 109, Expected Credit Losses ('ECL') are required to be determined for recognising impairment losses on financial assets which are stated at amortised cost. The Company exercises significant judgment using assumptions in recognising impairment provision for loans and advances. The computation of impairment provision or ECL is based on significant management estimates and judgments, which are as under: • Judgements about credit risk characteristics for collective evaluation of impairment under various stages of ECL	We performed audit procedures set out below: • Assessed the Company's accounting policies for measurement and recognition of ECL in line with the requirements of Ind AS 109 - Financial Instruments • Understood and assessed the Company's process and controls on measurement and recognition of impairment in the loan portfolio • Verified on a sample basis, loans in stage 1, 2 and 3 to ascertain that they were allocated to the appropriate stage • Test checked the Probability of Default ('PD') and Loss Given Default ('LGD') computations performed by the management, including testing data used in assessment and evaluation of whether the results support appropriateness of the PDs at a portfolio level

Sr. No.	Key Audit Matter	Auditor's Response
	• Loan staging criteria • Calculation of Probability of Default ('PD') and Loss Given Default ('LGD') • Consideration of probability scenarios and forward looking macro-economic factors • Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment with the range of possible effects unknown to the country arising out of the COVID 19 pandemic ECL requires a large variety of data such as historical data, macro-economic & state specific variables as an input to the ECL model. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. During the year, the Reserve Bank of India (RBI) has issued a guideline which is also applicable to NBFCs as part of COVID-19 relief measures that may be provided to its borrowers: • Resolution Framework 2.0 which required the NBFCs to provide certain concessions including moratorium in repayment of loans based on fulfillment of certain conditions and the asset classification and provisioning requirements to be applied on such loans. This guideline required the ECL models to be reassessed based on the impact of COVID-19, geographical and other relevant macro level economic risk to measure the ECL. In view of the criticality of the item to the Financial Statements, complex nature of assumptions, interpretations of RBI regulations & judgements exercised by the management and loans forming a major portion of the Company's assets and impairment charge for the year being material to the net profit for the year, in our opinion this is considered as a Key Audit Matter.	• Test checked the computations of determining Exposure at Default (EAD) • Test checked the manner of determining significant increase in credit risk and the resultant basis for classification of exposures into various stages • Performed an 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. • Tested the arithmetical accuracy of the computations made by the Company • Obtained the approved policy including board notes to assess and understand the relief measures sanctioned to various class of borrowers in accordance with the RBI guideline and tested on sample basis the compliance with respect to asset classification and provisioning norms. • Perused the disclosures in the financial statements in respect of ECL and specific disclosures made in adherence with RBI guidelines related to COVID-19 packages.
2	**Information Technology ('IT') Systems impacting financial reporting and migration to the new Loan Management software** The Company operates in a complex IT environment that involves substantial reliance on its IT systems which are extensively used in the operations of the Company for processing and recording voluminous data impacting key financial data including loans, interest income, repayment collections data and impairment of financial instruments. These IT systems are also extensively used in the financial reporting process.	We performed audit procedures set out below: • Obtained 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.

Sr. No.	Key Audit Matter	Auditor's Response
	Adequate IT General Controls, application controls and access controls are required to ensure that such IT systems are able to process the data to ensure data consistency, accuracy and reliability especially for financial reporting. During the year, the Company has completely migrated to the new loan management software having integrated accounting module ('New LMS') from the legacy IT system in the month of February 2022. Pursuant to the implementation of the New LMS, financial and other related information was required to be migrated from the legacy IT systems to the New LMS. Also, certain manual adjustments were required to be made to re-classify balances from control account to sub ledgers, post entries manually in fixed asset module which added to the complexity. We have identified 'Information Technology' ('IT') Systems impacting financial reporting and migration to the new Loan Management software (LMS) as key audit matter because of significant use of IT system and the scale and complexity of the IT architecture including its extensive use in the financial reporting process. Our audit outcome is dependent on the effective functioning of such IT systems.	• Our audit procedures included verifying, testing and reviewing the design and operating effectiveness of the key automated and manual business cycle controls and logic for system generated reports relevant to the audit by verifying the reports/returns and other financial and non-financial information generated from the system on a test check basis. • Tested the automated computation processed by the IT system that includes computation of interest income. • We have tested and reviewed the reconciliations between the loan origination/ servicing application and the accounting software to mitigate the risk of incorrect data flow to/from separate application software. • We have placed reliance on audit report issued by the independent third party IS auditor as appointed by the Company post migrating to the new LMS. • To obtain comfort over the completeness, and accuracy of the migration process reliance was placed on the work (migration audit) performed by an independent third party whose work includes but was not limited to, the following: 1. Reconciliation of the closing balances as at February 19, 2022, as per the legacy IT system and the New LMS. 2. Comparing the general ledger balances with the sub ledger balances of the new LMS at February 19, 2022 • To obtain comfort over the data flow, IT control, and security configurations of the New LMS system a post-implementation review is performed by an independent third party whose work includes but were not limited to, the following: 1. Technical and functional review of Microfinance (MFI), MSME and Gold loan module under New LMS system. • We have also obtained management representations wherever considered necessary.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does not include the Standalone Financial Statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the Standalone 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 Standalone Financial Statements or our

knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Other Information, 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 (Revised) "The Auditor's Responsibilities Relating to Other Information".

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's management and the Board of Directors are responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total 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, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for the 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Management and the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone 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 Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has an 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 Standalone 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 Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' 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

The Standalone Financial Statements of the Company as at March 31, 2021 were audited by the predecessor auditor, who have expressed an unmodified opinion on those Standalone Financial Statements vide their audit report dated May 24, 2021.

Our opinion on the Standalone Financial Statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the said order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

   d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended;

   e) On the basis of written representations received from the directors as at March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of sub-section (2) of Section 164 of the Act;

   f) With respect to the adequacy of internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'.

3. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a) the Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 41 to the Standalone Financial Statements as at March 31, 2022

   b) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2022;

   c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022; and

   d) (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the standalone financial statements (Refer note 62 to the Standalone Financial Statements), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to the accounts (Refer note 62 to the Standalone Financial Statements), no funds have been received by the Company from any person(s) or entity(ies), including

foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

e) The Company has neither declared any dividend nor paid any dividend during the year.

4. 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, including sitting fees paid to directors, during the year is in accordance with the provisions of Section 197 read with Schedule V of the Act;

For M. P. Chitale & Co
Chartered Accountants
ICAI Firm Registration No.: 101851W

Sanat Ulhas Chitale
Partner
ICAI Membership No.: 143700
UDIN: 22143700AJBVFT9762

Place: Pune
Date: May 16, 2022

Annexure A

to the Independent Auditors' Report – March 31, 2022

Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditors' Report to the members of the Company of even date:

(i) (a) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment including intangible assets.

(b) In our opinion, the Company's program of verifying Property, Plant and Equipment once in three years, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to such program, the physical verification of Property, Plant and Equipment were physically verified by the Company during the year. We have been informed that no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us, we report that, the title deeds, comprising all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) classified as Property Plant and Equipment, are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment or intangible assets during the year.

(e) According to the information and explanations given to us and based on management representations, there are no proceedings initiated or are pending against the Company as at March 31, 2022 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is in the business of providing micro finance loans. Therefore, it does not hold any physical inventories. Accordingly, paragraph 3(ii) (a) of the Order is not applicable to the Company.

(b) The Company has been sanctioned working capital limits in excess of five Crores rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. According to information and explanation given to us and the records examined by us, the quarterly returns or statements, if any have not been filed by the Company during the year with such banks or financial institutions as the working capital limits have not been utilised by the Company as at March 31, 2022.

(iii) (a) Since the Company is in business of providing micro finance loans, the reporting under clause 3(iii)(a) of the Order is not applicable to the Company

(b) According to the information and explanations given to us, 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 Act. Consequently, the provisions of clause 3(iii)(b) of the Order are not applicable to the Company.

(c) The Company is principally engaged in the business of providing loans. In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been duly stipulated and the repayments of principal amounts and receipts of interest have generally been regular as per repayment schedules except for 86,144 cases having loan outstanding balance at year end aggregating to ₹ 10,316.16 Lakhs wherein the repayments of principal and interest are not regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where repayment of principal and interest have not been regular.

(d) In respect of loans granted by the Company, the total amount overdue for more than 90 days as at the balance sheet date are as under;

No. of cases	Principal amount overdue (₹ Lakhs)	Interest overdue (₹ Lakhs)	Total overdue (₹ Lakhs)
86,144	9,607.96	708.20	10,316.16

According to information and explanation given to us and the records examined by us, the Company has taken reasonable steps to recover the principal and interest amount.

(e) Since the Company is in business of providing micro finance loans, the reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment.

(iv) There are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are attracted. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.

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

(vi) According to the information and explanations given to us and to the best of our knowledge, the Central Government has not prescribed the maintenance of cost records under sub-section 1 of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, as amended for the services of the Company, and, hence, reporting on clause 3 (vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us, and on the basis of examination of the books of account of the Company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues applicable to it. According to information and explanations given to us, no undisputed amount payable was outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues as mentioned in sub clause vii(a) above which have not been deposited with the appropriate authorities on account of any dispute except as mentioned below:

Details of dues of Income Tax, which has not been deposited as at March 31, 2022 on account of dispute are given below:

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹ in Lakhs)
Income Tax Act, 1961	Income Tax	CIT (Appeals)	AY 2015-16	1,124.50
Income Tax Act, 1961	Income Tax	CIT (Appeals)	AY 2016-17	1,978.91
Income Tax Act, 1961	Income Tax	CIT (Appeals)	AY 2017-18	1,521.37

(viii) According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income in the tax assessments made during the year under the Income Tax Act, 1961 (43 of 1961).

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

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

(c) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has utilised the money raised by way of term loans during the year for the purposes for which they were raised, other than placement funds aggregating to ₹ 32,300 lakhs in Bank accounts/ Bank Fixed Deposit and Mutual Fund, pending utilisation of funds as per respective sanction terms as at March 31, 2022.

(d) On an overall examination of the Standalone Financial Statements of the Company, no funds have been raised on short-term basis. Accordingly reporting on clause 3 (ix) (d) of the Order is not applicable to the Company.

(e) The Company does not have subsidiary, associate or joint venture, accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have subsidiary, associate or joint venture, accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has not raised any money by way of an initial public offer or further public offer (including debt instruments). Accordingly, paragraph 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) According to information and explanation given to us, and on the basis of examination of the books and records of the Company, we have come across the instance of material frauds on the Company amounting to ₹ 135.52 Lakhs, noticed and reported during the year as per the requirements of RBI guidelines.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year, while determining the nature, timing and extent of our audit procedures.

(xii) The Company is not a Nidhi Company and hence, reporting under clause 3 (xii) of the Order is not applicable to the Company.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable Ind AS.

(xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with directors. Accordingly, reporting under paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and such registration has been obtained by the Company.

(b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Micro Finance activities without obtaining a valid Certificate of Registration from the Reserve Bank of India as per Reserve Bank of India Act, 1934.

(c) According to the information and explanations given to us the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) In our opinion, there is no core investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) Pursuant to the RBI guidelines dated April 27, 2021, the predecessor statutory auditors (Walker Chandiok & Co LLP, ICAI Firm Registration No. 001076N/N500013) of the Company resigned during the year; and that there were no issues, objections or concerns raised by the outgoing auditors as communicated to us.

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

(xx) (a) Other than ongoing projects, there are no unspent amounts towards Corporate Social Responsibility ('CSR') to be transferred to a Fund specified in Schedule VII to the Companies Act, 2013 within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company for the year.

(b) In respect of ongoing projects, the Company has transferred unspent CSR amounts as at the end of the current financial year, to a Special account within a period of 30 days from the end of the current financial year in compliance with the provision of section 135(6) of the Act.

(xxi) Based on information and explanations given to us, the Company is not required to prepare consolidated financial statements as per section 129(3) of the Companies Act 2013. Accordingly reporting under clause 3(xxi) of the Order is not applicable to the Company.

For M. P. Chitale & Co
Chartered Accountants
ICAI Firm Registration No.: 101851W

Sanat Ulhas Chitale
Partner
ICAI Membership No.: 143700
UDIN: 22143700AJBVFT9762

Place: Pune
Date: May 16, 2022

Annexure B

to the Independent Auditors' Report – March 31, 2022

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ('the Act')

(Referred to in paragraph 2(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date)

We have audited the Internal Financial Controls with reference to the Standalone Financial Statements of **Asirvad Micro Finance Limited** ('the Company') as at March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management and Board of Directors are 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 (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). 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 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the 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 Standalone Financial Statements 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 with reference to Standalone Financial Statements 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 Standalone 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 with reference to Standalone Financial Statements.

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 Standalone 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 Standalone 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 the 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 Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For M. P. Chitale & Co
Chartered Accountants
ICAI Firm Registration No.: 101851W

Sanat Ulhas Chitale
Partner
ICAI Membership No.: 143700
UDIN: 22143700AJBVFT9762

Place: Pune
Date: May 16, 2022

Balance Sheet as on March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

Particulars			Note No.	As at March 31, 2022	As at March 31, 2021
I	**Assets**				
1	**Financial assets**				
	(a)	Cash and cash equivalents	5	79,430.46	64,846.87
	(b)	Bank balance other than (a) above	6	12,392.06	18,721.99
	(c)	Loans	7(a)	5,42,611.52	4,79,519.17
	(d)	Loans given to staff	7(b)	5.14	76.52
	(e)	Investments	8	10,713.50	5.00
	(f)	Derivative financial instruments	14	274.10	-
	(g)	Other financial assets	9	10,891.38	6,566.94
				6,56,318.16	**5,69,736.49**
2	**Non-financial Assets**				
	(a)	Current tax assets (net)	10	3,804.14	1,858.88
	(b)	Deferred tax assets (net)	11 (a)	9,043.41	8,282.84
	(c)	Investment property	12	8.64	8.64
	(d)	Property, plant and equipment	12	3,423.04	687.63
	(e)	Right of use asset	12	7,396.46	894.48
	(f)	Other intangible assets	12	142.04	259.69
	(g)	Intangible assets under development	12	94.18	54.50
	(h)	Other non financial assets	13	1,137.83	776.23
				25,049.73	**12,822.88**
	Total assets			**6,81,367.89**	**5,82,559.39**
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		2,688.28	2,447.22
	(c)	Debt securities	16	1,38,543.44	1,21,905.45
	(d)	Borrowings (other than debt securities)	17	3,85,412.34	3,19,334.54
	(e)	Subordinated liabilities	18	31,920.38	21,476.92
	(f)	Other financial liabilities	19	12,679.69	6,043.41
				5,71,244.13	**4,71,342.84**
2	**Non-financial liabilities**				
	(a)	Current tax liabilities (net)	20 (a)	-	725.91
	(b)	Provisions	20 (b)	1,497.57	1,506.75
	(c)	Other non-financial liabilities	21	1,420.86	3,440.39
				2,918.43	**5,673.05**
3	**Equity**				
	(a)	Equity share capital	22	5,331.19	5,331.19
	(b)	Other equity	23	1,01,874.14	1,00,212.30
				1,07,205.33	**1,05,543.49**
	Total Liabilities and Equity			**6,81,367.89**	**5,82,559.38**

Notes 1 to 64 form an integral part of the financial statements

This is the balance sheet referred to in our report of even date

For M.P. CHITALE & Co
Chartered Accountants
ICAI Firm Registration Number: 101851W

Sanat Ulhas Chitale
Partner
ICAI Membership Number: 143700

Date: May 16, 2022
Place: Pune

For and on behalf of the Board of Directors of
Asirvad Micro Finance Limited

V P Nandakumar
Chairman
(DIN No. 00044512)

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

Yogesh Ratnakar Udhoji
Chief Financial Officer

Aparna Menon
Company Secretary

Date: May 16, 2022
Place: Chennai

Statement of Profit and Loss for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

Particulars			Note No.	Year ended March 31, 2022	Year ended March 31, 2021
I	**Revenue from operations**				
	Interest income		24 (a)	1,18,084.12	95,762.88
	Net Gain on derecognition of financial instruments under amortised cost category		24 (b)	11,697.22	7,147.98
	Dividend income		24 (c)	1,118.80	1,286.86
	Other operating income		25	4,669.82	1,099.17
				1,35,569.96	**1,05,296.89**
II	Other income		26	4,400.01	2,421.47
III	**Total income (I + II)**			**1,39,969.97**	**1,07,718.36**
IV	**Expenses**				
	Finance cost		27	57,136.57	45,754.14
	Impairment of financial instruments		28	39,707.04	29,980.94
	Employee benefit expenses		29	26,868.91	18,852.94
	Depreciation and amortisation expense		30	3,523.43	1,183.72
	Other expenses		31	10,872.65	8,878.60
	Total expenses (IV)			**1,38,108.60**	**1,04,650.34**
V	**Profit before exceptional items and tax (III - IV)**			**1,861.37**	**3,068.02**
VI	**Exceptional items**			**-**	**-**
VII	**Profit before tax (V- VI)**			**1,861.37**	**3,068.02**
VIII	**Tax expense**				
	(1)	Current tax	11 (b)	1,664.62	6,618.90
	(2)	Deferred tax	11 (b)	(872.88)	(4,828.08)
	(3)	Tax relating to earlier years	11 (b)	(273.61)	(410.94)
				518.13	**1,379.88**
IX	**Profit for the year (VII - VIII)**			**1,343.24**	**1,688.14**
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)		155.76	(184.28)
		b. Fair value changes on derivatives designated as cash flow hedge (net)		290.44	64.95
	(ii)	Income tax relating to items that will not be reclassified to profit or loss		(112.30)	30.04
	Subtotal (A)			**333.90**	**(89.29)**
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)			**333.90**	**(89.29)**
XI	**Total comprehensive income for the year (IX + X)**			**1,677.14**	**1,598.85**
XII	**Earnings per equity share of ₹ 10 each**		33		
	- Basic (₹)			2.52	3.17
	- Diluted (₹)			2.52	3.17

Notes 1 to 64 form an integral part of the financial statements

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

For M.P. CHITALE & Co
Chartered Accountants
ICAI Firm Registration Number: 101851W

Sanat Ulhas Chitale
Partner
ICAI Membership Number: 143700

Date: May 16, 2022
Place: Pune

For and on behalf of the Board of Directors of
Asirvad Micro Finance Limited

V P Nandakumar
Chairman
(DIN No. 00044512)

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

Yogesh Ratnakar Udhoji
Chief Financial Officer

Aparna Menon
Company Secretary

Date: May 16, 2022
Place: Chennai

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

(All amounts in ₹ lakhs unless otherwise stated)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A	**Cash flow from operating activities**		
	Profit before income tax	**1,861.37**	**3,068.02**
	Adjustments for:		
	Depreciation and amortisation expense	3,523.43	1,183.72
	Impairment of financial instruments	39,707.04	29,980.94
	Provision for insurance claim receivable	339.47	301.70
	Loss/(Profit) on sale of fixed assets (net)	-	0.06
	Dividend income	(1,118.80)	(1,286.86)
	Finance cost	57,136.57	45,754.14
	Interest on deposits	(1,925.67)	(2,774.95)
	Share based payments to employees	(15.30)	(7.24)
	Operating profit before working capital changes	**99,508.11**	**76,219.53**
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Loans	(1,02,799.39)	(75,172.60)
	Loans given to staff	71.38	25.78
	Other financial assets	(4,663.91)	2,655.70
	Other non financial assets	(361.60)	(366.14)
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	241.06	684.52
	Other financial liabilities	(1,083.22)	1,341.34
	Other non financial liabilities	(2,019.53)	(26,482.21)
	Other provisions	146.58	165.29
	Net cash flow generated / (used in) operations	**(10,960.53)**	**(20,928.79)**
	Net Income tax paid	(4,062.18)	(5,826.75)
	Net cash generated / (used in) in operating activities (A)	**(15,022.71)**	**(26,755.54)**
B	**Cash flow from investing activities**		
	Proceeds from sale of property, plant and equipment	-	25.00
	Purchase of property, plant and equipment	(4,912.35)	(801.33)
	Purchase of other intangible assets	(317.10)	(456.50)
	Net movement in bank deposits	6,438.58	1,013.48
	Dividend received	1,118.80	1,286.86
	Investments	(10,708.50)	-
	Interest income on deposits	1,817.02	3,269.05
	Net cash flow generated / (used in) from investing activities (B)	**(6,563.55)**	**4,336.56**

Statement of Cash Flow (contd.) for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
C	**Cash flow from financing activities**		
	Proceeds from long term borrowings - term loans	3,38,167.00	1,92,545.00
	Repayment of long term borrowings - term loans	(2,73,763.08)	(2,02,517.37)
	Interest paid on term loans	(33,739.57)	(31,042.46)
	Proceeds from long term borrowings - debentures	89,300.00	1,11,500.00
	Repayment of long term borrowings - debentures	(59,315.59)	(35,575.00)
	Interest paid on debentures	(16,829.10)	(9,133.79)
	Proceeds from securitisation borrowings	-	-
	Repayment of securitisation borrowings	(6,845.87)	(52,241.91)
	Interest paid on securitisation	(84.88)	(3,378.55)
	Proceeds from short term borrowings - commercial paper	-	-
	Repayment of short term borrowings - commercial paper	-	(2,266.55)
	Interest paid on CP	-	(233.45)
	Repayment of short term borrowings - cash credit	-	-
	Proceeds from finance lease	-	-
	Other interest and charges paid	(719.07)	(464.51)
	Net cash flow from financing activities (C)	**36,169.83**	**(32,808.59)**
	Net increase in cash and cash equivalents (A+B+C)	**14,583.59**	**(55,227.57)**
	Cash and cash equivalents at the beginning of the period	**64,846.87**	**1,20,074.44**
	Cash and cash equivalents at the end of the period	**79,430.46**	**64,846.87**
	Cash and cash equivalents as per above comprise of the following		
	(a) Cash on hand	2,268.64	224.72
	(b) Balances with banks (of the nature of cash and cash equivalents)	77,161.82	64,622.15
	Balance as per statement of cash flow	**79,430.46**	**64,846.87**

Notes 1 to 64 form an integral part of the financial statements

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

For M.P. CHITALE & Co
Chartered Accountants
ICAI Firm Registration Number: 101851W

Sanat Ulhas Chitale
Partner
ICAI Membership Number: 143700

Date: May 16, 2022
Place: Pune

For and on behalf of the Board of Directors of
Asirvad Micro Finance Limited

V P Nandakumar
Chairman
(DIN No. 00044512)

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

Yogesh Ratnakar Udhoji
Chief Financial Officer

Aparna Menon
Company Secretary

Date: May 16, 2022
Place: Chennai

Statement of Changes in Equity for the year ended March 31, 2022

A. Equity Share Capital

(1) For the Year Ended March 31, 2022

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Changes in equity share capital during the current year	Balance at the end of the current reporting period
5,331.19	-	-	**5,331.19**

(2) For the Year Ended March 31, 2021

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Changes in equity share capital during the current year	Balance at the end of the current reporting period
5,331.19	-	-	**5,331.19**

B. Other Equity

(1) For the Year Ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Reserves and Surplus						Other Comprehensive Income			
	Securities Premium	Statutory Reserve	Capital redemption reserve	Contribution from Holding Company	General Reserve	Retained Earnings	Remeasurement Gain/Loss on Defined Benefit Obligation	Effective portion of Cash flow hedge	Tax related to items that will not be reclassified	Total
Balance at the beginning of the current reporting period(As at April 01, 2021)	55,810.89	9,756.91	500.00	15.30	35.93	34,162.72	(149.08)	64.95	14.68	**1,00,212.30**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	**-**
Restated balance at the beginning of the current reporting period	55,810.89	9,756.91	500.00	15.30	35.93	34,162.72	(149.08)	64.95	14.68	**1,00,212.30**
Total Comprehensive Income for the current year	-	-	-	-	-	1,343.24	155.76	290.44	(112.30)	**1,677.14**
Dividends	-	-	-	-	-	-	-	-	-	**-**
Transfer To/From	-	268.65	-	-	-	(268.65)	-	-	-	**-**
Reversal During the Year	-	-	-	(15.30)	-	-	-	-	-	**(15.30)**
Balance at the end of the current reporting period(As at March 31, 2022)	55,810.89	10,025.56	500.00	-	35.93	35,237.31	6.68	355.39	(97.62)	**1,01,874.14**

Statement of Changes in Equity for the year ended March 31, 2022

(2) For the Year Ended March 31, 2021

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Reserves and Surplus						Other Comprehensive Income			
	Securities Premium	Statutory Reserve	Capital redemption reserve	Contribution from Holding Company	General Reserve	Retained Earnings	Remeasurement Gain/Loss on Defined Benefit Obligation	Effective portion of Cash flow hedge	Tax related to items that will not be reclassified	Total
Balance at the beginning of the current reporting period(As at April 01, 2020)	55,810.89	9,419.28	500.00	22.54	35.93	32,812.21	35.20	-	(15.36)	**98,620.69**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	**-**
Restated balance at the beginning of the current reporting period	55,810.89	9,419.28	500.00	22.54	35.93	32,812.21	35.20	-	(15.36)	**98,620.69**
Total Comprehensive Income for the current year	-	-	-	-	-	1,688.14	(184.28)	64.95	30.04	**1,598.85**
Dividends	-	-	-	-	-	-	-	-	-	**-**
Transfer To/From	-	337.63	-	-	-	(337.63)	-	-	-	**-**
Reversal During the Year	-	-	-	(7.24)	-	-	-	-	-	**(7.24)**
Balance at the end of the current reporting period(As at March 31, 2021)	55,810.89	9,756.91	500.00	15.30	35.93	34,162.72	(149.08)	64.95	14.68	**1,00,212.30**

Notes 1 to 64 form an integral part of the financial statements

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

For M.P. CHITALE & Co
Chartered Accountants
ICAI Firm Registration Number: 101851W

Sanat Ulhas Chitale
Partner
ICAI Membership Number: 143700

Date: May 16, 2022
Place: Pune

For and on behalf of the Board of Directors of
Asirvad Micro Finance Limited

V P Nandakumar
Chairman
(DIN No. 00044512)

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

Yogesh Ratnakar Udhoji
Chief Financial Officer

Aparna Menon
Company Secretary

Date: May 16, 2022
Place: Chennai

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022
(All amounts in ₹ lakhs unless otherwise stated)

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 October 04, 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.

The financial statements for the year ended March 31, 2022 were authorised and approved for issue by the Board of Directors on May 16, 2022.

(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 recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring 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 recognised 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.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022
(All amounts in ₹ lakhs unless otherwise stated)

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.

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

Notes Forming Part of the Financial Statements

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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.

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 recognised 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 recognised in time proportion basis taking into account the amount outstanding and the rate applicable using the effective interest rate (EIR) method.

Notes Forming Part of the Financial Statements

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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.

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 recognised in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognised 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.

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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 recognised 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 12 months' expected credit loss (12mECL).

The 12m ECL 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 12m ECLs 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.

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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. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances 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.

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 recognises 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.

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The right-of-use assets are initially recognised 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 amortised 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. Amortised 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 amortised cost or at fair value through

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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 recognised 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.

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 derecognised (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 recognises 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 is 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) Derivative financial instruments

The Company enters into derivative financial instruments, cross currency swaps, to manage its borrowing exposure to foreign exchange.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognised at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting

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period. The resulting gain/loss is recognised in Statement of profit and loss.

(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.

Grant or subsidy relates to revenue, it is recognised as income on a systematic basis in profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate.

(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-recognised 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-recognised. 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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5 Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Cash on hand	2,268.64	224.72
(b) Balances with banks		
- In current accounts	23,860.52	17,399.55
- In deposit accounts - not covered under lien	53,301.30	47,222.60
	79,430.46	**64,846.87**

5.1

Particulars	As at March 31, 2022	As at March 31, 2021
Of the above, the balances that meet the definition of cash and cash equivalents as per Ind AS 7 cash flow statements	79,430.46	64,846.87

6 Bank balance other than above (Also, refer note 17.1)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Banks		
- In Deposit Accounts - under lien (Refer note 6.1 below)	12,392.06	18,721.99
	12,392.06	**18,721.99**

6.1 Deposit accounts under lien comprise of:

Deposits (excluding accrued interest) amounting to ₹ 11,631.70 lakhs (As at March 31, 2021 ₹ 12,842.59 lakhs) have been placed with certain banks for obtaining term loans.

Deposits (excluding accrued interest) Nil (As at March 31, 2021 : ₹ 5,148.97 lakhs) are placed as credit enhancement (cash collateral) towards securitisation transactions.

7(a) Loans (at amortised cost)

Particulars	As at March 31, 2022	As at March 31, 2021
(A) Term loans	**5,77,010.65**	**5,13,664.06**
Less : Impairment loss allowance	**34,399.13**	**34,144.89**
Total	**5,42,611.52**	**4,79,519.17**
(i) Secured		
Loans	34,929.86	4,360.92
Less : Impairment loss allowance	221.94	104.83
Sub Total	**34,707.92**	**4,256.09**
(ii) Unsecured		
Loans	5,42,080.79	5,09,303.14
Less : Impairment loss allowance	34,177.19	34,040.06
Sub Total	**5,07,903.60**	**4,75,263.08**
Grand Total	**5,42,611.52**	**4,79,519.17**

7(b) Loans given to staff (at amortised cost)

Particulars	As at March 31, 2022	As at March 31, 2021
Loans to Staff	5.14	76.52
	5.14	**76.52**

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7.1

Particulars	As at March 31, 2022	As at March 31, 2021
The loan receivables reflected above excludes microfinance loans assigned to a third party on direct assignment 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:	1,21,256.10	85,801.60

7.2

Particulars	As at March 31, 2022	As at March 31, 2021
Provisions as per RBI Prudential Norms	7,305.46	6,989.97
Provisions as per ECL model under Ind AS 109	34,399.13	34,144.89
Amount recorded in the books	34,399.13	34,144.89

As at March 31, 2022

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)
Performing assets						
Standard	Stage 1	5,02,773.92	7,393.48	4,95,380.44	6,400.38	993.10
	Stage 2	64,628.77	19,108.77	45,520.00	646.29	18,462.48
Non Performing Assets (NPA)						
Substandard	Stage 3	9,607.96	7,896.88	1,711.09	258.79	7,638.09
Total		**5,77,010.65**	**34,399.13**	**5,42,611.52**	**7,305.46**	**27,093.67**

As at March 31, 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)
Performing assets						
Standard	Stage 1	4,70,496.16	9,600.52	4,60,895.64	6,391.89	3,208.63
	Stage 2	34,081.12	15,475.69	18,605.43	339.29	15,136.40
Non Performing Assets (NPA)						
Substandard	Stage 3	9,086.78	9,068.68	18.10	258.79	8,809.89
Total		**5,13,664.06**	**34,144.89**	**4,79,519.17**	**6,989.97**	**27,154.92**

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022
(All amounts in ₹ lakhs unless otherwise stated)

7.3 The Stage wise break of loans reflected above (Refer Note 7) is given below:

(A) As at March 31, 2022

Particulars	Stage 1: 0-30 days	Stage 2: 31-90 days	Stage 2: 31-90 days
i. Loans considered as Qualifying Assets	4,53,019.10	62,681.50	9,076.86
ii. Loans considered as Non Qualifying Assets	49,754.81	1,947.27	531.11
Gross Carrying Amount of Loans	**5,02,773.91**	**64,628.77**	**9,607.96**
Less : Impairment loss allowance *	7,393.48	19,108.77	7,896.88
Net Loans	**4,95,380.42**	**45,520.00**	**1,711.09**

(B) As at March 31, 2021

Particulars	Stage 1: 0-30 days	Stage 2: 31-90 days	Stage 2: 31-90 days
i. Loans considered as Qualifying Assets	4,50,063.58	32,334.87	8,599.55
ii. Loans considered as Non Qualifying Assets	19,581.34	1,593.65	487.23
Gross Carrying Amount of Loans	**4,69,644.92**	**33,928.53**	**9,086.78**
Less : Impairment loss allowance *	9,600.52	15,475.69	9,068.68
Net Loans	**4,60,044.38**	**18,452.83**	**18.10**

7.3 Reconciliation of impairment allowance on Loans

Particulars	Amount
Impairment allowance as at April 01, 2020	**18,510.11**
Add: Impairment allowance provided in statement of Profit & Loss	29,980.94
Less: Impairment allowance Utilised for writing off Loss assets	14,346.16
Impairment allowance as at March 31, 2021	**34,144.89**
Add: Impairment allowance provided in statement of Profit & Loss	39,707.04
Less: Impairment allowance Utilised for writing off Loss assets	39,452.80
Impairment allowance as at March 31, 2022	**34,399.13**

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 March 31, 2022	As at March 31, 2021
(i) No of SPVs sponsored by the NBFC for securitisation transactions		
a. Through Direct assignment	22	14
b. Through PTC	-	8
Total	**22**	**22**
(ii) Total amount of securitised assets as per books of the SPVs Sponsored		
a. Through Direct assignment	1,21,256.10	85,801.60
b. Through Pass through Ceritificates	-	6,822.72
Total	**1,21,256.10**	**92,624.32**

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022
(All amounts in ₹ lakhs unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
(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		
First loss	14,733.58	15,476.18
Others	-	-
a. Pass through Ceritificates	-	-
Others	-	-
(iv) Amount of exposures to securitisation transactions Other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own securitisations		
First loss	-	-
Others	-	-
	-	-
ii) Exposure to third party securitisations		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
i) Exposure to own securitisations		
First loss	-	5,148.97
Others	-	-
ii) Exposure to third party securitisations		
First loss	-	-
Others	-	-

7.5 Details of Financial Assets sold to Securitisation Company

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Total number of loan assets securitised during the year		
a. Through Direct assignment	4,92,020.00	1,75,430.00
b. Through PTC	-	-
	4,92,020.00	**1,75,430.00**
Book value of loan assets securitised during the year		
a. Through Direct assignment	1,41,548.43	44,443.44
b. Through PTC	-	-
	1,41,548.43	**44,443.44**
Sale consideration received during the year		
a. Through Direct assignment	1,25,923.67	39,999.79
b. Through PTC	-	-
	1,25,923.67	**39,999.79**
MFI Loans Subordinated as Credit Enhancement on Assets Derecognised		
a. Through Direct assignment	15,624.76	4,443.64
b. Through PTC	-	-
	15,624.76	**4,443.64**

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022
(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Gain / (loss) on the securitisation transaction recognised in P&L		
Through PTC & Direct assignment	11,697.22	7,147.98
Gain / (loss) on the securitisation transactions deferred		
Through PTC & Direct assignment	-	-
	11,697.22	**7,147.98**
Quantum of Credit Enhancement provided on the transactions in the form of deposits		
a. Through Direct assignment	-	-
b. Through PTC	-	5,148.97
	-	**5,148.97**
Quantum of Credit Enhancement as at year end		
a. Through Direct assignment	-	-
b. Through PTC	-	5,148.97
	-	**5,148.97**
Interest spread Recognised in the Statement of Profit and Loss during the Year		
a. Through Direct assignment	11,697.22	7,147.98
b. Through PTC	-	-
	11,697.22	**7,147.98**

7.6 No disclosure has been presented as per RBI notification RBI/2019-20/220 DOR,No.BP.DC.63/21.04,048/2020-21 Dated: April 17, 2020; as the balances are Nil.

8 Investments

Particulars	As at March 31, 2022	As at March 31, 2021
Investments at fair value through other comprehensive income		
Outside India		
In India		
(i) Unquoted Equity instruments	5.00	5.00
(ii) Investment in Government Securities	10,708.50	
Gross Total	**10,713.50**	**5.00**
Less : Allowance for impairment loss	-	-
Total	**10,713.50**	**5.00**

9 Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Security deposits	630.85	614.60
(b) Retained interest on asset assigned	7,415.54	4,417.17
(c) Others	2,844.99	1,535.17
	10,891.38	**6,566.94**

10 Current tax assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income tax	3,804.14	1,858.88
	3,804.14	**1,858.88**

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022
(All amounts in ₹ lakhs unless otherwise stated)

11 (a) Deferred tax assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets (net)	9,043.41	8,282.84
	9,043.41	**8,282.84**

11 (b) Current tax and deferred tax

(i) Income tax expense

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Current tax in respect of current year	1,664.62	6,618.90
(b) Deferred tax relating to origination and reversal of temporary differences	(872.88)	(4,828.08)
(c) Tax relating to earlier year	(273.61)	(410.94)
Total tax expense recognised in statement of profit and loss	**518.13**	**1,379.88**

(ii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

Particulars	As at March 31, 2022	As at March 31, 2021
Profit Before tax from operations	1,861.37	3,068.02
Income Tax using the Company's domestic Tax rate #	468.51	772.22
Effect of other permanent differences	88.15	88.23
Effect of deferred tax remeasurement	234.47	930.37
Effect of change in previous year tax amount	(273.00)	(410.94)
Income tax recognised in the statement of profit & loss	**518.13**	**1,379.88**

The tax rate used for the FY 2021-2022 and 2020-2021 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	As at March 31, 2022	As at March 31, 2021
Deferred tax		
Remeasurement of defined benefit obligation	39.20	(46.39)
Fair value changes on derivatives designated as cash flow hedge (net)	73.10	16.35
	112.30	**(30.04)**

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022
(All amounts in ₹ lakhs unless otherwise stated)

(iv) Following is the analysis of the deferred tax asset/(liabilities) presented in the Balance sheet

Particulars	For the Year Ended March 31, 2022			
	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	318.75	316.76	-	635.51
Provision for employee benefits	634.94	198.23	(39.20)	793.97
Provision for loan receivables	8,245.22	340.57	-	8,585.79
Provision for fraud insurance claim receivable	158.52	20.84	-	179.36
Effective interest rate on borrowings	(28.28)	107.26	-	78.98
Present value discounting of security deposit and documentation fee	509.92	60.72	-	570.64
Effect of implementation of Ind AS 116	29.91	104.81	-	134.72
Effective interest rate on DA and PTC loans	(1,569.79)	(296.70)	-	(1,866.49)
Gain / loss on hedge valuation	(16.35)	-	(73.10)	(68.99)
Total	**8,282.84**	**852.49**	**(112.30)**	**9,043.49**

Particulars	For the Year Ended March 31, 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
Provision for loan receivables	4,838.01	3,407.21	-	8,245.22
Provision for fraud insurance claim receivable	103.04	55.48	-	158.52
Effective interest rate on borrowings	317.24	(345.52)	-	(28.28)
Present value discounting of security deposit and documentation fee	290.66	219.26	-	509.92
Effect of implementation of Ind AS 116	24.05	5.86	-	29.91
Effective interest rate on DA and 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**

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022
(All amounts in ₹ lakhs unless otherwise stated)

12 Property, plant and equipment, other intangible assets, Right of use assets and Intangible assets under development

Particulars	Property, plant and equipment									
	Investment Property - Land	Computers	Furnitures & Fixtures	Leasehold Improvements	Office Equipments	Vehicles	Total	Right of use asset	Other intangible assets- Softwares	Intangible assets under development
Gross block										
As at April 01, 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	828.72	286.67	402.00	54.50
Disposals	-	-	-	-	(25.06)	-	(25.06)	-	-	-
As at March 31, 2021	**8.64**	**2,072.76**	**570.66**	**185.49**	**268.96**	**82.26**	**3,180.11**	**1,132.42**	**533.80**	**54.50**
Additions		954.75	2,285.60	0.49	1,671.51	-	4,912.35	7,453.39	277.42	39.68
Disposals										
As at March 31, 2022	**8.64**	**3,027.51**	**2,856.25**	**185.98**	**1,940.47**	**82.26**	**8,092.46**	**8,585.80**	**811.22**	**94.18**
Accumulated depreciation/amortisation:										
As at April 01, 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	-	-	-	-	-	-	-	-	-	-
Depreciation Adjustments	-	-	-	-	(25.00)	-	(25.00)	-	-	-
As at March 31, 2021	**-**	**1,721.97**	**332.04**	**176.24**	**208.80**	**53.44**	**2,492.49**	**237.94**	**274.11**	**-**
Depreciation/ Amortisation expense	-	765.12	784.98	8.84	607.67	10.33	2,176.95	951.41	395.07	
Eliminated on Disposal of Assets										
Depreciation Adjustments										
As at March 31, 2022	**-**	**2,487.09**	**1,117.03**	**185.08**	**816.47**	**63.77**	**4,669.43**	**1,189.35**	**669.18**	**-**
Net block										
As at March 31, 2021	8.64	350.79	238.61	9.25	60.16	28.82	687.63	894.48	259.69	54.50
As at March 31, 2022	8.64	540.42	1,739.22	0.90	1,123.99	18.49	3,423.04	7,396.46	142.04	94.18

Also refer Note 56 for Intangible Assets Under Development

13 Other non financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Goods & service tax credit (input) receivable	150.72	21.41
(b) Prepaid expenses	410.94	465.27
(c) Capital advances	306.82	-
(d) Opex advances	200.82	289.55
(e) Others*	68.53	-
	1,137.83	**776.23**

* (Also, refer note no 54 for ageing of trade receivables)

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(All amounts in ₹ lakhs unless otherwise stated)

14 Derivative financial instruments (Also, refer note 42.15)

Particulars	As at March 31, 2022	As at March 31, 2021
Currency derivatives		
Interest rate swap	(274.10)	135.30
	(274.10)	**135.30**

15 Other payables

Particulars	As at March 31, 2022	As at March 31, 2021
(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 (Also, refer note no 55 for trade payables ageing)	2,688.28	2,447.22
	2,688.28	**2,447.22**

There are no dues payable as at March 31, 2022 and March 31, 2021 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)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Redeemable non-convertible debentures		
- Secured	83,293.44	91,065.73
- Unsecured	55,250.00	30,839.72
(b) Commercial papers (Unsecured) (Refer Note 17.3)	-	-
	1,38,543.44	**1,21,905.45**
(i) Debt securities in India	1,38,543.44	1,21,905.45
(ii) Debt securities outside India	-	-
	1,38,543.44	**1,21,905.45**

Also, refer note 17.4

17 Borrowings (other than debt securities) (At amortised cost)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Secured		
- Term loan from banks	3,19,349.65	2,70,635.86
- Term loan from NBFCs	27,354.63	12,528.50
- Other financial institutions	35,108.06	24,285.51
	3,81,812.34	**3,07,449.87**
(b) Unsecured		
- Term loan from NBFCs	3,600.00	5,038.80

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022
(All amounts in ₹ lakhs unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
(c) Borrowings under securitisation arrangement	**-**	**6,845.87**
	3,85,412.34	**3,19,334.54**
Borrowings in India	3,53,255.72	3,06,361.89
Borrowings outside India	32,156.63	12,972.65
	3,85,412.34	**3,19,334.54**

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)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Deposits with Banks & Others	12,392.06	18,721.99
(b) Deposits with NBFCs	-	-
	12,392.06	**18,721.99**

17.2 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:

Repayment Terms	Interest Rate	March 31, 2022	March 31, 2021
Repayable on Demand	0.00%	-	-

17.3 Details of commercial paper - Unsecured

Particulars	Tenor (Days)	Interest Rate	March 31, 2022	March 31, 2021
-	-	-	-	-

(i) Details of commercial paper issued/repaid during the current year ended March 31, 2022

Particulars	Tenor (Days)	Discount rate (per annum)	Date of Transaction	Date of Transaction
-	-	-	-	-

(ii) Details of commercial paper issued/repaid during the current year ended March 31, 2021

Particulars	Tenor (Days)	Discount rate (per annum)	Date of Transaction	Date of Transaction
CP-Anand Rathi Global Finance Ltd (Re-paid)	365	10.30%	25-Feb-20	25-Feb-20

Notes Forming Part of the Financial Statements

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(All amounts in ₹ lakhs unless otherwise stated)

17.4 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	
			March 31, 2022	March 31, 2021				March 31, 2022	March 31, 2021
INE516Q08166	IFMR Capital	Sub Debt	500	500	10,00,000.00	13.00%	30-Jun-22	5,000.00	5,138.69
INE516Q08158	Royal Sundaram	Sub Debt	150	150	10,00,000.00	12.42%	28-Jun-23	1,500.00	1,495.66
INE516Q08182	Reliance Nippon	Sub Debt	350	350	10,00,000.00	13.00%	15-Jul-22	3,500.00	3,510.77
INE516Q08174	Reliance Nippon	Sub Debt	150	150	10,00,000.00	13.00%	15-Jul-22	1,500.00	1,503.53
INE516Q08331	A K Capital	Sub Debt	10,000	10,000	1,00,000.00	11.90%	26-Jun-26	10,000.00	9,828.28
INE516Q08372	Northern Arc Capital	Sub Debt	500	-	10,00,000.00	13.50%	31-Dec-27	5,000.00	-
INE516Q08380	Vivriti Capital	Sub Debt	550	-	10,00,000.00	13.50%	31-May-27	5,500.00	-
INE516Q07119	Blue Orchard	Other Than Sub Debt	-	330	10,00,000.00	13.25%	19-May-21	-	3,429.59
INE516Q07226	UTI International	Other Than Sub Debt	1,000	50	10,00,000.00	12.30%	09-Aug-23	500.00	505.69
INE516Q08281	Karvy	Other Than Sub Debt	50,000	50,000	10,000.00	11.63%	30-May-24	5,000.00	4,887.79
INE516Q08273	Credit Suisse Securities (India) Pvt Ltd	Other Than Sub Debt	-	100	10,00,000.00	11.00%	21-May-21	-	1,011.73
INE516Q07267	IFMR Capital	Other Than Sub Debt	250	250	10,00,000.00	12.00%	27-Jun-22	2,500.00	2,498.51
INE516Q07275	Blue Orchard	Other Than Sub Debt	700	700	10,00,000.00	12.48%	09-Mar-25	7,000.00	7,053.01
INE516Q07283	Bank of India	Other Than Sub Debt	750	750	10,00,000.00	10.50%	28-Apr-23	7,500.00	8,101.73
INE516Q07291	Canara Bank	Other Than Sub Debt	450	450	10,00,000.00	11.00%	29-May-23	4,500.00	4,894.33
INE516Q07309	Bandhan Bank	Other Than Sub Debt	500	417	10,00,000.00	11.25%	21-Apr-23	2,500.00	4,162.22
INE516Q07317	Union Bank	Other Than Sub Debt	850	850	10,00,000.00	11.00%	26-Jun-23	8,500.00	9,174.28
INE516Q07325	State Bank of India	Other Than Sub Debt	-	1,000	10,00,000.00	9.50%	05-Feb-22	-	10,590.39
INE516Q07333	Union Bank	Other Than Sub Debt	-	500	10,00,000.00	9.00%	08-Mar-22	-	5,231.89
INE516Q07341	Bank of Baroda	Other Than Sub Debt	1,500	1,500	10,00,000.00	8.60%	19-May-22	3,750.00	15,066.25
INE516Q07358	State Bank of India	Other Than Sub Debt	1,000	1,000	10,00,000.00	9.00%	14-Jun-22	10,000.00	10,243.25
INE516Q07366	Bank of India	Other Than Sub Debt	750	750	10,00,000.00	8.40%	30-Jun-22	7,500.00	7,630.02
INE516Q08307	A K Capital	Other Than Sub Debt	7,500	7,500	1,00,000.00	11.10%	05-Feb-23	3,750.00	7,508.85
INE516Q08315	Northern Arc	Other Than Sub Debt	-	1,000	10,00,000.00	10.50%	03-Mar-23	-	9,955.00
INE516Q08323	Anand Rathi and Others	Other Than Sub Debt	500	500	10,00,000.00	10.50%	08-Mar-23	5,000.00	4,976.18
INE516Q07382	CDC	Other Than Sub Debt	500	500	10,00,000.00	9.22%	30-May-25	4,700.00	4,984.73
INE516Q08356	Vivriti Capital	Other Than Sub Debt	500	-	7,00,000.00	11.40%	31-Dec-24	3,500.00	-
INE516Q07390	Navi Finserv and AK Capital	Other Than Sub Debt	1,000	-	6,28,000.00	9.65%	13-Jul-23	6,280.00	-
INE516Q07408	Vivriti Capital	Other Than Sub Debt	2,500	-	7,78,400.00	9.71%	29-Jan-24	19,460.00	-
INE516Q07416	Blue Orchard MEF	Other Than Sub Debt	730	-	10,00,000.00	11.05%	27-Feb-25	7,300.00	-
INE516Q08364	Northern Arc Capital	Other Than Sub Debt	450	-	7,77,777.78	10.00%	23-Feb-24	3,500.00	-
INE516Q07424	Blue Orchard	Other Than Sub Debt	1,450	-	10,00,000.00	10.45%	15-Sep-26	14,500.00	-
INE516Q07432	Northern Arc	Other Than Sub Debt	750	-	10,00,000.00	9.70%	09-May-24	7,500.00	-
								1,66,740.00	**1,43,382.37**

17.5 Details of terms of repayment- term loans from banks and others

As at March 31, 2022

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	Bullet	10%-11%	8.00	800.00	6.00	13,820.00	2.00	2,000.00	-	-	-	-	-	-
		8%-9%	2.00	7,500.00	-	-	-	-	-	-	-	-	-	-
		9%-10%	2.00	-	1.00	8,625.00	-	-	-	-	-	-	-	-
	Half Yearly	10%-11%	1.00	6,250.00	-	-	-	-	-	-	-	-	-	-
		9%-10%	2.00	-	-	-	-	-	-	-	-	-	-	-
	Monthly	10%-11%	51.00	13,383.38	28.00	3,600.00	8.00	1,366.67	-	-	-	-	-	-
		7%-8%	41.00	5,794.09	31.00	4,295.45	10.00	-	-	-	-	-	-	-
		8%-9%	184.00	42,619.82	72.00	17,610.72	24.00	6,886.86	-	-	-	-	-	-
		9%-10%	245.00	77,017.12	86.00	22,791.03	13.00	2,021.00	-	-	-	-	-	-
	Quarterly	10%-11%	2.00	333.33	-	-	-	-	-	-	-	-	-	-
		11%-12%	2.00	327.27	-	-	-	-	-	-	-	-	-	-
		7%-8%	4.00	3,636.36	4.00	3,636.36	1.00	909.09	-	-	-	-	-	-
		8%-9%	12.00	4,545.45	4.00	3,636.36	4.00	3,636.36	-	-	-	-	-	-
		9%-10%	28.00	19,093.79	11.00	8,129.37	-	-	-	-	-	-	-	-
	Yearly	11%-12%	1.00	946.65	1.00	946.65	1.00	946.70						
3yrs Above	Half Yearly	10%-11%	4.00	700.00	-	-	-	-	-	-	-	-	-	-
		11%-12%	8.00	7,244.00	8.00	7,319.00	4.00	4,225.00	-	-	-	-	-	-
	Monthly	10%-11%	14.00	1,078.29	12.00	1,032.66	5.00	467.96	-	-	-	-	-	-
		9%-10%	15.00	5,888.89	16.00	-	4.00	-	-	-	-	-	-	-
	Quarterly	10%-11%	4.00	-	4.00	2,223.00	4.00	2,223.00	4.00	2,223.00	4.00	2,223.00	4.00	2,223.00
		9%-10%	18.00	19,267.92	16.00	18,466.67	15.00	14,050.00	12.00	4,800.00	4.00	3,200.00	-	-

As at March 31, 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	7,122.98	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	-	-	-	-

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022
(All amounts in ₹ lakhs unless otherwise stated)

17.6 Reconciliation of liabilities arising from financing activities

Particulars	Debt securities (including subordinated liabilities)	Borrowings (other than debt)	Commercial Paper	Total
April 01, 2020	**66,225.65**	**3,81,549.11**	**2,290.21**	**4,50,064.98**
Proceeds	1,11,500.00	1,92,545.00	-	3,04,045.00
Repayment	(35,575.00)	(2,54,759.27)	(2,266.55)	(2,92,600.82)
Interest expense	10,365.51	34,620.96	209.79	45,196.26
Interest paid	(9,133.79)	(34,421.01)	(233.45)	(43,788.25)
Fair Value Changes		(200.25)		(200.25)
March 31, 2021	**1,43,382.37**	**3,19,334.54**	**-**	**4,62,716.92**
Proceeds	89,300.00	3,38,167.00		4,27,467.00
Repayment	(59,315.59)	(2,80,608.95)		(3,39,924.54)
Interest expense	17,937.43	37,893.16		55,830.59
Interest paid	(16,829.10)	(33,824.45)		(50,653.56)
Fair Value Changes		(290.44)		(290.44)
March 31, 2022	**1,74,475.11**	**3,80,670.85**	**-**	**5,55,145.96**

18 Subordinated liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Redeemable Non-Convertible Debentures (Unsecured) - Subordinated Debt (At Amortised Cost)	31,920.38	21,476.92
	31,920.38	**21,476.92**

19 Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Interest payable on assets assigned	3,189.01	2,076.98
(b) Lease liabilities (Also, refer note 34)	7,626.96	1,035.56
(c) Other payables	1,863.72	2,930.87
	12,679.69	**6,043.41**

20 (a) Current tax liabilities (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for taxation (net)	-	725.91
	-	**725.91**

20 (b) Provisions (Also, refer note 35)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Provision for compensated absences	850.75	1,189.94
(b) Provision for gratuity	646.82	316.81
	1,497.57	**1,506.75**

21 Other non financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Statutory dues payable	837.14	526.51
(b) Other payables	583.72	790.04
(c) Advance from customers	-	2,123.84
	1,420.86	**3,440.39**

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022
(All amounts in ₹ lakhs unless otherwise stated)

22 Equity share capital

For each class of equity share capital:		No of equity share	Amount (Equity share)	Remarks
(a)	the number and amount of shares authorised;	9,00,00,000.00	9,000.00	1,000,000 Cumulative redeemable non-convertible preference shares of ₹ 100/- each
(b)	the number of shares issued, subscribed and fully paid, and subscribed but not fully paid;	5,33,11,887.00	5,331.19	-
(c)	par value per share;	10.00	-	-
(d)	a reconciliation of the number of shares outstanding at the beginning and at the end of the period;	Details given in Note 1	-	-
(e)	the rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital;	NA		There are only one class as Equity share. The Company has only one class of equity shares having a par value of ₹ 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.
(f)	shares in respect of each class in the Company held by its holding Company or its ultimate holding Company including shares held by or by subsidiaries or associates of the holding Company or the ultimate holding Company in aggregate;	5,19,85,856.00	5,198.59	As on March 31, 2022 Holding Company Manappuram Finance Limited(Details given as Note 2)
(g)	shares in the Company held by each shareholder holding more than five percent shares specifying the number of shares held;	5,19,85,856.00	5,198.59	As on March 31, 2022 Holding Company Manappuram Finance Limited hold (97.51%)(Details given as Note 2)

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022
(All amounts in ₹ lakhs unless otherwise stated)

For each class of equity share capital:		No of equity share	Amount (Equity share)	Remarks
(h)	shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment, including the terms and amounts;	NA	-	-
(i)	For the period of five years immediately preceding the date at which the Balance Sheet is prepared:		-	-
	• Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash;	NA	-	-
	• Aggregate number and class of shares allotted as fully paid up by way of bonus shares; and	NA	-	-
	• Aggregate number and class of shares bought back;	NA	-	-
(j)	terms of any securities convertible into equity shares issued along with the earliest date of conversion in descending order starting from the farthest such date;	NA	-	-
(k)	calls unpaid (showing aggregate value of calls unpaid by Directors and officers);	NA	-	-
(l)	forfeited shares (amount originally paid up)	NA	-	-
(m)	An NBFC shall disclose information that enables users of its financial statements to evaluate the NBFC's objectives, policies and processes for managing capital.	NA	-	-
(n)	**A Company shall disclose Shareholding of Promoters* as below:**		-	-
Shares held by promoters at the end of the year			**-**	**-**

Promoter name	No. of Shares**	%of total shares	% Change during the year***
S V Raja Vaidyanathan	10,24,415	1.92%	-2.67
Manappuram Finance Limited	5,19,85,856	97.51%	2.72

*Promoter here means promoter as defined in the Companies Act, 2013.

** Details shall be given separately for each class of shares

*** percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

Note 1

(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 March 31, 2022		As at March 31, 2021	
	No. of shares*	Amount	No. of shares*	Amount
At the beginning of the period/year	5,33,11,887	5,331.19	5,33,11,887	5,331.19
Issued during the year (Refer Note 22.1 below)	-	-	-	-
Outstanding at the end of the period/year	**5,33,11,887**	**5,331.19**	**5,33,11,887**	**5,331.19**

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022
(All amounts in ₹ lakhs unless otherwise stated)

Note 2

Class of shares / Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	No of shares held*	% holding in the class of shares	No of shares held*	% holding in the class of shares
Equity Shares of ₹ 10 each				
Manappuram Finance Limited (the Holding Company)	5,19,85,856	97.51%	5,05,33,878	94.79%

* No. of shares are in absolute numbers

Note 3

Terms / Rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 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.

(ii) Employees Stock Option Scheme (ESOS) (Also, refer note 52) :

During the year ended March 31, 2020, the Company introduced Employee Stock Option Scheme to eligible employees of the Company w.e.f from July 01, 2019 ("Relevant Date"). Accordingly 8,30,000 options were issued with a graded vesting period and 2,42,500 options are outstanding as at March 31, 2022.

23 Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Capital redemption reserve	500.00	500.00
(b) ESOS Contribution from Holding Company	-	15.30
(c) Statutory reserve	10,025.56	9,756.91
(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	35,237.31	34,162.72
(g) Remeasurement Gain/Loss On Defined Benefit Obligation	6.68	(149.08)
(h) OCI(Effective portion of cash flow hedge)	355.39	64.95
(i) OCI(Tax related to items that will not be reclassified)	(97.62)	14.68
	1,01,874.14	**1,00,212.30**

(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.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022
(All amounts in ₹ lakhs unless otherwise stated)

(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) - Remeasurement Gain/ Loss On Defined Benefit Obligation

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.

(h) Other comprehensive income (OCI) - Effective Portion of cash flow hedge

Represents remeasurement of cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI

(i) Other comprehensive income (OCI) - Tax Related to item that will not be reclasssified

Represents tax related to items that will not be reclassified.

Particulars	As at March 31, 2022	As at March 31, 2021
(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	15.30	22.54
Add : (Reversal)/Contibution during the year	(15.30)	(7.24)
Less : Utilised during the year	-	-
Closing balance	**-**	**15.30**
(c) Statutory reserve		
Opening balance	9,756.91	9,419.28
Add: Additions during the year (Also, refer note no 50)	268.65	337.63
Less: Utilised / transferred during the year	-	-
Closing balance	**10,025.56**	**9,756.91**
(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**

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022
(All amounts in ₹ lakhs unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
(f) Surplus in statement of profit and loss		
Opening balance	34,162.72	32,812.21
Add: Profit for the year	1,343.24	1,688.14
Less: Impact of Ind AS 116	-	-
Less: Transfer to Statutory Reserve	(268.65)	(337.63)
Closing balance	**35,237.31**	**34,162.72**
(g) Remeasurement Gain/Loss On Defined Benefit Obligation		
Opening balance	(149.08)	(149.08)
Less: Effect for the year	155.76	-
Closing balance	**6.68**	**(149.08)**
(h) OCI (Effective portion of cash flow hedge)		
Opening balance	64.95	64.95
Less: Effect for the year	290.44	-
Closing balance	**355.39**	**64.95**
(i) OCI (Tax related to items that will not be reclassified)		
Opening balance	14.68	14.68
Less: Effect for the year	(112.30)	-
Closing balance	**(97.62)**	**14.68**
Total	**1,01,874.14**	**1,00,212.30**

24 (a) Interest income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(i) Interest income from loan:		
- Interest on loan- microfinance loans	1,13,166.37	92,397.93
- Interest on loan- MSME loans	2,992.08	590.00
(ii) Interest on deposits with banks and financial institutions	1,925.67	2,774.95
(iii) Other interest income	-	-
	1,18,084.12	**95,762.88**

24 (b) Net gain on derecognition of financial instruments under amortised cost category

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net gain on derecognition of financial instruments under amortised cost category	11,697.22	7,147.98
	11,697.22	**7,147.98**

24 (c) Dividend income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Dividend income from mutual funds	1,118.80	1,286.86
	1,118.80	**1,286.86**

25 Other operating income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Loss assets recovered	4,669.82	1,099.17
	4,669.82	**1,099.17**

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022
(All amounts in ₹ lakhs unless otherwise stated)

26 Other income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Referral fees	4,261.80	2,271.21
(b) Miscellaneous income	138.21	150.26
	4,400.01	**2,421.47**

27 Finance cost

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Interest on borrowings		
- Term Loans from banks	32,055.21	27,719.75
- Term Loans from NBFCs	2,157.28	2,018.45
- Borrowings under securitisation arrangement	84.88	3,378.55
- Other financial institutions	3,595.78	1,504.21
- Commercial paper	-	209.79
- Overdraft	-	-
(b) Interest on debt securities		
- Debentures & subordinated liabilities	17,937.43	10,365.51
(c) Other interest expense		
- Interest on finance lease obligations	586.91	93.37
(d) Other Borrowing Costs		
- Loan processing fees	136.89	76.31
- Bank charges	582.18	388.20
	57,136.57	**45,754.14**

28 Impairment of financial instruments

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Loans (Also, refer note 7.3)	39,707.04	29,980.94
	39,707.04	**29,980.94**
Less : Exceptional item	-	-
	39,707.04	**29,980.94**

29 Employee benefit expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Salaries and wages	23,801.27	17,092.54
(b) Contributions to provident and other funds	629.02	1,442.23
(c) Gratuity expenses (Also, refer note 35)	640.54	272.72
(d) Staff welfare expenses	1,798.08	45.45
	26,868.91	**18,852.94**

30 Depreciation and amortisation expense (Also, refer note 12)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Depreciation of tangible assets	2,176.95	927.08
(b) Amortisation of other intangible assets	395.07	143.31
(c) Amortisation of right of use asset	951.41	113.33
	3,523.43	**1,183.72**

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022
(All amounts in ₹ lakhs unless otherwise stated)

31 Other expenses

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
(a)	Electricity	170.34	128.29
(b)	Rent (Also, refer note 36)	884.65	1,237.85
(c)	Repairs and maintenance	79.30	65.56
(d)	Insurance	495.41	292.49
(e)	Rates and taxes	132.06	65.21
(f)	Communication expenses	644.96	316.55
(g)	Travel and conveyance	3,190.83	2,654.35
(h)	Printing and stationery	350.49	237.97
(i)	Directors' sitting fees	55.10	28.93
(j)	Business promotion	204.52	5.76
(k)	CSR expenses (Also, refer note 48)	365.53	344.54
(l)	Legal and professional fees	688.54	502.00
(m)	Provision for insurance claim receivable	339.47	301.70
(n)	Subscription charges	247.07	79.61
(o)	Software costs (Also, refer note 36)	1,759.41	2,045.16
(p)	Security charges	10.80	6.94
(q)	House keeping expenses	338.23	146.57
(r)	Office expenses	89.78	62.71
(s)	Directors commission (Also, refer note 36)	138.00	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	16.00
	- Tax audit	1.50	2.00
	- Other services (Limited Review, Interim Audit and Certification)	9.50	6.50
	- Out of pocket expenses	2.43	2.73
(v)	Miscellaneous expenses	658.73	261.26
		10,872.65	**8,878.60**

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 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:

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
(a)	Net Profit attributable to Equity Shareholders - ₹ in lakhs (Basic and Diluted)	1,343.24	1,688.14
(b)	Weighted average number of equity shares in calculating basic Earnings Per Share (Nos.)	5,33,11,887	5,33,11,887
(c)	Earnings per share - Basic and Diluted - ₹ (Per equity share, face value ₹ 10/- each)	2.52	3.17

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34 Leases

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Details of Income/Expense recognied in the statement of Profit and Loss:		
Depreciation expense on right-of-use assets	951.41	113.33
Interest expense on lease liabilities	586.91	93.37
Total cash outflow for leases	1,113.84	169.94
Lease expense on Low Value Assets / Short term assets	884.65	1,237.85
	3,536.81	**1,614.49**

Maturity analysis of Lease Liabilities (valued on undiscounted basis):

Particulars	As at March 31, 2022	As at March 31, 2021
Year 1	1,866.00	649.29
Year 2	1,896.00	514.47
Year 3	1,188.00	493.72
Year 4	1,015.00	465.09
Year 5	1,010.00	325.82

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.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(b) Expenses recognised		
Included under 'Contributions to Provident and Other Funds' (Refer Note 29)		
Contributions to provident and pension funds	76.79	1,077.12
Contributions to Employee State Insurance	552.23	365.11
	629.02	**1,442.23**

35.2 Compensated absences

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Expenses recognised		
Included under salaries and wages (Refer Note 29)	277.73	324.68
	277.73	**324.68**

Particulars	As at March 31, 2022	As at March 31, 2021
Current portion	192.72	209.14
Non - current portion	139.92	980.80
Net liability recognised in the balance sheet	**332.64**	**1,189.94**

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The key assumptions used in the computation of provision for compensated absences are as given below:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount Rate (% p.a)	6.27%	6.59%
Future Salary Increase (% p.a)	10.00%	10.00%
Attrition Rate	24.00%	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:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Amounts recognised in statement of profit & loss		
Service cost		
- Current service cost	464.39	276.32
- Past service cost	-	-
- Net interest expense	21.38	(3.60)
Components of defined benefit costs recognised in statement of profit or loss (A)	**485.77**	**272.72**
Amounts recognised in statement of other comprehensive income		
Actuarial (gain)/loss on Plan Obligations	(333.59)	170.64
Difference between actual return and interest income on plan assets- (gain)/loss	177.83	13.64
Components of defined benefit costs recognised in other comprehensive income (B)	**(155.76)**	**184.28**
Total	**330.01**	**457.00**

(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:

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation	1,424.66	1,215.92
Fair value of plan assets	777.83	899.11
Net (Liability) recognised in the balance sheet	**(646.83)**	**(316.81)**
Current portion of the above	-	-
Non current portion of the above	(646.83)	(316.81)
	(646.83)	**(316.81)**

Notes Forming Part of the Financial Statements

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(c) Movement in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation at the beginning of the year	1,215.92	599.24
Expenses recognised in profit and loss account		
- Current Service cost	464.39	276.32
- Interest expense (income)	76.67	38.44
Remeasurement gains / (losses)		
- Effect of Changes in Demographic assumptions	(254.24)	-
- Effect of Changes in financial assumptions	25.62	(14.40)
- Effect of experience adjustments	(104.97)	185.04
Benefit payments	(159.89)	(29.88)
Effect of transfer of employees from Holding Company	161.16	161.16
Present value of defined benefit obligation at the end of the year	**1,424.66**	**1,215.92**

(i) The weighted average duration of the benefit obligation at March 31, 2022 is 6.233 years (As at March 31, 2021 is 10.523 years).

(d) Movement in fair value of plan assets are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Fair value of plan assets at the beginning of the year	899.11	568.40
expenses recognised in profit and loss account		
- Expected return on plan assets	55.29	42.04
Remeasurement gains / (losses)		
- Actuarial gains/(loss) arising form changes in financial assumptions	(177.83)	(13.64)
Contributions by employer (including benefit payments recoverable)	-	171.03
Benefit payments	(159.89)	(29.88)
Effect of transfer of employees from holding Company	161.16	161.16
Fair value of plan assets at the end of the year	**777.83**	**899.11**

(e) The fair value of plan assets for India at the end of the reporting period for each category are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Investment funds with insurance Company (Life Insurance Corporation of India)	777.83	899.11

(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 March 31, 2022 was ₹ 177.83 Lakhs (For the year ended March 31, 2021: ₹ 13.64 Lakhs).

(f) The principal assumptions used for the purpose of actuarial valuation were as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	6.53%	6.75%
Expected rate of salary increase	10.00%	10.00%
Withdrawal Rate	24.00%	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)

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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 optimise 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.

Sensitivity analysis:
The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability.

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Discount rate		
- Increase by 50 bps	(31.96)	(40.64)
- Decrease by 50 bps	33.39	43.27
(b) Salary growth rate		
- Increase by 50 bps	31.92	41.29
- Decrease by 50 bps	(30.90)	(39.32)
(c) Withdrawal rate		
- Increase by 50 bps	(28.73)	(23.07)
- Decrease by 50 bps	30.59	24.55
(d) Mortality rate		
- Increase by 50 bps	(0.02)	(0.10)
- Decrease by 50 bps	0.02	0.10

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.

Notes Forming Part of the Financial Statements

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(g) Effect of plan on entity's future cash flows

(i) The Company expects to make a contribution of ₹ 199.85 lakhs during the next financial year.

(ii) The weighted average duration of the benefit obligation at March 31, 2022 is 6.233 years (As at March 31, 2021 is 10.523 years).

(iii) Maturity profile of defined benefit obligation:

Expected cash flows over the next (valued on undiscounted basis):

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Within 1 year	199.85	103.03
1 to 5 years	833.91	536.85
More than 5 years	603.44	588.59

Experience Adjustments

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Defined benefit obligation	1,424.66	1,215.92	599.24	385.30	265.25
Fair value of plan assets	777.83	899.11	568.40	399.30	291.61
Surplus/(deficit)	(646.83)	(316.81)	(30.84)	14.00	26.36
Experience adjustment on plan liabilities [(Gain)/Loss]	333.59	(170.64)	(17.04)	(35.36)	(58.09)
Experience adjustment on plan assets [Gain/(Loss)]	(177.83)	(13.64)	(14.02)	(2.65)	(24.53)

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	Name of the party
	Mr. BN Raveendra Babu - Managing Director
	Mr. Yogesh Ratnakar Udhoji - Chief Financial Officer
	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. Harshan Kollara - Independent Director
	Mr. S V Raja Vaidyanathan - Non Independent Director
	Mrs. Aparna Menon - Company Secretary
Holding Company	Manappuram Finance Limited
Entity over which KMP has significant Influence	Adlux Medcity And Convention Centre P Ltd
	Proficient investment and financial consultancy Private Limited
Group companies	Manappuram Comptech and Consultants Limited
	Manappuram Health care Limited
	Manappuram Foundation

Note: Related party relationships are as identified by the Management.

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36.2 Transactions with the related parties

Nature	Name of the party	Year Ended March 31, 2022	Year Ended March 31, 2021
Remuneration to KMP	Mr. S V Raja Vaidyanathan	295.14	348.95
	Mr. BN Raveendra Babu	120.30	150.15
	Mr. Yogesh Ratnakar Udhoji	72.51	63.52
	Ms. Aparna Menon	15.03	5.21
	Mr. Anup Kumar Gupta	-	9.54
Donation	Asirvad Development Foundation	-	9.00
	Manappuram Foundation	149.89	315.54
Business Associate service	Manappuram Finance Limited	1.79	-
Rent & other amenities	Manappuram Finance Limited	8.86	0.73
	Proficient Investment And Financial Consultancy Pvt Ltd	4.77	4.54
Training expenses	Manappuram Finance Limited	69.02	18.63
Purchase of software	Manappuram Comptech and Consultants Limited	281.71	413.00
Software expense	Manappuram Comptech and Consultants Limited	1,127.02	792.52
Staff welfare expenses	Adlux Medcity And Convention Centre P Ltd	1.56	-
Staff welfare expenses	Manappuram Health care Limited	0.58	-
Staff welfare expenses	Manappuram Foundation	0.02	-
Sitting fees	Mr. A Ramanathan	6.12	5.76
	Mr. Abhijit Sen	6.02	3.84
	Mr. D.R. Dogra	5.89	4.04
	Mr. Gautam Saigal	6.27	4.32
	Ms. Pushya Sitaraman	4.24	3.93
	Mr. Subrata Kumar Atindra Mitra	3.57	2.97
	Mr. T. Balakrishnan	5.77	3.84
	Mr. T.M. Manoharan	3.44	2.63
	Mr. Harshan Kollara	3.16	-
	Mr. S V Raja Vaidyanathan	6.07	-
Commission	Mr. A Ramanathan	10.00	10.00
	Mr. D.R. Dogra	15.00	10.00
	Mr. Subrata Kumar Atindra Mitra	16.00	10.00
	Mr. Abhijit Sen	10.00	10.00
	Mr. Gautam Saigal	13.00	10.00
	Ms. Pushya Sitaraman	13.00	10.00
	Mr. T. Balakrishnan	13.00	10.00
	Mr. T.M. Manoharan	10.00	10.00
	Mr.Harshan Kollara	10.00	-
	Mr. S V Raja Vaidyanathan	10.00	-
	Mr BN Raveendra Babu	60.00	

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36.3 Balance as at year end

Nature	Name of the party	Year Ended March 31, 2022	Year Ended March 31, 2021
Rent payable	Proficient Investment And Financial Consultancy Pvt Ltd	0.88	0.38
	Manappuram Finance Limited	1.79	-
Staff welfare expenses payable	Manappuram Health Care Limited	0.01	-
Interest Generated from CSR fund	Manappuram Foundation	1.56	-
Software expense payable	Manappuram Comptech and Consultants Limited	136.24	95.91
Performance incentive payable	Mr. S V Raja Vaidyanathan	-	150.00
	Mr. BN Raveendra Babu	60.00	60.00
Commission payable	Mr. A Ramanathan	10.00	10.00
	Mr. D.R. Dogra	15.00	10.00
	Mr. Subrata Kumar Atindra Mitra	16.00	10.00
	Mr. Abhijit Sen	10.00	10.00
	Mr. Gautam Saigal	13.00	10.00
	Ms. Pushya Sitaraman	13.00	10.00
	Mr. T. Balakrishnan	13.00	10.00
	Mr. T.M. Manoharan	10.00	10.00
	Mr.Harshan Kollara	10.00	-
	Mr. S V Raja Vaidyanathan	10.00	-

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 March 31, 2022 and March 31, 2021 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 March 31, 2022		As at March 31, 2021	
	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 maximise 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 :

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings	5,55,876.16	4,62,716.91
Cash and bank balance	(79,430.46)	(64,846.87)
Net debt (A)	**4,76,445.70**	**3,97,870.04**
Equity share capital	5,331.19	5,331.19
Other equity	1,01,874.14	1,00,212.30
Total equity (B)	**1,07,205.33**	**1,05,543.49**
Net debt to equity ratio (A/B)	**4.44**	**3.77**

38 Categories of financial instruments

38.1 The carrying value and fair value of the financial instruments by categories are as follows:

Particulars	Carrying Value		Fair Value	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
(a) Financial assets:				
Measured at amortised cost				
- Loans	5,42,611.52	4,79,519.17	5,42,611.52	4,79,519.17
- Cash and cash equivalents	79,430.46	64,846.87	79,430.46	64,846.87
- Bank balance other than above	12,392.06	18,721.99	12,392.06	18,721.99
- Other financial assets	10,891.38	6,566.94	10,891.38	6,566.94
- Loan given to staff	5.14	76.52	5.14	76.52
Measured at fair value through OCI				
- Investments	10,713.50	5.00	10,713.50	5.00
Hedge accounting				
- Derivative financial instruments	274.10	-	274.10	-
Total	**6,56,318.16**	**5,69,736.49**	**6,56,318.16**	**5,69,736.49**
(b) Financial liabilities:				
Measured at amortised cost				
- Debt securities	1,38,543.44	1,21,905.45	1,38,543.44	1,21,905.45
- Borrowings (other than debt security)	3,85,412.34	3,19,334.54	3,85,412.34	3,19,334.54
- Subordinated liabilities	31,920.38	21,476.92	31,920.38	21,476.92
- Trade payables	2,688.28	2,447.22	2,688.28	2,447.22
- Derivative financial instruments	-	-	-	-
- Other financial liabilities	12,679.69	6,043.41	12,679.69	6,043.41
Hedge accounting				
- Derivative financial instruments		135.30		135.30
Total	**5,71,244.13**	**4,71,342.84**	**5,71,244.13**	**4,71,342.84**

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.

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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.

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 March 31, 2022	As at March 31, 2021
Cash and cash equivalents (excluding cash on hand)	Low credit risk	77,161.82	64,622.15
Bank balance other than above	Low credit risk	12,392.06	18,721.99
Loans	Low credit risk	4,95,380.44	4,60,895.64
Loans	Moderate credit risk	45,520.00	18,605.43
Loans	High credit risk	1,711.09	18.10
Loan given to staff	Low credit risk	5.14	76.52
Investments	Low credit risk	10,713.50	5.00
Other financial assets	Low credit risk	10,891.38	6,566.94

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

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Other financial assets

Other financial assets measured at amortised 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.

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 March 31, 2022					
Estimated gross carrying amount	79,430.46	12,392.06	5.14	10,713.50	10,891.38
Less: Expected credit losses	-	-	-	-	-
Net carrying amount	**79,430.46**	**12,392.06**	**5.14**	**10,713.50**	**10,891.38**
As at March 31, 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**

(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.

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Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at April 01, 2020	**4,42,384.73**	**1,842.76**	**8,610.13**
Assets originated*	3,32,228.88	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)	(2,57,786.34)	(101.43)	(608.42)
Write - offs (including death cases)	-	-	(14,346.16)
Gross carrying amount as at March 31, 2021	**4,70,496.16**	**34,081.12**	**9,086.78**
Assets originated*	92,754.08	38,124.93	40,091.03
Net transfer between stages			
Transfer to stage 1	-	(3,112.68)	(73.70)
Transfer to stage 2	(48,552.61)	-	(43.34)
Transfer to stage 3	(11,923.70)	(4,464.60)	-
Assets derecognised or collected (excluding write offs)			
Write - offs (including death cases)	-	-	(39,452.81)
Gross carrying amount as at March 31, 2022	**5,02,773.92**	**64,628.77**	**9,607.96**

*Assets originated during the year has been presented on net basis i.e. the collections towards fresh loans has been netted off.

(iii) Reconciliation of loss allowance provision from beginning to end of reporting period:

Particulars	Stage 1	Stage 2	Stage 3
Loss allowance as at April 01, 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 March 31, 2021	**9,600.52**	**15,475.70**	**9,068.67**
Increase of provision due to assets originated during the year	(7,329.79)	320.26	(1,282.22)
Net transfer between stages	-	-	-
Transfer to stage 1	-	1,337.07	70.92
Transfer to stage 2	4,710.42		39.50
Transfer to stage 3	412.31	1,975.77	
Assets derecognised or collected	-	-	-
Impact of ECL on exposures transferred between stages during the year			
Write - offs (including death cases)			
Gross carrying amount as at March 31, 2022 (#)	**7,393.46**	**19,108.80**	**7,896.87**

(#) If the probability of default increases or decrease by 10 basis point the expected credit loss will increase or decrease by ₹ 254.40 lakhs respectively. Similarly if the loss given default increases or decrease by 100 basis point the expected credit loss will increase or decrease by ₹ 93.39 lakhs respectively.

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(III) Concentration of loans (*)

Particulars	As at March 31, 2022	As at March 31, 2021
Micro finance loans	5,42,080.79	5,09,303.14
Micro, small and medium enterprise (MSME)	4,872.91	4,107.54
Gold loans	30,056.95	253.38
Total	**5,77,010.65**	**5,13,664.06**

(*) 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 42.22 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.

(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 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.

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 March 31, 2022	Year ended March 31, 2021
Interest sensitivity*		
Interest rates – increase by 0.50%	1,110.09	851.85
Interest rates – decrease by 0.50%	(1,110.09)	(851.85)

* Holding all other variables constant

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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:

Particulars	As at March 31, 2022	As at March 31, 2021
Hedged		
ECB	(32,760.00)	(21,645.00)
Derivative financial instrument*	32,760.00	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 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 March 31, 2022 and March 31, 2021 are furnished below:

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
(a)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(b)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(c)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(d)	The amount of interest due and payable for the year	-	-
(e)	The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(f)	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.	-	-

Notes Forming Part of the Financial Statements

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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.

41 Contingent Liabilities and commitments

Particulars		As at March 31, 2022	As at March 31, 2021
A.	**Contingent liabilities:**		
(a)	Claims against the Company not acknowledged as debt;	-	-
(b)	Guarantees excluding financial guarantees; and	-	-
(c)	Other money for which the Company is contingently liable {refer (i) below)}	4,624.78	4,624.78
(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**		
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for:		
-	Other Intangible Assets	160.00	382.00
(b)	Uncalled liability on shares and other investments partly paid;	-	-
(c)	Other commitments (specify nature).	-	-
		160.00	**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

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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 2106-17 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)

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 securitisation and assignment transactions during the year. At the time of regular assessment, Assessing Officer disallowed finance cost on above securitisation and assignment transactions and added the same to our total income on the ground that Company had made true sale of the securitised assets by derecognising 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 Demonetised currencies deposited to bank account subsequent to November 8, 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 demonetised 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.

42. Disclosure Pursuant to Reserve Bank of India Notification DNBR (PD) CC No. 002/03.10.001/2014-15 dt. November 10, 2014

42.1 Customer complaints

Particulars	As at March 31, 2022	As at March 31, 2021
No. of complaints pending as at beginning of the year	340	29
No. of complaints received during the year	3,435	1,176
No. of complaints redressed during the year	2,631	865
No. of complaints pending as at end of the year	1,144	340

42.2 Details of registration with financial regulators

Regulator	Registration No.
Ministry of Company Affairs	CIN:U65923TN2007PLC064550
Reserve Bank of India	N-07-00769 dated October 4, 2013

42.3 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

42.4 Related party transactions

Details of all material related party transactions are disclosed in Note 36.

42.5 Remuneration of directors (other than Managing Director)

Details of commission payable to directors (other than managing director) are disclosed in Note 36.

Notes Forming Part of the Financial Statements

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42.6 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 ₹ 80,000 to women engaged in various income generating activities. As at March 31, 2022, the Company has provided loans to more than 25.4 lakhs women and hence, the disclosure relating to concentration to advances, exposures and NPA's are not applicable to the Company.

42.7 Ratings assigned by credit rating agencies

Particulars	As at March 31, 2022	As at March 31, 2021
Commercial paper	CRISIL AA-/Stable	A1+ (CRISIL)
Long Term Bank Facilities	CRISIL AA-/Stable BWR AA-/ STABLE CARE A+; STABLE	AA-/Stable (CRISIL)
Long term Non-Convertible Debentures	CARE MFI-1	AA-/Stable (CRISIL) AA-/stable (Bric Works) A+/Stable(CARE)
MFI Grading	CRISIL AA-/STABLE	MFI 1(CARE)
Subordinated Debt	C1- SMERA	AA-/Stable (CRISIL)
COCA report	CRISIL PP-MLD AA-r/Stable	
Market Linked Debentures		AA-r /Stable (CRISIL)

42.8 Sector-wise NPAs:

Particulars	As at March 31, 2022	As at March 31, 2021
Agriculture & allied activities	0.88%	2.32%
MSME	10.38%	3.08%
Corporate borrowers	NA	NA
Services	NA	NA
Unsecured personal loans	NA	NA
Auto loans (commercial vehicles)	NA	NA
Other loans	NA	NA

42.9 Provisions and Contingencies (shown under the head Expenditure in Statement of Profit and Loss)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Provision for income tax (excluding deferred tax)	1,664.62	6,618.90
Provision towards standard assets	1,426.03	15,176.24
Provision towards non performing assets	38,281.01	14,804.70
Provision and contingencies on gratuity	640.54	272.72
Provision towards compensated absences	(260.19)	324.68
Provision for insurance claim receivable	339.47	301.70
	42,091.48	**37,498.94**

42.10 Movement of NPAs

Particulars	As at March 31, 2022	As at March 31, 2021
Net NPAs to net advances (%)	0.00%	0.00%
Movement of NPAs (Gross)		
(a) Opening balance	9,086.78	8,610.13
(b) Additions during the year	39,973.99	14,822.81
(c) Reductions during the year	(39,452.81)	(14,346.16)
(d) Closing balance	**9,607.96**	**9,086.78**

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Particulars	As at March 31, 2022	As at March 31, 2021
Movement of Net NPAs		
(a) Opening balance	18.10	-
(b) Additions during the year	1,695.77	18.10
(c) Reductions during the year	(2.78)	-
(d) Closing balance	**1,711.09**	**18.10**
Movement of provisions for receivables under financing activities		
(a) Opening balance	34,144.89	18,510.11
(b) Provisions made during the year	39,707.04	29,980.94
(c) Write-off / write-back of excess provisions	(39,452.81)	(14,346.16)
(d) Closing balance	**34,399.12**	**34,144.89**

42.11 Overseas assets (for those with Joint ventures and Subsidiaries abroad)

The Company did not have any overseas assets during the current and previous year.

42.12 Off-balance sheet SPVs sponsored

The Company did not sponsor any SPVs during the current and previous year.

42.13 During the year Company has not given any advances with intangible collateral such as charge over the rights, licenses, authority etc.

42.14 Investments

Particulars	As at March 31, 2022	As at March 31, 2021
Value of Investments		
(i) Gross Value of Investments		
(a) In India	10,713.50	5.00
(b) Outside India,	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India,	-	-
(iii) Net Value of Investments		
(a) In India	10,713.50	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	-	-

42.15 Derivatives:

Forward Rate Agreement / Interest Rate Swap

Particulars	As at March 31, 2022	As at March 31, 2021
The notional principal of swap agreements	32,760.00	21,645.00
(Gains)/losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	274.10	(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	274.10	(135.30)

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Quantitative disclosures

Particulars	As at March 31, 2022	As at March 31, 2021
Derivatives (notional principal amount)		
For hedging	32,760.00	-
Marked to market positions		
a) Asset (+)	274.10	-
b) Liabilty (-)	-	-
Credit exposure	-	-
Unhedged exposure	-	-

Qualitative disclosure

During the year ended March 31, 2022 the Company has an existing 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 March 31, 2022 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 March 31, 2022 hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows:

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.

Notes Forming Part of the Financial Statements

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42.16 Capital Adequacy Ratio

Particulars	As at March 31, 2022			As at March 31, 2021		
	Numerator	Denominator	Ratio	Numerator	Denominator	Ratio
(a) Capital to risk-weighted assets ratio (CRAR)	1,23,847.61	5,95,093.53	20.81%	1,13,767.72	4,87,752.64	23.32%
(b) Tier I CRAR	97,608.94	5,95,093.53	16.40%	95,776.00	4,87,752.64	19.64%
(c) Tier II CRAR	26,238.67	5,95,093.53	4.41%	17,991.72	4,87,752.64	3.69%
(d) Liquidity Coverage Ratio	79,430.46	9,085.80	874.23%	16,911.39	-7,183.71	-235.41%

42.17 Exposure to Real Estate Sector

Category

a) Direct exposure

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	4,872.91	4,107.54
(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	-	-
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
Total Exposure to Real Estate Sector	**4,872.91**	**4,107.54**

42.18 Exposure to capital market

The Company does not have any exposure to Capital market as at March 31, 2022 and March 31, 2021.

42.19 Details of financing of parent Company products

The Company does not finance any parent Company's products and accordingly disclosures is not required.

42.20 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.

42.21 Unsecured Advances

Refer note 7(a)

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42.22 Asset Liability Management

(a) Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2022:

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 & NBFCs	680.0	4,868.2	12,986.27	17,349.38	41,441.18	46,773.40	87,555.19	1,54,843.39	18,236.68	4,446.00	3,89,179.71
Market Borrowings	-	-	-	4,687.50	31,333.33	1,587.50	19,804.98	88,826.68	10,000.00	10,500.00	1,66,740.00
Securitisation	-	-	-	-	-	-	-	-	-	-	-
Total	**680.04**	**4,868.17**	**12,986.27**	**22,036.88**	**72,774.52**	**48,360.90**	**1,07,360.18**	**2,43,670.07**	**28,236.68**	**14,946.00**	**5,55,919.71**
Assets											
Advances (Micro Finance Loans)	8,761.72	8,761.72	25,812.89	33,724.59	26,078.96	97,270.10	1,58,547.41	1,84,064.93	589.96	2.20	5,43,614.50
Investments			-	-	-	-	-	-	-	10,713.50	10,713.50
Total	**8,761.72**	**8,761.72**	**25,812.89**	**33,724.59**	**26,078.96**	**97,270.10**	**1,58,547.41**	**1,84,064.93**	**589.96**	**10,715.70**	**5,54,328.00**

(b) Maturity Pattern of certain items of Assets and Liabilities as at March 31, 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 & 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	3,11,956.48
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**	**20,002.00**	**13,693.64**	**53,173.61**	**1,11,703.75**	**2,03,456.45**	**25,672.21**	**10,400.00**	**4,59,269.02**
Assets											
Advances (Micro Finance Loans)	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**

43 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 August 06, 2020 read with Resolution framework 2.0 - RBI/2021-22/31 DOR.STR.RCEC.11/21.04.048/2021-22 dated May 05, 2021

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	10,20,164	1,31,739.00	-	-	2,970.69

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 March 31, 2022.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022
(All amounts in ₹ lakhs unless otherwise stated)

44 Disclosures in terms of RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019:

As at March 31, 2022

(i) Funding concentration based on significant counterparty (both deposits and borrowings):

Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
2	1,36,162.39	Not Applicable	23.71%

As at March 31, 2021

Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
2	1,19,833.28	Not Applicable	25.12%

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 March 31, 2022		As at March 31, 2021	
	Amount	% of Total borrowings	Amount	% of Total borrowings
Top 10 borrowings	3,86,749.23	67.36%	2,64,439.15	57.15%

(iv) Funding concentration based on significant instrument / product

Name of the instrument/product	As at March 31, 2022		As at March 31, 2021	
	Amount	% of total liabilities	Amount	% of total liabilities
Borrowings (other than debt securities)	3,85,412.34	67.13%	3,19,334.54	66.94%
Debt securities	1,38,543.44	24.13%	1,21,905.45	25.56%
Subordinated liabilities	31,920.38	5.56%	21,476.92	4.50%

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	March 31, 2022	March 31, 2021
Commercial papers as a % of total liabilities	0.00%	0.00%
Commercial papers as a % of total assets	0.00%	0.00%
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	2.92%	2.92%
Other short-term liabilities as a % of total assets	2.46%	2.46%

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022
(All amounts in ₹ lakhs unless otherwise stated)

(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.

45 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 March 31, 2022		As at March 31, 2021	
		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	83,293.44	-	91,065.73	-
	- Unsecured	87,170.38	-	52,316.64	-
	(other than falling within the meaning of public deposits)				
(b)	Deferred credits		-	-	-
(c)	Term loans				
	- Secured	3,81,812.34	-	3,07,449.87	-
	- Unsecured	3,600.00	-	5,038.80	-
(d)	Inter-corporate loans and borrowings		-	-	-
(e)	Commercial paper		-	-	-
(f)	Finance lease obligations		-	-	-
(g)	Associated liabilities in respect of securitisation transactions		-	6,845.87	-
(h)	Cash credits		-	-	-

S. No.	Particulars	Amount Outstanding	
		As at March 31, 2022	As at March 31, 2021
	Assets:		
2	**Break-up of Loans and Advances including Bills Receivables [other than those included in (3) below] :**		
(a)	Secured	34,929.86	4,360.92
(b)	Unsecured	5,42,080.79	5,09,303.14

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022
(All amounts in ₹ lakhs unless otherwise stated)

S. No.	Particulars	Amount Outstanding	
		As at March 31, 2022	As at March 31, 2021
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	-	-
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	10,708.50	-
II	**Unquoted:**		
(i)	Shares:		
	(a) Equity	5.00	5.00
	(b) Preference	-	-
(ii)	Debentures and bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government securities	-	-

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022
(All amounts in ₹ lakhs unless otherwise stated)

5 Borrower Group-wise Classification of Assets Financed as in (2) and (3) above

S. No.	Category	As at March 31, 2022 (Net of Provisions)			As at March 31, 2021 (Net of Provisions)		
		Secured	Unsecured	Total	Secured	Unsecured	Total
1	Related parties						
	(a) Subsidiaries		-	-	-	-	-
	(b) Companies in the same group		-	-	-	-	-
	(c) Other related parties		-	-	-	-	-
				-			-
2	Other than related parties	34,707.92	5,07,903.60	5,42,611.52	4,256.09	4,75,263.08	4,79,519.17
		34,707.92	**5,07,903.60**	**5,42,611.52**	**4,256.09**	**4,75,263.08**	**4,79,519.17**

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) :

S. No	Category	As at March 31, 2022		As at March 31, 2021	
		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) Subsidiaries	-	-	-	-
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
2	Other than related parties	10,713.50	10,713.50	5.00	5.00
		10,713.50	**10,713.50**	**5.00**	**5.00**

7 Other Information

S. No	Category	As at March 31, 2022		As at March 31, 2021	
		Related Parties	Other than Related Parties	Related Parties	Other than Related Parties
(i)	Gross non-performing assets		9,607.96	-	9,068.68
(ii)	Net non-performing assets		1,711.09	-	18.10
(iii)	Assets acquired in satisfaction of debt		-	-	-

46 High Quality Liquid Assets disclosure pursuant to RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019

Particulars	As at June 30, 2021*		As at September 30, 2021*		As at December 31, 2021*		As at March 31, 2022	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
Cash and bank balances	13,405.47	13,405.47	20,891.86	20,891.86	16,534.33	16,534.33	26,129.16	26,129.16
Unencumbered fixed deposits	41,926.18	41,926.18	1,34,727.66	1,34,727.66	377.06	377.06	53,301.30	53,301.30
	55,331.65	**55,331.65**	**1,55,619.52**	**1,55,619.52**	**16,911.39**	**16,911.39**	**79,430.46**	**79,430.46**

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022
(All amounts in ₹ lakhs unless otherwise stated)

Particulars	As at June 30, 2021*		As at September 30, 2021*		As at December 31, 2021*		As at March 31, 2022	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
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					-	-		-
Other contractual funding obligations	46,985.75	54,033.61	45,352.44	52,155.31	25,188.77	28,967.08	31,602.79	36,343.21
Other contingent funding obligations					-	-	-	-
	46,985.75	**54,033.61**	**45,352.44**	**52,155.31**	**25,188.77**	**28,967.08**	**31,602.79**	**36,343.21**
Cash Inflows							-	-
Secured lending							-	-
Inflows from fully performing exposures							-	-
Other cash inflows	56,551.58	42,413.69	66,058.84	49,544.13	48,201.05	36,150.79	45,676.03	45,338.32
	56,551.58	**42,413.69**	**66,058.84**	**49,544.13**	**48,201.05**	**36,150.79**	**45,676.03**	**45,338.32**

Liquidity coverage ratio

Particulars	As at June 30, 2021	As at September 30, 2021	As at December 31, 2021	As at March 31, 2022
Total high quality liquid assets (a)	55,331.65	1,55,619.52	16,911.39	79,430.46
Total net cash outflows (b)	13,508.40	13,038.83	(7,183.71)	9,085.80
Liquidity coverage ratio (a)/(b)	**409.61%**	**1193.51%**	**-235.41%**	**874.23%**

* The Inflows and outflows for the quarter ended June 30, 2021, September 30, 2021 and December 31, 2021 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 November 4, 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.

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 Company has implemented the LCR framework and has consistently maintained LCR well above the regulatory threshold. The average LCR for the quarter ended March 31, 2022 was 874.23% which is above the regulatory requirement of 50.00%.

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(All amounts in ₹ lakhs unless otherwise stated)

47 RBI/DNBS/2016-17/49 Master Direction DNBS. PPD.01/66.15.001/2016-17 dated on September 29, 2016

(a) Current Year 2021-22

Category	More than ₹ 1 lakh		Less than ₹ 1 lakh	
	Number of Instances	Amount	Number of Instances	Amount
Embezzlement/ misappropriation of cash				
- By Employees	29	124.53	2	1.46
- By Others	2	2.78	14	6.75
Total	**31**	**127.31**	**16**	**8.21**

(b) Previous Year 2020-21

Category	More than ₹ 1 lakh		Less than ₹ 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**

Note: The above summary is prepared based on the information available with the Company and relied upon by the Auditors.

47.1 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	Year ended March 31, 2022	Year ended March 31, 2021
Average Interest (a)	20.35%	20.34%
Average effective cost for borrowing Interest (b)	10.45%	10.42%
Net Interest Margin (a-b)	**9.90%**	**9.92%**

The Average interest represents the effective rate at which loans have been disbursed to the customers for the years ended March 31, 2022 and March 31, 2021.

The Average interest cost of borrowings of the Company for the years ended March 31, 2022 and March 31, 2021 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.

47.2 Undisclosed income

There are no transactions not recorded in the books of accounts.

48 Corporate Social Responsibility (CSR)

During the year, the Company incurred an aggregate amount of ₹ 51.67 Lakhs (Previous Year - ₹ 344.54 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:

Notes Forming Part of the Financial Statements

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(All amounts in ₹ lakhs unless otherwise stated)

			(Amount ₹ in Lakhs)
(a)	Amount required to be spent by the Company during the year		363.96
(b)	Amount of expenditure incurred		51.67
(c)	Shortfall at the end of the year		313.85
(d)	Total of previous years shortfall		
(e)	Reason for shortfall	**Fund is allocated for ongoing Projects**	
(f)	CSR activities as specified in Schedule VII of Companies Act, 2013	a) Promotion of Quality education b) Rural development projects and measures for reducing inequalities faced by socially and economically backward group c) Promotion of Healthcare/preventive healthcare d) Eradicating hunger, poverty and malnutrition e) Promotion of Health care and Women empowerment	
(g)	Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	**Manappuram Foundation**	
		Transferred	100
		CSR Spent till 31.03.2022	51.67
		Surplus generated from CSR fund	1.56
		Unspent Amount Returned	49.89
(h)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.		313.85

49 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2022 and March 31, 2021.

50 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 March 31, 2021, ₹ 268.65 Lakhs is transferred to the statutory reserve as required under Section 45-IC of Reserve Bank of India (RBI) Act, 1934.

51 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)	274.10	August 27, 2023, October 13, 2023 and September 29, 2023	409.40	564.54	Borrowings

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022
(All amounts in ₹ lakhs unless otherwise stated)

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)	973.94	-	564.54	Finance Cost

52 Employee Stock Option Scheme (ESOS), 2019

(a) The details of the Employee Stock Option Scheme 2019 are as under:

Date of share holders' approval	February 02, 19
Number of options approved	8,30,000
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 ₹ 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.

(b) The summary of the movements in options is given below:

Particulars	As at March 31, 2022	As at March 31, 2021
Options outstanding, beginning of year	5,12,500	6,55,000
Options granted during the year	-	-
Increase on account of Bonus issue	-	-
Lapsed Options restored during the year	-	-
Options lapsed during the year	2,70,000	1,42,500
Options Exercised during the year	-	-
Options unvested and Outstanding at the End of the Year	**2,42,500**	**5,12,500**
Options outstanding at the year end comprise of :		
- Options eligible for exercise at year end	-	-
- Options not eligible for exercise at year end	2,42,500	5,12,500
	2,42,500	**5,12,500**

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022
(All amounts in ₹ lakhs unless otherwise stated)

(c) 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 recognised based on the fair value at the date of grant. Hence there is no impact on profit after tax and there is no dilution in earning per share.

(d) 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

53 The outbreak of COVID-19 pandemic and the resultant lockdowns have caused disruption to businesses and slowdown in economic activities. The impact of the COVID -19 pandemic on the Company's results, including credit quality and provisions, remain uncertain. The Company's impairment loss allowance estimates are inherently uncertain and, as a result, actual results may differ from these estimates. The Company has factored its risk assessment majorly through its expected credit loss model (ECL). The Company has been duly servicing its debt obligations, maintains a healthy capital adequacy ratio and has adequate capital and financial resources to run its business and meet its committed obligations for the foreseeable future. The Company will continue to closely monitor material changes in markets and future economic conditions with regard to COVID-19 implications.

As at March 31, 2022, the Company has made provision towards impairment loss allowance amounting to ₹ 34,399 Lakhs (As at March 31, 2021 ₹ 34,144.89 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.

54 Trade Receivables

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Receivables considered good - Secured		
(b) Receivables considered good - Unsecured;	38.34	45.29
(c) Receivables which have significant increase in Credit Risk		
(d) Receivables - credit impaired		
Gross	38.34	45.29
Less: Allowances for impairment loss on credit impaired trade receivables	-	-
Net	**38.34**	**45.29**

Trade receivables ageing

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	38.34	-	-	-	-	38.34
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022
(All amounts in ₹ lakhs unless otherwise stated)

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	45.29	-	-	-	-	45.29
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-

The managements expects no default in receipt of trade receivables; also there is no history of default observed by the management. Hence, no ECL has been recognised on trade receivables.

There are no dues from directors or other officers of the Company or any firm or private Company in which any director is a partner, a director or a member. Trade receivables are non-interest bearing and are generally on terms of 30 days.

55 Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	78.23	589.59
Total	**78.23**	**589.59**

Ageing as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	78.23				78.23
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Ageing as at March 31, 2021

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	587.83	1.76			589.59
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022
(All amounts in ₹ lakhs unless otherwise stated)

56 Capital Advances and Intangible assets under development ageing as on March 31, 2022

A

Particulars	Outstanding for the followinng periods from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Capital-Work-in Progress (CWIP)	-	-	-	-	-
Intangible assets under development	39.68	54.50	-	-	94.18

B For Capital work in progress and Intangible assets under development, there is no transaction whose completion is overdue or has exceeded its cost compared to its original plan.

57 Details of Benami Property held

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2022 and March 31, 2021.

58 Wilful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2022 and March 31, 2021.

59 Relationship with Struck off Companies

Transactions with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial year ended March 31, 2022 and March 31, 2021 are given below:

Name of the struck off Company	Balance outstanding as at		Relationship with the struckoff Company
	March 31,2022 (₹ In lakhs)	March 31,2021 (₹ In lakhs)	
Receivables (Loans outstanding)	-	-	-
Payables (Borrowings outstanding)	-	-	-
Payables (Trade Creditors)			
- Nutech Solutions	-	0.30	Trade Creditors
Shares held by struck off Company	-	-	-

In the financial year ended March 31, 2022 and March 31, 2021, the Company has conducted transaction of value ₹ 0.43 lakhs and ₹ 2.64 lakhs respectively with the above Trade Creditor, being the Company whose name has been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956. The Company has not allotted any Equity share to the said Company.

60 Registration of charges or satisfaction with Registrar of Companies (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2022 and March 31, 2021. Except for few instances where delay was not beyond 30 days.

61 Compliance with number of layers of companies

Not Applicable

62 Utilisation of Borrowed funds and share premium

During the financial year ended March 31, 2022, other than the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines as applicable.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022
(All amounts in ₹ lakhs unless otherwise stated)

(i) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

63 Title deeds of Immovable Properties not held in name of the Company

The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company during the financial year ended March 31, 2022 and March 31, 2021.

64 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 M.P. CHITALE & Co
Chartered Accountants
ICAI Firm Registration Number: 101851W

Sanat Ulhas Chitale
Partner
ICAI Membership Number: 143700

Date: May 16, 2022
Place: Pune

For and on behalf of the Board of Directors of
Asirvad Micro Finance Limited

V P Nandakumar
Chairman
(DIN No. 00044512)

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

Yogesh Ratnakar Udhoji
Chief Financial Officer

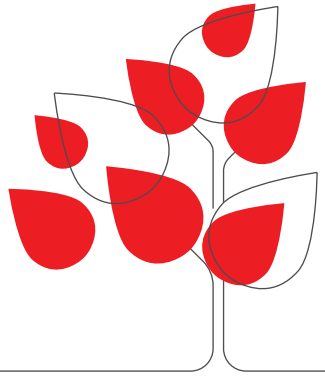
Aparna Menon
Company Secretary

Date: May 16, 2022
Place: Chennai

ASIRVAD MICRO FINANCE LIMITED

Subsidiary of MANAPPURAM FINANCE LTD.

Small Loans... Big Dreams..



Concept, Content & Design
WYATT Prism COMMUNICATIONS (info@wyatt.co.in)

ASIRVAD



Annual Report 14th


14th
Annual Report
2020-21

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1

FOREWORD

TESTED FOR RESILIENCE...

Over just the past decade, the Company has weathered the Andhra Pradesh crisis of 2010, the government's demonetization drive of 2016 and the Non-Banking Financial Company meltdown of 2018 apart from numerous natural calamities like Tamil Nadu/Odisha cyclones, Kerala/ Bihar floods.

When a crisis hits the financial system or economy at large, the microfinance sector is usually among the worst impacted since it caters to the most economically vulnerable segments of the country. Nevertheless, we have survived these tests and grown to become stronger after each crisis, on the back of the lessons it has learned. These and other learnings have come in handy during the COVID-19 pandemic that has ravaged the country, along with so much of the world. The Corona Consequences and handling it in the most professional, humane and appropriate manner has been the focal point of the Financial Year (FY) 2021.

The Company's strategic decisions which resulted in a positive AUM growth of approximately Rs. 500 Crores is reflective of the calculated growth vision, even in such unprecedent times.

While the Company transitioned to remote and safe working environment for its employees, we were also conscious of customers' wellbeing. We adhered to the industry code of conduct set by Self-Regulatory Organisations requiring fair interaction, suitability, transparency and addressing customer grievances.

During this year, where the need for technology was most felt, the Company also started transitioning to a new, ingenious Loan Management System which will enable seamless operations of the Company.

The Company has also ventured into Gold Loans during the year, with the intention of diversifying portfolio and to provide its customers, an additional avenue.

We have also grown our MSME lending segment from an AUM of Rs.13.6 Crores in FY 2020 to Rs. 40.34 Crores in FY 2021.

The Company has witnessed the most unexpected year 2021, just like the entire world and yet we have grown, diversified and upgraded. Business Resilience during the year is the indication of our long-term commitment to elevate members at the bottom of the pyramid.

The Company will continue to depend on its resilient foundations, built in response to challenges it has learned to overcome through its experiences.

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CORPORATE INFORMATION

1.	COMPANY	**Asirvad Micro Finance Limited**
2.	CORPORATE IDENTIFICATION NUMBER	**U65923TN2007PLC064550**
3.	REGISTERED OFFICE	1st Floor, Desabandhu Plaza, 47, Whites Road, Royapettah, Chennai - 600 014 Ph: +91- (44) 43510081
4.	CORPORATE OFFICE	9th & 10th Floor, 9, Club House Road, Anna Salai, Royapettah, Chennai - 600 002 Ph: +91- (44) 4212 4493
5.	MANAGING DIRECTOR	**Mr. S V Raja Vaidyanathan**
6.	JOINT MANAGING DIRECTOR	**Mr. B N Raveendra Babu**
7.	CHIEF OPERATING OFFICER	**Mr. Ravindra Goud**
8.	CHIEF FINANCIAL OFFICER	**Mr. Yogesh Udhoji**
9.	CHIEF TECHNOLOGY OFFICER	**Dr. Adinadh K R**
10.	CHIEF HUMAN RESOURCES OFFICER	**Mr. Bikram Mishra**
11.	HEAD - INTERNAL AUDIT	**Mr. B B Vasudeva Rao**
12.	CHIEF RISK OFFICER	**Mr. Robert K P**
13.	COMPANY SECRETARY	**Ms. Aparna Menon**
14.	STATUTORY AUDITORS	**Walker Chandiok & Co. LLP,** **Chartered Accountants** (Firm Registration No.001076N/N500013) 7th Floor, Prestige Polygon, 471, Anna Salai, Teynampet, Chennai - 600 018
15.	SECRETARIAL AUDITORS	**KSR & Co., Company Secretaries LLP** Indus Chambers, No.101, Govt. Arts College Road, Coimbatore - 641 018
16.	REGISTRARS & TRANSFER AGENTS	**S.K.D.C. Consultants Limited** "Surya", 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028 (Tamil Nadu) Phone: 0422 4958995, 2539835 / 836 Fax : 0422 2539837 | Email: info@skdc-consultants.com
17.	DEBENTURE TRUSTEES	**Catalyst Trusteeship Limited** **(Erstwhile GDA Trusteeship Limited)** Office No- 604, 6th Floor, Windsor, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098 **IDBI Trusteeship Services Limited** Ground Floor, Asian Building, 17, R. Kamani, Marg, Ballard Estate, Mumbai - 400 001

LIST OF LENDERS

Development Finance Institutions
NABARD
SIDBI
PSU Banks
Bank of Baroda
Bank of India
Bank of Maharashtra
Canara Bank
Indian Bank
Punjab & Sind Bank
Punjab National Bank
State Bank of India
Union Bank of India
Private Sector Banks
Axis Bank
Bandhan Bank
Catholic Syrian Bank
DCB Bank
Equitas Small Finance Bank
Federal Bank
HDFC bank
ICICI Bank
IDBI
Kotak Mahindra Bank
Lakshmi Vilas Bank
RBL Bank Ltd
South Indian Bank
YES Bank Ltd.
Karnataka Bank

Foreign Banks
CTBC Bank
HSBC Bank
SBM Bank (India) Limited
SMBC
Standard Chartered Bank
Woori Bank
NBFCs
Caspian Investments
A K Capital
Aditya Birla Finance Ltd
Anand Rathi Global Finance Limited
Bajaj Finance Ltd
Credit Suisse Securities (India) Private Limited
Hero Fincorp Ltd
Hinduja Laylond Finance Ltd
Karvy Capital
Nabkisan Finance Ltd
Nabsamruddhi Finance Ltd
Northern Arc
Reliance Home Finance Ltd
Royal Sundaram General Ins. Co. Ltd
TATA Capital Ltd
Foreign Institutional Investors
Blue Orchard
CDC Group
ResponsAbility
WaterCredit Investment Fund 3, LP
IIV Impact Investing Funds-DKM MicroFinzfond

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BOARD AND ITS COMMITTEES

Board of Directors

Mr. V P Nandakumar	-	Chairman
Mr. Abhijit Sen	-	Independent Director
Mr. A Ramanathan	-	Independent Director
Mr. B N Raveendra Babu	-	Joint Managing Director
Mr. D R Dogra	-	Independent Director
Mr. Gautam Saigal	-	Director
Ms. Pushya Sitaraman	-	Independent Director
Mr. S K Mitra	-	Independent Director
Mr. S V Raja Vaidyanathan	-	Managing Director
Mr. T Balakrishnan	-	Independent Director
Mr. T M Manoharan	-	Independent Director

Nomination & Remuneration Committee

Mr. T Balakrishnan	-	Chairman
Mr. A Ramanathan	-	Member
Mr. Gautam Saigal	-	Member
Ms. Pushya Sitaraman	-	Member

Borrowing and Securities Allotment Committee

Mr. S V Raja Vaidyanathan	-	Chairman
Mr. A Ramanathan	-	Member
Mr. B N Raveendra Babu	-	Member
Mr. V P Nandakumar	-	Member

Risk Management Committee

Mr. Gautam Saigal	-	Chairman
Mr. Abhijit Sen	-	Member
Mr. B N Raveendra Babu	-	Member
Mr. D R Dogra	-	Member
Mr. Robert K P (CRO)	-	Member cum Secretary
Mr. S V Raja Vaidyanathan	-	Member
Mr. T M Manoharan	-	Member

Management Committee

Mr. Abijith Sen	-	Chairman
Mr. A Ramanathan	-	Member
Mr. B N Raveendra Babu	-	Member
Mr. D R Dogra	-	Member
Mr. Gautam Saigal	-	Member
Mr. S V Raja Vaidyanathan	-	Member

Audit Committee

Mr. D R Dogra	-	Chairman
Mr. Abijith Sen	-	Member
Mr. A Ramanathan	-	Member
Mr. Gautam Saigal	-	Member
Ms. Pushya Sitaraman	-	Member
Mr. T Balakrishnan	-	Member

Corporate Social Responsibility Committee

Ms. Pushya Sitaraman	-	Chairperson
Mr. B N Raveendra Babu	-	Member
Mr. S V Raja Vaidyanathan	-	Member
Mr. A Ramanathan	-	Member

Asset Liability Committee

Mr. S V Raja Vaidyanathan	-	Chairman
Mr. B N Raveendra Babu	-	Member
Mr. Ravindra Goud (COO)	-	Member
Mr. Yogesh Udhoji (CFO)	-	Member & Secretary

IT Strategy Committee

Mr. S K Mitra	-	Chairman
Mr. A Ramanathan	-	Member
Mr. B N Raveendra Babu	-	Member
Mr. S V Raja Vaidyanathan	-	Member
Dr. Adinadh K R	-	CTO

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DIRECTORS PROFILE

DIRECTORS PROFILE



V P NANDAKUMAR

Mr. V.P. Nandakumar is the MD & CEO of Manappuram Finance Ltd., one of India's leading non-banking financial companies (NBFC) and the pioneer of the institutionalised model of the gold loans business. Mr. Nandakumar took over the reins of a single branch family business in 1986, and over the next three decades presided over its growth and transformation into a financial sector powerhouse. His vision, values and leadership were instrumental in scripting this story that today touches millions of lives in India.

Manappuram's origins go back to 1949 when it was founded by the late V.C. Padmanabhan, father of Mr. Nandakumar. In those days, the firm was into money lending, and pawn broking carried out on a modest scale at Valapad, a backward coastal village in Thrissur district of Kerala. After taking over in 1986 (the year his father expired), Mr. Nandakumar soon set about expanding the business in line with his ambitions and vision.

In 1992, he incorporated Manappuram Finance Ltd., and within three years (in 1995) managed to get the company listed on the Bombay Stock Exchange. Since then, he has led from the front to transform Manappuram Finance Ltd. into a leading NBFC present across India with 4,637 branches in 28 states and UTs, with Assets under management (AUM) of about ₹27,224 crore, (nearly US$ 4 billion) and a workforce of over 30,000.

In recent years, Mr. Nandakumar has resolutely steered the company's diversification into microfinance, home loans, vehicle finance, SME and personal lending to reshape the company into a full-spectrum NBFC. Today, about 30 per cent of the company's total business comes from the non-gold side.

Mr. Nandakumar's achievements in business have earned him national recognition. On May 26, 2018, a special issue of the Business World magazine profiled him as one among 40 of India's most valuable CEOs. Besides, Manappuram Finance Ltd. has emerged as one of the leading wealth creators in the Indian stock market. In December 2019, the Economic Times newspaper published the ET500 list of Top Wealth Creators of 2019 with Manappuram Finance Ltd. as the chart topper.

Other than the focus on business, the cause of the wider community is central to his vision. He established the Manappuram Foundation at Valapad in 2009 to drive the corporate social responsibility (CSR) programme of the Manappuram group, even before the Companies Act made it mandatory. Today, the Manappuram Foundation oversees a wide range of projects in education, health care, and overall development of the rural communities.

Mr. V.P. Nandakumar was born in 1954, holds a post-graduate degree in science and additional qualifications in Banking and Foreign Trade. He is a managing committee member of leading trade and industry associations such as FICCI, Assocham and FIDC. In January 2019, he was appointed to the Board of Governors of the Indian Institute of Management, Kozhikode. In July 2019, he was elected as an International Director of the Association of Lions Clubs International at its Milan (Italy) convention.



S V RAJA VAIDYANATHAN

B.Tech (IIT Madras), MBA (IIM Calcutta), AICWAI, ACS and has more than 40 years of experience in the field of Financial Services, Infrastructure, Media, Telecom & Retail sectors . He is the founder of the Company and has ben been actively involved in building Asirvad for the last decade and a half initially as Chairman and MD and last 11 years as MD of the company.



B N RAVEENDRA BABU

Master's Degree in Commerce from the Calicut University and completed his intern from the Institute of Certified Management Accountants. He held senior positions in Finance and Accounts in various organizations in the Middle East. Further, he has been on the Board of Manappuram Finance Limited since 1992. He is currently the Managing Director of the Company.



GAUTAM SAIGAL

He is a qualified Chartered Accountant and a postgraduate in Commerce from the Calcutta University. Mr Gautam Saigal is the founding partner of Pachira Financial Services LLP. He has over 24 years of experience in financial services covering private equity investment, investment banking and advisory services.

Till mid-2013, Gautam was the Managing Director of AA Indian Development Capital Advisors Ltd., advisors to the India dedicated mid-market focussed private equity fund launched by the Ashmore Group and Alchemy Partners, UK. Prior to this, he was Vice President, AIG Global Investment Group (Asia) and Co-Head of its India private equity advisory practice. Gautam has been a member of the Board of team and Board Committees in several companies including in Financial services, Telecom, Energy distribution, Healthcare, IT services, Consumer products, logistics, Infrastructure etc.



A RAMANATHAN

He retired as a Chief General Manager from NABARD in Micro Credit innovations Department. He is an expert in Institutional Development, Organisational Development, Organisational Behaviour, Small Business Development, Training need assessment, Training techniques, etc. He has more than 35 yrs of rich experience in the banking industry.



D R DOGRA

Former Managing Director & CEO of CARE Ratings. Have around 39 years of experience in the financial sector in the areas of banking and credit rating. He has expertise in product conception and development across all sectors including Manufacturing, Infrastructure, Finance, and SME among others. Have maintained a high growth trajectory after taking over as acting Managing Director and made CARE the second largest rating agency.



T BALAKRISHNAN

A former member of Indian Administrative Service Mr Balakrishnan retired as Additional Chief Secretary, Industries and IT Departments Kerala. He has rich experience in various fields including Public Administration, Regulations, Industry, Tourism,Infrastructure, IT and Local Self Government. He has worked in TN, Kerala, Delhi and New York in his long career. He has served in more than 40 Boards including State PSUs, Central PSUs, Statutory Boards and reputed Private Sector Companies, as Director. He has attended several National and International Conferences, Training Programs and Seminars.



T M MANOHARAN

Is a retired officer of Indian Forest Service (IFS). He was Principal Chief Conservator of Forests and Head of Forest Forces, Kerala, and Chairman of Kerala State Electricity Board as well as Kerala State Electricity Regulatory Commission. He holds a Masters Degree in Chemistry and Sociology and is also a law graduate.



PUSHYA SITARAMAN

is a Law graduate from Madras Law College and holds a Bachelor's degree in Arts from Stella Maris College. She is a designated Senior Advocate of the Madras High Court and has been practising as an advocate for over 35 years, specializing in the field of taxation and corporate laws.



ABHIJIT SEN

He retired as Chief Financial Officer- Citi Bank, India Subcontinent in 2015 after serving the organization for almost 20 years. Post Retirement, he is associated with a big four firm as an External Advisor, for their activities in the Banking and Financial Services Sector. He serves on several Boards including Kalyani Forge Limited, U Gro Capital, Ujjivan Micro-Finance Limited and Cashpor Microcredit. He also chairs the Audit Committee of reputed organizations. In the past, he was on the Board of National Securities Depository Limited (NSDL). He has a B.Tech (Hons) degree from the IIT, d a PGDM from the IIM, Kolkata with majors in Finance & Information System.



SUBRATA KUMAR ATINDRA MITRA

In the year 1977, Mr. S.K Mitra started his career with Bank of India and played a vital role in setting up the Merchant Banking Division of the Bank. During the period from 1978 to 1984, he worked for Standard Chartered Bank in investment banking and was advisor for several domestic and international business houses for new projects and acquisitions.

Later, in year 1985, Mr. Mitra joined American Express Bank and was the head of Corporate Banking and Investment Banking in India. He also worked for the GIC Mutual Fund, Aditya Birla Group. He joined Aditya Birla Group in 1994 as Director, Financial Services and set up a wide range of successful ventures.

Served as Independent Director on the Board and Committees of several reputed organization. Currently, he is India Correspondent for Asia Asset Management , Hong Kong. Continues to be an Advisor to a large international bank. Has been advisor to a few PE firms and Start Up firms. Have also been a nominee director on Board of companies on behalf of PE firms. Continues to be associated with several international and domestic NGOs and business chambers in India. He is a founding Governing Council Member of the newly registered Association of Corporate Independent Directors (ACIND).

“Our greatest glory is not in never falling, but in rising every time we fall.”

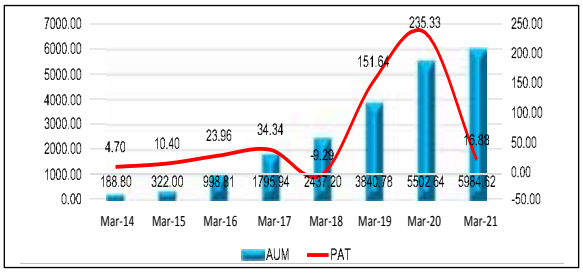
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5

THE ASIRVAD JOURNEY

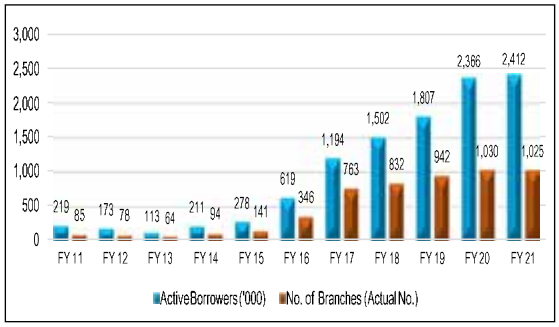
PORTFOLIO & PROFITABILITY GROWTH

Particulars (Rs. in Crores)	Mar-21	Mar-20	Mar-19	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14
PAT	16.88	235.33	151.64	-9.29	34.34	23.96	10.40	4.70
AUM	5,984.62	5,502.64	3,840.78	2,437.2	1,795.94	9,98.81	322	188.8



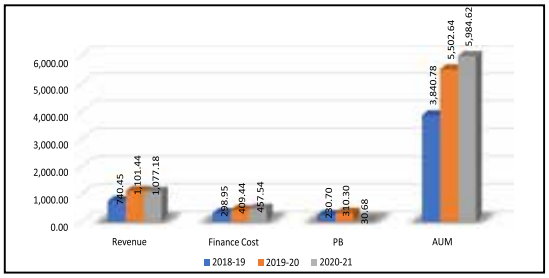
OPERATIONAL METRICS

Financial Year	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21
Active Borrowers ('000)	219	173	113	211	278	619	1,194	1,502	1,807	2,366	2,412
No. of Branches (Actual No.)	85	78	64	94	141	346	763	832	942	1,030	1,025



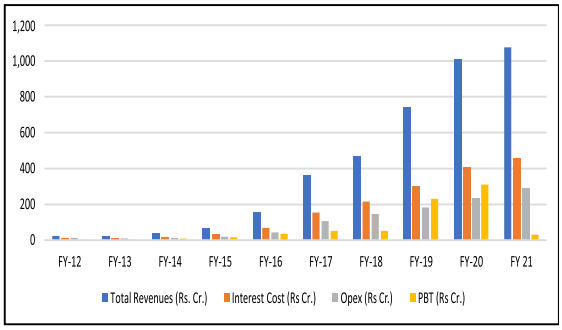
FINANCIAL HIGHLIGHTS

Finance (Rs. in Crores)	Revenue	Finance Cost	PB	AUM
2018-19	740.45	298.95	230.70	3,840.78
2019-20	1,101.44	409.44	310.30	5502.64
2020-21	1,077.18	457.54	30.68	5,984.62



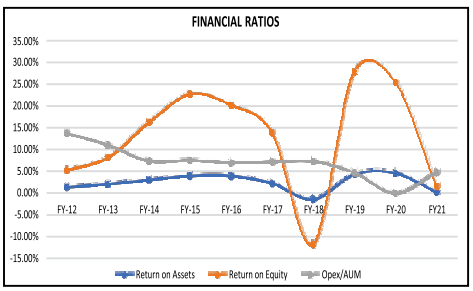
FINANCIAL SNAPSHOTS

	FY-12	FY-13	FY-14	FY-15	FY-16	FY-17	FY-18	FY-19	FY-20	FY-21
Total Revenues (Rs. Cr.)	24	20	37	67	156	364	468	740	1,011	1,077
Interest Cost (Rs Cr.)	9	9	19	33	68	154	214	299	409	458
Opex (Rs Cr.)	13	9	12	19	43	105	146	182	234	289
PBT (Rs Cr.)	2	3	7	16	36	52	50	231	310	31



FINANCIAL RATIOS

	FY-12	FY-13	FY-14	FY-15	FY-16	FY-17	FY-18	FY-19	FY-20	FY-21
Return on Assets	1.40%	2.10%	3.10%	4%	4%	2.30%	-1.40%	4.36%	4.63%	0.29%
Return on Equity	5.30%	8.20%	16.30%	22.80%	20.30%	13.90%	-11.70%	27.92%	25.52%	1.61%
Opex /AUM	13.80%	11.10%	7.40%	7.60%	7%	7.20%	7.30%	4.75%	4.26%	4.83%



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LETTER FROM CHAIRMAN

VP Nandakumar

Chairman



Dear Shareowners,

It is my pleasure to present to you, our 14th Annual Report for the year ended March 31, 2021. I am pleased to announce that Asirvad Micro Finance Ltd has delivered an industry-leading performance even in such adverse conditions to end the year with profitable growth. In the past six years, your Company has reported an AUM growth of 18.6 times, from ₹3,220 million in FY14-15 to ₹ 59,846 million in FY20-21. India's Microfinance sector too has done well during this period, with AUM growing from ₹400 billion in FY15 to almost ₹2.59 trillion in FY21. Based on current trends and prospects, we are confident of continuing our industry outperformance in the foreseeable future as well.

Economic Outlook

The rise in daily new cases since mid of February 2021 marked the onset of the second wave of COVID infection in India.
Despite the surge in cases, the recovery in the economy is resilient with sustained improvement in a majority of high-frequency indicators. The agricultural sector remains the bright spot of the economy with food grains production touching 303.3 million tonnes in 2020-21 beating record production levels for the fifth consecutive year in a row. MGNREGS has acted as a cushion for the rural economy by generating all-time high employment of 383.8 crore person days during 2020-21, 44.7% higher compared to the previous year.

On the positive side, strengthening demand conditions can be seen in automobile, telecom and power consumptions. Monthly GST collections reached record high in recent months. The growth momentum in rail freight traffic remains high, port cargo traffic and domestic transport picked up further. The digital payment upsurge continues, powered by the resumption of economic activity, financial inclusion and behavioural shift towards digital payments.

Domestic equity markets recovered in FY21 to register a jump of 71% and 68% in Nifty-50 and Sensex respectively. The recovery was supported by stimulus measures announced by the Government, RBI's liquidity measures and record investments by FPIs. FY 2020-21 witnessed a record FPI inflow of US$ 36.2 billion, the highest in a decade after 2014-15. India's foreign exchange reserves reached US$ 582.27 billion– an increase of US$ 142.6 billion over FY20. The Central Government raised ₹13.7 lakh crore as gross market borrowings during FY21 at a weighted average borrowing cost of 5.79%, the lowest in 17 years.

India's GDP is estimated to contract by about 7.7% in FY21, compared to 4.2% growth in FY20, on account of the impact of the COVID-19 pandemic. S&P Global Ratings cut India's growth forecast for FY22 to 9.5% from 11% earlier. The severe second wave that led to local lockdowns in April and May reduced economic activity sharply. S&P expects that damage to private and public sector balance sheets will constrain growth over the next couple of years. For the next fiscal ending March 31, 2023, S&P projects India's growth at 7.8%.

Outlook for Non-Banking Financial Companies (NBFCs)

Fitch Ratings expects India's NBFC would face renewed asset quality and liquidity risks as the second wave of coronavirus infections could delay recovery. A hit to the collection efficiency of NBFC-MFIs owing to protracted Covid-19 curbs will increase asset-quality pressures in the sector, with loans in arrears for over 30 days likely to cross the surge in the aftermath of demonetisation.

With loans in arrears for over 30 days – or the 30+ portfolio at risk (PAR) mounting, the MFI sector is expected to resort to restructuring of loans to a larger extent than last fiscal as this is perhaps the only practical option to support borrowers and not let accounts slip into the non-performing bucket, the credit rating agency said in a note. Challenges are likely to increase if recent restrictions to contain the pandemic are expanded or prolonged, leading to greater economic and operational disruption. SMEs, commercial vehicle operators, microfinance customers and other wholesale borrowers remain at greater risk of stress in this environment, particularly as financial buffers would have narrowed after the severe economic shock over the past year. The production and supply chains remain susceptible to labour shortages if the large-scale urban-to-rural labour migration of 2020 recurs.

Outlook for Microfinance Institutions (MFIs)

The microfinance industry's gross loan portfolio (GLP) grew 10.1% to ₹2.32 trillion as of December 31, 2020, according to Microfinance Institutions Network (MFIN). During the December quarter, the disbursement de-grew 3.86% YoY, and a growth of 90.4% QoQ. Five top states in terms of loan amount outstanding for MFIN members are Tamil Nadu, Karnataka, Bihar, Maharashtra and Odisha. They account for 51% of GLP and the top 10 states account for 82% of total outstanding.

It is heartening to see that the green shoots seen at the end of Q2 have proved to be real and sector disbursements are reaching almost at pre-COVID-19 levels backed by increased demand for loans to restart livelihoods. The disbursements during Q3FY21 was 96% of Q3 FY20, set to reach normal levels by end of fiscal 2021. India Ratings and Research maintained a "stable" outlook on large non-bank microfinance institutions/MFIs (with AUM of more than ₹500 billion) for FY22.

The Reserve Bank of India aims to bring regulatory parity among all microlending institutions and has floated a discussion paper. Currently only the registered NBFC-MFIs are following sector specific rules, RBI aims to curtail regulatory arbitrage enjoyed by other micro lenders. Overall, the proposals are beneficial for the development of the microfinance sector. Removal of pricing cap would allow low-cost lenders, like Asirvad to gain larger market share, while maintaining its profitability.

Performance of the Company

Your company was able to maintain its profitability despite the sharp slowdown after the national wide lockdown at the start of the fiscal. Asirvad is ranked as the 4th largest NBFC MFI in India (source: MFIN Micrometer). The Company has a network of 1,062 branches across 24 States with a presence in 326 districts and 2,25,494 centres. Its policy of continuous re-assessment of concentration risk and diversification helped in controlling the credit costs during the pandemic and hence maintain its profitability. During the year, the Company passed on the benefit of the lower interest rate charged by its lending banks and Financial Institutions by reducing the rate of interest charged to its customers from 21.30% to 20.67 % per annum.

Asirvad's AUM grew by 8.76% from ₹55,026 million in FY20 to ₹59,846 million in FY21, active loan accounts increased by 2.12% to 2.41 million from 2.36 million last year. A total of 3.77 million loan accounts were disbursed during the financial year, and these loans have a repayment rate of 94.05% after the moratorium. The Company's operational revenue declined by 0.20% to ₹10,530 million for FY21 compared with ₹10,551 million for FY20.

Provisions stood at ₹3,414 million including the standard provision of ₹1,662 million made for FY21 as per the company's policy. We are now servicing over 2.41 million customers in 24 states. Your Company has forayed into lending for MSME enterprises against the security of property having started operations in 15 branches across Andhra Pradesh, Karnataka, Telangana and Tamil Nadu. The Company's MSME loan book at the end of the year stood at ₹403 million. The company also started gold loan services on a moderate scale in 23 branches and the loan book at the end of the year stood at ₹25 million.

Thank You !

I am grateful to all our shareholders and other stakeholders for the support extended to the company over the years. We remain indebted to the Reserve Bank of India and NABARD for the support given to the industry over the years. I would also like to take this opportunity to commend Mr Raja Vaidyanathan, Managing Director, Mr B N Raveendra Babu, Joint Managing Director and other management teams for having led the company from strength to strength. Notwithstanding the current phase of stress, we look forward to a year of growth and profitability to set the benchmark for the industry.

With best wishes,

V P Nandakumar

Chairman

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LETTER FROM MANAGING DIRECTOR



SV Raja Vaidyanathan
Managing Director

After nearly 15 years of meeting you over these messages annually, this is my last one.

For the first 6 years as Chairman and then as MD I have been sharing my views on the Company, Industry and the country. Let me take you back down the memory lane.

I still remember that day in 2006, when I was reading a very interesting article on the Microfinance Industry of Latin America. Though there were a few Micro Finance Institutions in our country they were low profile and concentrated in one state. After an in depth study of the industry I decided that this was my calling. With considerable experience in Finance and the prospect of giving back something to society at large there was no looking back.

In Tamil, Asirvad means "Divine Blessings from God / Saint/ Elders". I wanted the Company to be a blessing, so Asirvad was born. Our logo was inspired from Sri Satya Baba's blessing stance. The Company pledged itself to be guided by the principles of integrity, professionalism and business ethics in all its activities with utmost transparency.

The Mission was to organise groups of committed poor women and provide them financial assistance in a sustainable manner, with a view to eradicate poverty, through viable income generation activities. The Vision was to empower at least 1 million women by 2015.

And where are we now?

We are present in 23 states in India with a women power of around 2.5 Million.

This was not an easy road to travel.

The first major crisis the Company faced was when AP decided to take control of MFIs in the state. This had a major implication and RBI was forced to declare itself as the sole regulator and formed a separate category of NBFC – MFI. Malegaon Committee recommendations ushered in lot more discipline in the industry and the credit bureaus made sure that the high way for growth will be laid. The team at Asirvad faced this period remarkably well when many smaller companies folded. We grew, albeit slowly but definitely profitably. Our PE partner Lok capital had considerable faith in us and brought the much required second tranche of capital.

The major transformation happened in 2015. Manappuram in its quest for diversification identified Asirvad for acquisition and it was a win-win for both of us. Asirvad wanted capital for growth which Manappuram had in plenty. We had the talent and professional resources to grow the Company. This was a perfect recipe for a stupendous growth which the industry witnessed, from a two state operation, within a span 18 months, to presence in 15 states. It is now a 23 state, PAN India giant.

Again the road wasn't a bed of roses.

The demonetisation of Nov 2016 hit the industry badly, the Company still remained strong, thanks to the support from Manappuram. We seized the opportunity to transform ourselves digitally and Asirvad became the first large MFI in India to do 100% disbursements into bank accounts of customers. Field operations personnel were all given tabs and we were set for the next phase. AUM and borrower base grew. We crossed a million and then the second million in the next three years. That is when the Corona Demon stalked us in March 2020.

The last two years have again showed the resilience of the team both at Asirvad and Manappuram. The pandemic is being handled well and with every passing wave, we are more equipped, more confident as the numbers speak for themselves.

As I demit this office, I look back with pride, the road I travelled. Zero to 6000 cores of AUM, a revenue of over 1000 crores, 25 lakhs borrowers and 8300 employees. Mind boggling yet true, blessed truly. This has not been a single man's achievement. More than 15000 Asirvadians have toiled for it. Many brilliant minds burning the midnight oil. Years of wisdom of the Board. Continuous support of the lenders. And most importantly the strength of Manappuram.

I OWE THIS TO ALL OF THEM

So where do we go from here? Mr. Raveendra Babu who has taken over as MD from 1st July, 2021 will steer the Company to the next level. The cherished 10000 Cr. mark. With his impeccable track record and automation experience, the company will leap frog to the top from the current 4th position. More than the position, I am sure that the reputation Asirvad has in the market, will be enhanced when more millions of women will be blessed.

Asirvad is here to stay to be a leader

I planted a seed to grow a tree to give shade to poor women and I am happy that this has become a huge garden. Let the gentle breeze continue as I take leave of this fabulous organisation as Managing Director. Needless to say as a Non-Executive Director I will be watching it with the same happiness if not more.

Thank you all once again for being part of this wonderful journey of mine.

Warm regards

Raja Vaidyanathan

Managing Director

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LETTER FROM JOINT MANAGING DIRECTOR

B N Raveendra Babu

Joint Managing Director



It gives me immense pleasure to connect with you as the Managing Director of your Company. At the outset, I would like to thank each of you for the tireless efforts that you have made so far and look forward to the same zeal in the days ahead.

Financial inclusion is a key driver of sustained and balanced growth of the economy which helps to reduce income disparity and alleviates poverty. The Reserve Bank of India, by acknowledging the importance of financial inclusion and the vital role of the financial system in promoting the same, has done tremendous work in this area over the years to fulfil the needs and aspirations of our people. Adhering to the principle of "welfare of all through the upliftment of the weak," we are extending financial assistance to deprived women from different segments of society who are engaged in a quest to improve their standard of living. By crossing the boundaries of the states with a Pan-India presence, Asirvad is reaching out to almost all parts of the country and extending support to women entrepreneurs by rendering financial assistance in a safe and transparent manner. Today, we have managed to become the highest credit-rated company in the MFI sector and it is your support and encouragement that has helped us achieve this milestone.

Performance of the Company

Currently, your Company has a presence in 22 States & UTs and it is also ranked as the 4th largest MFI in India. The Company's AUM stands at Rs. 5,984.62 Crores and it represents a significant accomplishment. I have no doubt that it is the industrious Asirvad team that has made this milestone feasible. The single-point objective of the Company is to make a valuable contribution towards the lives of our customers, and we made it a point to stand strong with them even during these tough pandemic days by introducing new loan products. We are happy to have launched gold loans in branches across the states of Assam, Bihar, Odisha and West Bengal. At Asirvad, we are determined to serve our customers keeping their best interests in mind.

Relentless focus on technology upgradation

Technology has not only helped the growth of business, but it has also simplified our way of life. The new-age financing is all about optimum utilization of technology. As a Company we believe in the power of technology and over the years we have adopted various innovations such as Loan Management System (LMS) and usage of DigiPay and other digital platforms for payment, with many more initiatives in the pipeline. Automation has enriched the lives of both our employees and customers without compromising on the quality of work we do.

Employee well-being

At Asirvad, we are constantly looking for ways to improve the knowledge and skills of our employees and, based on this consideration, we have introduced the Learning Management System to create awareness, knowledge, and vigilance. Also, to further improve the morale and confidence of our women employees, we launched a "Women's Club" in March 2021 on the occasion of International Women's Day. The club provides them with a platform within the organization where they can showcase their skills and talent for a healthy work environment.

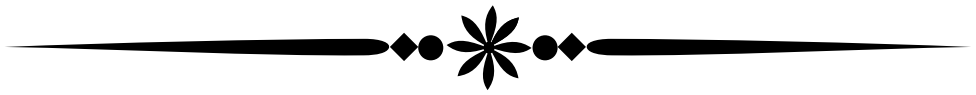
Thank you

I take the opportunity to express my sincere gratitude to all the stakeholders for their continuous support. We have achieved so much without any compromise on the directives of the Reserve Bank of India for maintaining stability in a potentially volatile environment. The commitment and the co-operation of our team have been the prominent factors contributing towards the culture of perpetual excellence. I have no doubt that everyone from the bottom to the top of the pyramid will strive to take Asirvad to the next level and make our company the epitome of success and ethical conduct.

With best wishes,

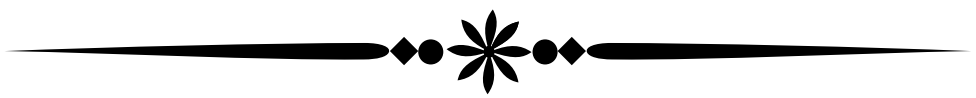
B N Raveendra Babu

Joint Managing Director



“Enthusiasm is common.
Endurance is rare”

- Angela Duckworth

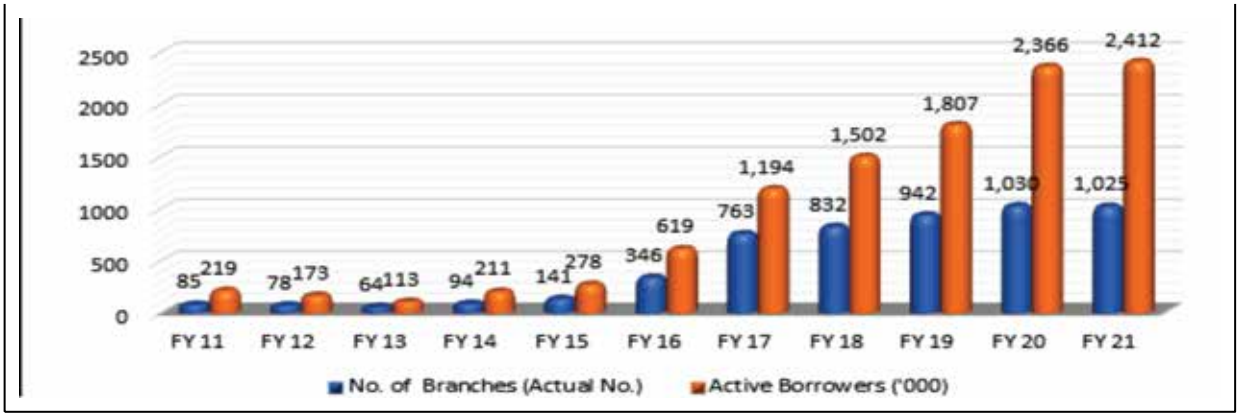


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KEY TRENDS

Key Trends

Particulars	Mar-21	Mar-20	Mar-19	Mar-18	Mar-17
No. of States & Union Territories	22	22	22	20	17
No. of Branches	1,025	1,030	942	832	763
No. of Districts	316	315	289	245	252
No. of Employees	7,233	6,206	4,951	4,167	3,861
No. of Active Members	24,12,147	23,66,475	18,06,844	15,01,575	11,93,328
Disb. In Crs.	3,597	4,661	4,286	2,875	2,114
Portfolio in Crs.	5,941	5,488	3,838	2,434	1,796

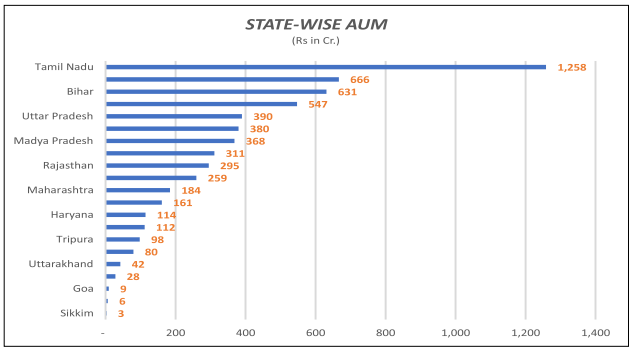


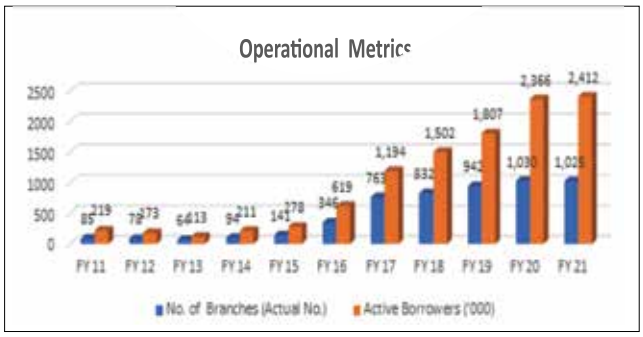
Operational Highlights

State Name	AUM in Cr.
Tamil Nadu	1,258
West Bengal	666
Bihar	631
Karnataka	547
Uttar Pradesh	390
Kerala	380
Madya Pradesh	368
Jharkhand	311
Rajasthan	295
Odisha	259
Maharashtra	184
Punjab	161
Haryana	114
Gujarat	112
Tripura	98
Chhattisgarh	80
Uttarakhand	42
Assam	28
Goa	9
Chandigarh	6
Sikkim	3
Total	5,941

Operational Metrics

Financial Year	No. of Branches (Actual No.)	Active Borrowers ('000)
FY 11	85	219
FY 12	78	173
FY 13	64	113
FY 14	94	211
FY 15	141	278
FY 16	346	619
FY 17	763	1,194
FY 18	832	1,502
FY 19	942	1,807
FY 20	1,030	2,366
FY 21	1,025	2,412



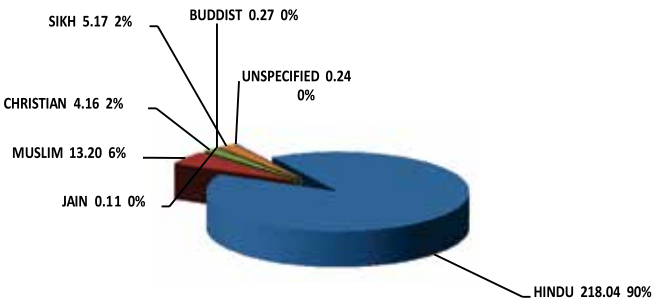


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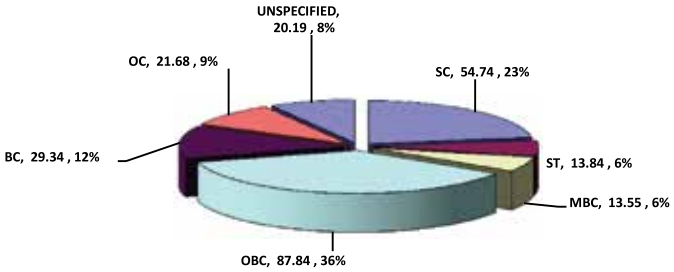
CUSTOMER DEMOGRAPHY

RELIGION	TOTAL	%
HINDU	218.04	90.40%
MUSLIM	13.20	5.47%
SIKH	5.17	2.14%
CHRISTIAN	4.16	1.73%
BUDDIST	0.27	0.11%
UNSPECIFIED	0.24	0.10%
JAIN	0.11	0.05%
	241.19	100.00%

2411857 ACTIVE MEMBERS - RELIGION WISE



2411857 ACTIVE MEMBERS - CASTE WISE



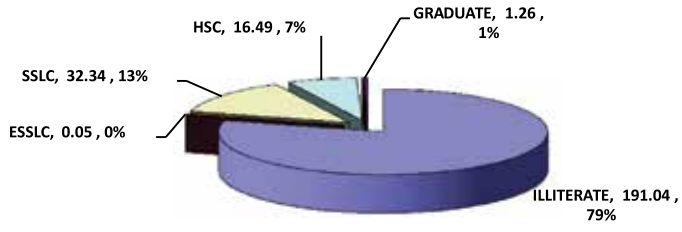
CASTE	TOTAL	%
OBC	87.84	36.42%
SC	54.74	22.70%
BC	29.34	12.16%
OC	21.68	8.99%
UNSPECIFIED	20.19	8.37%
ST	13.84	5.74%
MBC	13.55	5.62%
	241.19	100.00%

OCCUPATION	TOTAL	%
AGRICULTURE	102.17	42.36%
OTHERS	56.50	23.42%
AGRICULTURAL TRADING	38.32	15.89%
PETTY SHOP	13.75	5.70%
TAILOR	11.94	4.95%
CLOTH BUSINESS VENDOR	8.84	3.67%
SERVICES	5.33	2.21%
FISH VENDOR	3.96	1.64%
MFG OF FLOUR & M.PWDR	0.36	0.15%
TOTAL	241.19	100.00%

2411857 ACTIVE MEMBERS OCCUPATION WISE



2411857 ACTIVE MEMBERS - EDUCATION WISE



EDUCATION	TOTAL	%
ILLITERATE	191.04	79.21%
SSLC	32.34	13.41%
HSC	16.49	6.84%
GRADUATE	1.26	0.52%
ESLC	0.05	0.02%
	241.19	100.00%

II

BOARD REPORT

BOARD REPORT

Dear Members,

Your Board of Directors takes pleasure in presenting the 14th Annual Report of Asirvad Micro Finance Limited ("Company"), together with the Audited Financial Statements for the financial year ended March 31, 2021:

Financial Summary/ Highlights and State of Affairs

(Rs. in Crores)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Gross Income	1077.18	1101.44
Total Expenditure	1046.50	791.14
Profit before Tax	30.68	310.30
Tax Expenses net of Deferred tax	13.80	74.97
Profit after Tax	16.88	235.33
Appropriations		
Transfer to Statutory Reserve	3.38	47.07
Surplus in Profit & Loss	13.51	188.26

During the financial year ended March 31, 2021, your Company recorded a turnover of Rs.1,077.18 Crores. Revenue from operations for the year ended March 31, 2021 has decreased by 0.20% over the corresponding period ended March 31, 2020 due to ongoing pandemic situation. Further, taking into cognizance uncertain market conditions, the Company has created adequate provisions for ECL & also 0.5% of total closing AUM as COVID overlay. The Net Profit of your Company for the financial year ended 31st March, 2021 stood at Rs.16.88 Crores.

The financial performance in first half of Financial Year 2020-21 was adversely impacted as the year started with pandemic, nationwide lockdown, moratorium introduced by the regulator, restricted disbursements, witnessed low levels of collections etc., however, in the second half, the Company performed better in terms of disbursement as well as collection efficiency and regained normalcy. Also, considering the financial crisis faced by the Borrowers due to pandemic, Company has introduced new products - COVID Support Loan and Emergency Working Capital Loan in order to address the financial needs of the Borrower and support them in this difficult situation. In addition to this, the Company has also initiated digital mode of payment to provide ease to its customers.

During the Financial Year under review, your Company has started Gold Loan Business within the permissible limit by Reserve Bank of India and key performance highlights of Gold Loan Business are as follows:

Particulars	Financial Year 2021
Branches	21
Number of active members	393
*Total disbursements	Rs.5.1 Cr.
Total AUM	Rs.2.5 Cr.
Collateral Growth (Gm)	9,631.9

*Disbursement started from March, 2021

No auction has happened during the Financial Year under review

Operational Highlights

Micro Finance

Particulars	Financial Year 2021	Financial Year 2020	Change (%)
Number of Branches	1,025	1,030	- 0.49%
Number of Active Members	24,12,147	23,66,475	2%
Gross Loan Portfolio (in Crores)	5,941	5,488	8%
Number of Employees	7,233	6,206	16.55%
Total Disbursement (in Crores)	3,597	4,661	- 23%
No. of States & UT (in Operation)	22	22	-

MSME

Our MSME loan products, process and people focus on enhancing the economic output of our customers. During the period under review, the COVID-19 global pandemic cast a shadow and greatly impacted the growth prospects of the economy. According to some estimates, the economy has contracted by as much as 8% to 10%. To combat the losses caused by the pandemic, the Government of India and the Reserve Bank had announced various measures from time to time. These policies were aimed at providing special support to revive the economy and revive the stressed business sectors. Our MSME customers were also impacted by the effects caused by the pandemic and the Company provided a moratorium on loans to eligible customers who had opted for it. After the unlock measures were announced, the Company was quick to restart lending and take other measures to support the requirements of the Company's customers. These efforts have given good results during the period under review and were well appreciated by our customers.

The performance highlights are as follows:

Particulars	Financial Year 2021	Financial Year 2020
Number of Branches	22	15
Number of Active Members	915	295
Gross Loan Portfolio (in Crores)	40.35	13.6
Total Disbursement (in Crores)	30.1	13.95
No. of States & UT (in Operation)	4	3

As on March 31, 2021, the total number of branches of the Company were 1068 (including MFI – 1025, MSME – 22 and Gold Loan – 21).

There was no change in nature of operation of the Company during the year under review.

Transfer to Reserve

As per the extant guidelines of Reserve Bank of India for NBFCs, the Company has transferred a sum of Rs.337.63 Lakh to the Statutory Reserve created under Section 45-IC of the Reserve Bank of India Act, 1934.

Dividend

In order to augment capital as required for supporting the growth of the Company through retention of internal accruals, the Board of Directors has not recommended any dividend for the Financial Year 2020-21.

Deposits

The Company is registered with Reserve Bank of India (RBI) as Non-Deposit Accepting NBFC under Section 45-IA of the RBI Act, 1934 and classified as NBFC-MFI. The Board of Directors hereby confirm that the Company has not accepted any public deposit during the year under review and will not accept deposit in future without prior approval of Reserve Bank of India.

RBI Regulations

The Company is in compliance of the regulatory requirements of net owned funds ('NOF') as defined under Section 45-IA of the RBI Act, 1934, to carry on the business of an NBFC-MFI.

Fund Allocation

Total Borrowings

The Company's overall borrowing as on 31st March, 2021 was Rs.5,485.19 Crores.

i) Non-Convertible Debentures

During the year under review, your Company has raised funds of Rs.1,105 Crores through issue of Non-Convertible Debentures (NCDs) on private placement basis and outstanding NCDs as on March 31, 2021 was Rs.1,433.83 Crores.

ii) Commercial Paper

During the year, the Company had not raised funds through Commercial Papers (CPs). During the year under review, the Company had redeemed CPs of Rs.25 Crores on February 24, 2021. The outstanding CPs as on March 31, 2021 was NIL.

iii) External Commercial Borrowing & Term Loan

In the financial year ended 31st March, 2021, the Company has raised Rs.216.45 Crores through External Commercial Borrowing and Rs.1,709 Crores as Term Loan.

Subsidiary/ Joint Venture/ Associate Companies

The Company does not have any Subsidiary Company, Joint Venture and Associate Company during the Financial Year under review in terms of Companies Act, 2013 ("Act").

Further, the Company continues to remain the subsidiary of Manappuram Finance Limited, which holds 5,05,33,878 Equity Shares of Rs.10/- each aggregating to Rs.50,53,38,780/- constituting 94.79% of the Share Capital of the Company as on 31st March, 2021.

Credit Rating

CARE has maintained the grading of your Company to "MFI 1", the highest in the industry. The bank loan rating is also re-affirmed as CRISIL AA-/Stable outlook By CRISIL Ratings Limited.

The Company has debt credit ratings as follows:

Credit Rating Agency	Instrument	Rating
CRISIL	Long Term Bank Facilities	CRISIL AA-/Stable outlook (Reaffirmed)
CRISIL	Non-Convertible Debentures	CRISIL AA-/Stable outlook (Reaffirmed)
CRISIL	Sub-ordinate Debt	CRISIL AA-/Stable outlook (Reaffirmed)
CRISIL	Commercial Paper	CRISIL A1+

Credit Rating Agency	Instrument	Rating
Brick work	Non-Convertible Debentures	BWR AA-/stable

Credit Rating Agency	Instrument	Rating
CARE	Non-Convertible Debentures	CARE A+ ; stable

Capital Adequacy

Your Company being a Systemically Important Non- Deposit Accepting NBFC is subject to the capital adequacy requirements prescribed by the Reserve Bank of India. The Company was required to maintain a minimum Capital to Risk Asset Ratio (CRAR) of 15% as prescribed under the Non- Banking Financial Company- Micro Finance Institutions (Reserve Bank) Directions, 2016 (as amended from time to time) based on total capital to risk weighted assets. As of March 31, 2021, the Company's total Capital Adequacy Ratio (CAR) stood at 23.33%, which is well above the regulatory minimum of 15%.

Out of the above, Tier I capital adequacy ratio stood at 19.64% and Tier II capital adequacy ratio stood at 3.69%.

Share Capital

During the year under review, there was no change in the Authorized Capital as well as Paid up Capital of the Company and the same stood at Rs.100 Crores and Rs.53.31 Crores, respectively.

Particulars of Loans, Gaurantees or Investments

The provisions of Section 186 of the Companies Act, 2013 read with relevant rules made thereunder pertains to the disclosure of loans, guarantee and security are not applicable to a Non-Banking Financial Company. Further, the investments made by the Company during the Financial Year 2020-21 are disclosed in Note No.8 of the Financial Statements.

Related Party Transactions

During the financial year ended March 31, 2021, all transactions with related parties were in the 'ordinary course of business' and 'at an arm's length' basis. Necessary disclosures as required in compliance with accounting standards with related parties are disclosed in notes forming part of the financial statements in the annual report.

Board of Directors has formulated a Policy on Related Party Transaction, which is available on the website of the Company at https://asirvadmicrofinance.co.in/related-party-transaction-policy/ and the same is also annexed to this report as "Annexure – A".

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed format AOC-2 is attached at "Annexure -B" forming part of the Directors' Report.

Corporate Governance Report

Your Company has framed an Internal Corporate Governance guideline, in compliance with the Directions issued by RBI for NBFCs. The Company has put in place various policies, systems and processes to achieve transparency, high level of business ethics and compliance with applicable laws.

A Complete Report on Corporate Governance is attached as "Annexure –C" forming part of the Director's Report.

Material Changes and Commitments Affecting the Financial Position of the Company which have Occurred between the End of Financial Year and the Date of the Report

There are no material changes and commitments affecting the financial position of the Company, which has occurred between the end of the financial year of the Company i.e., March 31, 2021 and the date of the Director's Report.

Management Discussion and Analysis

Management Discussion and Analysis report for the year under review is attached as a separate annexure forming part of the Annual Report.

Particulars of Employees

The Company had 7,233 employees as on March 31, 2021. Details of remuneration as required to be provided pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been annexed herewith as "Annexure- D".

Annual Return

As per the provisions of Section 92(3) of the Companies Act, 2013 read with Section 134(3)(a) of the Companies Act, 2013, the copy of Annual Return will be available on https://asirvadmicrofinance.co.in/announcements/.

Directors and Key Managerial Personnel

The Board of Directors of your Company has an optimum combination of Executive and Non- Executive Directors in adherence to the applicable provisions. They have very rich and varied experience, skills and expertise knowledge, including, in the field of micro finance and NBFC.

As on March 31, 2021, the Board had Eleven Directors which is combination of two Executive (Managing Director) and nine Non-Executive Directors. Out of nine Non-Executive Directors, seven are Independent Directors. Your Company believes that a well-structured Board brings better practices and governance based on the vast knowledge and experience of the Board Members.

In the Annual General Meeting dated August 25, 2020, the Members approved the appointment of Mr. Abhijit Sen and Mr. Subrata Kumar Atindra Mitra as Independent Directors of the Company.

In the opinion of the Board of Directors the aforesaid Independent Directors are a person of integrity and possess the relevant expertise & experience. Further, all the Independent Directors are registered in the Databank maintained by the institute in terms of Section 150 of the Companies Act, 2013 and are also exempted for the online proficiency self-assessment test.

Key Managerial Personnel/ Senior Management

During the Financial Year under review, the Board of Directors in its meeting dated May 30, 2020 recommended appointment of Mr. B. N. Raveendra Babu as Joint Managing Director & Key Managerial Personnel of the Company, which was subsequently approved by the Members of the Company in the Annual General Meeting dated August 25, 2020.

Further, the appointment of Ms. Aparna Menon as the Company Secretary of the Company was also approved by the Board of Directors at their Meeting held on November 03, 2020 due to the resignation of Mr. Anup Kumar Gupta, the then Company secretary of the Company.

Subsequently, in adherence to the Reserve Bank of India Circular No.RBI/2018-19/184 DNBR (PD) CC. No.099/03.10.001/2018-19 dated 16th May, 2019, the Board of Directors at their Meeting held on March 16, 2021 had appointed Mr. Robert K P as the Chief Risk Officer ("CRO") of the Company, as Mr. B. B. Vasudeva Rao, the then CRO was designated as Head – Internal Audit of the Company.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2021 are:

- Mr. S.V. Raja Vaidyanathan, Managing Director;
- Mr. B. N. Raveendra Babu, Joint Managing Director;
- Mr. Yogesh Ratnakar Udhoji, Chief Financial Officer; and
- Ms. Aparna Menon, Company Secretary

The term of Mr. Raja Vaidyanathan as Managing Director is ending on June 30, 2021. Post closure of the Financial Year, the Board at its meeting held on May 14, 2021, approved the appointment of Mr. B N Raveendra Babu as Managing Director, to hold office from July 01, 2021 upto June 01, 2025. This was further approved by shareholders at the Extra Ordinary General Meeting held on May 21, 2021.

Mr. SV Raja Vaidyanathan will continue on the Board as Non-Executive, Non-Independent Director from July 01, 2021.

Director Retiring by Rotation

Mr. B N Raveendra Babu, Director is liable to retire by rotation in terms of provisions of the Companies Act, 2013, at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board recommended his re-appointment in its meeting dated May 14, 2021.

Committees of the Board

The Company has Nine Committees: - Audit Committee, Corporate Social Responsibility Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Management Committee, Risk Management Committee, Borrowing & Securities Allotment Committee, IT Strategy Committee and Asset Liability Committee.

A detailed note on the composition of aforesaid committees is provided in the Corporate Governance Report of the Company.

Declaration from Independent Director

The Company has received necessary declarations from all Independent Directors of the Company as per Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of Independence laid down in Section 149(6) and Rule 6(1) & (2) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Further, the Company has also received undertaking and declaration from each Director of the Company on fit and proper criteria in terms of the provisions of the Master Directions – NBFC – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

Independent Director's Meeting

During the year under review, a meeting of Independent Directors was held on March 16, 2021 as required under Companies Act, 2013 and in compliance with requirement under Schedule IV of the Act to consider the matters specified therein.

Risk Management

Risk Management at Asirvad Micro Finance includes risk identification, risk assessment, risk measurement and risk mitigation with its main objective to minimise the negative impact on profitability and capital. Asirvad Micro Finance is exposed to various risks that are an inherent part of any Microfinance business. The major risks are credit risk, operational risk, liquidity risk and market risk.

The Company is having in place Board approved "Risk Manual" and "IT Risk Assessment Policy" which deals with the major risks associated with the business of the Company and the Board/ Risk Management Committee/ IT Strategy Committee review the same and also monitor its implementation.

Asirvad is committed to create an environment of increased risk awareness at all levels. It also aims at continually upgrading the risk management measures to ensure avoidance or mitigation of various risks. The Company has policies and procedures in place to measure, assess, monitor and manage these risks systematically across the organization, which makes it pioneer to undertake the implementation of the advanced approaches under credit, market and operational risk. An independent Risk Governance Structure, in line with best industry practices, is put in place, in the context of separation of duties and ensuring the independence of risk measurement, monitoring and control functions.

The Company has put an improved mechanism in place to manage Credit Concentration Risk, by way of Internal Prudential Exposure Limits framework for geographies. These exposure norms are monitored regularly at defined periods. Risks in the different geographies are monitored continuously, and wherever warranted, the geographies concerned are reviewed immediately.

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or external events. Key elements of Asirvad's Operational Risk Management include timely incident reporting and ongoing review of Systems and Controls, monitoring of Key Risk Indicators (KRIs) and aligning Risk Management activities with Business Strategy.

The various risks across the organization are monitored and reviewed through the Executive Level Committees and the Risk Management Committee of the Board (RMC), which meets regularly. The Board of directors and its various sub-committees have met from time to time and ensured adherence to the guidelines issued by RBI. Liquidity risk management, interest rate risk, funding and capital planning, profit planning and growth projections, pricing, credit risk, portfolio risk management, operational and process risk management have also been reviewed from time to time and the sub-committees have also been making necessary changes to KYC and other disclosure norms based on the policies being issued by the Central Bank at periodic intervals.

RMC is responsible for overseeing the risk management activities of the Company, approving measurement methodologies and appropriate risk management procedures across the organization. The Chief Risk Officer ("CRO') of the Company is the Secretary of the said Committee, who is responsible to review and manage potential risks which may arise from time to time and also submit his report before the RMC on a set interval.

Corporate Social Responsibility

The Corporate Social Responsibility (CSR) activities have been undertaken by the Company in accordance with the CSR Policy of the Company as formulated by the Board of Directors, on the recommendation of the CSR Committee, pursuant to Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

During the Financial Year under review, the Company has contributed a sum of Rs.20 Lakh to PM Care Funds.

For detailed information regarding CSR Committee, please refer the Corporate Governance Report. Further, CSR Annual Report is attached as "Annexure –E", which forms an integral part of this report.

The Company's CSR policy is committed towards CSR activities as envisaged in Schedule VII of the Companies Act, 2013. The salient features of the Corporate Social Responsibility policy of the Company as follows:

- To cover the scopes/ areas for undertaking Corporate Social Responsibility activities of the Company;
- To specify the composition, roles and responsibilities of the Corporate Social Responsibility Committee of the Company;
- To cover the formulation of Annual Action Plans of the Company;
- To ascertain the modes of undertaking Corporate Social Responsibility activities either by the Company itself or any other trust/ company/ society

The CSR policy of the Company was amended in the Board Meeting dated March 16, 2021 in adherence to amendments notified in Section 135 of Companies Act, 2013, rules & schedule and the amended policy is available on https://asirvadmicrofinance.co.in/csr-policy/.

Auditors

Statutory Auditors & their Report

During the year, term of Deloitte Haskins & Sells, Chartered Accountants, Chennai (FRN 008072S) the then Statutory Auditors was completed and accordingly, pursuant to the provisions of Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rule, 2014, the Members of the Company at the 13th Annual General Meeting appointed Walker Chandiok & Co. LLP (Grant Thornton), Chartered Accountants (Firm Registration No.001076N/N500013) for a period of 5 years commencing from the conclusion of 13th Annual General Meeting (AGM) till the conclusion of 18th AGM of the Company.

The Statutory Auditor's Report on Financial Statements for the year ended March 31, 2021, does not contain any qualification, reservation, or adverse remarks.

Secretarial Auditor & their Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Board at its meeting held on May 12, 2020 appointed Mr. S. Hari, Practicing Company Secretary (Certificate of Practice No. 4276) as the Secretarial Auditor of the Company, to conduct the Secretarial Audit for the financial year ended March 31, 2021.

The Secretarial Audit Report as received in the prescribed Form No.MR-3, does not contain any qualification, reservation, or adverse remarks. The Secretarial Audit Report for the Financial Year 2020-21 is appended as "Annexure- F" to this report.

The Board of Directors on the recommendation of Audit Committee has appointed KSR & CO, Company Secretaries LLP, as Secretarial Auditor of the Company for the FY 2021-22.

Internal Audit

As part of the effort to evaluate the effectiveness of the internal control systems, your Company's internal audit function reviews all the control measures on a periodic basis and recommends improvements, wherever appropriate. The Audit Committee regularly reviews the audit findings as well as the adequacy and effectiveness of the internal control measures.

The Company has its own Internal Audit Team headed by Head – Internal Audit of the Company. The said team submits its report before the Audit Committee on a set interval.

Non-Applicability of Maintenace of Cost Records

The provisions of Section 148 of the Companies Act, 2013 and Rules framed thereunder pertaining to maintenance of cost records as well as appointment of Cost Auditors are not applicable to the Company.

Frauds Reported by Auditors

During the year under review, no cases of fraud against the Company by its officers or employees has been reported either by the Statutory Auditor or Secretarial Auditor to the Audit Committee, under Section 143(12) of the Companies Act, 2013.

Directors' Responsibility Statement

Pursuant to Section 134(3) (c) of the Companies Act, 2013, the Directors confirm that:

i. In the preparation of the Annual Accounts for the year ended March 31, 2021, the applicable accounting standards, had been followed with the proper explanation relating to material departures for the same.

ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit and loss of the Company for the year ended on that date.

iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. They have prepared the annual accounts on a going concern basis and

v. They have laid down internal financial control to be followed by the company and that such internal financial controls are adequate and were operating effectively

vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Meetings of the Board of Directors

The Board of the Company has met eight times during the year under review. For details regarding the said meetings of the Board, please refer the Corporate Governance Report, which is a part of this report.

Annual Performance Evaluation

The Company has in place the Board Evaluation Policy which has been approved by the Board to evaluate the performance of the Board, its committees and individual director and in accordance with the criteria specified in the said policy annual evaluation has been conducted.

As per the approved policy a structured questionnaire was prepared, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance, flow of information etc. The Directors have expressed their satisfaction with the evaluation process.

The Nomination and Remuneration Committee as well as Board evaluate the performance of the Board, Committees & Directors on a set interval. In addition to this the Chairman is also evaluated on the basis of roles and responsibilities assigned to his position.

Company's Policy on Director's Appointment and Remuneration

In terms of Section 178(1) of the Companies Act, 2013 and rules made thereunder the Nomination and Remuneration Committee is responsible for identifying persons for appointment as directors/ senior management personnel and for evaluating incumbent directors for their continued service. The Board of Directors, on recommendation of the said Committee has formulated a policy in terms of the provisions of the Companies Act, 2013 and RBI Directions applicable for non-banking finance companies, which inter alia, deals with the criteria for determining qualifications, positive attributes and independence of a director. These attributes shall be considered for nominating candidates for appointment as well as re-appointment.

The salient features of the Nomination and Remuneration Policy of the Company are as follows:

- Identifying persons who are qualified to become Directors and/ or who may be appointed in Senior Management in accordance with Criteria as laid down and recommend to Board their appointment and removal;
- The Committee shall undertake a process of Due Diligence based on the criteria of qualification, technical expertise, track record, integrity etc. and shall ensure that proposed or existing Director meets the fit and proper criteria as prescribed by the Reserve Bank of India;
- To determine and recommend the terms of appointment including remuneration to the Board of Directors for the personal proposed to be appointed as Director/ in Senior Management.

During the period under review, there was no change in the Nomination and Remuneration Policy of the Company and the said policy has been uploaded on the website of the Company and is available on https://asirvadmicrofinance.co.in/nomination-remuneration/.

Internal Control System and their Adequacy

The Company has put in place adequate policies and procedures to ensure that the system of internal financial control is commensurate with the size and nature of its business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records and ensuring compliance with company's policies.

Further, the Company is having its well-structured Internal Audit Team to perform timely and frequent internal audit to evaluate the adequacy of systems and procedures and also to evaluate the status of compliance to Company's guidelines and other statutory requirements.

The department is manned by a team of over 200 dedicated personnel who are constantly engaged in safeguarding your Company's assets, ensures the quality of assets and also evaluates the adequacy of risk management systems at its operating units.

We are following a practice to place the report of the Internal Audit regarding significant audit findings and also preventive and corrective measures to protect the interests of the Company before the Audit Committee on quarterly basis.

Furthermore, for the Financial Year 2020-21, KPMG was appointed for the Special Audit of the Company and the report of the said auditor along with the management responses were also placed before the Audit Committee periodically.

Dematerialisation of Shares

As on 31st March, 2021, all shares held by the Shareholders are in Demat form.

Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors of the Company had approved the Policy on Vigil Mechanism/Whistle Blower to deal with instance of fraud and mismanagement, if any and the same is also available on the website of the Company. This Policy inter-alia provides a direct access to the Chairman of the Audit Committee. Your Company hereby affirms that no Director/ employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year from a Director or an Employee.

Credit Bureau Subscription

In order to address the issue of multiple lending or over indebtedness and also to know the credit history of the customer, the Company continues to submit monthly and weekly data to Highmark, CIBIL, Equifax and Experian Credit Bureaus and also use their credit report for each of the loan sanctions. This coupled with intense follow-ups and efficient processes have resulted in constantly building high quality assets with minimal delinquencies.

Fair Practice Code

The Company is complying with guidelines issued by RBI on Fair Practices Code from time to time. The Fair Practices Code, Code of Conduct, Code of Ethics and Grievance Redressal Mechanism which has been approved by the Board are displayed prominently in all the branches of your Company.

Details of Issue of Sweat Equity Shares in Terms of Rule 8 (13) of the Companies (Share Capital and Debentures) Rules, 2014

During the year under review, the Company has not issued any Sweat Equity Shares and hence disclosure relating to same is not applicable.

Details of the Employees Stock Option Scheme in Terms of Rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014

The Company has granted the options under "Asirvad Employee Stock Option Scheme, 2019" and the necessary disclosures are made in "Annexure – G" of this report.

Energy Conservation, Technology Absorbtion and Foreign Exchange Earnings and Outgo

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo as required under section134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is disclosed in "Annexure – H" as attached with this report.

A detailed note is given in the Annual Report on the Clean Energy Program of the Company.

Secretarial Standards of ICSI

The Company is in compliance with the applicable Secretarial Standards on Meetings of the Board of Directors (SS - 1) and General Meetings (SS - 2) issued by The Institute of Company Secretaries of India and approved by the Central Government.

Prevention, Prohibition and Redressal of Sexual Harassment of Women at Work Place

The Company has constituted Internal Complaint Committee (ICC) in line with requirement of the provision of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder.

Your Company is also having in place a detailed policy on Harassment Free Workplace, which promotes gender equality and justice and also to create a discrimination free workplace.

The following is the summary of sexual harassment complaints received and disposed off during the year:

1.	No. of complaints received during the year	Nil
2.	No. of complaints disposed off	Nil
3.	No. of Complaints pending at the year end	Nil

All Employees (Permanent, Contractual, Temporary, Trainees etc.) are covered under the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Regulatory Actions

There are no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and operations of the Company in future.

Acknowledgement

Your Directors wish to place on record their deep appreciation for the assistance and co-operation extended by the Bankers, Financial Institutions, Business Associates, Government Authorities, Sa-Dhan, MFIN, Customers, Vendors and other stakeholders during the year under review.

We are grateful for the continuous confidence and faith shown by the promoters of the Company.

Your Directors appreciate and value the contribution made by the employees of Asirvad Family.

For and on behalf of the Board of Directors

ASIRVAD MICRO FINANCE LIMITED

(V P Nandakumar)
Chairman
DIN: 00044512

(S V Raja Vaidyanathan)
Managing Director
DIN: 01467098

Date : May 24, 2021

Place : Chennai

Annexure - A

RELATED PARTY TRANSACTIONS (RPTs) POLICY

1. Preamble

The Related Party Transactions Policy provides a framework to regulate transactions between Asirvad Micro Finance Limited ("Company") and its Related Parties based on the applicable laws and regulations applicable on the Company.

2. Definitions

"Related Party" means related party as defined in Regulation 2(1)(zb) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements), Regulations, 2015 ('SEBI Listing Regulations'), which inter alia provides that a "related party" means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards.

Further, any person or entity belonging to the promoter or promoter group of the Company and holding 20% or more of the shareholding in the Company shall be deemed to be a related party.

Pursuant to Section 2(76) of the Companies Act, 2013, related party with reference to a Company, means:

i. a Director or his relative ;

ii. a Key Managerial Personnel (KMP) or his relative ;

iii. a Firm, in which a director, manager or his relative is a partner ;

iv. a Private Company in which a director or manager or his relative is a member or director;

v. a Public Company in which a director or manager is a director and holds along with his relatives, more than 2% (two per cent) of its paid-up share capital;

vi. any body corporate whose board of directors, managing director, or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager ;

vii. any person under whose advice, directions or instructions a director or manager is accustomed to act;

Provided that nothing in sub-clauses vi and vii shall apply to the advice, directions or instructions given in a professional capacity;

viii. any body corporate which is a holding, subsidiary or an associate company of the Company;

ix. any body corporate which is a subsidiary of a holding company to which it is also a subsidiary;

x. any body corporate which is an investing company or the venturer of the Company

For the purpose of clause x above, "the investing company or the venturer of a company" means a body corporate whose investment in the Company would result in the Company becoming an associate company of the body corporate.

xi. Director (other than Independent Director) or KMP of the holding company or his relative;

"Relative" means relative as defined under the Companies Act, 2013 and includes anyone who is related to another, if -

i. They are members of a Hindu undivided family (HUF) ;

ii. They are husband and wife ; or

iii. Father (including step-father)

iv. Mother (including step-mother)

v. Son (including step-son)

vi. Son's wife

vii. Daughter

viii. Daughter's husband

ix. Brother (including step-brother)

x. Sister (including step-sister).

"Associate Company" means a company which has significant influence but which is not a subsidiary of the Company having such influence and includes a joint venture company.

"Significant Influence" means control of at least 20 (twenty) % of the total voting power or control of or participation in business decisions under an agreement.

"Joint Venture" means a contractual arrangement whereby two or more parties undertake an economic activity which is subject to joint control.

"Control" shall include:

a) The right to appoint majority of the Directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders'/voting agreements etc.; or

b) ownership, directly or indirectly, of more than one half of the voting power of the Company;

or

c) a substantial interest in voting power and the power to direct, by statute or agreement, the financial and/or operating policies of the Company.

"Related Party Transaction" ("RPT") means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between the Company and a related party, regardless of whether or not a price is charged, either single or a group of transactions in a contract.

"Specific Related Party Transaction" shall mean any of the following transactions entered into by the Company with any of its Related Parties which are, either not in the ordinary course of business or not on arm's length basis:

a. sale, purchases or supply of any goods or materials;

b. selling or otherwise disposing of, or buying, property of any kind;

c. leasing of property of any kind;

d. availing or rendering of any services;

e. appointment of any agent for purchases or sale of goods, materials, services or property;

f. such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and

g. underwriting the subscription of any securities or derivatives thereof, of the company.

"Arm's Length Transaction" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

"Office or Place of Profit" means any office or place:

i. where such office or place is held by a director, if the director holding it receives from the

company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent free accommodation, or otherwise;

ii. where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;

"Responsibility Officer" means the Chief Financial Officer (CFO) of the Company. The Board may, where it is considered necessary so to do, appoint such other officer as it may consider proper as such Responsibility Officer(s).

"Applicable Laws" means the Companies Act, 2013 and the rules made thereunder, SEBI Listing Regulations and include any other statute, law, standards, regulations or other governmental instruction relating to Related Party Transactions.

All terms not defined herein shall take their meaning from the Applicable Laws.

3. Policy

All RPTs must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy.

4. Identification of Related Parties

The Responsibility Officer shall at all times:

a) Identify and keep on record list of Company's Related Parties, along with their requisite details.

b) The Responsibility Officer shall identify such functional heads, departmental heads and such other employees (Designated Employees) who are responsible for entering into contracts/ arrangements/ agreements with entities for and on behalf of the Company and circulate the list of Related Parties to all such Designated Employees of the Company along with the approval thresholds for entering into transactions with such listed Related Parties.

c) The Responsibility Officer shall also set down the mechanism for reporting of such transactions proposed to be entered or entered with related parties by such Designated Employees as specified in (b) above.

d) The record of Related Parties shall be updated whenever necessary and shall be reviewed at least once in every six months.

e) The Responsibility Officer shall be responsible for implementation and monitoring of the Company's RPT Policy at all times and submit a half yearly report of the same to the Audit Committee for review.

5. Identification of Potential RPTs

Each Director, KMP and Senior Management Personnel (SMP) is responsible for providing notice to the Board or Audit Committee of any potential RPT involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request.

The Board/Audit Committee will determine whether the transaction does, in fact, constitute a RPT requiring compliance with this Policy.

The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction.

6. Review and Approval of RPTs

I. Audit Committee Approval

RPTs, if any, will be referred to the Audit Committee for review and prior approval, wherever applicable.

The Audit Committee may grant Omnibus Approval for RPTs proposed to be entered into by the Company subject to the following conditions:

i. It shall, after obtaining approval of the Board of Directors, lay down the criteria for granting the omnibus approval in line with the Policy, which shall include the following, namely:

(a) maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;

(b) the maximum value per transaction which can be allowed;

(c) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;

(d) review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the company pursuant to each of the omnibus approval made;

(e) transactions which cannot be subject to the omnibus approval by the Audit Committee.

ii. The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:

(a) repetitiveness of the transactions (in past or in future);

(b) justification for the need of omnibus approval.

iii. It shall satisfy itself regarding the need for such omnibus approval for transactions of repetitive nature and that such approval is in the interest of the Company.

iv. Such omnibus approval shall specify –

- The name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;
- The indicative base price / current contracted price and the formula for variation in the price if any, and
- any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.

Provided that where the need for RPT cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 (One) crore per transaction.

v. It shall review, atleast on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approval given.

vi. Such omnibus approvals shall be valid for a period not exceeding 1 (one) financial year and shall require fresh approvals after the expiry of 1 (one) financial year.

vii. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.

viii. Any other conditions as the Audit Committee may deem fit.

Any Member of the Audit Committee who has a potential interest in any RPT will recuse himself or herself and abstain from discussion and voting on the approval of the RPT.

In order to review a RPT, the Audit Committee will be furnished with all relevant material information of the RPT, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters.

In determining whether to approve a RPT, the Audit Committee will consider the following factors, among others, to the extent relevant to the RPT:

- Name of the related party and the relationship
- Nature and duration of transaction and material terms including the value, if any
- The manner of determining the pricing and whether the terms of the RPT are fair and on arm's length basis to the Company
- Business rationale for such transactions.

In case of transaction, other than transactions referred to in Section 188 of the Act, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board. Further, in case any transaction involving any amount not exceeding Rupees 1 (one) crore is entered into by a director or officer of the Company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within 3 (three) months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee and if the transaction is with the related party to any director or is authorised by any other director, the director concerned shall indemnify the Company against any loss incurred by it.

The requirement of obtaining Audit Committee approval or any subsequent modification of transactions of the Company with related parties by the Audit Committee shall not apply to a transaction, other than a transaction referred to in Section 188, between a holding company and its wholly owned subsidiary company.

II. Board Approval

If the Audit Committee determines that a RPT should be brought before the Board, or it is mandatory under any Applicable law for Board to approve a RPT, or in the case of Specific RPTs, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

III. Shareholder's Approval

If the Audit Committee and the Board determines that a RPT should be brought before the Shareholders, or it is mandatory under any Applicable law for the shareholders to approve a RPT or in case of material RPTs, then such shareholder approval, as may be necessary or appropriate under the circumstances, shall be obtained and the considerations set forth above shall apply to the Shareholders' approval of the matter.

Notwithstanding the foregoing, the following RPTs shall not require approval of Audit Committee or Board or Shareholders:

i. Any transaction that involves the providing of compensation to a Director or KMP in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the Ordinary Course of Business.

ii. Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

iii. Any transaction arising out of Compromises, Arrangements and Amalgamations dealt with under specific provisions of the Companies Act, 2013.

iv. Reimbursement of pre-incorporation expenses incurred by a Related Party as approved by the Board of Directors.

v. Any other exception which is consistent with the Applicable Laws, including any rules or regulations made thereunder.

7. RPTs not approved under this Policy

In the event the Company becomes aware of a RPT with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all of the relevant facts and circumstances regarding the RPT, and shall evaluate all options available to the Company, including ratification, revision or termination of the RPT. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such RPT to the Committee under this Policy, and shall take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a RPT that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. The Audit Committee has authority to modify or waive any procedural requirements of this Policy.

8. Existing Related Party Transactions (RPTs)

This Policy shall operate prospectively and all the agreements which have been entered before the effective date of this Policy and are in accordance with the then prevailing laws shall be valid and effective.

This Policy will be communicated to all Directors, KMPs, functional heads and other concerned executives of the Company.

9. Disclosures/Amendment

Necessary disclosures shall be made by the Company in its Annual Report as may be required under applicable laws.

Pursuant to Section 134(3)(h) of the Companies Act, 2013, particulars of contracts or arrangements with related parties referred to in Section 188 of the Companies Act, 2013 shall be disclosed in the Director's Report in the prescribed format.

The Company shall disclose the Policy on dealing with Related Party Transactions (RPTs) on its website and a web link thereto shall be provided in the Annual Report of the Company.

The rights to interpret/amend/modify this Policy vests in the Audit Committee/ Board of Directors of the Company. Further, this Policy shall be reviewed by the Audit Committee/ Board of Directors at least once every 3 (three) years and updated accordingly.

Any matter not provided for in this Policy shall be handled in accordance with applicable laws, and the Company's Articles of Association.

This Policy is in conformity with Applicable Laws. In case any clause /provision of this Policy is inconsistent with Applicable Laws, the provisions of such Laws shall prevail. Any subsequent amendment / modification in the Applicable Laws shall automatically apply to this Policy.

Policy Review:

This policy shall be reviewed and reassessed by the Audit Committee annually and appropriate recommendation shall be made to the Board.

Annexure - B

FORM No. AOC-2

(Pursuant to clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

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, 2021, which were not at arm's length basis.

Detail of material contracts or arrangements or transactions at arm's length basis

There were no material contracts or arrangements or transactions entered during the year ended March 31, 2021, which were at arm's length basis.

For and on behalf of the Board of Directors

ASIRVAD MICRO FINANCE LIMITED

(V P Nandakumar)
Chairman
DIN: 00044512

(S V Raja Vaidyanathan)
Managing Director
DIN: 01467098

Date : May 24, 2021

Place : Chennai

Annexure - C

CORPORATE GOVERNANCE REPORT

A good Corporate Governance practice is a key factor of sustainable corporate growth and maintains a long term relationship with the stakeholders of the Company. Asirvad Micro Finance limited ("Asirvad/ the Company") is committed to highest level of Corporate Governance practices and emphasizes the need for full transparency and accountability in all transactions, in order to protect the interests of its stakeholders. This enables the Company to attract high quality financial and human capital.

Asirvad believes that a strong, professionally balanced Board of Directors is necessary to ensure the highest standards of Corporate Governance; we have an appropriate mix of Executive/ Non-Executive and Independent Directors in our Board. The Board of Directors represents the shareholder's interest in perpetuating a successful business and optimizing long term financial returns in a manner consistent with applicable regulatory and legal requirements and ethical considerations.

RBI Guidelines on Corporate Governance

In order to enable NBFCs to adopt best practices and greater transparency in their operations, RBI has stipulated all NBFCs to frame an internal guideline on Corporate Governance. In pursuance of the aforesaid guidelines, the Company has framed an internal guideline on Corporate Governance and reviews and updates the same periodically.

Company's Philosophy on Corporate Governance

In terms of corporate governance philosophy, all statutory and significant material information is placed before the Directors to enable them to effectively supervise the Company.

Asirvad's Corporate Governance philosophy is based on the following principles:

- Compliance to law in both letter and spirit
- Utmost transparency in dealings with all the stakeholders
- Clear communication of relevant information and high degree of disclosure levels
- Make a clear distinction between personal conveniences and corporate resources
- Communicate externally, in a truthful manner, about how the Company is running internally
- Have a simple, transparent and efficient corporate structure driven solely by business needs
- Create value for all stakeholders without compromising on ethical principles.

Board of Directors

As at March 31, 2021, your Company's Board consists of 11 (Eleven) members. The composition of the Board is in conformity with the provisions of Companies Act, 2013 and Corporate Governance Directions issued by Reserve Bank of India.

Composition and Category of Directors as at March 31, 2021:

Name of Director	DIN	Category	Designation
Mr. V P Nandakumar	00044512	Non - Executive	Director (Chairman)
Mr. Abhijit Sen	00002593	Non - Executive	Independent Director
Mr. A. Ramanathan	02645274	Non - Executive	Independent Director
Mr. B N Raveendra Babu	00043622	Executive	Joint Managing Director
Mr. Desh Raj Dogra	00226775	Non - Executive	Independent Director
Mr. Gautam Saigal	00640229	Non - Executive	Director
Mrs. Pushya Sitaraman	06537196	Non - Executive	Independent Director
Mr. Subrata Kumar Atindra Mitra	00029961	Non - Executive	Independent Director
Mr. S V Raja Vaidyanathan	01467098	Executive	Managing Director
Mr. T. Balakrishnan	00052922	Non - Executive	Independent Director
Mr. T. M. Manoharan	00225640	Non - Executive	Independent Director

Meetings of the Board

During the year, the Board met 8 (Eight) times on the following dates:

S. No.	Date of Meeting
1	Wednesday, April 01, 2020
2	Tuesday, May 12, 2020
3	Saturday, May 30, 2020
4	Friday, June 26, 2020
5	Friday, July 24, 2020
6	Tuesday, November 03, 2020
7	Monday, January 25, 2021
8	Tuesday, March 16, 2021

Attendance during the financial year 2020-21 of each Director at the Board Meetings as well as previous Annual General Meeting are as follows:

Sl. No.	Name of the Director	Category	Attended (Board meeting)	Attended last AGM held on August 25, 2020
1.	Mr. V P Nandakumar	Chairman	8	YES
2.	Mr. Abhijit Sen	Independent Director	8	YES
3.	Mr. A. Ramanathan	Independent Director	8	YES
4.	Mr. B N Raveendra Babu	Joint Managing Director	8	YES
5.	Mr. Desh Raj Dogra	Independent Director	8	YES
6.	Mr. Gautam Saigal	Director	8	YES
7.	Mrs. Pushya Sitaraman	Independent Director	8	YES
8.	Mr. Subrata Kumar Atindra Mitra	Independent Director	8	YES
9.	Mr. S V Raja Vaidyanathan	Managing Director	8	YES
10.	Mr. T. Balakrishnan	Independent Director	8	YES
11.	Mr. T. M. Manoharan	Independent Director	7	YES

None of the Directors of the Company have exceeded the maximum number of Directorship as specified under Section 165 of the Companies Act, 2013.

Separate Meetings of the Independent Directors

A Separate Meeting of Independent Directors was held on Tuesday, March 16, 2021 without the presence of Non-Independent Directors and Members of Management. All the Independent Directors attended the meeting and:

- reviewed the performance of non-independent directors and the Board as a whole;
- reviewed the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- Assessed the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Committees of the Board

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted the following set of Committees with specific terms of reference / scope. The Committees are operating as empowered agents of the Board as per their Charter / terms of reference.

Audit Committee

The Board of Directors has constituted and entrusted the Audit Committee with the responsibility to supervise internal controls and financial reporting processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

The Audit Committee met on the following dates during the financial year 2020-21:

S. No.	Date of Meeting
1	Monday, May 11, 2020
2	Thursday, July 23, 2020
3	Tuesday, November 03, 2020
4	Tuesday, November 10, 2020
5	Saturday, January 23, 2021

Composition of the Audit Committee as on March 31, 2021 are as follows:

Name of the Director	Category
Mr. D R Dogra	Chairman, Independent Director
Mr. Abhijit Sen	Member, Independent Director
Mr. A Ramanathan	Member, Independent Director
Mr. Gautam Saigal	Member, Non-Executive Director
Mrs. Pushya Sitaraman	Member, Independent Director
Mr. T Balakrishnan	Member, Independent Director

Nomination and Remuneration Committee

The Board has constituted the Nomination and Remuneration Committee pursuant to the provisions of the Companies Act, 2013. The primary purpose of the Committee, among other things, is to determine and propose the following for Board's approval:-

a) To identify persons who are qualified to become Directors and also who may be appointed in senior management positions in accordance with the criteria laid down and recommend to the Board their appointment and removal;

b) To formulate the criteria for performance evaluation of Independent Directors and the Board;

c) To carry out performance evaluation of Independent Directors along with the Board as a whole;

d) To evaluate the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate Directors.

The Nomination and Remuneration Committee met on the following dates during the financial year 2020-21:

S. No.	Date of Meeting
1	Monday, May 11, 2020
2	Saturday, December 26, 2020

Composition of the Nomination and Remuneration Committee as on March 31, 2021 are as follows:

Name of the Director	Category
Mr. T. Balakrishnan	Chairman, Independent Director
Mr. A Ramanathan	Member, Independent Director
Mr. Gautam Saigal	Member, Non- Executive Director
Mrs. Pushya Sitaraman	Member, Independent Director

Corporate Social Responsibility Committee

In accordance with the provisions of Section 135 of the Companies Act, 2013 read with Rules made thereunder, the Board of Directors of the Company have constituted the Corporate Social Responsibility Committee ("CSR Committee"). The Committee has formulated and recommended a CSR Policy to the Board and various recommendations of the Committee including the amount of expenditure to be incurred on CSR activities. The Committee has framed a transparent monitoring mechanism for implementation of CSR projects or programs as per the Annual Action Plan of the Company and also monitors CSR policy from time to time.

The Corporate Social Responsibility Committee met two times on below mentioned dates during the financial year 2020-21:

S. No.	Date of Meeting
1	Tuesday, May 12, 2020
2	Monday, January 25, 2021

Composition of the Corporate Social Responsibility Committee as on March 31, 2021 are as follows:

Name of the Director	Category
Mrs. Pushya Sitaraman	Chairperson, Independent Director
Mr. A Ramanathan	Member, Independent Director
Mr. B N Raveendra Babu	Member, Joint Managing Director
Mr. S V Raja Vaidyanathan	Member, Managing Director

Borrowing & Securities Allotment Committee

The Borrowing & Securities Allotment Committee is in place to approve fresh borrowings from banks and financial institutions and also to empower designated individuals in the senior management to finalize the terms and conditions relating to the proposal under consideration and for allotment of Securities.

The Borrowing & Securities Allotment Committee met on the following dates during the financial year 2020-21:

28-05-2020	10-06-2020	20-06-2020	23-07-2020	31-07-2020
13-08-2020	03-09-2020	28-09-2020	12-11-2020	09-12-2020
28-12-2020	18-01-2021	28-01-2021	04-02-2021	12-02-2021
25-02-2021	11-03-2021	24-03-2021	29-03-2021	30-03-2021

Composition of the Borrowing Committee as on March 31, 2021 are as follows:

Name of the Director	Category
Mr. S V Raja Vaidyanathan	Chairman, Managing Director
Mr. A. Ramanathan	Member, Independent Director
Mr. B N Raveendra Babu	Member, Joint Managing Director
Mr. V.P. Nandakumar	Member, Non - Executive Director

Risk Management Committee and Asset Liability Committee

The risk management framework is perhaps one of the most important parameters that define the success of a financial services organization. A risk management programme establishes a process of identifying and assessing the major risks covering all areas of the institution's activities. The Board of Directors is responsible to ensure that management has implemented a risk management programme, that resources are allocated for risk management and internal controls, and that there is adequate oversight of the audit function as one of the Board of Director's responsibilities. The Board has constituted Risk Management Committee to ensure proper management of risk in the Company.

The Risk Management Committee met two times on following dates during the financial year 2020-21:

S. No.	Date of Meeting
1	Tuesday, August 25, 2020
2	Thursday, December 24, 2020

Composition of the Risk Management Committee as on March 31, 2021 are as follows:

Name of the Director	Category
Mr. Gautam Saigal	Chairman, Non - Executive Director
Mr. Abhijit Sen	Member, Independent Director
Mr. B N Raveendra Babu	Member, Joint Managing Director
Mr. D. R. Dogra	Member, Independent Director
Mr. S V Raja Vaidyanathan	Member, Managing Director
Mr. T. M. Manoharan	Member, Independent Director
Mr. Robert K P	Member cum Secretary of the Committee, CRO

Asset Liability Committee is constituted to monitor the asset liability gap, strategize action to mitigate the risk associated, ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Company (on the assets and liabilities sides) in line with the Company's budget and decided risk management objectives.

During the financial year 2020-21, the Asset Liability Committee met eleven times on the following dates:

28-05-2020	01-07-2020	22-07-2020	18-08-2020	16-09-2020	15-10-2020
30-11-2020	22-12-2020	27-01-2021	25-02-2021	26-03-2021	-

Composition of the Asset Liability Committee as on March 31, 2021 are as follows:

Name of the Director	Category
Mr. S V Raja Vaidyanathan	Chairman, Managing Director
Mr. B N Raveendra Babu	Member, Joint Managing Director
Mr. S. Ramachandran, COO	Member, COO
Mr. Yogesh Udhoji	Member and Secretary of the Committee, CFO

IT Strategy Committee

IT Strategy Committee was constituted as per the RBI Master Directions on IT Framework for NBFC Sector. The Constitution of IT Strategy Committee is mandatory for the Company.

During the financial year 2020-21, the IT Strategy Committee met three times on the following dates:

S. No.	Date of Meeting
1	Monday, May 04, 2020
2	Tuesday, September 29, 2020
3	Tuesday, January 05, 2021

Composition of the IT Strategic Committee as on March 31, 2021 are as follows:

Name of the Director	Category
Mr. Subrata Kumar Atindra Mitra	Chairman, Independent Director
Mr. A. Ramanathan	Member, Independent Director
Mr. BN Raveendra Babu	Member, Joint Managing Director
Mr. S V Raja Vaidyanathan	Member, Chief Information Officer, Managing Director
Mr. Anand Sharma	Chief Technology Officer

Management Committee

For ensuring effective management of overall operations of the Company, the Management Committee was constituted. The said Committee meets from time to time for monitoring the activities of various departments of the Company in order to ascertain that procedures/ codes of the Company are adhered effectively.

During the Financial Year, the said Committee met once i.e., on February 26, 2021.

Further, the composition of Management Committee as on March 31, 2021 are as follows:

Name of the Director	Category
Mr. Abhijit Sen	Chairman, Independent Director
Mr. A. Ramanathan	Member, Independent Director
Mr. B N Raveendra Babu	Member, Joint Managing Director
Mr. D. R. Dogra	Member, Independent Director
Mr. Gautam Saigal	Member, Non-Executive Director
Mr. S V Raja Vaidyanathan	Member, Managing Director

Remuneration to Directors

Details of remuneration of the Directors for the financial year ended March 31, 2021:

Name of the Directors	Salary, Perquisite & Pension (Rs)	Commission paid during the year(Rs)	Stock Options	Shareholding (Equity) (No.)
Mr. V.P. Nandakumar	-	-	-	1,43,391
Mr. S V Raja Vaidyanathan	1,98,95,232	1,50,00,000	-	24,51,977
Mr. B N Raveendra Babu	90,15,000	60,00,000	-	50,166
Mr. Gautam Saigal	-	10,00,000	-	40,993
Mr. T. Balakrishnan	-	10,00,000	-	-
Mr. A. Ramanathan	-	10,00,000	-	32,000
Mr. Desh Raj Dogra	-	10,00,000	-	-
Mr. T.M. Manoharan	-	10,00,000	-	-
Mrs. Pushya Sitaraman	-	10,00,000	-	-
Mr. S. K. Mitra	-	10,00,000	-	-
Mr. Abhijit Sen	-	10,00,000	-	-

Disclosure under Schedule V of the Companies Act, 2013

1. All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors:

(i) The Members at its Meeting held on May 21, 2021 had approved the following remuneration of Mr. S.V. Raja Vaidyanathan, Managing Director of the Company with effect from April 01, 2021:

a) Fixed Salary: Rs.2,31,84,000 (Rupees Two Crore Thirty One Lakh and Eighty Four Thousand Only) ("Fixed Component");

b) Variable Salary: The following shall be the variable component of the salary, paid in addition to the Fixed Component ("Variable Salary"):

- Not exceeding 1% of net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013. The quantum of commission to be determined by the Board of Directors subject to the norms framed by the Board from time to time

c) Expenses Reimbursement: The Company will reimburse all reasonable expenses incurred by Mr. S. V. Raja Vaidyanathan, during the course of the employment period which are consistent with Company policies in effect from time to time;

d) Contribution to Pension Fund, Superannuation Fund, Gratuity Fund, Encashment of leave at the end of the tenure of appointment as per the rules of the Company (These shall not be included in the computation of remuneration or ceiling on the perquisites).

(ii) The Members at its Meeting held on May 21, 2021 had approved the appointment of Mr. B. N. Raveendra Babu as Managing Director at the following remuneration:

a) Fixed Salary: Rs.1,24,20,000 (Rupees One Crore Twenty Four Lakh and Twenty Thousand Only) per annum with effect from July 01, 2021 with an annual increment of 6,00,000/- (Rupees Six Lakh Only) ("Fixed Component")

b) Variable Salary: The following shall be the variable component of the salary, paid in addition to the Fixed Component ("Variable Salary"):

- Commission: Not exceeding 1% of net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013. The quantum of commission to be determined by the Board of Directors subject to the norms framed by the Board from time to time;

c) Other Benefits:

- Retirement Benefits / Perquisites Contribution to PF:@ 12% of the monthly salary
- Employee Stock Option Plan: Eligible to the extent of number of shares arising based on options approved to be issued by the Nomination & Remuneration Committee of the Company.

- Contribution to Pension Fund, Superannuation Fund, Gratuity Fund, Encashment of leave at the end of the tenure of appointment as per the rules of the Company (These shall not be included in the computation of remuneration or ceiling on the perquisites)
- Medical Reimbursement Expenses: For self and family including premium payable for medical insurance
- Personal Accident Insurance: As per the rules of the Company
- Leave Travel Concession: For self and family once in a year as per the rules of the Company
- Fee for Clubs: Subject to maximum of two clubs excluding admission and life membership fees
- Others: Such other allowances, perquisites, benefits and amenities as may be provided by the Company from time to time.

2. Details of fixed components and performance linked incentives along with the Performance Criteria:

a) The criteria for making payment of commission to Non-Executive Directors including Independent Directors are based on the profit made by the Company during the Financial Year.

b) The criteria for making payment to Executive Directors as mentioned in point no. 1.

3. Service contracts, notice periods, severance fees:

- Employment contract with Mr. B. N. Raveendra Babu as Managing Director is for 4 years with effect from July 01, 2021 and term of Mr. S. V Raja Vaidyanathan was extended till June 30, 2021. Notice Period for Mr. S. V. Raja Vaidyanathan and Mr. B. N. Raveendra Babu are six months and three months, respectively;
- Non-Executive Directors - As specified in the Appointment Letters and Deed of Covenant executed with Non-Executive Directors including Independent Directors.

4. Stock options, details, if any and whether issued at discount as well as the period over which accrued and over which exercisable

The Company has not issued any stock options to the Directors of the Company.

Pecuniary relationship or transactions of the Non-Executive Directors with the Company:

During the year under review, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors apart from payment of Commission as disclosed herein above and sitting fee.

Details of General Meeting

During the financial year 2020-21, 13thAnnual General Meeting was held on August 25, 2020. The details are given below:

Sl. No	Meeting	Date & Time	Venue
1	Annual General Meeting	August 25, 2020 at 10.00 AM	Door No.9, 10th Floor, Club House Road, Anna Salai, Chennai- 600002 (THROUGH VIDEO CONFERNCE)

All the proposed resolutions, including special resolutions were passed by the shareholders as set out in their respective notices.

General Shareholders Information as on March 31, 2021

Shareholding Category	No of Shares	Shareholding (%)
Body Corporate	5,05,33,878	94.79
Others	27,78,009	5.21
Total	5,33,11,887	100.00

For and on behalf of the Board of Directors
ASIRVAD MICRO FINANCE LIMITED

(V P Nandakumar)
Chairman
DIN: 00044512

(S V Raja Vaidyanathan)
Managing Director
DIN: 01467098

Date : May 24, 2021
Place : Chennai

Annexure- D

Remuneration Details of Directors, Kmps, and Employees as on March 31, 2021

Sl. No	Particulars	Disclosures
1.	The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year	4488779:15419
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	KMP: % increase in remuneration MD: - 6.3% CFO: - 17.3% CS: - 8.7%
3.	The percentage increase in the remuneration of employees in the financial year.	15%
4.	The number of permanent employees on the rolls of the Company	7233 employees as on March 31 2021.
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparision with the percentile increase in the remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The Average increase in the salary of the employees is 13.7% in comparison from last financial year.
6.	Affirmation that the remuenration is as per the remuenration policy of the Company	The Company affirms remuneration is as per the remuneration policy of the Company.

Employees Employed thorughout the Financial Year and Drawing a Remuneration of 1.02 Crore or Above Per Annum as on March 31, 2021:

Employee Name	Designation	Nature of Employment	Age	Date of joining	Qualification & Experience	Last Employment	% of equity shares held in the Company	Relative of any Director or Manager of the Company	Total Earnings FY 20-21
S V Raja Vaidyanathan	Managing Director	Appointed by Board for a term of three years till 30th June, 2021	66	29.08.2007	B. Tech (IIT Madras); MBA (IIM Calcutta), AICWAI & ACS Experience: 42 years	President Reliance Industries Limited	4.60%	No	Rs. 3,48,95,232

Employees Employed for a Part of the Financial Yeara and Drawing a Remuneration of not less than Eight Lakhs and Fifty Thousand Rupees per Month as on March 31, 2021

Employee Name	Designation	Nature of Employment	Age	Date of joining	Qualification & Experience	Last Employment	% of equity shares held in the Company	Relative of any Director or Manager of the Company	Total Earnings FY 20-21
B N Raveendra Babu*	Joint Managing Director	Appointed by Board for a term of Five years till 30th May, 2025	69	01.06.2020	Master's Degree in Commerce (Certificate from Institute of certified Management Accounts UK) Experience: 29 years	Executive Director – Manappuram Finance Limited	0.09%	No	Rs. 1,50,15,000

* Post closure of Financial Year, he was appointed as Managing Director with effect from July 01, 2021, upto June 01, 2025

Remuneration Details of Top Ten Employees as on March 31, 2021

Employee Name	Designation	Nature of Employment	Age	Date of joining	Qualification & Experience	Last Employment	% of equity shares held in the Company	Relative of any Director or Manager of the Company	Total Earnings FY 20-21
Ramachandran S	Chief Operating Officer	Full Time	55	02-May-17	Chartered Accountant, B.com, Experience – 29 years	People Combine	Nil	No	75,59,108
Anand Sharma	Chief Technology Officer	Full Time	50	01-Dec-16	Master Of Computer Science, Experience – 21 years	Equitas Small Finance Bank	Nil	No	74,50,040
Yogesh Ratnakar Udhoji	Chief Financial Officer	Full Time	50	16-Sep-19	Chartered Accountant, Experience – 20 years	Easy Home Finance Ltd	Nil	No	65,89,740
Bikram Mishra	Chief Human Resources Officer	Full Time	51	21-May-18	Master Of Business Administration, Experience 24 years	Equitas Small Finance Bank	Nil	No	39,32,632
Venkata Ramana Miriyala	Vice President	Full Time	47	23-Oct-19	Master Of Arts, Experience – 21 years	Equitas Small Finance Bank	Nil	No	38,01,862
Mahesh S G	Chief Business Officer	Full Time	53	26-Mar-19	Bachelor of Commerce, Experience – 28 years	Vistaar Financial Services Pvt. Ltd	Nil	No	37,48,819
Ravindra Goud	Business Head Micro Finance	Full Time	50	06-Jan-20	Master Of Business Administration, Experience 23 years	Origo Finance Pvt Ltd	Nil	No	35,26,092
Sriram Balakrishnan	Senior Vice President	Full Time	54	15-Feb-19	Master Of Business Administration, Experience – 15 years	Western India Transport Finance Co Pvt Ltd	Nil	No	29,19,210
Kalivarathan K	Vice President	Full Time	48	04-Sep-19	Master Of Arts, Experience – 19 years	Belstar Microfinance Limited	Nil	No	28,36,201
Bhagavati Vasudeva Rao Bommana	Head – Internal Audit	Full Time	48	26-Feb-20	Master Of Business Administration, Experience – 16 years	Svamaan Financial Services Pvt Ltd	Nil	No	25,79,758

For and on behalf of the Board of Directors
ASIRVAD MICRO FINANCE LIMITED

(V P Nandakumar)
Chairman
DIN: 00044512

(S V Raja Vaidyanathan)
Managing Director
DIN: 01467098

Date : May 24, 2021
Place : Chennai

Annexure - E

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR Policy

In accordance with the provisions of Section 135 of the Companies Act, 2013 read with Rules made thereunder, the Board of Directors of the Company have constituted the Corporate Social Responsibility Committee (CSR Committee). The Committee has formulated and recommended a CSR Policy to the Board and various recommendations of the Committee including the amount of expenditure to be incurred on CSR activities are submitted to the Board for approval. The Committee has framed a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company and also monitors CSR policy from time to time.

2. Compositions of the Corporate Social Responsibility Committee are as follows:

SL No	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs. Pushya Sitaraman	Chairperson, Independent Director	2	2
2	Mr. S.V. Raja Vaidyanathan	Member, Executive Director	2	2
3	Mr. A Ramanathan	Member, Independent Director	2	1*
4	Mr. B N Raveendra Babu	Member, Executive Director	2	1*
5	Mr. T M Manoharan	Chairman, Independent Director	2	1*

*CSR Committee reconstituted on June 26, 2020

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Composition of CSR committee is available on the company's website at https://asirvadmicrofinance.co.in/sub-committee/

The CSR Policy of the Company as approved by the Board of Directors is available on the Company's website at https://asirvadmicrofinance.co.in/csr-policy/

The CSR projects approved by the Board of Directors is available on the Company's website at https://amlcdn.b-cdn.net/img/CSR-Annual-Action-Plan.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if any - NA.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any- NA

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set- off for the financial year, if any (in Rs)
1	-	-	-
2	-	-	-
3	-	-	-
	TOTAL	-	-

6. Average net profit of the company for last three financial years : Rs.1,63.69 Crores

7. (a) Two percent of average net profit of the company as per section 135(5) : Rs. 3.27 Crores

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. –NA

   (c) Amount required to be set off for the financial year, if any-NA

   (d) Total CSR obligation for the financial year (7a+7b-7c). : Rs. 3.27 Crores

8. (a) CSR amount spend or unspent for the financial year:

Total Amount spent for the Financial Year (in Cr.)	Amount Unspent (in Cr)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
3.45	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

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

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation-Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration number
1.	Prevention of Covid-19 (Dream Runners Foundation)	Preventive Health Care	Yes	Tamil Nadu	Chennai	11,00,000	No	Manappuram Foundation	CSR00004545
2.	Mukundapuram Public School	Promotion of Education	Yes	Kerala	Thrissur	1,30,75,000	No	Manappuram Foundation	CSR00004545
3.	Digital Literacy (Snehapoorvam Educational Charitable Trust)	Promotion of Education	Yes	Kerala	Thrissur	35,00,000	No	Manappuram Foundation	CSR00004545
4.	Mageet Public School	Promotion of Education	Yes	Kerala	Thrissur	10,00,000	No	Manappuram Foundation	CSR00004545
5.	Badminton Court Construction	Sports / Community	Yes	Kerala	Thrissur	52,49,870	No	Manappuram Foundation	CSR00004545
6.	Siliguri Eye Hospital	Preventive Health Care	Yes	West Bengal	Siliguri	15,00,000	No	Manappuram Foundation	CSR00004545
7.	Neonatal Ambulance Service	Preventive Health Care	Yes	Kerala	Thrissur	51,16,413	No	Manappuram Foundation	CSR00004545
8.	PM care Fund	Preventive Health Care	Yes	NA	NA	20,00,000	Yes	NA	NA
9.	Scholarship under Student Scholarship Scheme	Promotion of Education	Yes	Tamil Nadu	Chennai	9,000,00	No	Asirvad Development Foundation	CSR00006030
		TOTAL				**3,34,41,283**			

(d) Amount spent in Administrative Overheads - Rs. 10,12,717

(e) Amount spent on Impact Assessment, if applicable - Nil

(f) Total amount spent for the Financial Year (b+c+d+e) - Rs. 3,44,54,000

(g) Excess amount for set off, if any - Nil

Sl.No.	Particular	Amount (in Cr.)
(i)	Two percent of average net profit of the company as per section 135(5)	3.2738
(ii)	Total amount spent for the Financial Year	3.4454
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.1716
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.1716

9 (a) Details of Unspent CSR amount for the preceding three financial years:

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

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

Sl No	(a) Date of creation or acquisition of the capital asset(s)	(b) Amount of CSR spent for creation or acquisition of capital asset (in Rs.)	(c) Details of the entity or public author-ity or beneficiary under whose name such capital asset is registered, their ad-dress etc	(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
1	26.03.2021	9,93,000	Mukundapuram Educational and Cultural Society MECS Complex, Kallamkunnu Road, Nadavaramba P O, Thrissur District, Kerala – 680 661	Digital Library and Space Museum at Mukundapuram Public School situated at Kallamkunnu Road, Nadavaramba P O, Thrissur District, Kerala – 680 661
2	10.11.2020	35,00,000	Snehapoorvam Educational Charitable Society Reg No. 88/15/IV Civil Station Road, Chungam, Ayyant-hole P O, Thrissur, Kerala - 680003	Civil Service Academy and Digital Literacy Head Quarters located at MG Road, Thrissur
3	09.03.2021	52,49,870	Manappuram Foundation V/104, Manappuram House, Valapad, Thrissur, Kerala – 680 567	Badminton Court located at Painoor, Valapad
4	10.03.2021	51,26,423	Manappuram Foundation V/104, Manappuram House, Valapad, Thrissur, Kerala – 680 567	3 Neonatal Ambulances – Valapad

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). – NA

For and on behalf of the Board of Directors
ASIRVAD MICRO FINANCE LIMITED

Pushya Sitaraman
Chairperson of CSR Committee
DIN: 06537196

S V Raja Vaidyanathan
Managing Director
DIN: 01467098

Date: May 24, 2021
Place: Chennai

Annexure - F

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2021

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

To

The Members,

Asirvad Micro Finance Limited

Regd.Office:

Deshbandhu Plaza, First Floor

No. 47,Whites Road

Chennai - 600014

1. I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Asirvad Micro Finance Limited (hereinafter referred as the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

2. Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the "Financial Year" ended on 31st March, 2021, (i.e. from 1st April, 2020 to 31st March, 2021) complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

3. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of

A. The Companies Act, 2013 (the "Act") and the rules made thereunder;

B. The Securities Contracts (Regulation) Act, 1956 ('SCRA')and the rules made thereunder;

C. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

D. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Over seas Direct Investment and External Commercial Borrowings;

E. Reserve Bank of India - NBFC (Non-Banking Financial Companies) norms, directions, regulations, circulars etc.

F. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and

i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

4. I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with BSE Ltd.

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

6. I further report that, having regard to the compliance system prevailing in the Company and on examination of relevant documents and records in pursuance thereof, on test check basis and on the basis of the management representation that the Company has complied with all the industrial specific applicable laws.

7. I further report that,

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

(ii) Adequate notices are given to all directors to schedule the board meetings, agenda and detailed notes on agenda were sent in advance as required, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(iii) All the decisions at the Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the respective meetings.

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

9. I further report that during the audit period, the Company has undertaken the following reportable events:

(i) During the year ended 31st March, 2021, the Company issued and allotted the following Non-convertible Debentures:

S No.	Type of Debentures Allotted	Date of Allotment	No. of Debentures
1.	Secured, Senior Rated, Taxable, Transferable, Listed, Redeemable, Non-Convertible Debentures	28-May-20	500
2.	Secured, Senior, Rated, Listed, Taxable, Transferable, Redeemable, Non-Convertible Debentures	29-May-20	200
3.	Secured, Senior, Rated, Listed, Redeemable, Non-Convertible Debentures	12-Jun-20	250
4.	Secured, Rated, Listed, Senior, Redeemable, Non-Convertible Debentures	22-Jun-20	500
5.	Secured, Senior, Rated, Listed, Redeemable, Non-Convertible Debentures	26-Jun-20	850
6.	Secured, Senior, Rated, Listed, Redeemable, Transferable, Taxable, Non-Convertible Debentures	24-Jul-20	250
7.	Secured, Senior, Redeemable, Non-Convertible, Rated, Listed, Transferable, Taxable Debentures	06-Aug-20	1,000
8.	Secured, Senior, Rated, Listed, Redeemable, Transferable, Taxable, Non-Convertible Debentures	08-Sep-20	500
9.	Secured, Senior, Rated, Listed, Redeemable, Transferable, Taxable, Non-Convertible Debentures	19-Nov-20	1,500
10.	Secured, Rated, Listed, Redeemable, Taxable, Non-Convertible Debentures	14-Dec-20	1,000
11.	Secured, Senior, Rated, Listed, Redeemable, Taxable, Transferable, Non-Convertible Debentures	30-Dec-20	750
12.	Unsecured, Senior, Rated, Listed, Redeemable, Non-Convertible Debentures	05-Feb-21	7,500
13.	Unsecured, Unsubordinated, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures	03-Mar-21	1,000
14.	Unsecured, Unsubordinated, Rated, Listed, Redeemable, Non-Convertible Debentures	08-Mar-21	500
15.	Unsecured, Subordinated, Rated, Listed, Redeemable, Non-Convertible Debentures	26-Mar-21	10,000
16.	Rated, Unlisted, Senior, Secured, Taxable, Transferable, Redeemable Non-Convertible Debentures	30-Mar-21	500

(ii) Members of the Company at the Annual General Meeting held on 25th August, 2020 accorded their approval to the Board

a) to borrow by issue of Non-convertible debentures and Commercial Papers, for the purpose of Company's business, in the case of Non-convertible debentures upto an aggregate amount not exceeding Rs.3,000 Crores and in the case of Commercial Papers upto an aggregate amount not exceeding Rs.1,000 Crores u/s 42, 71 of the Companies Act, 2013 and read with other provisions as well as rules made thereunder.

(b) to borrow money over and above the paid-up share capital, free reserves and securities premium of the Company, upto an aggregate amount not exceeding Rs.7,500 Crores,

(iii) Members of the Company at the Annual General Meeting held on 25th August, 2020 accorded their approval to the appointment of

a) Mr. Subrata Kumar Atindra Mitra as an Independent Director of the Company effective from 25th August, 2020 and for a term up to 31st December, 2022.

b) Mr. Abhijit Sen as an Independent Director of the Company for a term of 5 years with effect from 25th August, 2020.

c) Mr. B N Raveendra Babu as Joint Managing Director and Key Managerial Personnel for a period of 5 years with effect from 1st June, 2020.

Signature:
Hari. S
Practising Company Secretary
Membership No. FCS 821
Certificate of Practice No. 4276
UDIN: F000821C000208182

Place: Chennai
Date: 29.04.2021

Annexure-A

To

The Members

Asirvad Micro Finance Limited

Deshbandhu Plaza, First Floor

47, Whites Road,

Chennai 600 014.

My secretarial audit report is to be read along with this letter.

a. Maintenance of secretarial and other records is the responsibility of the management of the Company. My responsibility is to express an opinion on the relevant records based on my audit.

b. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the relevant records and compliances. The verification was done on test basis to verify that correct facts are reflected in secretarial and other relevant records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

c. I have not verified the correctness and appropriateness of financial, tax records and books of accounts of the Company.

d. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

e. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of the procedures on test/sample basis.

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

Signature:

Hari. S

Practising Company Secretary

Membership No. FCS 821

Certificate of Practice No. 4276

UDIN: F000821C000208182

Place: Chennai

Date: 29.04.2021

Annexure - G

DETAILS OF THE EMPLOYEES STOCK OPTION SCHEME IN TERMS OF RULE 12 (9) OF COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014

The Company has granted the options under "Asirvad Employee Stock Option Scheme, 2019" and following are the details:

Option granted	6,55,000 Options (Outstanding as on April 01, 2020)
Options vested	-
Options exercised	-
The total no. of shares arising as a result of exercise of option.	-
Option lapsed	1,42,500 Options
The exercise price	Rs.364/ per option/ equity
Variation of terms of option	-
Money realized by exercise of options	-
Total no. of options in force	5,12,500 (Outstanding as on March 31, 2021)
Employee wise details of options granted to:- a) KMP b) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year. c) Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	 Nil *Mr. Ramachandran S, Chief Operating Officer of the Company was granted 50,000 ESOPs which is more than 5% of the total options granted Nil

*Mr. Ramachandran S. has resigned from the Company with effect from April 16, 2021

For and on behalf of the Board of Directors
ASIRVAD MICRO FINANCE LIMITED

(V P Nandakumar)
Chairman
DIN: 00044512

(S V Raja Vaidyanathan)
Managing Director
DIN: 01467098

Date: May 24, 2021
Place: Chennai

Annexure - H

ENERGY CONSERVATION, TECHNOLOGY ABSORBTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY

i. the steps taken or impact on conservation of energy

Asirvad in partnership with Microenergy Credits (MEC) committed to reduce the carbon emission from environment by way of distributing/ facilitating/promoting products, which can reduce emission such as solar lantern, improved cook stoves or water purifiers and the same is part of the Global Clean & Renewable Energy program under UNFCCC.

ii. the steps taken by the company for utilising alternate sources of energy

Clean energy is more affordable than fossil fuels on a lifecycle basis, but the upfront cost of such technologies is prohibitive to most households. Access to financial aid can drive households to adopt clean energy and save money in their first month. MEC works by partnering with Micro Finance Institutions and NBFCs which already serve low income and rural households. MEC provides technical & operational assistance to help the MFIs increase the use of energy efficient products among people.

In this partnership, Asirvad has committed to distribute/facilitate/promote products which can reduce emission such as solar lantern, improved cook stoves or water purifiers.

iii. the capital investment on energy conservation equipments

There was no capital investment spent on energy conservation investments as company acts as a facilitator.

B. TECHNOLOGY ABSORPTION

i. the efforts made towards technology absorption

Asirvad Micro Finance Limited is one of the first NBFC-MFIs to develop and work a centrally overseen programming application and every one of its all branches overworking online with direct admittance to the centrally facilitated applications, through cloud environment. We are redesigning the infrastructure and renovating the application continually for improvement. Ensuring and updated up by data security also help the arrangement and simplicity of use of innovation.

ii. the benefits derived like product improvement, cost reduction, product development or import substitution

The Company keeps on separating itself from other market runners by ceaselessly developing new technological area stages to offer simplicity of tasks and straightforwardness for its clients, these cutting-edge advancements are ready to totally change the MFI industry. In any case, we are making do on the focal point of redesigning our branch tasks by utilizing most recent advances like RPA, AI/ML, Blockchain, IOT, Rule-based software engines as a way forward.

iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

a) the details of technology imported

b) the year of import

c) whether the technology been fully absorbed

d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

Not Applicable

iv. the expenditure incurred on Research and Development

Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earnings during the year was NIL and outgo were as follows:

Nature	Currency	Amount in INR
Upfront Fee	EUR	95,86,788.00
Upfront Fee	EUR	23,43,716.83
Rating Fee	EUR	1,44,003.48
Interest	EUR	3,28,88,066.00
Interest	EUR	90,46,207.00

For and on behalf of the Board of Directors

ASIRVAD MICRO FINANCE LIMITED

(V P Nandakumar)
Chairman
DIN: 00044512

(S V Raja Vaidyanathan)
Managing Director
DIN: 01467098

Date: May 24, 2021
Place: Chennai

12

CLEAN ENERGY PROGRAM

CLEAN ENERGY PROGRAM – ASIRVAD MFI

Being the 4th largest NBFC-MFI, Asirvad has always strived to serve the under privilege community. As part of its CSR policy, Asirvad had included environment sustainability as one of their main goals and this led to work in environment while keeping Customer benefit and satisfaction on top priority.

Working in carbon programs not only gave benefits to our customers but also contributed to the Global emission reduction. In the last one year Asirvad has reduced 3,319,171ttons of emission, generating 575 carbon credits.

In the monitoring period ending 26th Dec 2019 (MP10B7 between 26/07/2019 - 26/12/2019) Asirvad generated 575 Tonnes of CO2e and the expected emission reductions for the monitoring period between 27th Dec 2019 to 26th June 2020 (MP11B7) is expected to be in the range of 14,500 – 15,000 tonnes of CO2e, while 3,319,171 tonnes of CO2e have been achieved by MEC at global level through all its MFI partners.

Out of Asirvad's promotions, 98,622 sales have been included into CPA32 which generated 575 tonnes of CO2e for MP10B7. The revenue has been shared in the month of June'2021. For the monitoring period MP11B7 the expected emission reductions are 14500-15,000 tonnes of CO2e. The tentative date for revenue share is in Dec'21 for an estimated revenue of $20,000 - 25,000.C0

The fund received through the carbon program can be utilised for providing essential services like the after sale services, reducing the cost/interest or for the growth of the program in days to come.2

Benefits for Asirvad Members:

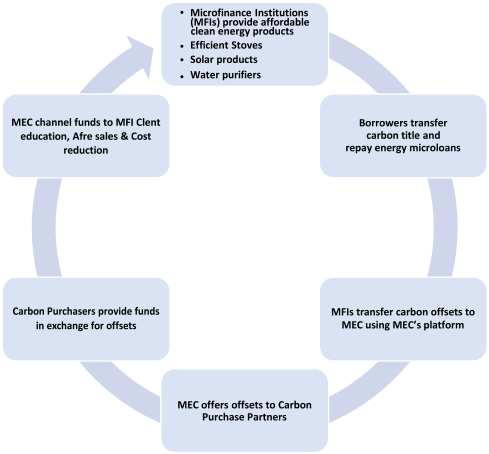
The impact of the carbon program can be measured in various forms like the customer health, environmental impact & customer benefit.

Micro Energy Credits – Carbon Program

Clean energy is more affordable than fossil fuels on a lifecycle basis, but the upfront cost of such technologies is prohibitive to most households. Access to financial aid can drive households to adopt clean energy and save money in their first month. MEC works by partnering with Micro Finance Institutions and NBFCs which already serve low income and rural households. MEC provides technical & operational assistance to help the MFIs increase the use of energy efficient products among people.

MEC work with microfinance institutions to overcome five key barriers to clean energy programs which are, access to clean energy, awareness, training, sustainability and facilitating finance. By working to support local market ecosystems, our program has long term sustainable benefits. We have developed a cloud-based technology, Credit Tracker, which enables extremely clean and error free carbon data tracking.

MEC carbon program cycle -



Benefits of the program:

1. Internal Capacity Building
2. Marketing and Client Awareness
3. Aftersales customer service and maintenance
4. On-lending funds to local SMEs providing clean energy products
5. Lowering interest rates or principal cost to clients

“You may have to fight a battle more than once to win it.”

- Margaret Thatcher

13

HR-Initiatives during Pandemic



Asirvad management has taken timely action to respond to the situation with the help of HR team. The situation was tracked from 1st week of March 2020 itself.

Management has responded swiftly to Phase 1 of Lockdown with immediate actions through forming multiple task forces to monitor external environment with respect to business and employees. HR has aligned management strategy with reciprocated actions of continuous communication, building strong employee connect, driving employee engagement through digital learning initiatives, employee health & safety campaigns.

HR Head released 4 minutes audio message to all employees on 24th March in 12 vernacular languages on employee safety, sanitization measures and benefit assurance during lock down period. Salary for March month was released for all employees on 25th March.



A motivational and employee engagement message from MD was sent on 31st March through electronic mediums to all employees. Specific focus on engaging customer and completing e-learning during lock-down period were emphasized.

Regular communications to employees from COO and Zonal Heads are happening through regional operational leaders and divisional managers



HR has started campaign on employee safety and precautionary measures on daily basis. (E-campaign as well as posters).

HR introduce sanitization campaign for member customers through our FDOs. Campaign on conducting social distancing while during center meeting and collection were introduced which was adopted by other MFI through MFIN.

Corporate communication has released visual communications (posters / videos) on various themes like customer connect, e-learning, social awareness.

Employee connect was introduced to know whereabout of employees. Appropriate actions were initiated for employees on transit, employees not keeping well and employees on branches.



Web based employee connect application was introduced by IT in collaboration with HR effective 1st April. Area Managers are marking attendance and employee safety status for all field employees while cluster HR are doing employee connect for AM & above and support staffs.



HR persue with HOD to explore 50% reduction in staff congestion at HO and exploring work from home (WFM) option for desk-top oriented roles in 3rd week March.

Renewed group medical claim (GMC) was launched. E-health card were released to all staffs through cluster HRs.

Special tracking of employees on quarantine were introduced. Employee safety report for hotspot areas are introduced to monitor employee's safety.

LOCK DOWN 2.0



While Phase 1 was spent on safeguarding employee's safety, introducing business controls and engaging customers, Phase 2 was to ensure productivity of employees in alternative means like driving learning culture, tracking productivity and transforming business through digital initiatives

HR Team have initiated few additional steps from 1st April 2020

HR brought up modification in web based employee connect exercise to collect employee safety details, health issues including quarantine tracker and positive cases.

E-learning completion drive was initiated among all employees. Tracking of e-learning completion was done on daily basis.



"LMS Brand Ambassadors" campaign were initiated and names of top scorers were published to create competition among employees.

5 Mandatory e-learnings were assigned to all employees of AML. 4 role-based e-learnings and 4 business circulars were assigned to employees of Operation.

We were at very low completion (15%) just before lock-down, we have accomplished the completion above 91% by 18th April 2020.

COURSE ATTENDED STATUS UP TO 23.03.20

COURSE NAME	TOTAL USERS	ATTENDED	PENDING	% OF COMPLETION
MANDATORY COURSES				
GIFT POLICY	6135	609	5526	10%
INFOSECURITY	6135	667	5468	11%
INSIDER POLICY	6135	443	5692	7%
POSH	6135	743	5392	12%
CIRCULAR- FPC	6135	5089	1046	82%
FUNCTIONAL COURSES				
CGT	2521	453	2068	18%
Mini GRT & GRT	2521	224	2297	9%
Loan Disbursement	2521	273	2248	11%
CENTRE MEETING	2521	593	1928	24%
CIRCULAR COURSES				
CIRCULAR 56	1127	42	1085	4%
CIRCULAR 57	1127	57	1070	5%
CIRCULAR 58	1127	48	1079	4%
CIRCULAR 59	1464	75	1389	5%
Grand Total	40604	9206	30793	13%

COURSE ATTENDED STATUS UP TO 18.04.20

COURSE NAME	TOTAL USERS	ATTENDED	PENDING	% OF COMPLETION
MANDATORY COURSES				
GIFT POLICY	6135	5610	525	91%
INFOSECURITY	6135	5045	1090	82%
INSIDER POLICY	6135	5446	689	89%
POSH	6135	5113	1022	83%
CIRCULAR- FPC	6135	5873	262	96%
FUNCTIONAL COURSES				
CGT	2521	2447	74	97%
Mini GRT & GRT	2521	2392	129	95%
Loan Disbursement	2521	2406	115	95%
CENTRE MEETING	2521	2438	83	97%
CIRCULAR COURSES				
CIRCULAR 56	1127	1052	75	93%
CIRCULAR 57	1127	1065	62	94%
CIRCULAR 58	1127	1049	78	93%
CIRCULAR 59	1464	1378	86	94%
Grand Total	45604	41314	4290	91%

We have initiated MFIN driven on-line course and MFI Certification effective from 08th April 2020. 51% of our field employees are already got certified within weeks' time. We are aimed to reached 100% by 24th April 2020.

Additional role-relevant e-learning courses (5 each) have been assigned to all field support roles (Audit / Accounts/ DEO/ Admin) and Functional supports (HO Staffs).

MFIN Certified Professionals from AML as on 15.04.2020

Language	Certified Employees
Assamese	16
Bengali	120
English	261
Hindi	1468
Marathi	158
Odiya	139
Punjabi	18
Tamil	618
Grand Total	2799

On-line courses assigned to Finance, Analytics, HR are being tracked, we are driving certification by each of these employees.

Each HODs of function were advised to utilize resources effectively, productivity trackers being reviewed. Unoccupied/ partially occupied resources are assigned to project leaders driving few special projects.

Departments are getting reviewed by MD and respective CXOs on regular basis.



Field support employees were reviewed on job occupancy and work supervision. Employees with partial occupancies were assigned to do customer connect exercises.

On-line IJP process rolled out for mid-level roles (BM/AM) using on-line assessment and digital interviews using zoom/webex to resource pipeline ready for Q1 manpower requirements.



HR have initiated virtual sourcing and selection process for fresher hires using digital solution. Pool of 340+ shortlists have been created in tenured business segments.

All statutory payments (PF / ESI / PT) are completed on time.

Employee's Insurance claims for medical / death cases are settled on time with employees or families.

WB/Assam/Tripura: Operation Managers connected with Parent of employees to increase social awareness, understanding current status, sharing Asirvad's business, employee benefit schemes etc.



Odisha: Message from Operation Leader to parents in vernacular language with assurances and social awareness.

Tamilnadu: Operation Excellence Drive– Daily quiz contest on various operation and service-related situation(s) to improve operation knowledge among staffs.



Post lock-down preparatory exercise are initiated. Permanent Residence analysis were done to map with green zone branches. Employees are currently engaged to resume operation

SOP being prepared for employees to resume operation.

COVID WAVE II - Preparedness and Initiatives (Mid-April to 1st week of June 2021)

We have been driving safety awareness campaign through Asirvad Connect and social mediums for employees to follow COVID appropriate behaviors. SOPs are released to ensure maximum safety for self, colleagues, family members and customers.

We have decided following preventive measures to ensure health and safety of our colleagues.

- Compulsory periodic sanitization at branches and for usage for staffs and customers at our offices / branches.
- Company sponsored RT PCR for staffs in addition to quarantine related supports.
- Support of maximum of Rs.10,000/- for medicine and immunity supplements to support during recovery.
- Cashless hospitalization using group medical claim (GMC) policy for critical cases.
- Vaccination reimbursement up to Rs.800/- to all staffs.
- Kitchen provision at branches in event of lock-down / quarantine situation.

We are currently driving vaccination program across 23 states aiming 75% coverage before end of July 2021. We are already at 35% coverage for staffs with 18+ age and 100% coverage for staffs with 45+ age (7th Jul 2021)

Corporate Social Responsibility

We have launched COVID awareness campaign through various social mediums including your tube channel. Our loan officers had also started connecting to customers for awareness on precautionary steps for COVID and post covid remedies.

We have launched few COVID awareness health camps where sanitization materials were distributed.

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Management Discussion Analysis

MANAGEMENT DISCUSSION ANALYSIS

Industry Overview

Microfinance is the provision of small credit to the low-income individuals or groups who otherwise would have no other access to financial services. Loans are extended to such section of the society who lost out on formal credit for want of a collateral support. It is here that Microfinance steps in, providing 'micro' credit with no collateral whatsoever.

The last few years saw the micro-credit industry mainstreaming with the broader financial sector. Some of the largest NBFC-MFIs became Banks or Small Finance Banks (SFBs) and some were bought over by Banks and large NBFCs. Banks and NBFCs also started building their own micro-credit portfolio, through Business Correspondent partnerships. As a result of mainstreaming, micro-credit sector today is competitive and served by a diverse set of players - Banks, SFBs, NBFC-MFIs, BCs and NBFCs.

Outside of these microfinance providers, there exists a strong ecosystem of other stakeholders including the regulators, the Government, financial institutions, credit bureau, employee bureau, rating agencies and others which play an important role in the delivery of Microfinance.

As on 31 March 2021, 13 Banks hold the largest share of portfolio in micro-credit with total loan outstanding of Rs.1,13,271 Cr, which is 43.67% of total micro-credit universe. NBFC-MFIs are second largest provider of micro-credit with a loan amount outstanding of Rs 80,549 Cr, accounting for 31.05% to total industry portfolio. SFBs have a total loan amount outstanding of Rs 41,170 Cr with total share of 15.87. NBFCs account for another 8.36% and Other MFIs account for 1.05% of the universe.

Apart from MFI's, NABARD SHG Bank Linkage Programme (SBLP) also contributes significantly to the microfinance universe. As on 30 September 2020, around 61.9 lakhs SHG's had an outstanding portfolio of Rs 108,578 Cr with them.

As on 1st March 2021

Types of Entity	No of Entities	Unique Borrowers (Cr)	Active Loan Accounts (Cr)	Portfolio O/s (Cr)
NBFC - MFIs	85	2.59	3.69	80,549
Banks	13	2.86	4.27	1,13,271
SFB	8	1.47	1.80	41,170
NBFC	53	0.84	0.92	21,673
Others	29	0.13	0.15	2,714
Total	188	5.93	10.83	2,59,377

Source: MFIN

Operations

Asirvad Micro Finance Limited ("the Company/ AMFL") had formed considerable base in earlier years, which helped the Company to reach top 4 NBFC-MFIs in India in terms of Asset Under Management (AUM). During the year, AMFL had achieved multiple milestones of serving over 2.4 million clients, crossing INR 5,900 crore AUM, crossing the count of 1,000 branches and gross income exceeding INR 1,000 crores.

As on March 31, 2021, AMFL operated through 1,025 branches across 20 States and 2 Union Territories with presence in 316 districts, with clients of 2.4 million spread across over 2 lakh centres serviced by over 7,233 staffs, majority of them in the field.

AMFL invested in upgradation of its technology to serve its clients faster and digitized its operations to reduce paper work and TAT to customers.

Operations Highlights

AMFL continued to achieve higher business volumes through its multi-state operations. It has disbursed INR 35,965 million to 1,052,227 clients during the year. AUM stood at INR 59,846 million as against INR 55,026 million, with a growth of 8.80%. All India Business Operations is divided in 6 zones, 10 regions, 20 territories and 89 divisions.

The Company has 10 States with more than INR 200 crore portfolio each and having more than 1 lakh members in such states. AMFL continued to follow its risk management practices of spreading its business risk across states and further getting into district level risk concentration during the year. It had also centralized exceptional loan approval at Head office for better control and supervision.

Financial Highlights

(Rs. in Crores)

Particulars	March 2021	March 2020	March 2019	March 2018	March 2017	March 2016	March 2015	March 2014
Paid up Capital	53.31	53.31	53.31	32.07	26.28	26.27	20.76	8.07
Asset Under Management	5,984.62	5,502.64	3,840.78	2,437.20	1,795.94	998.81	322.00	188.80
Borrowings	4,627.17	4,500.65	3,418.05	2,400.77	1,592.70	778.32	240.17	165.29
Total Revenue	1,077.18	1,101.44	740.45	469.59	363.42	156.09	67.33	37.30
Profit after tax	16.88	235.33	151.64	(9.29)	34.34	23.96	10.40	4.70
Total Comprehensive Income	15.99	235.10	151.85	(9.06)	NA	NA	NA	NA
Total Assets	5,825.59	5,912.46	4,257.66	2,705.63	1,961.95	1,044.61	368.81	215.44

*AUM includes securitised assets which are derecognised in financial statements.

KEY RATIOS

Ratio	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
PBT / Total Income	2.85%	28.17%	31.16%	-10.66%	14.39%	23.24%
PBT / Total Assets	0.53%	5.25%	5.42%	-2.00%	2.67%	3.47%
ROE	1.61%	25.52%	27.92%	-11.70%	13.9%	20.3%
Return on Portfolio	0.37%	6.00%	5.18%	-1.53%	2.46%	3.99%
Capital Adequacy	23.33%	25.37%	28.90%	15.19%	20.6%	24.8%
Book Value Rs.	197.97	194.99	150.89	89.59	100.61	87.55
Net Interest Margin	9.92%	10.00%	9.39%	9.86%	9.96 %	9.47%

Assets Under Management

The loan approval process of Asirvad is decentralised, with set overall loan sanction limits, consideration of customer loan track and the loan cycle. During the year, Asirvad's microfinance loan book increased to Rs.5,940.88 Crores from Rs.5,487.93 Crores in the previous year. The increase in the loan book was Rs.452.95 Crores which has been determined after taking into account loan repayments of Rs.2,970.84 Crore (previous year Rs.3,231.03 Crores) and loans written off during the year amounting to Rs.143.46 Crores (previous year Rs.16.14 Crores). The growth in the microfinance loan book, after adding back loans securitised in the preceding twelve months was 8.25%.

During the year, Loan book outstanding for MSME as on March 31, 2021 is Rs.40.35.Cr. The Company's old SME loan book stood at Rs.0.86 Crore as on March 31, 2021.

Securitisation

During 2020-21, the Company securitised its assets worth Rs.444.43 Crores as against Rs.1865 Crores during the previous year. With securitisation, the Company ensures broad basing of the borrowing profile and reduced cost of funds as the underlying assets rank for classification under priority sector lending by the Banks. The outstanding securitised assets portfolio stood at Rs.926.47 crores as on March 31, 2021.

Resource Mobilisation & Treasury Operations

The funding for the business is from an optimum mix of equity and debt. The Company continues to follow the policy of diversification of funding sources. The Company has existing relationship with about 54 lenders across Banks, Financial Institutions, NBFCs and Overseas FII investors, who have sanctioned of Rs.4,454.45 Crores during the year, out of which Rs.3,430.45 Crores has been availed as on March 31, 2021. It includes Rs.1,105 Crores of NCDs issued during the year.

The Funding mix of the company as on March 31, 2021 is given below

Term Loan	57%
Non-Convertible Debentures	26%
Securitization	17%

Investments: The Investment Policy approved by the Board of Directors envisages deployment of temporary cash surplus, arising out of the gap between cash inflows and outflows, in mutual funds and/or fixed deposit with Banks. The investment function ensures adequate levels of liquidity to support business requirements, maintaining a high degree of safety and optimising the level of returns, consistent with acceptable levels of risk by investing in short term instruments. As at March 31, 2021, the investment in fixed deposits free of lien stood at Rs.472.23 Crores.

Provision for Contingencies

During the year, the Company made a provision of Rs.156.35 Crores (previous year Rs.131.23 Crores) excluding write-off of Rs.143.46 Crores through a charge to the Statement of Profit and Loss. The provisioning is made higher than the amount to be provided for as per RBI norms, which requires provisioning of 100% for assets falling due for more than 180 days.

This was done with the objective of further strengthening the Company's balance sheet.

Outlook, Risks and Opportunities

During the end of the year, India went into a lockdown on account of Covid-19 pandemic. Implications of the pandemic was across India, impacted the livelihoods and subsequently income of micro entrepreneurs/low income households. The duration of the pandemic and period of lockdown were the factors affecting the recovery cycle of the micro-finance industry. In the past, the industry has seen black swan events like AP Crisis, demonetization etc and hope that the industry will come to normalcy over a period of time.

Digital collection is an opportunity where a client can pay the instalment through payment gateways other than cash. It will reduce cash carrying risk by staff and time to deposit in banks, provide more time for field operations and reduce cash misappropriation frauds. The Company has started using Asirvad Digi-pay Application to facilitate such payment options and would like to focus on various other options of digital payment.

Human Resources

Asirvad is embarking on a new growth journey, with new aspirations and milestones. The Financial Year 2020-21 has been a very exciting period for the Company. Together as an organization, we continue to soar above challenges such as transformation, governance and several structural changes.

Human Capital:

4,441 candidates joined Asirvad family in FY 2020-21 and the total manpower strength stood at 7,233 PAN India as on March 31, 2021.

Employee Connect Initiatives:

Asirvad strongly believes in creating an environment that ensures last mile connectivity with the field employees. The following are the organisation's communication channels which are varied and each one serves a different purposes.

Know your HR & HR Hour: "Know your HR" poster has been displayed in all branches of Asirvad and a dedicated "HR Hour" for employees to contact their cluster HR Manager for seeking any help and guidance.

Speak-Up: To report anything in confidential, employees can write to speak-up mail id

Asirvad Connect: A quarterly corporate newsletter has been launched for internal and external stakeholders.

Training

Other Training Programmes:

The following are the training programmes conducted during this FY 2020-21.

Activity	No of Programs	No of Participants
Induction & Process Training	210	3265
Branch Manager Readiness Program	18	64
Software Training	18	338
MSME Training	7	107
New Application Workflow Training (MFI)	87	5980

As Asirvad is growing parallel to the technology, we have implemented a Learning Management System, in joint venture with "Sum total" to make learning culture digital in Asirvad. 76,714 courses have been completed by 7108 employees during this Financial Year, with 73 (in %) course completion status.

Certification Through On-Line Courses:

Asirvad employees are encouraged to pursue education and the Company sponsors the same. Below are the details of the successful completion in FY 2020-21:

Higher Education

MBA – 23

BBA – 49

Plus Two : 17

Executive Education

Certificate Program on Advance Treasury and Foreign Exchange Risk Management – 8
Tableau Certification Training Course offered by Simplilearn – 9
Executive Development in Strategic Management – 2
Certified Information Systems Auditor Training – 3
Leadership and Management Certificate Program offered by Wharton University – 1

Information Technology

Asirvad's Information Technology (IT) philosophy is committed to operate and maintain a well governed, structured and process – oriented IT function that proactively delivers to the strategic and operational requirements for the effective & efficient achievement of our mission & vision, with continuous improvement according to the changes in the Business Processes and Regulatory requirements.

The IT infrastructure is created keeping following key factors:

- Information & Data Security
- Improved operational efficiency
- Efficient portfolio tracking and monitoring
- Better customer service
- Reduced transactional costs
- Compliance with regulatory/ statutory requirements
- Moving towards paperless transactions
- 100% on cloud

The following enhancements were implemented in the Information Technology arena during the year:

As major part of this FY was dwelt under the Covid-19 pandemic, we at Asirvad concentrated in implementation of various IT initiatives which kept up the business drive during the unprecedented lockdown. We had introduced an in-house developed Employee Connect, Customer Connect Apps which helped the Company to keep the track on the well being of the customers and the employees during the nationwide lockdown. We had also introduced Digi Pay App for the customers which enabled the customers the payment of their EMI using various online payment options. A separate App was also provided to the Internal Audit Team to audit the whereabouts of the customer during/post lifting of the lockdown. During this year, we had migrated the Corporate Office network to IPv6, which is compliant with the RBI IT Master Directives. Considering the rapid growth of AUM of the Company and to mitigate the risk on the huge size of data being handled, we have planned and partially migrated to a new, holistic Loan Management System (LMS) during the year under review.

Internal Audit & Controls

Internal audit at Asirvad is an independent, objective assurance and consulting department designed to add value to and improve an organization's operations. It helps Asirvad accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal auditing achieves this by providing insight and recommendations based on analysis and assessment of data and business processes. With commitment to integrity and accountability, internal auditing provides value to governing bodies and senior management as an objective source of independent advice.

The scope of internal Audit department within Asirvad includes the operations, processes, governance, risk management and management controls over efficiency/effectiveness of operations, including safeguarding of assets. Internal Audit team also conducts proactive fraud audits to identify potentially fraudulent acts; participating in fraud investigations under the direction of fraud investigation professionals and conducting post investigation fraud audits to identify control breakdowns and establish financial loss.

At Asirvad, Internal Audit department does audit of Branch Operations as well as Corporate Audits covering all the key functions. Internal Audit team at the Branch Operations covers the entire business process, and in addition, Special Branch Audits are undertaken as and when required to meet specific requirements of the Company. Based on the risk and occurrence, the Internal Audit observations are broadly categorized into four types of Alerts viz., Critical, High, Medium & Low and these are highlighted to the operations department for compliance. Compliance is critical to the Audit process. In order to ensure that the Branch and Divisional office staff understand the deficiencies and discrepancies regarding documentation, process of operation etc, and compliance of the audit observations are made mandatory.

Risk Management

Asirvad is exposed to various risks that are inherent to any Microfinance business. The major risks are credit risk, operational risk, and liquidity risk. Asirvad has a robust risk management framework in place, which covers the policies, procedures, methodologies and framework established to systematically manage the material risks. The risk management framework is subjected to review and up-gradation on an ongoing basis, in tune with regulatory guidelines and best practices in the industry.

The Board of Directors oversee and approve the risk policies and strategies to establish risk management framework and control system in Asirvad. The Risk Management Committee of Board (RMCB) oversees the management of various risks associated with business, systems and processes.

Asirvad has put an improved mechanism in place to manage Credit Concentration Risk, by way of Internal Prudential Exposure Limits framework for geographies. These exposure norms are monitored regularly and risks in the different geographies are monitored continuously, and wherever warranted, the geographies concerned are reviewed immediately.

Liquidity risk is the potential inability to fund increase in assets and decrease in liabilities or meet obligations as they fall due, without incurring unacceptable losses. Asirvad monitors Liquidity Risk through Liquidity Coverage Ratio (LCR), Structural Liquidity Gaps, Dynamic Liquidity monitoring, Liquidity Ratio Analysis, Prudential Limits for negative gaps in various time buckets etc. Asset Liability Management Committee (ALCO) is responsible for monitoring its adherence to liquidity risk and interest rate risk limits.

Asirvad has a comprehensive framework comprising of policies, processes and systems for measurement and management of operational risks. Operational risk is primarily managed by prescribing adequate controls and mitigation measures, which are being reviewed and updated on a regular basis, to suit the changes in business practices, structure and risk profile.

Asirvad has a robust information and cyber security framework for securing its IT infrastructure and systems. Dissemination of information and cyber security awareness among the staffs and customers is undertaken on a regular basis through various modes.

Asirvad has put in place, a comprehensive internal control framework which is supplemented with appropriate procedures across all its business and support activities. The internal controls implemented are intended to manage/ mitigate the risks, ensure compliance with laws and regulations, and provide reliable and timely financial reporting.

“Presistence and resilience only come from having been given the chance to work through difficul problems.”

- Gever Tulley

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Independent Auditor's Report

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.

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. • 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:

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.	▪ 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. 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.

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 2021

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 purp-ose 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.

(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.

(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

Sumesh 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.

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

Sumesh E S
Partner
Membership No.: 206931
UDIN: 21206931AAAABL8045

Place: Chennai
Date: 24 May 2021

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Financial Statement

Asirvad Micro Finance Limited
Balance Sheet as at 31 March 2021

(All amounts in ₹ lakhs unless otherwise stated)

	Particulars	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	1,20,074.44
	(b) Bank balance other than (a) above	6	18,721.99	20,229.57
	(c) Loans	7(a)	4,79,519.17	4,34,327.51
	(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
			5,69,736.49	5,84,263.16
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		**5,82,559.38**	**5,91,159.01**
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	1,21,905.45	56,881.96
	(d) Borrowings (other than debt securities)	17	3,19,334.54	3,81,549.11
	(e) Subordinated liabilities	18	21,476.92	11,633.90
	(f) Other financial liabilities	19	6,043.41	4,299.67
			4,71,342.84	**4,56,127.34**
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	1,00,212.30	98,620.69
			1,05,543.49	**1,03,951.88**
			5,82,559.38	**5,91,159.01**

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

Sumesh E S
Partner
Membeship 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

Asirvad Micro Finance Limited
Statement of Profit and Loss for the year ended 31 March 2021

(All amounts in ₹ lakhs unless otherwise stated)

	Particulars	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
			1,05,296.89	**1,05,505.94**
II	**Other Income**	26	**2,421.47**	**4,638.46**
III	**Total Income (I + II)**		**1,07,718.36**	**1,10,144.40**
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)		**1,04,650.34**	**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
Membeship 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

Asirvad Micro Finance Limited
Statement of Cash Flow for the year ended 31 March 2021

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	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	1,92,545.00	3,05,669.30
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)
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)
Interest paid on debentures	(9,133.79)	(9,895.26)
Proceeds from securitisation borrowings	-	58,987.62
Repayment of securitisation borrowings	(52,241.91)	(1,18,053.81)

Asirvad Micro Finance Limited
Statement of Cash Flow for the year ended 31 March 2021

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
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	1,20,074.44	52,590.02
Cash and cash equivalents at the end of the period	**64,846.87**	**1,20,074.44**
Reconciliation of cash and cash equivalents with the balance sheet:		
Cash and cash equivalents as per balance sheet	**64,846.87**	**1,20,074.44**

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
Membeship 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

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		Reserves and Surplus							
	Capital Share	Equity Statutory Reserve	Capital Redemption Reserve	Securities Premium	Contribution from Holding Company	ESOS General Reserve	Retained earnings	Other Comprehensive Income	Accumulated Total
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)**	**1,00,212.30**

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

Sumesh E S
Partner
Membeship 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
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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.

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 at 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.

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.

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 unavailed 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 of 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 the right to obtain 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.

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.

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.

(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.

5 Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
(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	1,12,931.55
Total	**64,846.87**	**1,20,074.44**

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	1,20,074.44

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
Total	**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	5,13,664.06	4,52,837.62
Less : Impairment loss allowance	34,144.89	18,510.11
Total	**4,79,519.17**	**4,34,327.51**
(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	5,09,303.14	4,51,369.70
Less : Impairment loss allowance	34,040.06	18,430.10
Sub Total	**4,75,263.08**	**4,32,939.60**
Total	**4,79,519.17**	**4,34,327.51**
(C) Term loans in India		
(A) Public sectors	-	-
(B) Others	5,13,664.06	4,52,837.62
Less : Impairment loss allowance	34,144.89	18,510.11
Total	**4,79,519.17**	**4,34,327.51**
7(b) Loans given to staff (at amortised cost)		
Loans to Staff	76.52	102.30
Total	**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	1,07,246.23

7.2	Particulars	As at 31 March 2021	As at 31 March 2020
	Provisions as per RBI Prudential Norms	6,989.94	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

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	4,70,496.16	9,600.52	4,60,895.64	6,391.89	3,208.66
	Stage 2	34,081.12	15,475.69	18,605.43	339.29	15,136.41
Non Performing Assets (NPA)						
Substandard	Stage 3	9,086.78	9,068.68	18.10	258.79	8,809.89
Total		**5,13,664.06**	**34,144.89**	**4,79,519.17**	**6,989.94**	**27,154.96**

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	4,42,384.73	9,860.06	4,32,524.67	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		**4,52,837.62**	**18,510.11**	**4,34,327.51**	**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
Impairment allowance as at 31 March 2020	18,510.11
Add: Impairment allowance provided in statement of Profit & Loss	29,980.94
Less: Impairment allowance Utilised for writing off Loss assets	14,346.16
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		
a.Through Direct assignment	14	13
b.Through Pass through Certificates	8	17
Total	**22**	**30**
(ii) Total amount of securitised assets as per books of the SPVs Sponsored		
a.Through Direct assignment	85,801.60	1,07,246.23
b.Through Pass through Certificates	6,822.72	60,412.09
Total	**92,624.32**	**1,67,658.32**
(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		
First loss	15,476.18	26,929.02
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		
First loss	5,148.97	9,924.66
Others	-	-
ii) Exposure to third party securitisations		
First loss	-	-
Others	-	-

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	1,75,430.00	6,91,762.00
b.Through Pass through Certificates	-	3,24,712.00
	1,75,430.00	**10,16,474.00**
Book value of loan assets securitized during the year		
a.Through Direct assignment	44,443.44	1,40,592.85
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	1,27,463.62
b.Through Pass through Certificates	-	58,987.61
	39,999.79	**1,86,451.23**
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	-	-
Total	**-**	**-**
Quantum of Credit Enhancement provided on the transactions in the form of deposits		
a.Through Direct assignment	-	-
b.Through Pass through Certificates	5,148.97	9,924.66
Total	**5,148.97**	**9,924.66**
Quantum of Credit Enhancement as at year end		
a.Through Direct assignment	-	-
b.Through Pass through Certificates	5,148.97	9,924.66
Total	**5,148.97**	**9,924.66**
Interest spread Recognised in the Statement of Profit and Loss during the Year		
a.Through Direct assignment	7,147.98	12,590.98
b.Through Pass through Certificates	-	-
Total	**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.

8 Investments

Particulars	As at 31 March 2021	As at 31 March 2020
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
Total	**6,566.94**	**9,524.34**

10 Current tax assets (net)

Advance income tax (net)	1,858.88	1,544.24
Total	**1,858.88**	**1,544.24**

11 (a) Deferred tax assets (net)

Deferred tax assets (net)	8,282.84	3,424.70
Total	**8,282.84**	**3,424.70**

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			Closing Balance
	Opening Balance	(Charge) / Credit recognised in		
		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**

Asirvad Micro Finance Limited
Notes forming part of the financial statements for the year ended 31 March 2021
(All amounts in ₹ lakhs unless otherwise stated)

Particulars	For the Year Ended 31 March 2020			Closing Balance
	Opening Balance	(Charge) / Credit recognised in		
		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**

Asirvad Micro Finance Limited
Notes forming part of the financial statements for the year ended 31 March 2021
(All amounts in ₹ lakhs unless otherwise stated)

12 Property, plant and equipment, other intangible assets, Right of use assets and Intangible assets under development

Particulars		Property, plant and equipment								
	Investment Property - Land	Computers	Furnitures & Fixtures	Leasehold Improvements	Office Equipments	Vehicles	Total	Right of use asset	Other intangible assets-Softwares	Intangible assets under development
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 ex-	-	**635.88**	**94.91**	**116.70**	**75.60**	**3.99**	**927.08**	**113.33**	**143.31**	-
pense	-	-	-	-	**(25.00)**	-	**(25.00)**	-	-	-
Eliminated on Disposal of Assets	-	-	-	-	-	-	-	-	-	-
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**

13 Other non financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
(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
Total	**776.23**	**410.09**

14 Derivative financial instruments (Also, refer note 41.15)

Particulars	As at 31 March 2021	As at 31 March 2020
Currency derivatives		
Interest rate swap	135.30	-
Total	**135.30**	**-**

15 Other payables

Particulars	As at 31 March 2021	As at 31 March 2020
(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
Total	**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)

Particulars	As at 31 March 2021	As at 31 March 2020
(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
Total	**1,21,905.45**	**56,881.96**
(i) Debt securities in India	1,21,905.45	56,881.96
(ii) Debt securities outside India	-	-
Total	1,21,905.45	56,881.96

Also, refer note 17.2 and note 17.3

17 Borrowings (other than debt securities) (At amortised cost)

Particulars	As at 31 March 2021	As at 31 March 2020
(a) Secured		
- Term loan from banks	2,70,635.86	2,95,644.36
- Term loan from NBFCs	12,528.50	19,009.05
- Other financial institutions	24,285.51	2,770.28
Total	3,07,449.87	3,17,423.69

Particulars	As at 31 March 2021	As at 31 March 2020
(b) Unsecured		
- Term loan from NBFCs	5,038.80	5,037.65
(c) Borrowings under securitisation arrangement	6,845.87	59,087.77
Total	3,19,334.54	3,81,549.11
Borrowings in India	3,06,361.89	3,78,778.83
Borrowings outside India	12,972.65	2,770.28
Total	**3,19,334.54**	**3,81,549.11**

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)

Particulars	As at 31 March 2021	As at 31 March 2020
(a) Deposits with Banks & Others	18,721.99	20,084.57
(b) Deposits with NBFCs	-	145.00
Total	**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

(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	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%	03-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%	04-Oct-19	30-Dec-19
CP-Anand Rathi Global Finance Ltd	365	10.30%	25-Feb-20	24-Feb-21

Asirvad Micro Finance Limited
Notes forming part of the financial statements for the year ended 31 March 2021
(All amounts in ₹ lakhs unless otherwise stated)

17.3 Details of terms of repayment- Debentures and subordinated liabilities

			"No. of Debentures As at"					"Closing balance As at"	
ISIN No	Party	Type of NCD	31 March 2021	31 March 2020	Face value	Interest rate	Due date of redemption	31 March 2021	31 March 2020
INE516Q08166	IFMR Capital	Sub Debt	500	500	10,00,000.00	13.00%	30-Jun-22	5,138.69	5,137.39
INE516Q08158	Royal Sundaram	Sub Debt	150	150	10,00,000.00	12.42%	28-Jun-23	1,495.66	1,494.02
INE516Q08182	Reliance Nippon	Sub Debt	350	350	10,00,000.00	13.00%	15-Jul-22	3,510.77	3,501.70
INE516Q08174	Reliance Nippon	Sub Debt	150	150	10,00,000.00	13.00%	15-Jul-22	1,503.53	1,500.79
INE516Q08331	A K Capital	Sub Debt	10,000	-	1,00,000.00	11.90%	26-Jun-26	9,828.27	-
INE516Q08299	IFMR Capital	Other Than Sub Debt	-	150	10,00,000.00	12.00%	30-Jun-20	-	1,499.21
INE516Q07119	Blue Orchard	Other Than Sub Debt	330	330	10,00,000.00	13.25%	19-May-21	3,429.59	3,452.64
INE516Q07226	UTI International	Other Than Sub Debt	50	1,000	10,00,000.00	12.30%	09-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	10,00,000.00	11.00%	21-May-21	1,011.73	1,010.54
INE516Q07267	IFMR Capital	Other Than Sub Debt	250	250	10,00,000.00	12.00%	27-Jun-22	2,498.51	2,498.27
INE516Q07275	Blue Orchard	Other Than Sub Debt	700	700	10,00,000.00	12.48%	09-Mar-25	7,053.01	7,037.49
INE516Q07283	Bank of India	Other Than Sub Debt	750	-	10,00,000.00	10.50%	28-Apr-23	8,101.73	-
INE516Q07291	Canara Bank	Other Than Sub Debt	450	-	10,00,000.00	11.00%	29-May-23	4,894.33	-
INE516Q07309	Bandhan Bank	Other Than Sub Debt	417	-	10,00,000.00	11.25%	21-Apr-23	4,162.22	-
INE516Q07317	Union Bank	Other Than Sub Debt	850	-	10,00,000.00	11.00%	26-Jun-23	9,174.28	-
INE516Q07325	State Bank of India	Other Than Sub Debt	1,000	-	10,00,000.00	9.50%	05-Feb-22	10,590.39	-
INE516Q07333	Union Bank	Other Than Sub Debt	500	-	10,00,000.00	9.00%	08-Mar-22	5,231.89	-
INE516Q07341	Bank of Baroda	Other Than Sub Debt	1,500	-	10,00,000.00	8.60%	19-May-22	15,066.25	-
INE516Q07358	State Bank of India	Other Than Sub Debt	1,000	-	10,00,000.00	9.00%	14-Jun-22	10,243.25	-
INE516Q07366	Bank of India	Other Than Sub Debt	750	-	10,00,000.00	8.40%	30-Jun-22	7,630.02	-
INE516Q08307	A K Capital	Other Than Sub Debt	7,500	-	1,00,000.00	11.10%	05-Feb-23	7,508.85	-
INE516Q08315	Northern Arc	Other Than Sub Debt	1,000	-	10,00,000.00	10.50%	03-Mar-23	9,955.00	-
INE516Q08323	Anand Rathi and Others	Other Than Sub Debt	500	-	10,00,000.00	10.50%	08-Mar-23	4,976.18	-
INE516Q07382	CDC	Other Than Sub Debt	500	-	10,00,000.00	9.22%	30-May-25	4,984.74	-
INE516Q08216	Credit Suisse Securities (India) Pvt Ltd	Other Than Sub Debt	-	100	10,00,000.00	11.43%	22-May-20	-	260.86
INE516Q08224	Credit Suisse Securities (India) Pvt Ltd	Other Than Sub Debt	-	350	10,00,000.00	11.43%	22-Jun-20	-	903.41
INE516Q07242	Reliance MF	Other Than Sub Debt	-	1,000	10,00,000.00	11.55%	27-Nov-20	-	2,608.73
INE516Q07259	Credit Suisse Securities (India) Pvt Ltd	Other Than Sub Debt	-	245	10,00,000.00	11.00%	11-Dec-20	-	2,663.85
INE516Q07101	Blue Orchard	Other Than Sub Debt	-	700	10,00,000.00	12.53%	29-Mar-21	-	7,002.48
INE516Q08265	Brila Sun Life	Other Than Sub Debt	-	2,500	10,00,000.00	11.50%	31-Mar-21	-	10,651.57
Total								**1,43,382.37**	**66,225.65**

Asirvad Micro Finance Limited
Notes forming part of the financial statements for the year ended 31 March 2021
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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
1 yr - 3 yrs	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	-	-	-	-	-	-
3 yrs 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	**1,71,628.07**	**236.00**	**87,783.75**	**39.00**	**42,222.70**	**18.00**	**8,322.21**	**8.00**	**1,600.00**	**2.00**	**400.00**

Asirvad Micro Finance Limited
Notes forming part of the financial statements for the year ended 31 March 2021
(All amounts in ₹ lakhs unless otherwise stated)

As at 31 March 2020

Ten-ure	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
1 yr - 3 yrs	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	-	-	-	-	-	-	-	-
3 yrs 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	**1,61,348.45**	**296.00**	**1,00,187.33**	**82.00**	**46,017.99**	**10.00**	**9,212.30**	**5.00**	**5,171.70**	**-**	**-**

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**	**2,51,844.17**	**4,961.71**	**3,41,795.35**
Proceeds	29,450.00	3,64,656.92	21,973.42	4,16,080.34
Repayment	(47,283.00)	(2,34,989.49)	(24,644.92)	(3,06,917.41)
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**	**3,81,549.11**	**2,290.21**	**4,50,064.98**
Proceeds	1,11,500.00	192,545.00	-	3,04,045.00
Repayment	(35,575.00)	(2,54,759.27)	(2,266.55)	(2,92,600.82)
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	**1,43,382.37**	**3,19,334.54**	**-**	**4,62,716.91**

* Fair value changes in external commercial borrowings availed during the year. (Also, refer note 41.15)

18 Subordinated liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Redeemable Non-Convertible Debentures (Unsecured) - Subordinated Debt (At Amortised Cost)	21,476.92	11,633.90
Total	**21,476.92**	**11,633.90**
Subordinated liabilities in India	21,476.92	11,633.90
Subordinated liabilities outside India	-	-
Total	**21,476.92**	**11,633.90**

19 Other financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
(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
Total	**6,043.41**	**4,299.67**

20 (a) Current tax liabilities (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for taxation (net)	725.91	-
Total	**725.91**	**-**

20 (b) Provisions (Also, refer note 35)

Particulars	As at 31 March 2021	As at 31 March 2020
(a) Provision for compensated absences	1,189.94	1,126.34
(b) Provision for gratuity	316.81	30.84
Total	**1,506.75**	**1,157.18**

21 Other non financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
(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
Total	**3,440.39**	**29,922.61**

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.

23 Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
(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
Total	**1,00,212.30**	**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

Particulars	As at 31 March 2021	As at 31 March 2020
(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**
(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)	**1,00,212.30**	**98,620.69**

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(All amounts in ₹ lakhs unless otherwise stated)

24 (a) Interest income

Particulars	As at 31 March 2021	As at 31 March 2020
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
Total	**95,762.88**	**91,338.06**

24 (b) Net gain on derecognition of financial instruments under amortised cost category

Particulars	As at 31 March 2021	As at 31 March 2020
Net gain on derecognition of financial instruments under amortised cost category	7,147.98	12,590.98
Total	**7,147.98**	**12,590.98**

24 (c) Dividend income

Particulars	As at 31 March 2021	As at 31 March 2020
Dividend income from mutual funds	1,286.86	947.06
Total	**1,286.86**	**947.06**

25 Other operating income

Particulars	As at 31 March 2021	As at 31 March 2020
Loss assets recovered	1,099.17	629.84
Total	**1,099.17**	**629.84**

26 Other income

Particulars	As at 31 March 2021	As at 31 March 2020
(a) Referral fees	2,271.21	4,543.28
(b) Miscellaneous income	150.26	95.18
Total	**2,421.47**	**4,638.46**

27 Finance cost

Particulars	As at 31 March 2021	As at 31 March 2020
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
Total	**45,754.14**	**40,943.86**

28 Impairment of financial instruments (At amortised cost)

Particulars	As at 31 March 2021	As at 31 March 2020
Loans (Also, refer note 7.3)	29,980.94	14,737.61
Total	**29,980.94**	**14,737.61**
Less : Exceptional item	-	5,502.64
Total	**29,980.94**	**9,234.97**

29 Employee benefit expenses

Particulars	As at 31 March 2021	As at 31 March 2020
(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
Total	**18,852.94**	**15,020.44**

30 Depreciation and amortisation expense (Also, refer note 12)

Particulars	As at 31 March 2021	As at 31 March 2020
(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
Total	**1,183.72**	**714.45**

31 Other expenses

Particulars	As at 31 March 2021	As at 31 March 2020
(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
Total	**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:

Particulars	As at 31 March 2021	As at 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	As at 31 March 2021	As at 31 March 2020
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

Particulars	As at 31 March 2021	As at 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
Total	**1,442.23**	**1,335.46**

35.2 Compensated absences

Particulars	As at 31 March 2021	As at 31 March 2020
Expenses recognised		
Included under salaries and wages (Refer Note 29)	324.68	733.99
Total	**324.68**	**733.99**

Particulars	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**

The key assumptions used in the computation of provision for compensated absences are as given below:

Particulars	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 :

Particulars	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 :

Particulars	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)
Total	**(316.81)**	**(30.84)**

(c) Movement in the present value of the defined benefit obligation are as follows :

Particulars	As at 31 March 2021	As at 31 March 202
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).		

(d) Movement in fair value of plan assets are as follows :

Particulars	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 from 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 :

Particulars	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.

Sensitivity analysis:

The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability.

Particulars	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):

Particulars	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 [(Gain)/Loss]	(170.64)	(17.04)	(35.36)	(58.09)	(3.52)
Experience adjustment on plan assets [Gain/(Loss)]	(13.64)	(14.02)	(2.65)	(24.53)	0.87

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

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	-	-	-	-

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 :

Particulars	As at 31 March 2021	As at 31 March 2020
Borrowings	4,62,716.91	4,50,064.97
Cash and bank balance	(64,846.87)	(1,20,074.44)
Net debt (A)	**3,97,870.04**	**3,29,990.53**
Equity share capital	5,331.19	5,331.19
Other equity	1,00,212.30	98,620.69
Total equity (B)	**1,05,543.49**	**1,03,951.88**
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	4,79,519.17	4,34,327.51	4,79,519.17	4,34,327.51
- Cash and cash equivalents	64,846.87	1,20,074.44	64,846.87	1,20,074.44
- 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	**5,69,736.49**	**584,263.16**	**5,69,736.49**	**5,84,263.16**
(b) Financial liabilities :				
Measured at amortised cost				
- Debt securities	1,21,905.45	56,881.96	1,21,905.45	56,881.96
- Borrowings (other than debt security)	3,19,334.54	3,81,549.11	3,19,334.54	3,81,549.11
- 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	**4,71,342.84**	**4,56,127.34**	**4,71,342.84**	**4,56,127.34**

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.

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	1,20,060.88
Bank balance other than above	Low credit risk	18,721.99	20,229.57
Loans	Low credit risk	4,60,895.64	4,32,524.67
Loans	Moderate credit risk	18,605.43	1,802.84
Loans	High credit risk	18.10	-
Loan given to staff	Low credit risk	76.52	102.30
Investments	Low credit risk	5.00	5.00
Other financial assets	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.

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	1,20,074.44	20,229.57	102.30	5.00	9,524.34
Less: Expected credit losses	-	-	-	-	-
Net carrying amount	**1,20,074.44**	**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	**3,52,755.62**	**1,017.38**	**1,814.16**
Assets originated*	4,42,786.25	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)	(3,45,483.40)	(588.98)	(1,443.46)
Write - offs (including death cases)	-	-	(1,614.65)
Gross carrying amount as at 31 March 2020	**4,42,384.73**	**1,842.76**	**8,610.13**
Assets originated*	3,32,228.88	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)	(2,57,786.34)	(101.43)	(608.42)
Write - offs (including death cases)	-	-	(14,346.16)
Gross carrying amount as at 31 March 2021	**4,70,496.16**	**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.*

(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	5,09,303.14	4,51,369.70
Micro, small and medium enterprise (MSME)	4,107.54	1,467.92
Gold loans	253.38	-
Total	**5,13,664.06**	**4,52,837.62**

(*) 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.

(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:

Particulars	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

Particulars	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
Total	**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	-
Total	**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 2016-17 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)

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

Particulars	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.*

41.8 Sector-wise NPAs:

Particulars	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)

Particulars	As at 31 March 2021	As at 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
Total	**37,498.94**	**25,564.56**

41.10 Movement of NPAs

Particulars	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)
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	-	-
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)
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.

41.14 Investments

Particulars	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	-	-
Closing balance	-	-

41.15 Derivatives:

Particulars	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:

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

Particulars	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

Particulars	As at 31 March 2021	As at 31 March 2020
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)

Asirvad Micro Finance Limited
Notes forming part of the financial statements for the year ended 31 March 2021
(All amounts in ₹ lakhs unless otherwise stated)

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	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**	**111,703.75**	**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 68,041.66
Market Borrowings	-	-	-	1,083.33	3,541.67	3,500.00	19,616.67	17,746.65	22,553.35	-	59,087.77
Securitisation	-	-	-	-	6,444.96	22,958.69	26,316.68	3,367.45	-	-	
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**	**-**	**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**	**44,2996.79**

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	149,720	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

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 (other than falling within the meaning of public deposits)	52,316.64	-	35,982.87	-
(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	-	-

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
Total		**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.

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
Total		**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	-	-	-	-

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
Total	**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	-	-	-	-
Other contractual funding obligations	37,270.49	42,861.06	29,820.96	34,294.10
Other contingent funding obligations	-	-	-	-
Total	**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
Total	**48,883.40**	**36,662.55**	**42,277.22**	**31,707.91**

Liquidity coverage ratio

Particulars	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%.

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:

Particulars	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.

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 income	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

50 Employee Stock Option Scheme (ESOS), 2019

The details of the Employee Stock Option Scheme 2019 are as under:

Date of share holders' approval	March 16, 2019
Number of options approved	830,000
Date of grant	July 1, 2019
Number of options granted	830,000
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	The exercise period for the vested options shall be one year from the date of last vesting of the respective tranche
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 one year from the date of last vesting of the respective tranche.

The summary of the movements in options is given below:

Particulars	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
Total	**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

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
Membeship 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

“On the other side of a storm is the strength that comes from having navigated through it. Raise you sail and begin.”

- Gregory S. William

17

Corporate & CSR Activities

Corporate Events

Gold Loan Branch Opening







Women's Day Celebration





CSR Activities

Neonatal Ambulance Service









Management Team



Do not Judge me by my Success,
Judge me by how many times
I Fell down and got back up again

- Nelson Mandela

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		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	00		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		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		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		0.00	0.00	0.00
2.Reserves & Surplus (i+ii+iii+iv+v+vi+vii+viii+ix+x+xi+xii+xiii+xiii)	Y060	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	101,874.14	101,874.14	0		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		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		0.00	0.00	0.00
(iii) Statutory/Special Reserve (Section 45-IC reserve to be shown separately below item no.(vii))	Y090	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,025.56	10,025.56	0		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		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		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		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		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	35,501.76	35,501.76	0		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		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		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		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		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	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		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	0.00	0.00	0		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		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		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		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		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	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		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		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		0.00	0.00	0.00
6.Borrowings (i+ii+iii+iv+v+vi+vii+viii+ix+x+xi+xii+xiii+xiv)	Y300	3,239.76	7,427.89	15,545.99	29,716.05	88,132.85	71,398.41	150,224.44	248,165.21	37,698.74	14,946.00	666,495.34	00		1,382.58	10,800.88	29,900.04
(i) Bank Borrowings (a+b+c+d+e+f)	Y310	680.04	4,868.17	12,986.27	17,349.38	41,441.18	46,773.40	84,344.44	154,843.39	18,236.68	4,446.00	385,968.95	0		1,350.66	4,144.21	15,672.21
a) Bank Borrowings in the nature of Term Money Borrowings (As per residual maturity)	Y320	680.04	4,868.17	12,986.27	17,349.38	41,441.18	46,773.40	84,344.44	130,975.39	13,790.68	0.00	353,208.95	0		1,350.66	4,144.21	15,672.21
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		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		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		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	23,868.00	4,446.00	4,446.00	32,760.00	00		0.00	0.00	0.00
f) Other bank borrowings	Y370	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0		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		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	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		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		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		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	00		0.00	0.00	0.00
(viii) Borrowings from Others (Please specify)	Y440	2,559.72	2,559.72	2,559.72	7,679.17	15,358.34	23,037.51	46,075.01	4,495.14	9,462.06	0.00	113,786.39	0		0.00	983.69	10,630.88
(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		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		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		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	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		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		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	00		0.00	0.00	0.00
(x) Non - Convertible Debentures (NCDs) (A+B)	Y520	0.00	0.00	0.00	4,687.50	21,333.33	1,587.50	19,804.99	87,326.68	0.00	10,500.00	145,240.00	0		31.92	5,672.98	3,596.95
A. Secured (a+b+c+d+e+f+g)	Y530	0.00	0.00	0.00	3,750.00	18,333.33	150.00	10,263.32	62,373.35	0.00	0.00	94,870.00	0		31.92	5,672.98	3,596.95
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		0.00	0.00	0.00
(b) Subscribed by Banks	Y550	0.00	0.00	0.00	3,750.00	18,333.33	0.00	9,166.67	13,000.00	0.00	0.00	44,250.00	00		31.92	5,672.98	3,596.95
(c) Subscribed by NBFCs	Y560	0.00	0.00	0.00	0.00	0.00	0.00	0.00	36,080.00	0.00	0.00	36,080.00	0		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		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		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	00		0.00	0.00	0.00
(g) Others (Please specify)	Y600	0.00	0.00	0.00	0.00	0.00	150.00	1,096.65	13,293.35	0.00	0.00	14,540.00	0		0.00	0.00	0.00
B. Un-Secured (a+b+c+d+e+f+g)	Y610	0.00	0.00	0.00	937.50	3,000.00	1,437.50	9,541.67	24,953.33	0.00	10,500.00	50,370.00	0		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	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		0.00	0.00	0.00
(c) Subscribed by NBFCs	Y640	0.00	0.00	0.00	937.50	3,000.00	1,437.50	9,541.67	24,953.33	0.00	10,500.00	50,370.00	0		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		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	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		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		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 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		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		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		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		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 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		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		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		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 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		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		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		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		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		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		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		0.00	0.00	0.00
(xii) Subordinate Debt	Y860	0.00	0.00	0.00	0.00	10,000.00	0.00	0.00	1,500.00	10,000.00	0.00	21,500.00 0		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		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		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		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		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		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		0.00	0.00	0.00
7.Current Liabilities & Provisions (a+b+c+d+e+f+g+h)	Y930	1,023.56	2,470.17	9,244.63	0.00	0.00	1,497.57	2,447.44	4,770.23	0.00	26,502.25	47,955.85 0		0.00	0.00	0.00
a) Sundry creditors	Y940	0.00	0.00	2,688.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,688.28 0		0.00	0.00	0.00
b) Expenses payable (Other than Interest)	Y950	837.14	0.00	3,189.01	0.00	0.00	1,497.57	2,447.44	4,770.23	0.00	0.00	12,741.39 0		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	0.00	0.00	0.00	0.00	0.00 0		0.00	0.00	0.00
(d) Interest payable on deposits and borrowings	Y970	186.42	2,470.17	3,367.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,023.93 0		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	26,502.25	26,502.25 0		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		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		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		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		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		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		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		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		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		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		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		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		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		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		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		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		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		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		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		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		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		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		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		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		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		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		0.00	0.00	0.00
A. TOTAL OUTFLOWS (A) (Sum of 1 to 13)	Y1250	4,263.32	9,898.06	24,790.62	29,716.05	88,132.85	72,895.98	152,671.88	252,935.44	37,698.74	148,653.58	821,656.52 0		1,382.58	10,800.88	29,900.04
A1. Cumulative Outflows	Y1260	4,263.32	14,161.38	38,952.00	68,668.05	156,800.90	229,696.88	382,368.76	635,304.20	673,002.94	821,656.52	821,656.52 0		1,382.58	12,183.46	42,083.50
B. INFLOWS																
1. Cash (In 1 to 30/31 day time-bucket)	Y1270	2,268.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,268.64 0		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		0.00	0.00	0.00
3. Balances With Banks	Y1290	35,160.52	31,800.00	12,600.00	525.00	33.25	0.10	6,573.33	2,000.00	0.00	0.00	88,692.20 0		2,500.00	7,200.00	882.43
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	23,860.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23,860.52 0		0.00	0.00	0.00
b) Deposit Accounts /Short-Term Deposits (As per residual maturity)	Y1310	11,300.00	31,800.00	12,600.00	525.00	33.25	0.10	6,573.33	2,000.00	0.00	0.00	64,831.68 0		2,500.00	7,200.00	882.43
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	10,713.50	10,713.50 0		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	10,713.50	10,713.50 0		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		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		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		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		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		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		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		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	0.00	0.00 0		0.00	0.00	0.00
5.Advances (Performing)	Y1420	11,703.57	11,703.57	29,444.38	44,295.10	52,069.55	133,962.75	199,046.95	202,297.71	1,882.21	27.55	686,433.34 0		10,844.87	10,715.02	26,993.98
(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		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	11,703.57	11,703.57	29,444.38	44,295.10	52,069.55	133,962.75	199,046.95	202,297.71	1,882.21	27.55	686,433.34	0		10,844.87	10,715.02	26,993.98
(a) Through Regular Payment Schedule	Y1450	11,703.57	11,703.57	29,444.38	44,295.10	52,069.55	133,962.75	199,046.95	202,297.71	1,882.21	27.55	686,433.34	0		10,844.87	10,715.02	26,993.98
(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		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		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		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		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		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		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		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		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		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		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		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	10,828.13	10,828.13	0		0.00	0.00	0.00
9. Other Assets :	Y1580	154.32	19.99	0.00	527.06	68.73	200.82	20,326.58	912.88	0.00	510.33	22,720.71	0		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	236.22	236.22	0		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	154.32	19.99	0.00	527.06	68.73	200.82	11,283.17	912.88	0.00	274.11	13,441.08	0		0.00	0.00	0.00
(c) Others	Y1610	0.00	0.00	0.00	0.00	0.00	0.00	9,043.41	0.00	0.00	0.00	9,043.41	0		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		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		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		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		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		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		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		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		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		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		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		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		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		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		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		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		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		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		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		0.00	0.00	0.00
B. TOTAL INFLOWS (B) (Sum of 1 to 11)	Y1810	49,287.05	43,523.56	42,044.38	45,347.16	52,171.53	134,163.67	225,946.86	205,210.59	1,882.21	22,079.51	821,656.52	0		13,344.87	17,915.02	27,876.41
C. Mismatch (B - A)	Y1820	45,023.73	33,625.50	17,253.76	15,631.11	-35,961.32	61,267.69	73,274.98	-47,724.85	-35,816.53	-126,574.07	0.00	0		11,962.29	7,114.14	-2,023.63
D. Cumulative Mismatch	Y1830	45,023.73	78,649.23	95,902.99	111,534.10	75,572.78	136,840.47	210,115.45	162,390.60	126,574.07	0.00	0.00	0		11,962.29	19,076.43	17,052.80
E. Mismatch as % of Total Outflows	Y1840	1056.07%	339.72%	69.60%	52.60%	-40.80%	84.05%	48.00%	-18.87%	-95.01%	-85.15%	0.00%	0		865.22%	65.87%	-6.77%
F. Cumulative Mismatch as % of Cumulative Total Outflows	Y1850	1056.07%	555.38%	246.21%	162.43%	48.20%	59.57%	54.95%	25.56%	18.81%	0.00%	0.00%	0		865.22%	156.58%	40.52%

PROCESS MANUAL

OPERATIONS

PART 1

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Approved by : National Head – Operations

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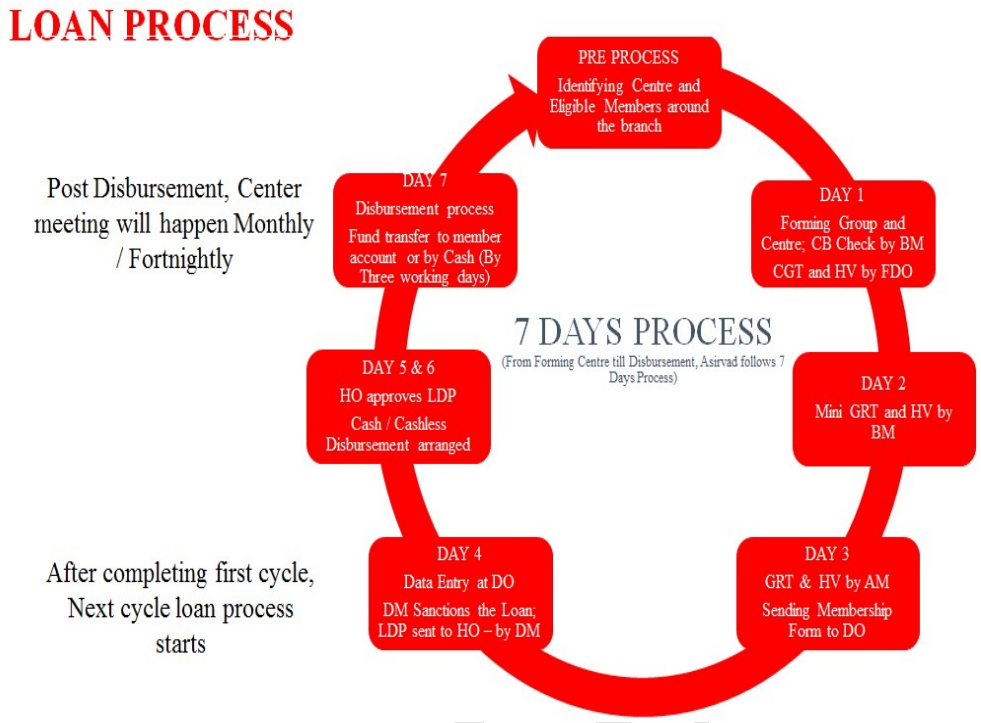
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Our Loan Process :

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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ASIRVAD MICROFINANCE LIMITED

Subsidiary of MANAPPURAM FINANCE LTD.

Small Loans... Big Dreams...

1000+	2MN+	5000CR+	1000CR+
BRANCHES	CUSTOMERS	AUM	REVENUE



13TH ANNUAL REPORT 2019-20

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Corporate Information

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1. COMPANY	Asirvad Micro Finance Limited
2. CORPORATE IDENTIFICATION NUMBER	U65923TN2007PLC064550
3. REGISTERED OFFICE	1st Floor, Desabandhu Plaza, 47, Whites Road, Royapettah, Chennai – 600 014, +91- (44) 4351 0081
4. CORPORATE OFFICE	9th & 10th Floor, 9, Club House Rd, Anna Salai, Chennai, 600002, +91- (44) 4212 4493
5. MANAGING DIRECTOR	Mr. SV Raja Vaidyanathan
6. CHIEF OPERATING OFFICER	Mr. S Ramachandran
7. CHIEF FINANCIAL OFFICER	Mr. Yogesh Ratnakar Udhoji
8. CHIEF TECHNOLOGY OFFICER	Mr. Anand Sharma
9. CHIEF RISK OFFICER	Mr. BB Vasaudeva Rao
10. HEAD (HUMAN RESOURCE)	Mr. Bikram Mishra
11. COMPANY SECRETARY	Mr. Anup Kumar Gupta
12. STATUTORY AUDITORS	M/s. Deloitte Haskins & Sells, Chartered Accountants, 8, ASV N Ramanas Towers, No. 52, (Old No.37) Floor-1,7,9 Venkatanarayana Road, T.Nagar, Chennai - 600 017.
13. SECRETARIAL AUDITORS	Mr. S Hari No.3, Palat Madhavan Road, 1ST Floor, Mahalingapuram Chennai - 600 034 :+91- (44) 2817 4480
14. INTERNAL AUDITOR	Mr. Shanavas PA
15. REGISTRARS & TRANSFER	SKDC Consultants Limited AGENTS PB No. 2016, Kanapathy Towers, 3rd Floor 391/A1, Sathy Road, Ganapathy Post, Coimbatore – 641 006 T.N +91-(422) 4958995, 2539835
16. DEBENTURE TRUSTEES	Catalyst Trusteeship Limited (Erstwhile GDA Trusteeship Limited) Windsor, 6TH Floor, Office No- 604 C.S.T. Road, Kalina, Santacruz (East) Mumbai – 400 098 IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17, R. Kamani Marg Ballard Estate, Mumbai- 400 001 Ph No: (22) 40807020

List of Lenders

Refinance Institution
NABARD
PSU Banks
Andhra Bank
Bank of Baroda
Bank of India
Bank of Maharashtra
Indian Bank
Indian Overseas Bank
Oriental Bank of Commerce
State Bank of India
Syndicate Bank
Union Bank of india
United Bank of India
Private Sector Banks
AU Small Finance Bank Ltd
Axis Bank Ltd
Bandhan Bank Ltd
CSB Bank Ltd
DCB Bank Ltd
Equitas Small Finance Bank Ltd
HDFC Bank Ltd
ICICI Bank Ltd
IDBI Bank Ltd
IDFC Bank Ltd
IndusInd Bank Ltd
Kotak Mahindra Bank Ltd
Lakshmi Vilas Bank Ltd
RBL Bank Ltd
South Indian Bank Ltd
The Federal Bank Ltd
Ujjivan Small Finance Bank Ltd
YES Bank Ltd.

Foreign Banks
Bank of Bahrain and Kuwait
CTBC Bank
HSBC Bank
SBM Bank (Mauritius) Ltd
SMBC Bank
Standard Chartered Bank
Woori Bank
NBFCs
Aditya Birla Finance Ltd
Bajaj Finance Ltd
Cholamandalam Investment and Finance Company Ltd
Credit Suisse Securities (India) Private Limited
Hero Fincorp Ltd
Hinduja Leyland Finance Ltd
IFMR Capital Finance Pvt. Ltd
Karvy Capital Ltd
LKP Securities Ltd
Nabkisan Finance Ltd
Nabsamruddhi Finance Ltd
Reliance Home Finance Ltd
Royal Sundaram General Ins. Co. Ltd
Shapoorji Pallonji Finance Pvt. Ltd.
Tata Capital Ltd
Mutual Funds
Birla Sunlife Mutual Fund
Reliance Mutual Fund
FIIs
Blue Orchard
WaterCredit Investment Fund 3, LP

Board and Sub Committees

2

BOARD OF DIRECTORS

VP Nandakumar	-Chairman
SV Raja Vaidyanathan	-Managing Director
BN Raveendra Babu	-Director
Gautam Saigal	-Director
A Ramanathan	-Independent Director
Desh Raj Dogra	-Independent Director
TM Manoharan	-Independent Director
T Balakrishnan	-Independent Director
Pushya Sitaraman	-Independent Director
Abijith Sen	-Additional Director
SK Mitra	-Additional Director

NOMINATION & REMUNERATION COMMITTEE

T Balakrishnan	-Chairman
A Ramanathan	-Member
BN Raveendra Babu	-Member
Gautam Saigal	-Member

Borrowing & Securities Allotment Committee

SV Raja Vaidyanathan	-Chairman
VP Nandakumar	-Member
A Ramanathan	-Member
BN Raveendra Babu	-Member

RISK MANAGEMENT COMMITTEE

Gautam Saigal	-Chairman
TM Manoharan	-Member
Abhijit Sen	-Member
Desh Raj Dogra	-Member
SV Raja Vaidyanathan	-Member
BB Vasudeva Rao	-Member cum Secretary

AUDIT COMMITTEE

Desh Raj Dogra	-Chairman
T Balakrishnan	-Member
Gautam Saigal	-Member
A Ramanathan	-Member
Pushya Sitaraman	-Member
Abijith Sen	-Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

TM Manoharan	-Chairman
SV Raja Vaidyanathan	-Member
Pushya Sitaraman	-Member

ASSET LIABILITY COMMITTEE

SV Raja Vaidyanathan	-Chairman
Yogesh Udhoji	-CFO & Secy
Ramachandran	-COO

IT STRATEGY COMMITTEE

A Ramanathan	-Chairman
S V Raja Vaidyanathan	-Member
SK Mitra	-Member
BN Raveendra Babu	-Member
Anand Sharma	-CTO

MANAGEMENT COMMITTEE

Abhijit Sen	-Chairman
SV Raja Vaidyanathan	-Member
A Ramanathan	-Member
Gautam Saigal	-Member
Desh Raj Dogra	-Member
BN Raveendra Babu	-Member

TAMIL NADU







ஆசிர்வாத் எங்கள்
வாழ்வை
ஆசிர்வதிக்கிறது

Directors' Profile

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VP Nandakumar

Post graduate in Science, with additional qualifications in Banking & Foreign Trade. He is the Managing Director & CEO of Manappuram Finance Ltd. In December 2013, he took part in a Global Strategic Leadership Program at the Wharton Business School, Philadelphia (USA). He acts as a managing Committee member of leading trade and industry associations such as ASSOCHAM and FICCI.

He is the Chairman of the Kerala state council of the Confederation of Indian Industry (CII). He promoted Manappuram Finance Ltd. in 1992 and today the company has a pan-India presence with 3747 branches across 27 Indian states. Business Today, a leading business magazine ranked him among India's Top 100 CEOs. Earlier, in December 2013, Business World had listed his name amongst India's Most Valuable CEOs. He is widely recognized as a leading wealth creator for investors in India's stock market circles.



SV Raja Vaidyanathan

B.Tech (IIT Madras), MBA (IIM Calcutta), AICWAI, ACS and has more than 43 years of experience in the field of Financial Services, Infrastructure, Media, Telecom & Retail sectors in the large private sector. He is the founder Chairman and the Managing Director of the Company.



Gautam Saigal

Chartered Accountant and a postgraduate in Commerce from the Calcutta University. Mr Gautam Saigal is founding partner of Pachira Financial Services LLP. He has over 24 years of experience in financial services covering private equity investment, investment banking and advisory services. Till mid-2013, Gautam was the Managing Director of AA Indian Development Capital Advisors Ltd., advisors to the India dedicated mid-market focussed private equity fund launched by the Ashmore Group and Alchemy Partners, UK. Prior to this, he was Vice President, AIG Global Investment Group (Asia) and Co-Head of its India private equity advisory practice. Gautam has been a member of the Board of team and Board Committees in several companies including in Financial services, Telecom, Energy distribution, Healthcare, IT services, Consumer products, logistics, Infrastructure etc.



BN Raveendra Babu

Post Graduate in Commerce from the Calicut University and completed his intern from the Institute of Certified Management Accountants. He held senior positions in Finance and Accounts in various organizations in the Middle East. Further, he was also on the Board of Manappuram Finance Limited as an Executive Director.



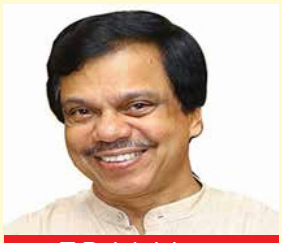
A Ramanathan

M.B.A. He retired as a Chief General Manager from NABARD in Micro Credit innovations Department. He is an expert in Institutional Development, Organisational Development, Organisational Behaviour, Small Business Development, Training need assessment, Training techniques, etc. He has more than 35 yrs of rich experience in the banking industry.



DR Dogra

MBA (Finance), Former Managing Director & CEO of CARE Ratings. Have around 39 years of experience in the financial sector in the areas of banking and credit rating. He is expertise in product conception and development across all sectors including Manufacturing, Infrastructure, Finance, and SME among others. Have maintained a high growth trajectory after taking over as acting Managing Director and made CARE the second largest rating agency.



T Balakrishnan

is a retired officer of an Indian Administrative Services of Kerala Cadre. He holds Post Graduate Degree in Political Science & International Relations and Bachelor Degree in History & Economics from Delhi University. He has rich and intensive experience in the Administrative, Industrial Development, Tourism, and Infrastructure. In addition, he has been well trained in diverse areas of Public Administrative and attended various seminars/ conferences at National and International levels.



TM Manoharan

is a retired officer of Indian Forest Service (IFS). He was Principal Chief Conservator of Forests and Head of Forest Forces, Kerala, and Chairman of Kerala State Electricity Board. He holds a Master Degree in Chemistry and Sociology. Besides these, he is a law graduate.



Pushya Sitaraman

is a Law graduate from Madras Law College and holds a Bachelor's degree in Arts from Stella Maris College. She is a designated Senior Advocate of the Madras High Court and has been practising as an advocate for over 35 years, specializing in the field of taxation and corporate laws.



Abhijit Sen

He retired as Chief Financial Officer- Citi Bank, India Subcontinent in 2015 after serving the organization for almost 20 years. Post Retirement, he is associated with the big four firm as an External Advisor, for their activities in the Banking and Financial Services Sector. He serves on several Boards including Kalyani Forge Limited, Trent Ltd, U Gro Capital, Ujjivan Micro-Finance Limited and Cashpor Microcredit. He also chairs the Audit Committee of reputed organizations. In the past, he was on the Board of National Securities Depository Limited (NSDL). He has a B.Tech (Hons) degree from the IIT, Kharagpur and a PGDM from the IIM, Kolkata with majors in Finance & Information System.



Subrata Kumar Atindra Mitra

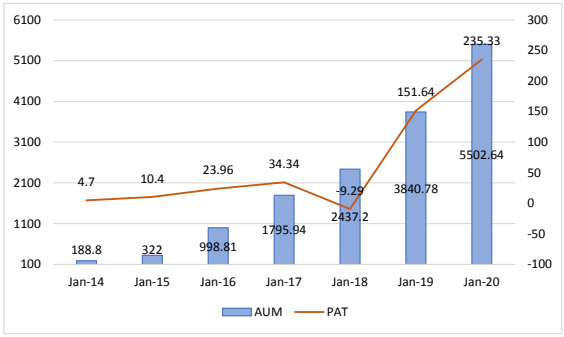
In the year 1977, Mr. S.K Mitra started his career with Bank of India and played a vital role in setting up the Merchant Banking Division of the Bank. During the period from 1978 to 1984, he worked for Standard Chartered Bank in Mumbai where he played a role as advisor for several domestic and international business houses in setting up manufacturing projects in India. Later, in year 1985, Mr. Mitra joined American Express Bank and was the head of Corporate Banking and Investment Banking in India. He also worked for the GIC Mutual Fund, Aditya Birla Group. He joined Aditya Birla Group in 1994 as Director, Financial Services. Served as Independent Director on the Board and Committees of several reputed organization. Currently, he is India Correspondent for Asia Asset Management, Hong Kong.

The Asirvad Journey

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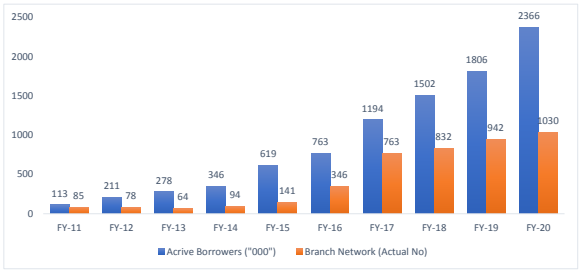
PORTFOLIO & PROFITABILITY GROWTH

Particulars (Rs. in Crores)	Mar 20	Mar 19	Mar 18	Mar 17	Mar 16	Mar 15	Mar 14
PAT	235.33	151.64	-9.29	34.34	23.96	10.4	4.7
AUM	5502.64	3838.00	2437.2	1795.94	998.81	322	188.8



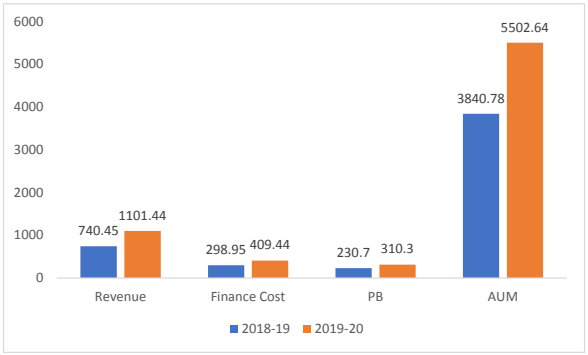
OPERATIONAL METRICS

Operations Information	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20
Acrive Borrowers ("000")	113	211	278	346	619	763	1194	1502	1806	2366
Branch Network (Actual No)	85	78	64	94	141	346	763	832	942	1030

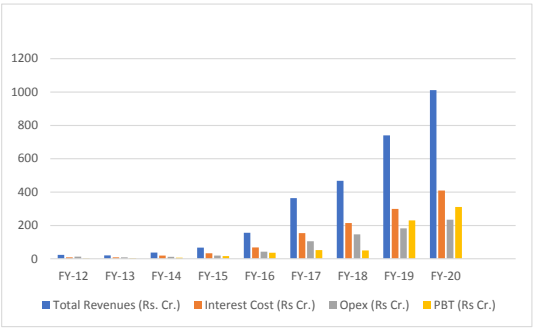


FINANCIAL HIGHLIGHTS

Finance	Revenue	Finance Cost	PB	AUM
2018-19	740.45	298.95	230.7	3840.78
2019-20	1101.44	409.44	310.3	5502.64



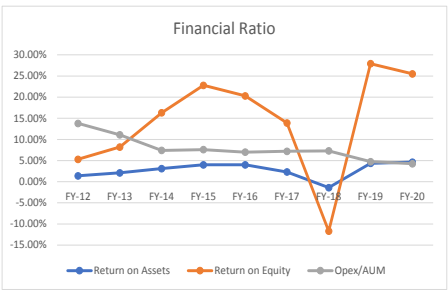
FINANCIAL SNAPSHOTS



	FY-12	FY-13	FY-14	FY-15	FY-16	FY-17	FY-18	FY-19	FY-20
Total Revenues (Rs. Cr.)	24	20	37	67	156	364	468	740.45	1011.44
Interest Cost (Rs Cr.)	9	9	19	33	68	154	214	298.95	409.44
Opex (Rs Cr.)	13	9	12	19	43	105	146	182.38	234.33
PBT (Rs Cr.)	2	3	7	16	36	52	50	230.7	310.3

FINANCIAL RATIOS

	FY-12	FY-13	FY-14	FY-15	FY-16	FY-17	FY-18	FY-19	FY-20
Return on Assets	1.40%	2.10%	3.10%	4%	4%	2.30%	-1.40%	4.36%	4.63%
Return on Equity	5.30%	8.20%	16.30%	22.80%	20.30%	13.90%	-11.70%	27.92%	25.52%
Opex/ AUM	13.80%	11.10%	7.40%	7.60%	7%	7.20%	7.30%	4.75%	4.26%









ASIRVAD

WEST BENGAL

आशीर्वाद ने मुझे कामवाली से एक उघमी में बदल दिया।

Letter from Chairman

5



V.P. Nandakumar
Chairman

Dear Share Holders,

It is my pleasure to present to you our 13th Annual Report for the year ended March 31, 2020. I am pleased to announce that Asirvad Micro Finance Limited has delivered industry-leading growth in AUM and profitability. In fact, over the last five years, the Company has reported an AUM growth of nearly 17 times, increasing from ₹ 3,220 million in FY14-15 to ₹ 55,026 million in FY19-20. India's Microfinance sector has also done well over this period, with AUM growing from ₹ 400 billion in FY15 to more than ₹ 2 tillion in FY20. Based on current trends and prospects, we are confident of our continuing outperformance over the industry in the foreseeable future as well.

Economic Outlook

The Indian economy has been undergoing a protracted slowdown in growth, even before the outbreak of Covid-19, as stress in the financial and real sector fed into each other. India recorded its slowest growth performance in 11 years at 4.2 percent GDP growth in FY20. Fitch expects economic activity to contract by 5 percent in the fiscal year ending March 2021 (FY21) due to the strict lockdown measures imposed in the last week of March 2020, before rebounding to 9.5 percent in FY22. India's medium-term GDP growth outlook may be negatively affected by renewed asset-quality challenges in banks and liquidity issues in NBFCs. The financial sector was already facing weak business and consumer confidence for some years before the crisis and this was aggravated by certain high-profile defaults in the NBFC sector arising from lapses in governance. The year 2021 could potentially be a watershed moment, with the Government taking a series of fiscal measures to generate demand and ease the liquidity pressure, which gives rise to hopes of green shoots appearing sometime in Q3 at least. These measures include directing public sector banks to lend more to NBFCs, introducing credit guarantee scheme, relaxation in norms on external commercial borrowings, loan co-origination with banks, among others.

Outlook for Non-Banking Financial Companies (NBFCS)

A renewed rise in NPLs and the need for further financial government support now appears likely despite regulatory measures announced by the RBI. These measures include an extension of the 90-day moratorium on recognition of impaired loans to 180 days and several relaxations in bank lending limits such as allowing banks to fund interest on working-capital loans. These moves will impose a heavy burden particularly on public-sector banks to bail out the affected sectors and extend impaired-loan recognition, which can heighten solvency risks if not met by adequate and timely capital support. India Ratings and Research (Ind-Ra) has maintained a Negative Outlook for NBFCs for FY21. It sees multiple headwinds in terms of slower balance sheet growth and elevated slippages, leading to weaker profitability for the sector. It expects NBFCs to grow their portfolio at 8 to 10 percent in FY21, driven by retail focused NBFCs with good track record and an established franchise. The slowdown in auto sales, cash flow challenges for small businesses, and sluggishness in real estate sector is likely to pose challenges to the collection and recovery teams.

Outlook for Microfinance Institutions (MFIS)

Rating agency ICRA expects the securitisation volumes for NBFC-MFIs to be impacted significantly in 2020-21 due to the Covid-19 pandemic negatively affecting the operational activities during the first quarter and the availability of securitisable loans in originators' books (due to substantially lower incremental disbursements in the first quarter of FY21). Profitably is likely to remain subdued on account of compression in margins arising from higher on-balance sheet liquidity, a higher proportion of long-term borrowings, and hardening of funding cost for a few select players. Due to the asset quality pressures, a rise in credit cost could affect profitability, with NBFCs turning conservative and making higher provisions on stressed asset classes. Also, the benefit of operating leverage may not accrue to NBFCs due to slower growth in the portfolio. A steadily declining investment rate in the economy has been a major factor causing deceleration in growth prior to the Coronavirus crisis. The balance sheets of the corporate sector, banks, as well as the government, have been under severe stress, and the policy focus on reducing policy rates has not been enough to lift sentiments. Despite a lower cost of borrowing, banks continued to be risk-averse and unwilling to lend, while borrowers were hesitant to borrow due to the uncertainty of a slowing economy. ICRA expects MFI credit costs to double from the present levels of 1-1.5 percent to 2.5-3 percent for most players, which is likely to impact their profitability (RoEs) by 3-5 percent in FY2021. The impact on credit costs could be higher if the pandemic leads to a permanent loss of livelihood or significant decline in income for a section of the borrowers which would impact their repayment capacity.

Performance of the Company

Your company was able to maintain the momentum in growth of recent years, following the sharp slowdown immediately after Demonetisation in November, 2016. The company expanded to newer geographies such as Sikkim and Goa, which are also emerging as growth markets. Asirvad is ranked as the 4th largest NBFC MFI in India (source: MFIN Micrometer). The Company has a network of 1,030 branches across 22 States with presence in 316 districts and 2,09,956 centers. It follows a policy of continuus re-assessment of concentration risk and diversication. During the year, the Company passed on the benefit of lower interest rate charged by its lending banks and Financial Institutions by reducing the rate of interest charged to its customers from 21.70 percent to 21.30 percent per annum. Asirvad's AUM grew by 43.27 percent from ₹ 38,408 million in FY18-19 to ₹ 55,026 million in FY19-20, active loan accounts increased by 31.1 percent to 2.36 million from 1.8 million last year. A total of 1.19 million loan accounts were disbursed during the Financial year, and these loans have a 97.92 percent repayment rate. The Company's opera-

tional revenue grew by 53.6 per cent to ₹ 10,551 million for FY19-20 compared with ₹ 6,869 million for FY18-19. Provisions stood at ₹ 1,474 million including the standard provision of ₹ 636 million made for FY-19-20 as per the company's policy. We are now servicing over 2.36 million customers in 22 states. Your Company has forayed into lending for MSME enterprises against the security of property having started operations in 15 branches across Andhra Pradesh, Karnataka and Tamil Nadu. The Company's MSME loan book at the end of the year stood at Rs.136 million.

Thank You!

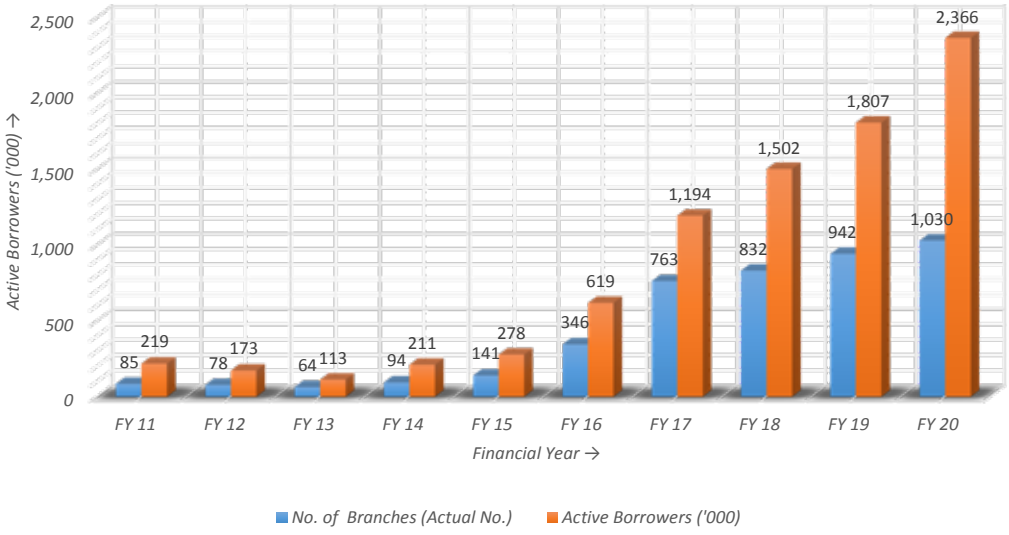
I am grateful to all our shareholders and other stakeholders for the support extended to the company over the years. We remain indebted to the Reserve Bank of India and NABARD for the support given to the industry over the years. I would also like to take this opportunity to commend Mr Raja Vaidyanathan, Managing Director, and his management team, for having led the company from strength to strength. Notwithstanding the current phase of stress, we look forward to a year of growth and profitability as to set the benchmark for the industry.

With best wishes,
V.P. Nandakumar
Chairman

Key Trends

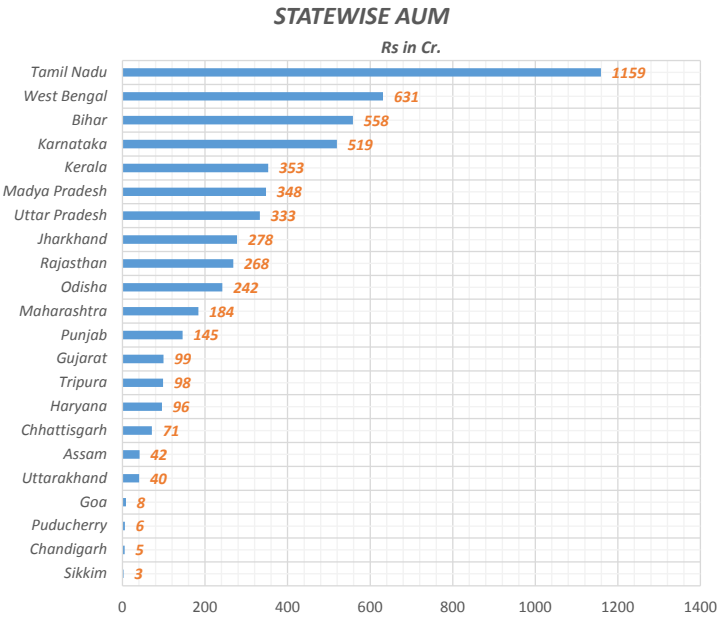
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Particulars	Mar-20	Mar-19	Mar-18	Mar-17
No. of States & Union Territories	21	22	20	17
No. of Branches	1,030	942	832	763
No. of Districts	315	289	245	252
No. of Employees	6,206	4,951	4,167	3,861
No. of Active Members	23,66,475	18,06,844	15,01,575	11,93,328
Disb. In Crs.	4,661	4,286	2,875	2,114
Portfolio in Crs.	5,502	3,838	2,434	1,796



Operational Metrics

Fiancial Year	No. of Branches (Actual No.)	Active Borrowers ('000)
FY 11	85	219
FY 12	78	173
FY 13	64	113
FY 14	94	211
FY 15	141	278
FY 16	346	619
FY 17	763	1,194
FY 18	832	1,502
FY 19	942	1,807
FY 20	1,030	2,366



मैं छोटी सी सब्जी विक्रेता थी और अब आशीर्वाद माइक्रोफाइनेंस की मदद से बड़ी दुकान खुल गई।

ASIRVAD

UTTAR PRADESH





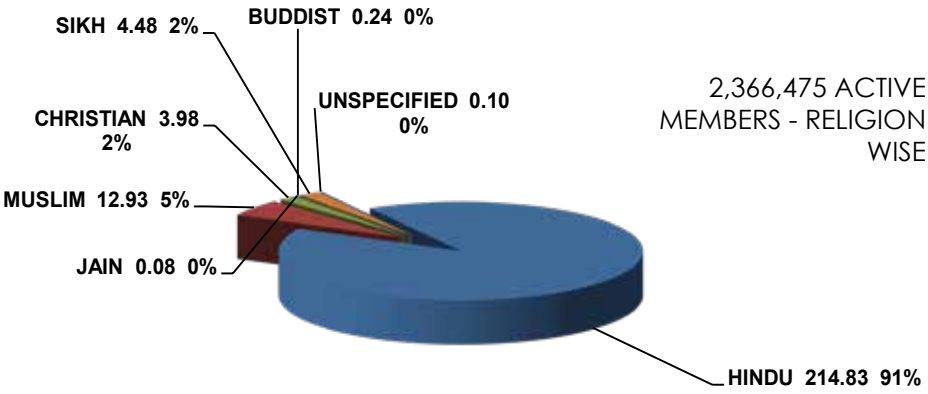


Customers' Demography

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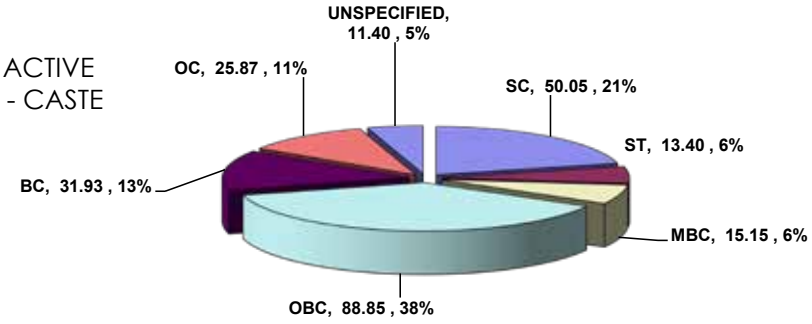
Customer Demography as on Mar-2020

Religion	Total	%
Hindu	214.83	90.78%
Muslim	12.93	5.46%
Christian	3.98	1.68%
Jain	0.08	0.03%
Buddist	0.24	0.10%
Sikh	4.48	1.89%
Unspecified	0.10	0.04%
	236.65	100.00%



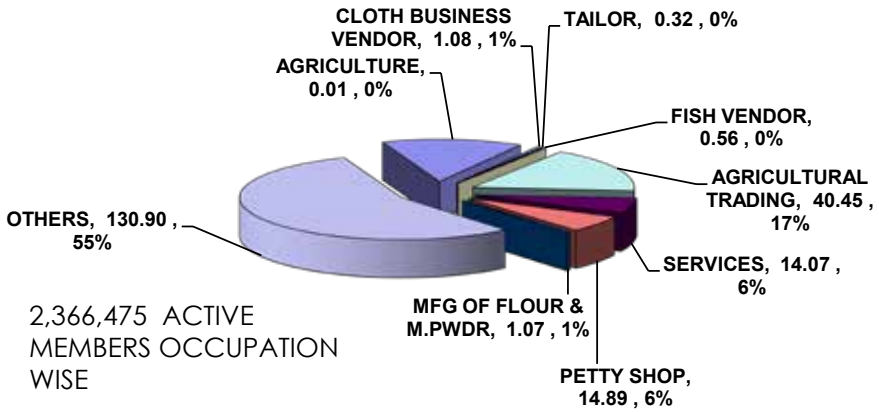
2,366,475 ACTIVE MEMBERS - RELIGION WISE

2,366,475 ACTIVE MEMBERS - CASTE WISE



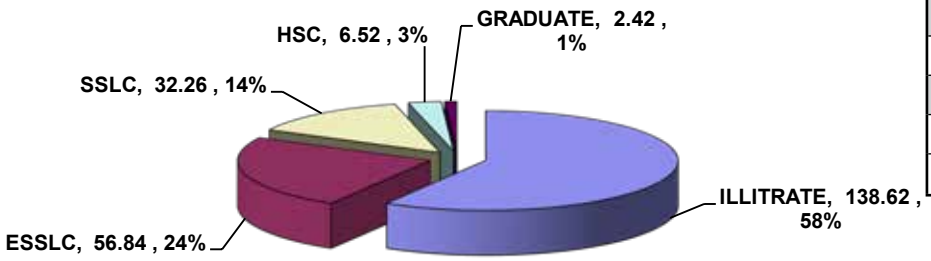
Caste	Total	%
Sc	50.05	21.15%
St	13.40	5.66%
Mbc	15.15	6.40%
Obc	88.85	37.54%
Bc	31.93	13.49%
Oc	25.87	10.93%
Unspecified	11.40	4.82%
	236.65	100.00%

Occupation	Total	%
Cloth Business Vendor	1.08	0.46%
Tailor	0.32	0.13%
Fish Vendor	0.56	0.24%
Agricultural Trading	40.45	17.09%
Services	14.07	5.95%
Petty Shop	14.89	6.29%
Mfg Of Flour & M.pwdr	1.07	0.45%
Others	130.90	55.31%
Agriculture	33.30	14.07
Total	236.65	100.00%



2,366,475 ACTIVE MEMBERS OCCUPATION WISE

2,366,475 ACTIVE MEMBERS EDUCATION WISE



Education	Total	%
Illitrate	138.62	58.57%
Esslc	56.84	24.02%
Sslc	32.26	13.63%
Hsc	6.52	2.75%
Graduate	2.42	1.02%
	236.65	100.00%

Directors' Report

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Dear Members,

Your Board of Directors takes pleasure in presenting the 13th Annual Report of **Asirvad Micro Finance Limited** ("Company"), together with the Audited Financial Statements for the year ended 31st March, 2020:

Financial Highlights

(Rs. in Crores)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Gross Income	1101.44	740.44
Total Expenditure	736.11	509.74
Profit before Tax	310.3	230.74
Tax Expenses net of Deferred tax	-74.97	-79.06
Profit after Tax	235.32	151.63
Appropriations		
Transfer to Statutory Reserve	47.06	30.32
Surplus in Profit & Loss	235.31	151.63

During the financial year ended 31st March, 2020, your Company recorded a turnover of Rs.1101.44 Crore as compared to the turnover of Rs.740.44 Crore recorded during the previous financial year ended 31st March, 2019. Revenue from operations for the year ended March 31, 2020 has increased by 53.80% over the corresponding period ended 31st March, 2019. The Net profit of your Company for the financial year ended 31st March, 2020 stood at Rs.235.10 Crore as against the Net Profit of Rs.151.85 Crore for the financial year ended 31st March, 2019. The Profit before tax for the financial year ended 31st March, 2020 reflects a growth of 58.35% over the corresponding Profit for the financial year ended 31st March, 2019.

Due to the worldwide spread of pandemic COVID-19 and taking advance measures to mitigate its future adverse impacts, the Company has made an additional provision of 1% of the total AUM of the Company amounting to INR 55.02 Crores during the year ended 31st March, 2020..

Further, during the year under purview, the 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.

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.

Operational Highlights

Particulars	Financial Year 2020	Financial Year 2019	Change (%)
Number of Branches	1030	942	9.3
Number of Active Members (in Lakhs)	23.66	18.07	31
Gross Loan Portfolio (in Crore)	5488	3,841	42.9
Number of Employees	6340	4,951	25.3
Total Disbursement (in Crore)	4661	4,285	8.8
No. of States (in Operation)	22	22	-

There was no change in nature of operation of the Company during the year under review.

Transfer to Reserve

As per the extent guidelines of Reserve Bank of India for NBFCs, the Company has proposed to transfer Rs. 4,706.58 Lakhs to the Statutory Reserve created under Section 45-IC of the Reserve Bank of India Act, 1934.

Dividend

In order to augment capital as required for supporting the growth of the Company through retention of internal accruals, the Board of Directors has not recommended any dividend for the Financial Year 2019-20.

Deposits

The Company is registered with Reserve Bank of India (RBI) as Non-Deposit Accepting NBFC under Section 45-IA of the RBI Act, 1934 and classified as NBFC-MFI, effective from 4th October, 2013. The Board of Directors hereby confirm that the Company has not accepted any public deposit during the year under review and will not accept deposit in future without prior approval of Reserve Bank of India. Further, necessary documents has already been submitted before the Reserve Bank of India in this regard.

RBI Regulations.

The Company is in compliance of the regulatory requirements of net owned funds ('NOF') as defined under Section 45-IA of the RBI Act, 1934, to carry on the business of an NBFC-MFI.

Fund Allocation

Total Borrowings. The Company's overall borrowing as on 31st March, 2020 was Rs. 5435.43 Crore .

i) **Non-Convertible Debentures** During the year under review, your Company has raised funds of Rs.322.90 Crore through issue of Non-Convertible Debentures (NCDs) on private placement basis and outstanding NCDs as on March 31, 2020 was Rs. 689.95 Crore

ii) **Commercial Paper.** During the year, the Company had raised Rs.25 Crore through Commercial Papers (CPs) and outstanding CPs as on 31st March, 2020 is Rs.25 crore.

iii) **External Commercial Borrowing & Term Loan.** In the financial year ended 31st March, 2020, the Company has raised Rs.28.40 Crore through External Commercial Borrowing and Rs.3028.29 Crore as term loan.

Subsidiary/Joint Venture/Associate Companies

The Company does not have any Subsidiary Company, Joint Venture and Associate Company during the Financial Year under review in terms of Companies Act, 2013 ("Act"). Further, the Company continues to remain the subsidiary of Manappuram Finance Limited, which holds 4,97,57,889 Equity Shares of Rs.10/- each aggregating to Rs.49,75,78,890/- constituting 93.33% of the Share Capital of the Company as on 31st March, 2020.

Credit Rating

CARE has maintained the grading of your Company to "MFI 1", the highest in the industry. The bank loan rating is also upgraded to "AA-/ Stable" by CRISIL Ratings Limited & A+ (Stable) by CARE Ratings Limited. The Company has debt credit ratings as follows:

Credit Rating Agency	Instruments	Ratings
CRISIL	Non-Convertible Debentures	AA-/ Stable
CRISIL	Commercial Papers	A1+

Capital Adequacy

Your Company being a Systemically Important Non- Deposit Accepting NBFC is subject to the capital adequacy requirements prescribed by the Reserve Bank of India. The Company was required to maintain a minimum Capital to Risk Asset Ratio (CRAR) of 15% as prescribed under the Non- Banking Financial Company- Micro Finance Institutions (Reserve Bank) Directions, 2016 (as amended from time to time) based on total capital to risk weighted assets. As on March 31, 2020, the Company's total Capital Adequacy Ratio (CAR) stood at 25.37%, which is well above the regulatory minimum of 15%.

Out of the above, Tier I capital adequacy ratio stood at 24.31% and Tier II capital adequacy ratio stood at 1.06%.

Share Capital

During the year under review, there was no change in the Authorized Capital as well as Paid up Capital of the Company and the same stood at Rs.100 Crores and Rs.53.31 Crores, respectively.

Amendment in MOA of The Company

For enabling the Company to carry on and undertake business of other financing activities within the purview of the Reserve Bank of India regulations/ guidelines, the Board of Directors at their Meeting held on 23rd January, 2020 has accorded their consent for amending the Clause III (A) of the MOA of the Company, which was subsequently approved by the Members of the Company at their General Meeting held on 17th March, 2020.

Further, the aforesaid amendments are also approved by the Reserve Bank of India as well as Registrar of Companies, Chennai.

Particulars of Loans, Gaurantees or Investments

The Company has not given any loans/guarantees and has not made any investment in securities as covered under Section 186 of the Companies Act, 2013.

Related Party Transactions

During the financial year ended March 31, 2020, all transactions with related parties were in the 'ordinary course of business' or 'at an arm's length' basis. There were no material significant transactions with related parties, i.e. pecuniary transactions or relationships between the Company, promoters, Directors and the management during the financial year 2019-20 that may have potential conflict with the interest of the Company at large. Necessary disclosures as required in compliance with accounting standards with related parties are disclosed in notes forming part of the financial statements in the annual report.

Your Company has formulated a Policy on Related Party Transaction, which is available on the website of the Company at https://asirvadmicrofinance.co.in/policy/.

Further, all the related party transactions as entered into by the Company during the Financial Year 2019-20 were approved by the Audit Committee as well as by the Board of Directors, wherever required as per the provisions of the Companies Act, 2013 read with relevant rules made thereunder.

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed format AOC-2 is attached at "Annexure -A" forming part of the Directors' Report.

Corporate Governance Report

Your Company has framed an Internal Corporate Governance guideline, in compliance with the Directions issued by RBI for NBFCs. The Company has put in place various policies, systems and processes to achieve transparency, high level of business ethics and compliance with applicable laws.

A Complete Report on Corporate Governance is attached as "Annexure -B" forming part of the Director's Report.

Material Changes and Commitments Affecting The Financial Position of The Company Which Have Occurred Between The End of Financial Year and The Date of The Report

There are no material changes and commitments affecting the financial position of the Company, which has occurred between the end of the financial year of the Company i.e March 31, 2020 and the date of the Director's Report

Management Discussion and Analysis

Management Discussion and Analysis report for the year under review is attached as a separate annexure forming part of the Annual Report.

Particulars of Employees

The Company had 6340 employees (on a standalone basis) as on 31st March, 2020. Details of remuneration as required to be provided pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been annexed herewith as Annexure- C

Extract of Annual Return

As per the provisions of Section 92(3) of the Companies Act, 2013 read with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in Form MGT-9 is attached at "Annexure- D" and forms an integral part of this report. Further, the extract of Annual Return is available on https://asirvadmicrofinance.co.in/announcements/

Directors and Key Mangerial Personnel

The Board of Directors of your Company has an optimum combination of Executive and Non- Executive Directors in adherence to the applicable provisions. They all are having very rich experience, skills and expertise knowledge in the field of micro finance and NBFC.

As on 31st March, 2020, the Board had Eleven Directors which is combination of One Executive (Managing Director), Two Promoter Directors and Eight Non-Executive Directors. Out of Eight Non-Executive Directors, five are Independent Directors i.e. they do not have any material pecuniary relationship with the Company, its promoters or its management, which may affect the independence of the judgment of the Director. Your Company believes that a well-structured Board bring the better practices and governance based on the vast knowledge and experience of the Board Members.

Appointment

During the year ended 31st March, 2020, the Board of Directors at their Meeting held on 23rd January, 2020 had considered and recommended the re-appointment of Mr. Ramanathan Annamalai as an Independent Director for a term up to 30th November, 2023, which was subsequently approved by the Members at their Extra Ordinary General Meeting held on 17th March, 2020.

In the opinion of the Board of Directors the aforesaid Independent Director is a person of integrity and possess the relevant expertise & experience. However, as the Ministry of Corporate Affairs has provided extension for registration in the Databank maintained by the institute in terms of Section 150 of the Companies Act, 2013, therefore the said Director has not appeared for the online proficiency self-assessment test.

Further, Mr. Subrata Kumar Satindra Mitra (DIN: 00029961) and Mr. Abhijit Sen (DIN: 00002593) were also appointed as Additional Directors at the Board Meeting dated 17th March, 2020, who shall hold office up to the ensuing Annual General Meeting of the Company. The Board of Directors after considering their independence and eligibility recommends their appointment as Independent Directors of the Company at the ensuing Annual General Meeting of the Company.

Resignation/ Cessation

During the year under purview, Mr. Rajiven Vayalil Ravindran, the then Independent Director of the Company passed away on 19th October, 2019. He was on the board of the Company since 2015. The Board of Directors placed on record his immense contribution to the growth of the Company. Further, the Company had offered its heart-felt condolence to his family.

Key Managerial Personnel

During the Financial Year ended 31st March, 2020, the appointment of Mr. Yogesh Ratnakar Udhoji as the Chief Financial Officer of the Company was approved by the Board of Directors at their Meeting held on 30th October, 2019 due to resignation of Mr. Mayank Shyam Thatte, the then Chief Financial Officer of the Company.

Further, in adherence to the Reserve Bank of India Circular No.RBI/2018-19/184 DNBR (PD) CC. No.099/03.10.001/2018-19 dated 16th May, 2019, the Board of Directors at their Meeting held on 23rd January, 2020 had appointed Mr. B. B. Vasudeva Rao as the Chief Risk Officer of the Company. Further, also designated as the Secretary of Risk Management Committee of the Company.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnels of the Company as on 31st March, 2020 are:

- Mr. S.V. Raja Vaidyanathan, Managing Director;
- Mr. Yogesh Ratnakar Udhoji, Chief Financial Officer; and
- Mr. Anup Kumar Gupta, Company Secretary

Director retiring by rotation

Mr. Gautam Rathindranath Saigal (DIN: 00640229), Director is liable to retire by rotation in terms of provision of the Companies Act, 2013 at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment.

Committees of The Board

The Company has Eight Committees: - Audit Committee, Corporate Social Responsibility Committee, Nomination & Remuneration Committee, Management Committee , Risk Management Committee, Borrowing & Securities Allotment Committee, IT Strategy Committee and Asset Liability Committee.

A detailed note on the composition of aforesaid committees is provided in the Corporate Governance Report of the Company.

Declaration From Independent Director

The Company has received necessary declarations from all Independent Directors of the Company as per Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6) and Rule 6(1) & (2) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Further, the Company has also received undertaking and declaration from each Director of the Company on fit and proper criteria in terms of the provisions of Corporate Governance (Reserve Bank) Directions, 2015.

Independent Director's Meeting

During the year, a meeting of Independent Directors was held on 17th March, 2020 as required under Companies Act, 2013 and in compliance with requirement of Schedule IV of the Act to consider the matters specified therein.

Risk Management

The Company has adopted a well-defined process for managing its risks on an ongoing basis and for conducting the business in a risk conscious manner. The Company has structured a comprehensive risk management policy, under which the risks are identified, assessed, monitored and reported as a part of normal business practice. The Company has made from a state level risk matrix to district level, apply expansion to each district not greater than 1% of cap.

As the Reserve Bank of India guidelines, the Company is having in place Risk Management Committee ("RMC") who has overall responsibility for overseeing the risk management activities of the Company, approving measurement methodologies and appropriate risk management procedures across the organization. The Chief Risk Officer ("CRO') of the Company is the Secretary of the said Committee, who is responsible to review and manage potential risks which may arise from time to time and also submit his report before the RMC on quarterly basis.

Further, your Company is also having its specific team fully dedicated to assess the risk factors affecting the operations of the Company and to identify the tools for mitigating such risks as occurring from time to time. The said department periodically submit its report on the risk management to the aforesaid Committee.

Corporate Social Responsibility

The Corporate Social Responsibility (CSR) activities have been undertaken by the Company in accordance with the CSR Policy of the Company as formulated by the Board of Directors on the recommendation of the CSR Committee in pursuant to Section 135 of the Companies of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

For detailed information regarding CSR Committee, please refer the Corporate Governance Report. Further, CSR Annual Report is attached here as Annexure -E, which forms an integral part of this report.

The Company's CSR policy is committed towards CSR activities as envisaged in Schedule VII of the Companies Act, 2013.

The CSR policy is available on https://asirvadmicrofinance.co.in/csr-policy/

Auditors

Statutory Auditors & their Report

Deloitte Haskins & Sells, Chartered Accountants, Chennai (FRN 008072S) were re-appointed at the 12th Annual General Meeting of the Company as Statutory Auditors of the Company for the period of one year i.e., FY 2019-20, which will expire at the ensuing Annual General Meeting. They are holding the office of Auditors since 2007 and are not eligible for re-appointment as Statutory Auditors as per provision of Section 139 of the Companies Act, 2013.

Further, the Board of Directors is extending the words of appreciation and humble gratitude for all the support, guidance and co-operation, the Management has received from the Statutory Auditors during their tenure of ten Financial Years.

Now, the Board of Directors has considered the recommendation of the Audit Committee and thereafter proposed the appointment of Walker Chandiok & Co. LLP (Firm Registration No. 001076N/N500013) as the Statutory Auditors of the Company for a term of five years in terms of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and which will be placed before the Members at the ensuing Annual General Meeting of the Company for the necessary approval.

Further, the Company has received necessary written consent and certificate under Section 139 of the Companies Act, 2013 from them to the effect that their appointment, if made, shall be in accordance with the conditions specified therein and they satisfies the Criteria as prescribed in Section 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014.

The Statutory Auditor's Report do not contain any qualification, reservation, or adverse remarks.

Secretarial Auditor & their Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Board at its meeting held on 13th May, 2019 appointed Mr. S. Hari, Practicing Company Secretary (Certificate of Practice No. 4276) as the Secretarial Auditor of the Company, to conduct the Secretarial Auditor for the financial year ended March 31, 2020.

The Secretarial Audit Report as received in the prescribed Form No.MR-3, do not contain qualification, reservation, or adverse remarks. The Secretarial Audit Report for the Financial Year 2019-20 is appended as Annexure- F to this report.

Now, the Board of Directors on the recommendation of Audit Committee has re-appointed Mr. S. Hari, Practicing Company Secretary (Certificate of Practice No. 4276) as the Secretarial Auditor of the Company for the Financial Year 2020-21.

Internal Audit

As part of the effort to evaluate the effectiveness of the internal control systems, your Company's internal audit function reviews all the control measures on a periodic basis and recommends improvements, wherever appropriate. The Audit Committee regularly reviews the audit findings as well as the adequacy and effectiveness of the internal control measures.

Non-Applicability of Maintenace of Cost Records.

The provisions of Section 148 of the Companies Act, 2013 and Rules framed thereunder pertaining to maintenance of cost records as well as appointment of Cost Auditors are not applicable to the Company.

Frauds Reported by Auditors

During the year under review, no fraud has been reported neither by the Statutory Auditor nor Secretarial Auditor to the Audit Committee, under Section 143(12) of the Companies Act, 2013 against the Company by its officer or employees.

Directors' Responsibility Statement

Pursuant to Section 134(3) (c) of the Companies Act, 2013, the Directors confirm that:

i. In the preparation of the Annual Accounts for the year ended 31st March, 2020, the applicable accounting standards as set out with the requirements under Schedule- III of the Act, had been followed with the proper explanation relating to material departures for the same.

ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020 and the profit and loss of the Company for the year ended on that date.

iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. They have prepared the annual accounts on a going concern basis and

v. They have laid down internal financial control to be followed by the company and that such internal financial controls are adequate and were operating effectively

vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Meetings of The Board of Directors

The Board of the Company has met seven times during the year under review. For details regarding the said meetings of the Board, please refer the Corporate Governance Report, which is a part of this report.

Annual Performance Evaluation

The Company has in place the Performance Evaluation Policy which has been approved by the Board to evaluate the performance of the Board, its committees and individual director and in accordance with the criteria specified in the said policy annual evaluation has been made.

A structured questionnaire was prepared, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The Directors have expressed their satisfaction with the evaluation process.

Company's Policy on Director's Appointment, Remuneration and Other

In terms of Section 178(1) of the Companies Act, 2013 and rules made thereunder the Nomination and Remuneration Committee is responsible for identifying persons for initial nomination of directors/ senior management personnel and also for evaluating incumbent directors for their continued service. The Board of Directors on recommendation of the said Committee has formulated a policy in terms of the provisions of the Companies Act, 2013 and RBI Directions applicable for non-banking finance companies, which inter alia, deals with the criteria for determining qualifications, positive attributes and independence of a director. These attributes shall be considered for nominating candidates for appointment as well as re-appointment.

The salient features of the Nomination and Remuneration Policy of the Company are as follows:

- Identifying persons who are qualified to become Directors and/ or who may be appointed in Senior Management in accordance with Criteria as laid down and recommend to Board their appointment and removal;
- The Committee shall undertake a process of Due Diligence based on the criteria of qualification, technical expertise, track record, integrity etc and shall ensure that proposed or existing Director meets the fit and proper criteria as prescribed by the Reserve Bank of India;
- To determine and recommend the terms of appointment including remuneration to the Board of Directors for the personal proposed to be appointed as Director/ in Senior Management.

During the period under review, there was no change in the Nomination and Remuneration Policy of the Company and the said policy has been uploaded on the website of the Company and is available on https://asirvadmicrofinance.co.in/nomination-remuneration/.

Internal Control System and Their Adequacy

The Company has put in place adequate policies and procedures to ensure that the system of internal financial control is commensurate with the size and nature of its business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records and ensuring compliance with company's policies. However, no material weakness observed by the Company.

Further, the Company is having its well-structured Internal Audit Team to perform timely and frequent internal audit to evaluate the adequacy of systems and procedures and also to evaluate the status of compliance to Company's guidelines and other statutory requirements.

The department is manned by a team of over 200 dedicated personnel who constantly engaged in safeguarding your Company's assets, ensures the quality of assets pledged and also evaluates the adequacy of risk management systems at its operating units.
We are following a practice to place the report of the Internal Audit Team regarding significant audit findings and also preventive and corrective measures to protect the interests of the Company before the Audit Committee on quarterly basis.

Furthermore, during the Financial Year 2019-20, KPMG Private Limited was also appointed for the Special Audit of the Company and the report of the said auditor along with the management responses were also placed before the Audit Committee on quarterly basis.

Dematerialisation of Shares

As on 31st March, 2020, all the shares held by the Shareholders are in Demat form.

Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Board of Directors of the Company had approved the Policy on Vigil Mechanism/Whistle Blower to deal with instance of fraud and mismanagement, if any and the same is also available on the website of the Company. This Policy inter-alia provides a direct access to the Chairman of the Audit Committee. Your Company hereby affirms that no Director/ employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year from a Director or an Employee.

Credit Bureau Subscription

In order to address the issue of multiple lending or over indebtedness and also to know the credit history of the customer, the Company continues to submit monthly and weekly data to Highmark, CIBIL, Equifax and Experian Credit Bureaus and also use their credit report for each of the loan sanctions. This coupled with great deal of hard work, intense follow-ups and efficient processes have resulted in constantly building high quality assets with minimal delinquencies.

Fair Practice Code

RBI had been issuing revised Fair Practices Code guidelines from time to time and your Company has adhered to all of them without any compromise. The new Fair Practices Code, Code of Conduct, Code of Ethics and Grievance Redressal Mechanism which have been approved by the Board are displayed prominently in all the branches of your Company.

Details of Issue of Sweat Equity Shares In Terms of Rule 8(13) of The Companies (Share Capital and Debentures) Rules, 2014

During the year under review, the Company has not issued any Sweat Equity Shares and hence disclosure relating to same is not applicable.

Details of The Employees Stock Option Scheme In Terms of Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014

The Company has granted the options under "Asirvad Employee Stock Option Scheme, 2019" and following are the details:

Option granted	8,30,000 Options
Options vested	
Options exercised	-
The total no. of shares arising as a result of exercise of option.	-
Option lapsed	-
The exercise price	Rs.364/ per option/ equity
Variation of terms of option	-
Money realized by exercise of options	-
Total no. of options in force	-
Employee wise details of options granted to:-	-
a) KMP	60,000
b) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	Nil
c) Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil

Energy Conservation, Technology Absorbtion and Foreign Exchange Earnings and Outgo

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo as required to be disclosed under section134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (accounts) Rules, 2014, your Company had not engaged in any activity relating to consumption of energy or technology absorption. Your Company had no income or expenditure in foreign currency.

Secretarial Standards of ICSI

The Company is in compliance with the applicable Secretarial Standards on Meetings of the Board of Directors (SS - 1) and General Meetings (SS - 2) issued by The Institute of Company Secretaries of India and approved by the Central Government.

Prevention, Prohibition and Redressal of Sexual Harassment of Women at Work Place

The Company has constituted Internal Complaint Committee (ICC) in line with requirement of the provision of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder.

Your Company is also having in place a detailed policy on Harassment Free Workplace, which promotes gender equality and justice and also to create a discrimination free workplace.

The following is the summary of sexual harassment complaints received and disposed off during the year:

1.	No. of complaints received during the year	Nil
2.	No. of complaints disposed off	Nil
3.	No. of Complaints pending at the year end	Nil

All Employees (Permanent, Contractual, Temporary, Trainees etc.) are covered under the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Regulatory Actions

There are no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and operations of the Company in future.

Acknowledgement

Your Directors wish to place on record their deep appreciation for the assistance and co-operation extended by the Bankers, Financial Institutions, Business Associates, Government Authorities, SADHAN, MFIN, Customers, Vendors and other stakeholders during the year under review.

We are grateful for the continuous confidence and faith shown by the promoters of the Company. Your Directors appreciate and value the contribution made by the employees of Asirvad Family.

For and on behalf of the Board of Directors
ASIRVAD MICRO FINANCE LIMITED

(V. P. Nandakumar)
Chairman
DIN: 06897569

(S. V. Raja Vaidyanathan)
Managing Director
DIN: 01467098

Date: 12th May, 2020
Place: Chennai

Annexure – A

Form No. AOC-2

(Pursuant to clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

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

For and on behalf of the Board of Directors
ASIRVAD MICRO FINANCE LIMITED

(V. P. Nandakumar)
Chairman
DIN: 06897569

(S. V. Raja Vaidyanathan)
Managing Director
DIN: 01467098

Date: 12th May, 2020
Place: Chennai

Annexure – B

CORPORATE GOVERNANCE REPORT

A good Corporate Governance practice is a key factor of sustainable corporate growth and maintains a long term relationships with the stakeholders of the Company. Asirvad Micro Finance limited ("Asirvad") is committed to highest level of Corporate Governance practices and emphasizes the need for full transparency and accountability in all transactions, in order to protect the interests of its stakeholders. This enables the Company to attract high quality financial and human capital.

Asirvad believes that a strong professionally balanced Board of Directors is necessary to ensure the highest standards of Corporate Governance; we have an appropriate mix of Executive/ Non-Executive and Independent Directors in our Board. The Board of Directors represents the shareholder's interest in perpetuating a successful business and optimizing long term financial returns in a manner consistent with applicable regulatory and legal requirements and ethical considerations.

RBI Guidelines on Corporate Governance

In order to enable NBFCs to adopt best practices and greater transparency in their operations, RBI has stipulated all NBFCs to frame an internal guideline on Corporate Governance. In pursuance of the aforesaid guidelines, the Company has framed an internal guideline on Corporate Governance.

Company's Philosophy on Corporate Governance

In terms of corporate governance philosophy, all statutory and significant material information is placed before the Directors to enable them to effectively supervise the Company.

Asirvad's Corporate Governance philosophy is based on the following principles:

- Compliance to laws in both letter and spirit
- Utmost transparency in dealings with all the stakeholders
- Clear communication of relevant information and high degree of disclosure levels
- Make a clear distinction between personal conveniences and corporate resources
- Communicate externally, in a truthful manner, about how the Company is running internally
- Have a simple, transparent and efficient corporate structure driven solely by business needs
- Create value for all stakeholders without compromising on ethical principles.

Board of Directors

As at March 31, 2020, your Company's Board consists of 11 (Eleven) members. The composition of the Board is in conformity with the provisions of Companies Act, 2013 and Corporate Governance Directions issued by Reserve Bank of India.

Composition and Category of Directors:

Name of Director	Category	Designation
Mr. V.P. Nandakumar	Non- Executive	Director (Chairman)
Mr. S.V. Raja Vaidyanathan	Executive	Managing Director
Mr. B.N. Raveendra Babu	Non- Executive	Director
Mr. Gautam Saigal	Non- Executive	Director
Mr. T. Balakrishnan	Non- Executive	Independent Director
Mr. A. Ramanathan	Non- Executive	Independent Director
Mr. V.R. Rajiven*	Non- Executive	Independent Director
Mr. Desh Raj Dogra	Non- Executive	Independent Director
Mr. T.M. Manoharan	Non- Executive	Independent Director
Ms. Pushya Sitaraman	Non- Executive	Independent Director
Mr. Subrata Kumar Atindra Mitra	Non- Executive	Additional Director
Mr. Abhijit Sen	Non- Executive	Additional Director

*Demise of Mr. V.R Rajiven on October 19, 2019

Meetings of the Board

During the year, the Board met 7 (Seven) times on the following dates:

S. No.	Date of Meeting
1	Monday, 13th May, 2019
2	Thursday, 8th August, 2019
3	Wednesday, 30th October, 2019
4	Monday, 4th November, 2019
5	Thursday, 23rd January, 2020
6	Wednesday, 4th March, 2020
7	Tuesday, 17th March, 2020

Attendance during the financial year 2019-20 of each Director at the Board Meetings as well as previous Annual General Meeting are as follows:

Sl. No.	Name of the Director	Category	Attended (Board Meeting)	Attended last AGM held on 8thAugust, 2019
1	Mr. V.P. Nandakumar	Chairman	6	No
2	Mr. S.V. Raja Vaidyanathan	Managing Director	6	Yes
3	Mr. B.N. Raveendra Babu	Director	7	Yes
4	Mr. Gautam Saigal	Director	6	Yes
5	Mr. T. Balakrishnan	Independent Director	7	Yes
6	Mr. A. Ramanathan	Independent Director	7	Yes
7	Mr. V.R. Rajiven*	Independent Director	2	Yes
8	Mr. Desh Raj Dogra	Independent Director	6	Yes
9	Mr. T.M. Manoharan	Independent Director	7	No
10	Ms. Pushya Sitaraman	Independent Director	5	Yes
11	Mr. Subrata Kumar Atindra Mitra	Additional Director	1	-
12	Mr. Abhijit Sen	Additional Director	1	-

*Demise of Mr. V.R Rajiven on October 19, 2019

None of the Directors of the Company have exceeded the maximum number of Directorship as specified under Section 165 of the Companies Act, 2013.

Separate meetings of the Independent Directors

A Separate Meeting of Independent Directors was held on Tuesday, 17th March, 2020 without the presence of non-independent directors and members of management. All the Independent Directors attended the meeting and:

- reviewed the performance of non-independent directors and the Board as a whole;
- reviewed the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- Assessed the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Committees of the Board

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted the following set of Committees with specific terms of reference / scope. The Committees are operating as empowered agents of the Board as per their Charter / terms of reference.

Audit Committee

The Board of Directors has constituted and entrusted the Audit Committee with the responsibility to supervise internal controls and financial reporting processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

The Audit Committee met on the following dates during the financial year 2019-20:

S. No.	Date of Meeting
1	Monday, 13th May, 2019
2	Thursday, 8th August, 2019
3	Monday, 4th November, 2019
4	Thursday, 28th November, 2019
5	Thursday, 23rd January, 2020
6	Tuesday, 17th March, 2020

Composition of the Audit Committee as on 31st March, 2020 are as follows:

Name of the Director	Category
Mr. D R Dogra	Chairman, Independent Director
Mrs. Pushya Sitaraman	Member, Independent Director
Mr. Gautam Saigal	Member, Non-Executive Director
Mr. T Balakrishnan	Member, Independent Director
Mr. A Ramanathan	Member, Independent Director
Mr. Abhijit Sen	Member, Additional Director

Nomination and Remuneration Committee

The Board has constituted the Nomination and Remuneration Committee pursuant to the provisions of the Companies Act, 2013. The primary purpose of the Committee, among other things, is to determine and propose the following for Board's approval:-

a) To identify persons who are qualified to become Directors and also who may be appointed in senior management positions in accordance with the criteria laid down and recommend to the Board their appointment and removal;
b) To formulate the criteria for performance evaluation of Independent Directors and the Board;
c) To carry out performance evaluation of Independent Directors along with the Board as a whole;
d) To evaluate the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate Directors.

The Nomination and Remuneration Committee met on the following dates during the financial year 2019-20:

S. No.	Date of Meeting
1	Monday, 13th May, 2019
2	Thursday, 8th August, 2019
3	Thursday, 23rd January, 2020
4	Tuesday, 17th March, 2020

Composition of the Nomination and Remuneration Committee as on 31st March, 2020 are as follows:

Name of the Director	Category
Mr. T. Balakrishnan	Chairman, Independent Director
Mr. A Ramanathan	Member, Independent Director
Mr. Gautam Saigal	Member, Non- Executive
Mr. B.N. Raveendra Babu	Member, Director

Corporate Social Responsibility Committee

In accordance with the provisions of Section 135 of the Companies Act, 2013 read with Rules made thereunder, the Board of Directors of the Company have constituted the Corporate Social Responsibility Committee ("CSR Committee"). The Committee has formulated and recommended a CSR Policy to the Board and various recommendations of the Committee including the amount of expenditure to be incurred on CSR activities are submitted to the Board for approval. The Committee has framed a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company and also monitors CSR policy from time to time.

The Corporate Social Responsibility Committee met two times on 13th May, 2019 and 23rd January, 2020, during the financial year 2019-20

Composition of the Corporate Social Responsibility Committee as on 31st March, 2020 are as follows:

Name of the Director	Category
Mr. T. M. Manoharan	Chairman, Independent Director
Mr. S.V. Raja Vaidyanathan	Member, Executive Director
Mrs. Pushya Sitaraman	Member, Independent Director

Borrowing & Securities Allotment Committee

The Borrowing & Securities Allotment Committee is in place to approve fresh borrowings from banks and financial institutions and also to empower designated individuals in the senior management to finalize the terms and conditions relating to the proposal under consideration and for allotment of Securities.

The Borrowing & Securities Allotment Committee met on the following dates during the financial year 2019-20:

01.04.2019	21.06.2019	29.07.2019	01.10.2019	31.12.2019
24.04.2019	24.06.2019	01.08.2019	17.10.2019	17.01.2020
01.05.2019	27.06.2019	13.08.2019	29.10.2019	05.02.2020
25.05.2019	06.07.2019	22.08.2019	30.10.2019	13.02.2020
08.06.2019	11.07.2019	28.08.2019	27.11.2019	02.03.2020
12.06.2019	17.07.2019	24.09.2019	21.12.2019	-

Compositions of the Borrowing Committee as on 31st March, 2020 are as follows:

Name of the Director	Category
Mr. S.V. Raja Vaidyanathan	Chairman, Executive Director
Mr. V.P. NandaKumar	Member, Non- Executive Director
Mr. B.N. Raveendra Babu	Member, Non- Executive Director
Mr. A. Ramanathan	Member, Independent Director

Risk Management Committee and Asset Liability Management Committee

The risk management framework is perhaps one of the most important parameters that define the success of a financial services organization. A risk management programme establishes a process of identifying and assessing the major risks covering all areas of the institution's activities risk. The Board of Directors is responsible to ensure that management has implemented a risk management programme, that resources are allocated for risk management and internal controls, and that there is adequate oversight of the audit function as one of the Board of Director's responsibilities.

The Risk Management Committee met one time on December 21, 2019 during the financial year 2019-20:

Compositions of the Risk Management Committee as on 31st March, 2020 are as follows:

Name of the Director	Category
Mr. Gautam Saigal	Chairman, Non- Executive Director
Mr. S. V. Raja Vaidyanathan	Member, Executive Director
Mr. T.M. Manoharan	Member, Independent Director
Mr. D.R. Dogra	Member, Independent Director
Mr. Abhijit Sen	Member, Additional Director
Mr. B. B. Vasudeva Rao	Member cum Secretary of the Committee, Chief Risk Officer

Asset Liability Committee is constituted to monitor the asset liability gap, strategize action to mitigate the risk associated, ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Company (on the assets and liabilities sides) in line with the Company's budget and decided risk management objectives.

During the financial year 2019-20, the Asset Liability Committee met eight times on following dates during the year under review

26.04.2019	01.06.2019	28.06.2019	20.07.2019
13.09.2020	11.10.2019	02.12.2019	05.03.2020

Compositions of the Asset Liability Committee as on 31st March, 2020 are as follows:

Name of the Director	Category
Mr. S.V. Raja Vaidyanathan	Chairman, Executive Director
Mr. S. Ramachandran	Member, COO
Mr. Yogesh Udhoji	Member, CFO and Secretary of the Committee

IT Strategy Committee

IT Strategy Committee was constituted as per the RBI Master Directions on IT Framework for NBFC Sector. The Constitution of IT Strategy Committee is mandatory for the Company.

During the financial year 2019-20, the IT Strategy Committee met three times on 16th April, 2019, 16th October, 2019 and 12th November, 2019.

Compositions of the IT Strategic Committee as on 31st March, 2020 are as follows:

Name of the Director	Category
Mr. A. Ramanathan	Chairman, Independent Director
Mr. S.V. Raja Vaidyanathan	Member, Chief Information Officer
Mr. Anand Sharma	Chief Technology Officer
Mr. B.N Raveendra Babu	Member, Director
Mr. Subrata Kumar Atindra Mitra	Member, Additional Director

Management Committee

For ensuring effective management of overall operations of the Company, the Management Committee was constituted. The said Committee meets from time to time for monitoring the activities of various departments of the Company in order to ascertain that procedures/ codes of the Company are adhered effectively.

During the Financial Year, the said Committee met for two times i.e., on 12th July, 2019 and 16th October, 2019.

Further, the composition of Management Committee as on 31st March, 2020 are as follows:

Name of the Director	Category
Mr. Abhijit Sen	Chairman, Additional Director
Mr. S.V. Raja Vaidyanathan	Member, Executive Director
Mr. A. Ramanathan	Member, Independent Director
Mr. Gautam Saigal	Member, Non-Executive Director
Mr. B.N Raveendra Babu	Member, Director
Mr. D. R. Dogra	Member, Independent Director

Remuneration to Directors

During the year ended 31st March, 2020, the Company has paid to all Independent Directors and Mr. Gautam Saigal, Non- Executive Director Commission of Rs.10,00,000/- each for the financial year 2018-19, except Ms. Pushya Sitaraman, Independent Director who was paid Commission amounting to Rs.1,58,904/- on pro-rata basis from the date of appointment i.e. for 58 days, apart from sitting fees paid for attending the Board and Committees Meetings.

Details of General Meeting

During the financial year 2019-20, 12thAnnual General Meeting was held on 8th August, 2019 and 2 (Two) Extra Ordinary General Meetings (EGM) were also held on 4th November, 2019 and 17th March, 2020. The details are given below:

Sl. No	Meeting	Date & Time	Venue
1	Annual General Meeting	8th August, 2019 at 4.00 P.M.	Hotel Radisson Blu, 531, Chennai -Theni Hwy, Kannan Colony, Meenambakkam, Chennai-600016
2	Extra Ordinary General Meeting	4th November, 2019 at 12 Noon	Door No.9, 10th Floor, Club House Road, Anna Salai, Chennai- 600002
3	Extra Ordinary General Meeting	17th March, 2020 at 04.00 P.M.	Door No.9, 10th Floor, Club House Road, Anna Salai, Chennai- 600002

All the proposed resolutions, including special resolutions were passed by the shareholders as set out in their respective notices.

General Shareholders Information as on 31st March 2020

Shareholding Category	No of Shares	Shareholding (%)
Body Corporate	4,97,57,889	93.33
Others	35,53,998	6.67
Total	5,33,11,887	100.00

For and on behalf of the Board of Directors
ASIRVAD MICRO FINANCE LIMITED

(VP Nandakumar)
Chairman
DIN: 06897569

(SV Raja Vaidyanathan)
Managing Director
DIN: 01467098

Date: 12th May, 2020
Place: Chennai

Annexure – C

Remuneration details of Directors, KMPs, and Employees

Sl. No	Particulars	Disclosures
1.	The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year	123:1
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<table><tr><td>KMP</td><td>% increase in remuneration</td></tr><tr><td>MD</td><td>46.76</td></tr><tr><td>CFO</td><td>57</td></tr><tr><td>CS</td><td>15</td></tr></table>
3.	The percentage increase in the remuneration of employees in the financial year..	12%
4.	The number of permanent employees on the rolls of the Company	6,206 employees as on March 31 2020.
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparision with the percentile increase in the remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The Average increase in the salary of the employees is 10.37 % in comparison from last financial year.
6.	Affiramation that the remuenration is as per the remuenration policy of the Company	The Company affirms remuneration is as per the remuneration policy of the Company.

Employees Employed Thorughout The Financial Year and Drawing A Remuneration of 1.02 Crore or Above Per Annum:

Employee Name	Designation	Nature of Employmen	Age	Date of joining	Qualification & Experience	Last Employment	% of equity shares held in the Company	Relative of any Director or Manager of the Company	Total Earnings FY 19-20
S. V. Raja Vaidyanathan	Managing Director	Appointed by Board for a term of three years till 30th June, 2021.	65	29-08-2007	B. Tech (IIT Madras); MBA (IIM Calcutta), AICWAI & ACS Experience: 35 years	President Reliance Industries Limited	5.867	No	3.01 Crore

Employees Employed for a Part of the Financial Year and Drawing a Remuneration of Not Less Than Eight Lakhs and Fifty Thousand Rupees Per Month

Employee Name	Designation	Nature of Employment	Age	Date of joining	Qualification & Experience	Last Employment	% of equity shares held in the Company	Relative of any Director or Manager of the Company	Total Earnings FY 19-20
NIL									

Remueration Details of Top Ten Employees

Employee Name	Designation	Nature of Employment	Age	Date of joining	Qualification & Experience	Last Employment	% of equity shares held in the Company	Relative of any Director or Manager of the Company	Total Earnings FY 19-20
Ramachandran S	Chief Operating Officer	Full Time	54	2/5/2017	Chartered Accountant, B.com Experience – 28 yrs	People Combine	Nil	No	84,96,208/-
Anand Sharma	Chief Technology Officer	Full Time	48	1/12/2016	M.sc Computer Science Experience – 21 yrs	Equitas Small Finance Bank	Nil	No	76,12,600/-
Mayank Thatte S*	Chief Financial Officer	-	40	28-12-2017	Chartered Accountant Experience – 17 yrs	Karvy Financial Services	Nil	No	42,64,418/-
Bikram Mishra	Executive Vice President	Full Time	50	21-05-2018	Master Of Business Administration. Experience – 22 yrs	Equitas Small Finance Bank	Nil	No	38,59,004/-
Mahesh S G	Executive Vice President	Full Time	51	26-03-2019	Bachelor of Commerce Experience – 27 yrs	Vistaar Financial Services Pvt. Ltd	Nil	No	33,32,937/-
Radha Krishna Sarma G	Senior Vice President	Full Time	46	16-04-2018	Master of Arts. Experience- 20 yrs	Saija Finance Private Limited	Nil	No	33,23,994/-
Yogesh Ratnakar Udhoji**	Chief Financial Officer	Full Time	49	16-09-2019	Chartered Accountant Experience- 19 yrs	Easy Home Finance Ltd	Nil	No	33,00,272/-
Sriram Balakrishnan	Senior Vice President	Full Time	52	15-02-2019	Master Of Business Administration Experience- 14 yrs	Western India Transport Finance Co Pvt Ltd	Nil	No	29,92,520/-
Mohammed Rahamatullah	Senior Vice President	Full Time	46	4/9/2018	Bachelor of Commerce Experience- 20 yrs	Smile Microfinance Limited	Nil	No	27,18,564/-
Moorthy Govindarajan	Vice President	Full Time	56	2/9/2016	Certified Associate of Indian Institute of Bankers Experience- 30 yrs	DBOI Business Services Private Limited	Nil	No	24,69,128/-

*Resigned w.e.f 21/09/2019

**Appointed as Chief Financial Officer w.e.f. 30/10/2019

Annexure – D

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

(as on Financial Year ended 31st March, 2020)

Pursuant to Section 92 (3) of the Companies Act, 2013, and rule 12(1) of the Companies (Management and Administration) Rules, 2014

I. REGISTRATION AND OTHER DETAILS		
1.	CIN	U65923TN2007PLC064550
2.	Registration Date	29/08/2007
3.	Name of the Company	ASIRVAD MICRO FINANCE LIMITED
4.	Category/ Sub-Category of the Company	Company Limited by Shares Indian Non-Government Company
5.	Address of the Registered Office & Contact details	1st Floor, Desabandhu Plaza, 47, Whites Road, Royapettah, Chennai- 600 014 Website: www.asirvadmicrofinance.co.in Ph. No: +91 44 3529 8128
6.	Address of the Corportae Office & Contact details	9th Floor, No 9, Club House Road, , Chennai-600002. Website: www.asirvadmicrofinance.co.in Ph. No: +91 44 3529 8128
7.	Whether listed Company	No
8.	Name, Address and Contact details of Registrar and Transfer Agent, if any	SKDC Consultants Limited Kanapathy Towers, 3rd Floor, 1391/A1, Sathy Road, Ganapathy, Coimbatore – 641 006 Phone: +91 422 6549995

Ii. Principal Business Activities Of The Company			
All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-			
Sl. No.	**Name and Description of main products/ services**	**NIC Code of the Product/ service**	**% to total turnover of the company**
1.	Microfinance- Lending to microfinance borrowers through Joint Liability Group	MFI	91.52%

III.Particulars Of Holding, Subsidiary And Associate Companies					
Sl. No.	**Name and Address of the Company**	**CIN/ GLN**	**Holding/ Subsidiary/ Associate**	**% of Shares held**	**Applicable Section**
1.	Manappuram Finance Limited	L65910K-L1992PLC006623	Holding	93.33	Section 2(46)

IV. Share Holding Pattern

(Equity Share Capital Breakup as percentage of Total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
I. Indian									
Individual/ HUF	32,27,966	-	32,27,966	6.05	32,27,966	-	32,27,966	6.05	0
Central Govt	-	-	-	-	-	-	-	-	-
State Govt(s)	-	-	-	-	-	-	-	-	-
Bodies Corp	4,97,57,889	-	4,97,57,889	93.33	4,97,57,889	-	4,97,57,889	93.33	0
Banks / FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	5,29,85,855	-	5,29,85,855	99.38	5,29,85,855	-	5,29,85,855	99.38	0
2. Foreign									
NRIs-Individuals	-	-	-	-	-	-	-	-	-
Other-Individuals	-	-	-	-	-	-	-	-	-
Bodies Corp.	-	-	-	-	-	-	-	-	-
Banks / FI	-	-	-	-	-	-	-	-	-
Any Other….	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-
B. Public Shareholding									
I. Institutions									
Mutual Funds	-	-	-	-	-	-	-	-	-
Banks / FI	-	-	-	-	-	-	-	-	-
Central Govt	-	-	-	-	-	-	-	-	-
State Govt(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	-	-	-	-	-
FIIs	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions									
Bodies Corp. (i) Indian (ii) Overseas	-	-	-	-	-	-	-	-	-
Individuals	-	-	-	-	-	-	-	-	-
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	15,848	-	15,848	0.03	15,848	-	15,848	0.03	-
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	3,10,184	-	3,10,184	0.59	3,10,184	-	3,10,184	0.59	-
Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	*3,26,032*	-	*3,26,032*	*0.61*	*3,26,032*	-	*3,26,032*	*0.61*	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**3,26,032**	**-**	**3,26,032**	**0.61**	**3,26,032**	**-**	**3,26,032**	**0.61**	**-**
C. Shares held by Custodian for GDRs &ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**5,33,11,887**	**-**	**5,33,11,887**	**100**	**5,33,11,887**	**-**	**5,33,11,887**	**100**	**-**

I. Share Holding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumber red to total shares	
1	Mr. S.V. Raja Vaidyanathan	31,27,966	5.87%	-	31,27,966	5.87%	-	-
2	Ms. Anjana Vaidyanathan	1,00,000	0.19%	-	1,00,000	0.19%	-	-
3.	Manappuram Finance Limited	4,97,57,889	93.33%	-	4,97,57,889	93.33%	-	-
Total		**5,29,85,855**	**99.39%**	**-**	**5,29,85,855**	**99.39%**	**-**	**-**

II. Change in Promoter's Shareholding *(Please Specify, if There is no Change)*

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. S.V. Raja Vaidyanathan				
	At the Beginning of the year	31,27,966	5.87	31,27,966	5.87
	Change during the year	-	-	-	-
	At the End of the Year	31,27,966	5.87	31,27,966	5.87
2	Ms. Anjana Vaidyanathan				
	At the Beginning of the year	1,00,000	0.19	1,00,000	0.19
	Change during the year	-	-	-	-
	At the End of the Year	1,00,000	0.19	1,00,000	0.19
3	M/s. Manappuram Finance Limited				
	At the Beginning of the year	4,97,57,889	93.33	4,97,57,889	93.33
	Change during the year	-	-	-	-
	At the End of the Year	4,97,57,889	93.33	4,97,57,889	93.33

III. Shareholding Pattern of Top 10 Sharesholders *(other Than Director, Promoters and Holders of GDRs and ADRs)*

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. S. Gopinath				
	At the Beginning of the year	16,277	0.03	16,277	0.03
	Change during the year	-	-	-	-
	At the End of the Year	16,277	0.03	16,277	0.03
2	Mr. G Srikanth				
	At the Beginning of the year	13,334	0.03	13,334	0.03
	Change during the year	-	-	-	-
	At the End of the Year	13,334	0.03	13,334	0.03
3	Mr. S. Muthukumar				
	At the Beginning of the year	14,023	0.03	14,023	0.03
	Change during the year	-	-	-	-
	At the End of the Year	14,023	0.03	14,023	0.03
4	Mr. Tolerance Samuel				
	At the Beginning of the year	8,139	0.02	8,139	0.02
	Change during the year	-	-	-	-
	At the End of the Year	8,139	0.02	8,139	0.02

IV. Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Mr. V.P. Nandakumar**				
	At the Beginning of the year	1,43,391	0.27	1,43,391	0.27
	Change during the year	-	-	-	-
	At the End of the Year	1,43,391	0.27	1,43,391	0.27
2	**Mr. V.R. Rajiven**				
	At the Beginning of the year	7,709	0.01	7,709	0.01
	Change during the year	-	-	-	-
	At the End of the Year	7,709	0.01	7,709	7,709
3	**Mr. A. Ramanathan**				
	At the Beginning of the year	32,000	0.06	32,000	0.06
	Change during the year	-	-	-	-
	At the End of the Year	32,000	0.06	32,000	0.06
4	**Mr. Gautam Saigal**				
	At the Beginning of the year	40,993	0.08	40,993	0.08
	Change during the year	-	-	-	-
	At the End of the Year	40,993	0.08	40,993	0.08
5	**Mr. B.N. Raveendra Babu**				
	At the Beginning of the year	50,166	0.09	50,166	0.09
	Change during the year	-	-	-	-
	At the End of the Year	50,166	0.09	50,166	0.09
6	**Mr. S. V. Raja Vaidyanathan**				
	At the Beginning of the year	31,27,966	5.87	31,27,966	5.87
	Change during the year	-	-	-	-
	At the End of the Year	31,27,966	5.87	31,27,966	5.87
7	**Mr. Desh Raj Dogra**	NIL			
	At the Beginning of the year				
	Change during the year				
	At the End of the Year				
8	**Mr. T.M. Manoharan**	NIL			
	At the Beginning of the year				
	Change during the year				
	At the End of the Year				
9	**Ms. Pushya Sitaraman**	NIL			
	At the Beginning of the year				
	Change during the year				
	At the End of the Year				
10	**Mr. S. K. Mitra**	NIL			
	At the Beginning of the year				
	Change during the year				
	At the End of the Year				
11	**Mr. Abhijit Sen**	NIL			
	At the Beginning of the year				
	Change during the year				
	At the End of the Year				

Sl. No.		Shareholding at the beginning		Cumulative Shareholding	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
12	**Mr. Mayank Shyam Thatte***				
	At the Beginning of the year		NIL		
	Change during the year				
	At the End of the Year				
13	**Mr. Yogesh Ratnakar Udhoji****				
	At the Beginning of the year		NIL		
	Change during the year				
	At the End of the Year				
14	**Mr. Anup Kumar Gupta**				
	At the Beginning of the year		NIL		
	Change during the year				
	At the End of the Year				

*Retired from the office of Chief Financial Officer w.e.f 21/09/2019
**Appointed as Chief Financial Officer w.e.f. 30/10/2019

V. Remuneration of Directors and Key Managerial Personnel:

A. Remuneration Of Directors And Key Managerial Personnel:

Sl. No.	Particulars of Remuneration	Mr. S.V. Raja Vaidyanathan, Managing Director	Total Amount (In Rs.)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,01,60,000	2,01,60,000
	(b)Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c)Profits in lieu of salary under section 17(3)Income- taxAct,1961		
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	1,00,00,000	1,00,00,000
	- Others, specify…		
5	Others, please specify	-	-
	Total(A)	3,01,60,000	3,01,60,000
	Ceiling as per the Act	5 % of the net profit	

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Gautam Saigal	V.R. Rajiven	A. Ramanathan	D.R. Dogra	T.M. Manoharan	T. Balakrishnan	Pushya Sitaraman	S.K. Mitra	Abhijit Sen	Total Amount
	Independent Director										
1	-Fee for attending Board/ Committee Meeting	-	75,000	4,80,000	2,95,000	1,95,000	3,05,000	1,70,000	25,000	25,000	15,70,000
	-Commission	-	10,00,000	10,00,000	10,00,000	10,00,000	10,00,000	1,58,904	-	-	51,58,904
	-Others, please specify										
	Total (1)	-	*10,75,000*	*14,80,000*	*12,95,000*	*11,95,000*	*13,05,000*	*3,28,904*	*25,000*	*25,000*	*67,28,904*
2	**Non-Executive Director**										
	-Fee for attending Board/ Committee Meeting	3,10,000	-	-	-	-	-	-	-	-	3,10,000
	Commission	10,00,000	-	-	-	-	-	-	-	-	10,00,000
	-Others, please specify										
	Total (2)	*13,10,000*	-	-	-	-	-	-	-	-	*13,10,000*
	Total (B)= (1)+(2)	**13,10,000**	**10,75,000**	**14,80,000**	**12,95,000**	**11,95,000**	**13,05,000**	**3,28,904**	**25,000**	**25,000**	**80,38,904**
	Total Remuneration										**80,38,904**
	Overall Ceiling as per the Act	_1% of the net profit									

Note : Commission paid for FY 2018-19 during the year.

C. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		Company Secretary	Chief Financial Officer	Chief Financial Officer	
		Anup Kumar Gupta	Mayank Shyam Thatte#	Yogesh Ratnakar Udhoji##	
1	**Gross Salary**				
	(a)Salary as per provisions contained in section 17 (1) of the Income-tax Act,1961	14,60,000	42,64,418	34,66,672	91,91,090
	(b)Value of perquisites u/s 17 (2) Income-tax Act, 1961				
	(c)Profits in lieu of salary under section 17(3) Income Act, 1961				
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	Others, specify…				
5	Others, please specify	-	-	-	-
	Total	**14,60,000**	**42,64,418**	**34,66,672**	**91,91,090**

Note : Remuneration paid during the FY 2019-20

Retired from the office of Chief Financial Officer w.e.f 21/09/2019

Appointed as Chief Financial Officer w.e.f. 30/10/2019

VI. Indebtedness - Indebtedness of The Company Including Interest Outstanding/Accrued But Not Due for Payment

Rs. In Lakhs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.04.2019				
i) Principal Amount	2,77,308.36	61,820.36	-	3,39,128.72
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,831.66	834.68	-	2,666.34
Total (i+ii+iii)	*2,79,140.02*	*62,655.04*	-	*3,41,795.06*
Change in Indebtedness during the financial year				
Addition	3,71,655.82	44,950.00	-	4,16,605.82
* Reduction	2,44,041.60	64,294.31	-	3,08,335.91
Net Change	*1,27,614.22*	*19,344.31*	-	*1,08,269.91*
Indebtedness at the end of the financial year 31.03.2020				
i) Principal Amount	4,04,575.17	42,794.28	-	4,47,369.45
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,179.07	516.45	-	2,695.52
Total (i+ii+iii)	**4,06,754.24**	**43,310.73**	**-**	**4,50,064.97**

VII. Penalties/Punishment/Compounding of Offences:

Type	Section of the Companies Act	Brief description	Details of Penalty/Punishment /Compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made. If any (give details)
A. Company					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
B. Directors					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
C. Other Officers in Default					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

For and on behalf of the Board of Directors
ASIRVAD MICRO FINANCE LIMITED

(VP Nandakumar)
Chairman
DIN: 06897569

(SV Raja Vaidyanathan)
Managing Director
DIN: 01467098

Date: 12th May, 2020
Place: Chennai

Annual Report on Corporate Social Responsibility (CSR) Activities

A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and projects or programs:

In accordance with the provisions of Section 135 of the Companies Act, 2013 read with Rules made thereunder, the Board of Directors of the Company have constituted the Corporate Social Responsibility Committee (CSR Committee). The Committee has formulated and recommended a CSR Policy to the Board and various recommendations of the Committee including the amount of expenditure to be incurred on CSR activities are submitted to the Board for approval. The Committee has framed a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company and also monitors CSR policy from time to time.

The CSR Policy of the Company as approved by the Board of Directors is available on the Company's website at https://asirvadmicrofinance.co.in/csr-policy/

Compositions of the Corporate Social Responsibility Committee are as follows:

Name of the Director	Category
Mr. T. M. Manoharan	Chairman, Independent Director
Mr. S.V. Raja Vaidyanathan	Member, Executive Director
Ms. Pushya Sitaraman	Member, Independent Director

- Average net profit of the Company for last three financial year : Rs.67,93,03,525
- Prescribed CSR Expenditure (two percent of the amount mentioned above) : Rs. 1,35,86,070
- Details of CSR spent during the Financial year 2019- 20

Total amount to be spent for the financial year 2019-20: Rs.1,35,86,070
Amount unspent, if any: Nil

Sl No.	CSR project or activity Identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (Budget) Project or Programs wise (Rs.)	Amount spent on the projects or the programs Sub-heads: (1) Direct expenditure on projects or programs- (2) Overheads (Rs.)	Cumulative expenditure up to the reporting period (Rs.)	Amount spent Direct or through implementing agency (Rs.)
1	Rural Development Projects, Eradicating Hunger, Poverty and Malnutrition	Health	Distribution of Relief Kit to Flood affected people Project implementation area: Karnataka and Maharashtra	19.5 Lacs (Nineteen Lacs and Fifty Thousand only). Entire fund disbursed to project implementation partner.	19.5 Lacs	19.5 Lacs	Amount spent by Manappuram Foundation
2	Promoting Education, including Special education, and employment enhancing vocation skills.	Skill Development	Manappuram Institute of Automotive (MA IAM) - Valapad. A Unit of Manappuram Foundation which offers to empower the youth with employable skills in the Automotive domain like auto body repair skilling. The courses are offered at subsidized rates and quality certified to ensure 100% placement. We have incurred various expenses towards setting up and regular operations of this Skilling unit.	55.5 Lacs (Fifty Five Lacs and Fifty Thousand only). Entire fund disbursed to project implementation partner.	55.5 Lacs	55.5 Lacs	Amount spent by Manappuram Foundation
3	Promoting Education, including Special education, and employment enhancing vocation skills.	Skill Development	Manappuram Coach India Entrance coaching (MAEC) - Palakkad. Entrance coaching (Engineering and Medical) at reasonable rate	32 Lakh (Thirty Two Lacs only). Entire fund disbursed to project implementation partner.	32 Lacs	32 Lacs	Amount spent by Manappuram Foundation
4	Women Empowerment	Women Empowerment	Donation paid to SREE NARAYANA SEVIKA SAMAJAM, ALUVA for the construction of building.	10 Lacs (Ten Lacs only). Entire fund disbursed to project implementation partner.	10 Lac	10 Lac	Amount spent by Manappuram Foundation
5	Preventive Health care	Health	Diabetic Medical Camps of 9 places for 1341 beneficiaries @ 300 each	4 Lacs (Four Lacs only). Entire fund disbursed to project implementation partner.	4 Lac	4 Lac	Amount spent by Manappuram Foundation

Sl No.	CSR project or activity Identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (Budget) Project or Programs wise (Rs.)	Amount spent on the projects or the programs Sub-heads: (1) Direct expenditure on projects or programs- (2) Overheads (Rs.)	Cumulative expenditure up to the reporting period (Rs.)	Amount spent Direct or through implementing agency (Rs.)
6	Scholarship	Education	Scholarship under Student Scholarship Scheme	14 Lacs (Fourteen Lacs only). Entire fund disbursed to project implementation partner.	14 Lac	14 Lac	Amount spent by Asirvad Development Foundation
7	Medical Facility	Health	Medical aid for artificial limbs - through Dream Runners Foundation – Freedom Trust	1 Lakh (One Lakh only). Entire fund disbursed to project implementation partner.	1 Lakh	1 Lac	Amount spent by Asirvad Development Foundation Foundation –Freedom Trust
8	Promoting Education	Education	Entrepreneurship Training	6.00 lakh (Six Lakh only). Entire fund disbursed to trust	6 lakh	6 lakh	Manav Seva Dharma Samvardhani Trust
9	Eradicating hunger, poverty and malnutrition	Eradicating hunger, poverty and malnutrition	Food packets to people affected due to flood	5.56 lakh	5.56 lakh	5.56 lakh	Directly
Total						**147.56 lakh**	

Name of Trust	Address of Trust	Contact Person	Contact Info:
Asirvad Development Foundation	1st Floor, Deshbandu Plaza 47, Whites Road, Royapettah Chennai-600 014, Tamil Nadu, India	Mr. Kannan J	e-mail: kannan@asirvad.in
Manappuram Foundation	1st Floor, Above KSEB Office, Ummaih Complex, Chandapady, Valappad	Mr. Pavel Podder, CEO	Contact No. 7594810850, 7594810852; E-mail - mf@manappuramfoundation.org; contact@manappuramfoundation.org
Manav Seva Dharma Samvardhani Trust	391/1 Venkatachalapathi Nagar, Alapakkam, Chennai - 600116	Ms. Latha Suresh, Secretary	info@msdstrust.org

In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

The Company has incurred more than 2 % of the average net profit of the last three financial years on CSR.

A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

We hereby affirm that the CSR policy, as approved by the Board of Directors, has been implemented and the CSR committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives.

S.V. Raja Vaidyanathan
Managing Director
DIN: 01467098

T. M. Manoharan
Chairman of CSR Committee

Date : 12th May, 2020
Place : Chennai

Annexure – F

Form No. MR-3

SECRETARIAL AUDIT REPORT

(For the Financial Year ended 31st March, 2020)

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

To
The Members,
M/s. Asirvad Micro Finance Limited
Deshbandhu Plaza, First Floor 47,
Whites Road Chennai
Tamil Nadu- 600014

1. I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Asirvad Micro Finance Limited (hereinafter referred as the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

2. Based on my verification of the Company's books, papers, minute books forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the "Financial Year" ended on 31st March, 2020, (i.e. from 01st April, 2019 to 31st March, 2020) complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

3. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of

   A. The Companies Act, 2013 (the "Act") and the rules made thereunder;
   B. The Securities Contracts (Regulation) Act, 1956 ('SCRA')and the rules made thereunder;
   C. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
   D. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
   E. Reserve Bank of India - NBFC (Non-Banking Financial Companies) norms, directions, regulations, circulars etc.
   F. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

      a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and as amended from time to time;
      b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

4. I have also examined compliance with the applicable clauses of the following:

   (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).
   (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with BSE Ltd.

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

6. I further report that, having regard to the compliance system prevailing in the Company and on examination of relevant documents and records in pursuance thereof, on test check basis and on the basis of the management representation that the Company has complied with all the industrial specific applicable laws.

7. I further report that

   (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
   (ii) Adequate notices are given to all directors to schedule the board meetings, agenda and detailed notes on agenda were sent in advance as required, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
   (iii) All the decisions at the Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the respective meetings.

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

9. I further report that during the audit period, the Company has undertaken the following reportable events:

(i) Members of the Company at the Extra-ordinary General Meeting held on 4th November, 2019 accorded their approval to the revision in remuneration of Mr. S.V Raja Vaidyanathan, Managing Director of the Company effective from April 1, 2019 for the FY 2019-20 u/s 197 of the Companies Act, 2013.

(ii) During the year ended 31st March, 2020, the Company issued and allotted the following Non-convertible Debentures:

S No.	Type of Debentures Allotted	Date of Allotment	No. Of Debentures
1.	2500 (Two Thousand and Five Hundred) Partly paid, Rated, Listed, Senior, Unsecured, Reedemable, Taxable, Non-convertible Debentures. (Part payment of principal)	24/04/2019 (Date of Payment)	2500
2.	100 (Hundred) Fully paid Rated, Listed, Senior, Unsecured, Redeemable, Taxable, Non-Convertible Debentures.	24/05/2019	100
3.	245 (Two Hundred and Forty Five) Secured, Rated, Listed, Redeemable, Principal Protected Market Linked Non-convertible Debentures	12/06/2019	245
4.	40000 (Forty Thousand)Fully paid, Unsecured, Senior, Rated, Listed, Redeemable, Taxable Non-convertible Debentures	30/05/2019	40,000
5.	10000 (Forty Thousand)Fully paid, Unsecured, Senior, Rated, Listed, Redeemable, Taxable Non-convertible Debentures	20/06/2019	10,000
6.	250 (Two Hundred and Fifty) Unsecured, Unsubordinated, Rated, Transferable, Redeemable Non-convertible Debentures	27/12/2019	250
7.	150 (One Hundred and Fifty) Unsecured, Unsubordinated, Rated, Transferable, Redeemable Non-convertible Debentures	30/12/2019	150
8.	700 (Seven Hundred) Rated, Listed, Secured, Transferable, Taxable, Redeemable, Non-Convertible Debentures	09/03/2020	700

(iii) Members of the Company at the Extra Ordinary General Meeting held on 17th March, 2020 accorded their approval to alter the Memorandum of Association u/s 13 of the Companies Act, 2013.

(iv) Members of the Company at the Extra-ordinary General Meeting held on 17th March, 2020 accorded their approval to the Board to borrow by issue of Non-convertible debentures and commercial papers, for the purpose of Company's business, in the case of Non-convertible debentures upto an aggregate amount not exceeding Rs. 2000 Crore and in the case of commercial papers upto an aggregate amount not exceeding Rs. 500 u/s 42, 71 of the Companies Act, 2013.

Place: Chennai
Date: 09.05.2020

sd/-
S.Hari
Company Secretary in Practice
FCS No.821
C P No. 4276

APPENDIX – A

To
The Members,
M/s. Asirvad Micro Finance Limited
Deshbandhu Plaza, First Floor 47,
Whites Road Chennai
Tamil Nadu- 600014

My secretarial audit report of even date is to be read along with this letter.

a. Maintenance of secretarial and other records is the responsibility of the management of the Company. My responsibility is to express an opinion on the relevant records based on my audit.

b. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the relevant records and compliances. The verification was done on test basis to verify that correct facts are reflected in secretarial and other relevant records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

c. I have not verified the correctness and appropriateness of financial, tax records and books of accounts of the Company.

d. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

e. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of the procedures on test/sample basis.

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

Place: Chennai
Date: 09.05.2020

sd/-
S.Hari
Company Secretary in Practice
FCS No.821
C P No. 4276

RAJASTHAN

आशीर्वाद माइक्रोफाइनेंस ने मेरे जीवन को छोटे दर्जी से बुटीक कंपनी के मालिक में बदल दिया।



Management Discussion Analysis

9

OPERATIONS

Asirvad Micro Finance Limited (AML) had formed considerable base in earlier years, which helped reach top 5 NBFC-MFIs in India in terms of Asset Under Management (AUM). During the year, AML had achieved multiple milestones of serving over 2 million clients, crossing INR 5,000 crore AUM, branches under operations crossed 1,000 branches and gross income exceeding INR 1,000 crores. AS on March 31, 2020, AML operated 1,030 branches across 21 States and 3 Union Territories with presence in 312 districts, with clients of 2.3 million spread across over 2 lakh centres serviced by over 6,206 staff, majority of them in the field. By reducing the bank borrowing cost , AML had passed the benefits to its clients by way of reduction of 40 bps interest rates charged to 21.30 % from 21.70%.

AML invested in upgradation of its technology to serve its clients faster and digitized its operations to reduce paper work. During mid-year, it has moved to 15,000 sq ft leased premises in Chennai to accommodate over 175 staff at it its head office in line with the growth of the company.

Operations Highlights

AML continued to achieve higher business volumes through its multi-state operations. It has disbursed INR 46,610 million to 1,189,594 clients during the year when compared to INR 42,860 million to 1,263,093 clients in previous year, a growth of 9 % in value terms. AUM stood at INR 54,880 million as against INR 38,390 million, a growth of 43%. All India Business Operations is divided two zones, five regions, 12 territories and 89 divisions. It has 10 States with more than INR 200 crore portfolio each and having more than 1 lakh members in such states. AML continued to follow its risk management practices of spreading its business risk across States and further getting into district level risk concentration during the year. It had also centralized exceptional loan approval at Head office for better control and supervision. During the latter part of the year, AML had upgraded its entire operations through e-on-boarding process of clients at their doorstep. Post upgradation, AML is targeting to reduce the loan offering services TAT from present seven days to five days. Further the entire loan documentation has been digitized to reduce paperwork and manual process.

Particulars (Rs. in Crores)	March 2020	March 2019	March 2018	March 2017	March 2016	March 2015	March 2014
Paid up Capital	53.31	53.31	32.07	26.28	26.27	20.76	8.07
Asset Under Management*	5502.64	3840.78	2437.20	1795.94	998.81	322.00	188.80
Borrowings (Rs. in Crores)	4500.65	3418.05	2400.77	1592.70	778.32	240.17	165.29
Total Revenue (Rs. in Crores)	1101.44	740.45	469.59	363.42	156.09	67.33	37.30
Profit after tax (Rs. in Crores)	235.33	151.64	(9.29)	34.34	23.96	10.40	4.70
Total Comprehensive Income (Rs. In Crores)	235.10	151.85	(9.06)	NA	NA	NA	NA
Total Assets (Rs. in Crores)	5912.46	4257.66	2705.63	1961.95	1044.61	368.81	215.44

*AUM includes securitised assets which are derecognised in financial statements.

Key Ratios

Ratio	2019-20	2018-19	2017-18	2016-17	2015-16
PBT / Total Income	28.17%	31.16%	-10.66%	14.39%	23.24%
PBT / Total Assets	5.25%	5.42%	-2.00%	2.67%	3.47%
ROE	25.52%	27.92%	-11.70%	13.9%	20.3%
Return on Portfolio	6.00%	5.18%	-1.53%	2.46%	3.99%
Capital Adequacy	25.37%	28.90%	15.19%	20.6%	24.8%
Book Value Rs.	194.99	150.89	89.59	100.61	87.55
Net Interest Margin	10.00%	9.39%	9.86%	9.96 %	9.47%

Assets Under Management

The loan approval process of Asirvad is decentralised, with set overall loan sanction limits, consideration of customer loan track and the loan cycle. During the year, Asirvad's microfinance loan book increased to Rs. 5,502.64 Crores from Rs. 3840.78 Crores in the previous year. The increase in the loan book was Rs. 1661.86 Crores which has been determined after taking into account loan repayments of Rs. 3,231.03 Crore (previous year Rs. 2881 Crores) and loans written off during the year amounting to Rs.16.14Crores (previous year Rs. 55.2Crores). The growth in the microfinance loan book, after adding back loans securitised in the preceding twelve months was 43.27%. During the year, Company expanded its lending activities by foraying into lending for MSME enterprises in select states against collateral of property. Loan book outstanding as at 31st March 2020 is Rs.13.60Cr. The company's old SME loan book stood at Rs.1.11 crore as on 31st March 2020.

Securitisation

During 2019-20, the company securitised its assets worth Rs. 1,865 Crore as against Rs. 1,803 Crore during the previous year. With securitisation, the company ensures broad basing of the borrowing profile and reduced cost of funds as the underlying assets rank for classification under priority sector lending by the Banks. The outstanding securitised assets portfolio stood at Rs. 1,676.58 crores as on March 31, 2020.

Resource Mobilisation & Treasury Operations

The funding for the business is from an optimum mix of equity and debt. The company continues to follow the policy of diversification of funding sources. The Company has existing relationship with about 60 lenders across Banks, Financial Institutions, NBFCs and Overseas FII investors, who have sanctioned of Rs. 7,201 Crores (Including securitisation of Rs. 1,760 Crores undrawn sanction) during the year, out of which Rs. 5,441 Crore has been availed as on 31st March 2020. It includes Rs. 323 Crores of NCDs issued during the year.

The Funding mix of the company as on 31st March 2020 is given below

Term Loan	56%
Non convertible Debentures	6%
Securitization	34%
Commercial Paper	4%

Investments:

The Investment Policy approved by the Board of Directors envisages deployment of temporary cash surplus, arising out of the gap between cash inflows and outflows, in mutual funds and/or Fixed deposit with Banks. The investment function ensures adequate levels of liquidity to support business requirements, maintaining a high degree of safety and optimising the level of returns, consistent with acceptable levels of risk by investing in short term instruments. As at March 31, 2020, the investment in Fixed deposits free of lien stood at Rs. 1128.08Crores.

Provision for Contingencies

During the year, the Company made a provision of Rs.185.10 Crores(previous year Rs. 53.87 Crores) excluding writeoff of Rs. 16.14 Crore through a charge to the Statement of Profit and Loss. The Provisioning is made higher than the amount to be provided for as per RBI norms which requires provisioning of 100% for assets falling due for more than 180 days.

This was done with the objective of further strengthening the Company's balance sheet.

Outlook, Risks and Opportunities

During the end of the year, India went into a lockdown on account of Covid-19 pandemic. Implications of the pandemic will be across India , will impact the livelihoods and subsequently income of micro entrepreneurs/low income households. The duration of the pandemic and period of lockdown will determine the recovery cycle of the micro-finance industry. In the past, the Industry has seen black swan events like AP Crisis, demonetization etc and will hope that the industry will come to normalcy over a period of time. Digital collection is an opportunity where a client can pay her instalment through payment gateways other than cash. It will reduce cash carrying risk by staff and time to deposit in banks , provide more time for field operations and reduce cash misappropriation frauds. Asirvad would like to focus on various options to introduce cashless payment options. It will focus on development of Asirvad Digi-pay Application to facilitate such payment options.

HUMAN RESOURCES

Asirvad is embarking on a new growth journey, with new aspirations and milestones. The Financial Year 2019-20 has been a very exciting period for Asirvad. Together as an organization, we continue to soar above challenges such as transformation, governance and several structural changes.

Human Capital.

3324 candidates joined Asirvad family in FY 2019-20 and the total manpower strength stood at 6206 PAN India as on 31st March 2020, with 21 States, 2 Union Territories and 1044 branches. Asirvad closed more than 93% of all open positions through Internal Job Promotions (IJPs). For entry level hires, we have closed more than 35% of the open positions through employee referrals and remaining 55% through direct sourcing.

Recruitment Through Train And Board Model

Asirvad has created Talent Transformation Team to hire entry level fresher in batches to on-board, train and deploy field employees across areas of operation using train & board integrated model.

Employee Connect Initiatives:

Asirvad strongly believes in creating an environment that ensures last mile connectivity with the field employees. The following organisation's communication channels which are varied and each one serves a different purposes.

My HR Support: All employees can write to MyHRSupport on their DICE (Doubts, Issues, Concerns and Escalation) which gets resolved in 72 business hours.

Know your HR & HR Hour: "Know your HR" poster has been displayed in all branches of Asirvad and a dedicated "HR Hour" for employees to contact their cluster HR Manager for seeking any help and guidance.

Speak-Up: To report anything in confidential, employees can write to speak-up mail id

Asirvad Connect: A quarterly corporate newsletter has been launched for internal and external stakeholders.

Rewards And Recognition

Asirvad has launched employee recognition program called ICONS (Innovation, Collaboration, Outstanding, Networking and Strive) to recognise exceptional performances at the workplace.

TRAINING

DRIVE – Divisional Manager Training

DM Workshop was conducted at Hyderabad, Telangana in May 2019. It was a 5 day workshop with 78 Division managers across India, split into two batches.

Area Managers workshop

Area Managers' Workshop was planned and conducted across India in June to August 2019 in 15 locations with 337 Area managers. It was designed and delivered by Training Team with the respective Zonal Heads and Training managers

Other Traing Programmmes

Asirvad Training Team comprises of 20 Training managers and the team acts based on the business needs, the change in technology and to overcome the competitors by producing competitive employees.

The following are the training programmes conducted during this FY.

Activity	No of Programs	No of participants
Induction & Process Training	393	4340
FCE Training	10	133
MSME Training	6	102
Branch Manager Readiness Program	19	259
Software Training	104	3524
MSME Training	6	102
TTT Programme	3	69

Learning Management System

As Asirvad is growing parallel to the technology, we have implemented a Learning Management System, in joint venture with "Sum total" recommended by Manappuram to make learning culture digitally in Asirvad. 42,474 courses have been completed by 6135 employees during this FY, with >95% course completion status.

Certification Through On-Line Courses:

This year, we have launched various on-line courses for PG diploma certification courses in field of Finance, HR, Analytics, Cross Selling, Operation Management and 94+ employees have completed these certification courses successfully.

Microfinance Certified Program (Prosper)

Prosper is a Training, Assessment and Certification program of Micro-credit Officers on Conduct with Customer. This program is developed by Banking Financial Services Insurance Sector Skills Council (BFSI-SSC) and Microfinance Institutions Network (MFIN) and with support from Ministry of Skill Development and Entrepreneurship (MSDE) under the Recognition of Prior Learning (RPL) scheme of Prime Minister Kaushal Vikas Yojana 2.0 (PMKVY 2.0). 4179+ staffs have been trained and certified on this program in FY 19-20.

INFORMATION TECHNOLOGY

Asirvad's Information Technology (IT) philosophy is " committed to operate and maintain a well governed, structured and process – oriented IT function that proactively delivered to the strategic and operational requirements for the effective & efficient achievement of our mission & vision , with continuous improvement according to the changes in the Business Processes and Regulatory requirements".

The IT infrastructure is created keeping following key factors:

- ⇨ Information & Data Security
- ⇨ Improved operational efficiency
- ⇨ Efficient portfolio tracking and monitoring
- ⇨ Better customer service
- ⇨ Reduced transactional costs
- ⇨ Compliance with regulatory / statutory requirements
- ⇨ Moving towards paper less transactions
- ⇨ 100% on cloud

The following enhancements were implemented in the Informatio Technology arena during the year:

a) We had introduced Digital Onboarding of the Customers during this year. In this, the Field Officer will captures the data at the field itself which results in lesser time for onboarding the client and quicker disbursement of loans.

b) A Customer App was designed and launched for the user of the Customers. The customers can know all the details about their loan i.e., payments made, outstandling loan amount, tenor of the loan etc from the Customer App.

c) Till last year, the penetration of IT systems was restricted till Divisional Office, which supports around 12 branches. The distance between the Divisional Offices and the Branches were roughly around 50 to 60 kms. This year we had provided IT infrastructure to the Area Offices and each Area Office will cater for three branches. This has enhanced the productivity of the Operations Team.

d) We were using the Loan Management System (LMS) provided by M/s. Craft Silicon India Pvt Ltd under SaaS model. As the company is growing in fast pace and considering the risks involved in management of data, it was decided to develop an inhouse LMS and the same is in progress. It is expected that the inhouse LMS will be implemented towards the end of FY 20.

The IT department at Asirvad continuously strives for upgrading the IT infrastructure to make Asirvad one of the best tech savvy organizations in the domain. Use of digital services (tablets & mobiles) for online – real time receipting & accounting, a robust, scalable & functionally rich lending software solution, an employee friendly software for Human Capital Management, effective Analytics and MIS for portfolio monitoring, highly secure & reliable network, a robust, scalable & functional rich financial accounting software to cater all financial reporting will help Asirvad in achieving its goal.

INTERNAL AUDIT & CONTROLS

Audit plays an important role in streamlining the process in Asirvad Micro Finance and its ensure that the business operations are carried out as per the laid down policies of the company As the proposed business plan of Asirvad encompasses expansion of business operations throughout the country and with the gradual increase in the strength of the Internal Audit team in Asirvad. Internal Audit team is not only to highlight the audit observations but also help the field level staff to rectify the mistakes and to ensure that similar mistakes are not repeated this will serve as a tool for the Internal Auditors and also would help the Operations Department to know the checks and balances being exercised and confirm that all the business operations of the company are carried out as per the laid down policies.

Audit and Internal Controls: The internal audit department we have two wings i.e. Audit Branch Operations and corporate audit, Audit operation taking care of branch audit functions and corporate audit cover the function of other department. Branch audit we have three type of audit 1. Pre disbursement audit 2. Post disbursement audit 3. Branch audit, in these three format of audit, auditors will cover the entire business process, and In addition, special Branch Audits are undertaken as and when required to meet specific requirements of the company

Based on their risk and occurrence the Internal Audit observations we are broadly categorized into four types of Alerts viz., Critical, High, Medium & Low and these are highlighted to the operations department for compliance. Compliance is critical to the Audit process, In order to ensure that the Branch and Divisional office staff understand the deficiencies and discrepancies regarding documentation, process of operation etc, and so compliance of the audit observations are mandatory for each Audit and observations

RISK MANAGEMENT

Micro finance industry is in a most evolving stage in India carrying multiple risks and involve developing strategies to counter various emerging risks as well as key risks associated with any type of lending business. Asirvad is forefront in identifying and analysing the impact of internal and external risks with a special risk desk supporting various initiatives. Credit risk arising out of delinquencies on account of non-performing portfolio, operational risk arising out inadequate process or failed controls to predefined processes, liquidity risk impacting flow of funds to the organization and sector risk arising out political considerations, concentration risk arising out multiple players are some of the major risks faced by the every organisation.

The risk management framework is perhaps one of the most important parameters that define the success of financial services organisation. The risk management programme in the organisation establishes multiple process of identifying and assessing the major risks covering all areas of the institution's activities. This includes all activities geared toward meeting its strategic, operational, reporting and compliance objectives. The management then develops ways to manage and mitigate these risks by implementing a strong robust system of internal control. The management is accountable to the reporting to the board of directors its assessment of the institution's risk and its efforts to manage and mitigate the risk. The board of directors is responsible to ensure that the management has implemented a risk management programme, that resources are allocated for risk management and internal controls, and that there is adequate oversight of the audit functions as one of the board of director's responsibilities.

The Board of directors and its various sub-committees have met from time to time and ensured adherence to the guidelines issued by RBI. Liquidity risk management, interest rate risk, funding and capital planning, profit planning and growth projections, pricing, credit risk , portfolio risk management, operational and process risk management have also been reviewed from time to time and the sub-committees have also been making necessary changes to KYC and other disclosure norms based on the policies being issued by the Central Bank at periodic intervals.

Independent Auditor's Report

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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

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आशीर्वाद माइक्रोफाइनेंस" के एक छोटे से ऋण ने मेरे जैसे ग्रामीण लोगों के जीवन में एक बड़ा बदलाव किया है।

Financial Statement

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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
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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**

Asirvad Microfinance Limited
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.

Asirvad Microfinance Limited
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
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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
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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.

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) :* Category	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
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	As at and for the year ended 31 March 2019	As at 1 April 2018
	(increase / (decrease))	(increase / (decrease))	(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

Corporate Events

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Corporate Events 2020

WOMEN'S DAY CELEBRATION





CORPORATE OFFICE INAUGURAL CEREMONY







