12th Annual Report 2018-19

INDEX

CORPORATE INFORMATION

1. COMPANY	:	Asirvad Micro Finance Limited
2. CORPORATE IDENTIFICATION	:	U65923TN2007PLC064550
3. REGISTERED OFFICE	:	1st Floor, Desabandhu Plaza, 47, Whites Road, Royapettah Chennai – 600 014 +91- (44) 43510081
4. CORPORATE OFFICE	:	1ST & 2ND Floor, Lemuir Building G.N. Chetty Road, T. Nagar Chennai – 600 017 +91- (44) 4212 4493
5. MANAGING DIRECTOR	:	Mr. S.V. Raja Vaidyanathan
6. CHIEF OPERATING OFFICER	:	Mr. S. Ramachandran
7. CHIEF FINANCIAL OFFICER	:	Mr. Mayank Shyam Thatte
8. CHIEF TECHNOLOGY OFFICER	:	Mr. Anand Sharma
9. HEAD (HUMAN RESOURCE)	:	Mr. Bikram Mishra
10. COMPANY SECRETARY	:	Mr. Anup Kumar Gupta
11. 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.

12. SECRETARIAL AUDITORS	:	Mr. S. Hari No.3, Palat Madhavan Road, 1ST Floor, Mahalingapuram, Chennai- 600 034 +91- (44) 2817 4480
13. REGISTRARS & TRANSFER AGENTS	:	S.K.D.C. Consultants Limited PB No. 2016, "Kanapathy Towers", 3RD Floor 391/A1, Sathy Road, Ganapathy Post, Coimbatore – 641 006 T.N. +91- (422) 4958995, 2539835
14. 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 BANKERS / LENDERS

Public Sector Banks

1 Andhra Bank
2 Bank of Baroda
3 Bank of India
4 Canara Bank
5 Indian Bank
6 Indian Overseas Bank
7 Oriental Bank of Commerce
8 Punjab & Sind Bank
9 State Bank of India (SBI)
10 Union Bank of India
11 United Bank of India
12 Vijaya Bank

Financial Institutions & Other Non Bank Lenders

1 Hero Fincorp
2 IFMR Capital Finance Pvt. Ltd
3 Maanaveeya Development & Finance Ltd.
4 Reliance Capital
5 Shapoorji Pallonji Finance Pvt. Ltd.
6 Mahindra & Mahindra Financial Services Ltd
7 Nabkisan Finance Ltd
8 Piramal
9 Hinduja Leyland Finance
10 Bajaj Finance Ltd
11 Aditya Birla Finance Ltd
12 INVESCO Asset management
13 Indostar
14 UTI International Wealth
15 Credit Suisse Securities (India) Private Limited
16 IFMR Fimpact Investment Fund
17 LKP Securities
18 A K Capital
19 Blue Orchard
20 Reliance Mutual Fund
21 Kotak MF
22 L & T Mutual Fund
23 Birla Sun life MF
24 Royal Sundaram General Ins. Co. Ltd
25 Reliance Home Finance Ltd

Private Sector Banks

1 Axis Bank Ltd
2 Development Credit Bank
3 Dhanlaxmi Bank Ltd
4 Equitas Small Finance Bank Ltd
5 Federal Bank Ltd
6 IDFC Bank Ltd
7 AU SFB
8 Kotak Mahindra Bank Ltd
9 Lakshmi Vilas Bank
10 Ujjivan SFB
11 ICICI Bank
12 YES Bank Ltd
13 HDFC Bank
14 RBL Bank
15 IDBI Bank Ltd
16 IndusInd Bank

Refinance Institution

1 NABARD

Foreign Banks

1 CTBC Bank
2 SBM Bank (Mauritius) Ltd
3 Woori Bank
4 SMBC Bank
5 Standard Chartered Bank
6 Catholic Syrain Bank

BOARD OF DIRECTORS

V P Nandakumar	Chairman
S V Raja Vaidyanathan	Managing Director
B N Raveendra Babu	Director
Gautam Saigal	Director
V R Rajiven	Independent Director
A Ramanathan	Independent Director
D R Dogra	Independent Director
T M Manoharan	Independent Director
T Balakrishnan	Independent Director
Pushya Sitaraman	Independent Director

AUDIT COMMITTEE

D R Dogra	Chairman
T Balakrishnan	Member
Gautam Saigal	Member
A Ramanathan	Member

NOMINATION & REMUNERATION COMMITTEE

T Balakrishnan	Chairman
V R Rajiven	Member
B N Raveendra Babu	Member
Gautam Saigal	Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

T M Manoharan	Chairman
S V Raja Vaidyanathan	Member
V R Rajiven	Member
B.N. Raveendra Babu	Member

BORROWING COMMITTEE

S V Raja Vaidyanathan	Chairman
V P Nandakumar	Member
A Ramanathan	Member
B N Raveendra Babu	Member

ASSET LIABILITY COMMITTEE

S V Raja Vaidyanathan	Chairman
Mayank Shyam Thatte	CFO
S Ramachandran	COO

RISK MANAGEMENT COMMITTEE

Gautam Saigal	Chairman
T M Manoharan	Member
V R Rajiven	Member
D R Dogra	Member

IT STRATEGIC COMMITTEE

S V Raja Vaidyanathan	Member
A. Ramanathan	Member
Anand Sharma	CTO

MANAGEMENT COMMITTEE

S V Raja Vaidyanathan	Chairman
A Ramanathan	Member
Gautam Saigal	Member
D R Dogra	Member

DIRECTORS WITH THEIRS PROFILE

V P 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.

S V Raja Vaidyanathan, B.Tech (IIT Madras), MBA (IIM Calcutta), AICWAI, ACS and has more than 36 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, is a qualified 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

V R Rajiven. was an IPS officer, retired in 2010 as Director General of Police & Commandment General, Fire & Rescue Services, Kerala. He was the CEO of M/s KGS Nelsun Kraft Paper Manufacturing Mill (Cochin Kagaz Ltd.) at Karukutty, Angamaly, a subsidiary of KGS Corporate Group Chennai.

B N Raveendrababu, Post Graduate in Commerce with additional qualification in Management Accounting from the U.K. He occupied senior positions in Finance and Accounts in various organizations in the Middle East.

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.

D R 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.

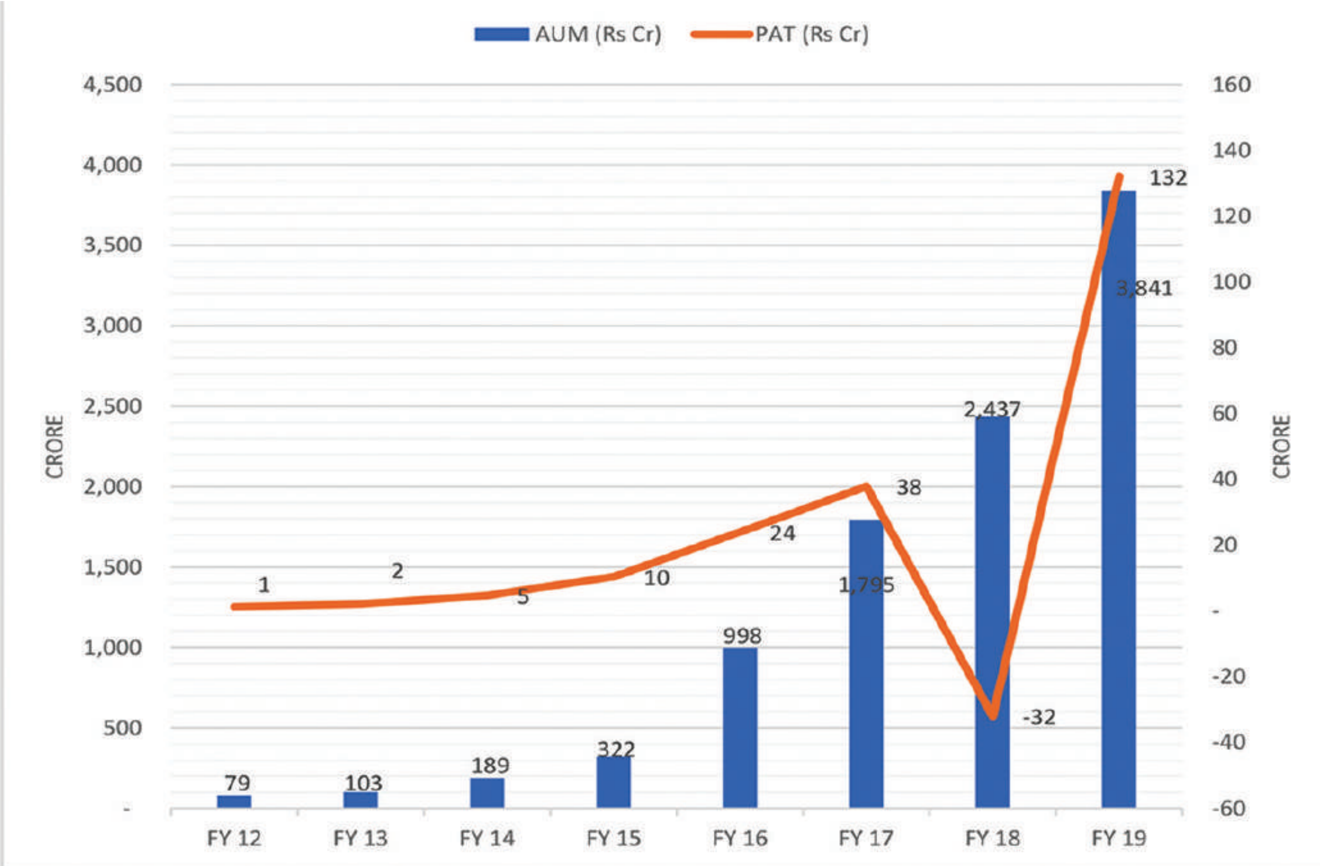
T Balakrishnan, is a retired officer of an Indian Administrative Services of Kerala Cadre. He holds Post Graduate Degree in Political Science & International Relations and Bachelor Degree in History & Economics from Delhi University. He has rich and intensive experience in the Administrative, Industrial 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.

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. He holds a Master Degree in Chemistry and Sociology. Besides these, he is a law graduate.

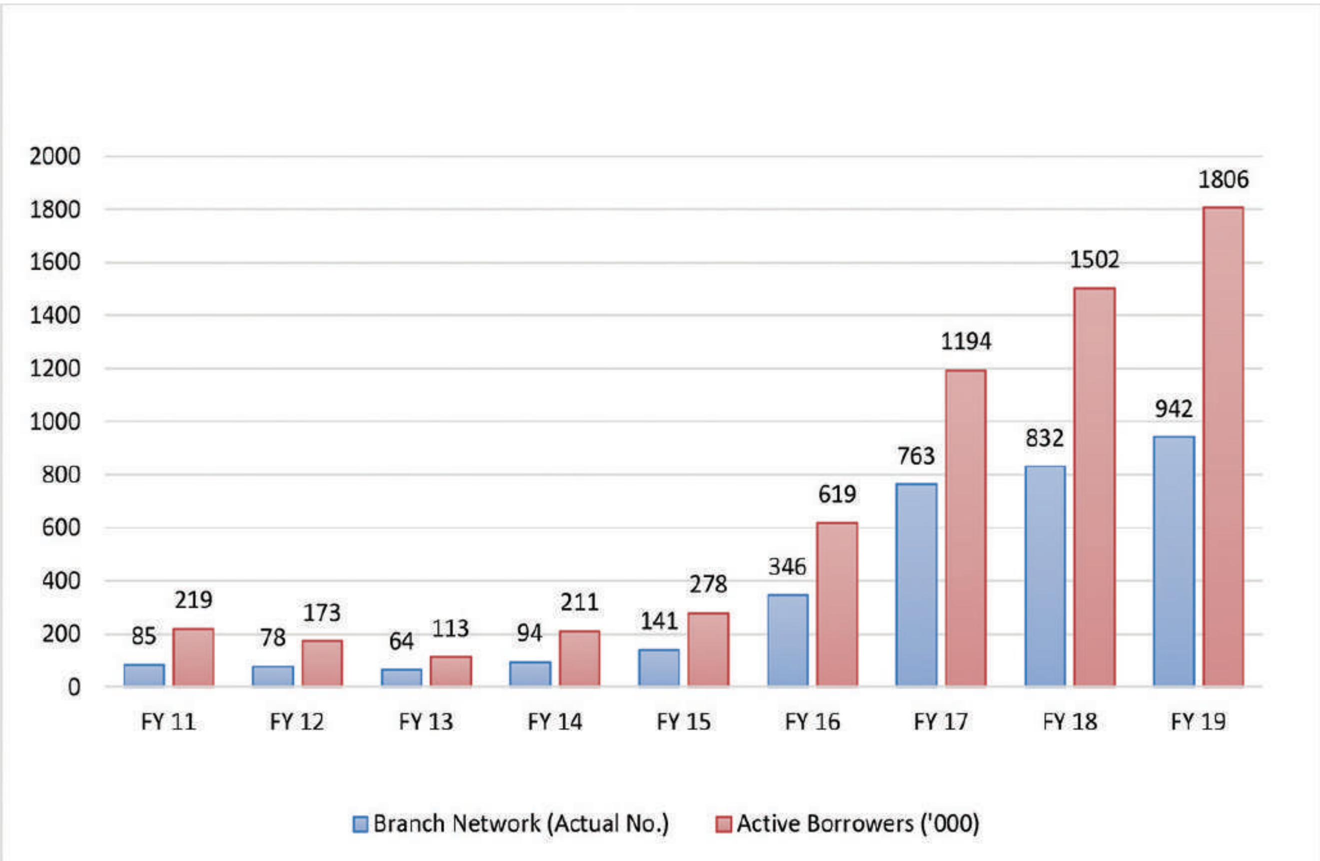
Pushya Sitaraman, is a Law graduate from Madras Law College and holds a Bachelor's degree in Arts from Stella Maris College. She is a designated Senior Advocate of the Madras High Court and has been practising as an advocate for over 35 years, specializing in the field of taxation and corporate laws.

THE ASIRVAD JOURNEY

PORTFOLIO & PROFITABILITY GROWTH



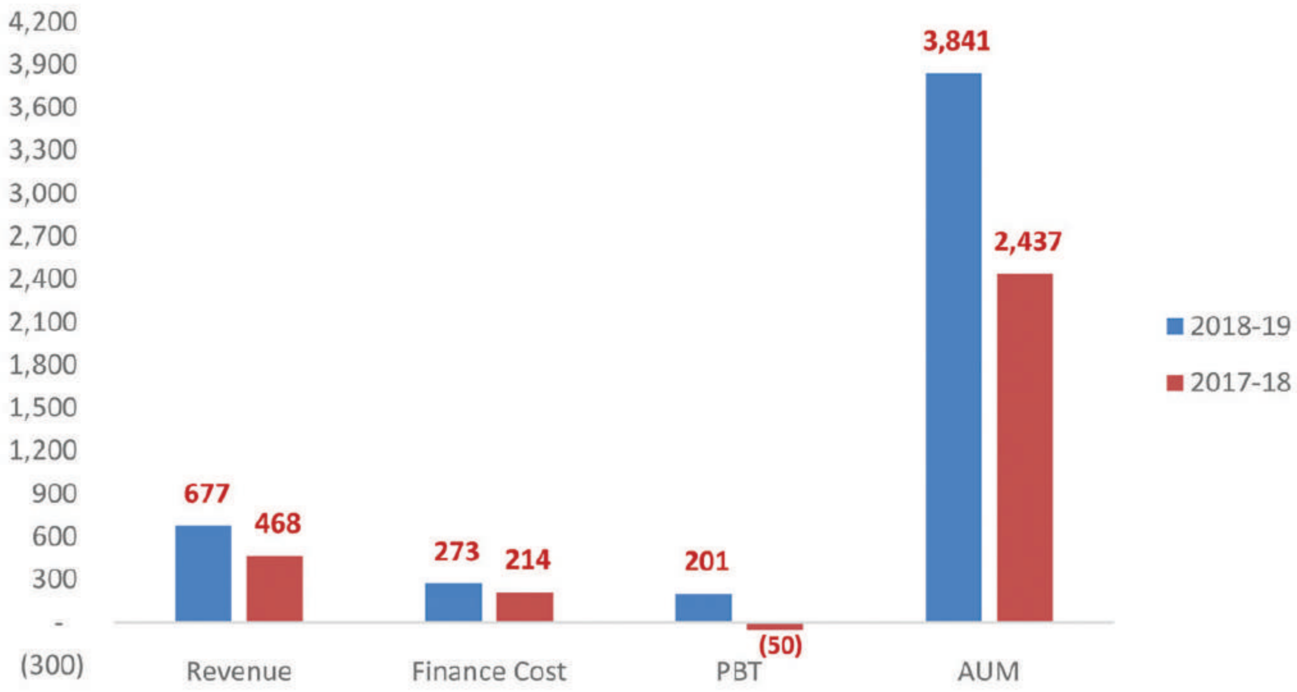
OPERATIONAL METRICS



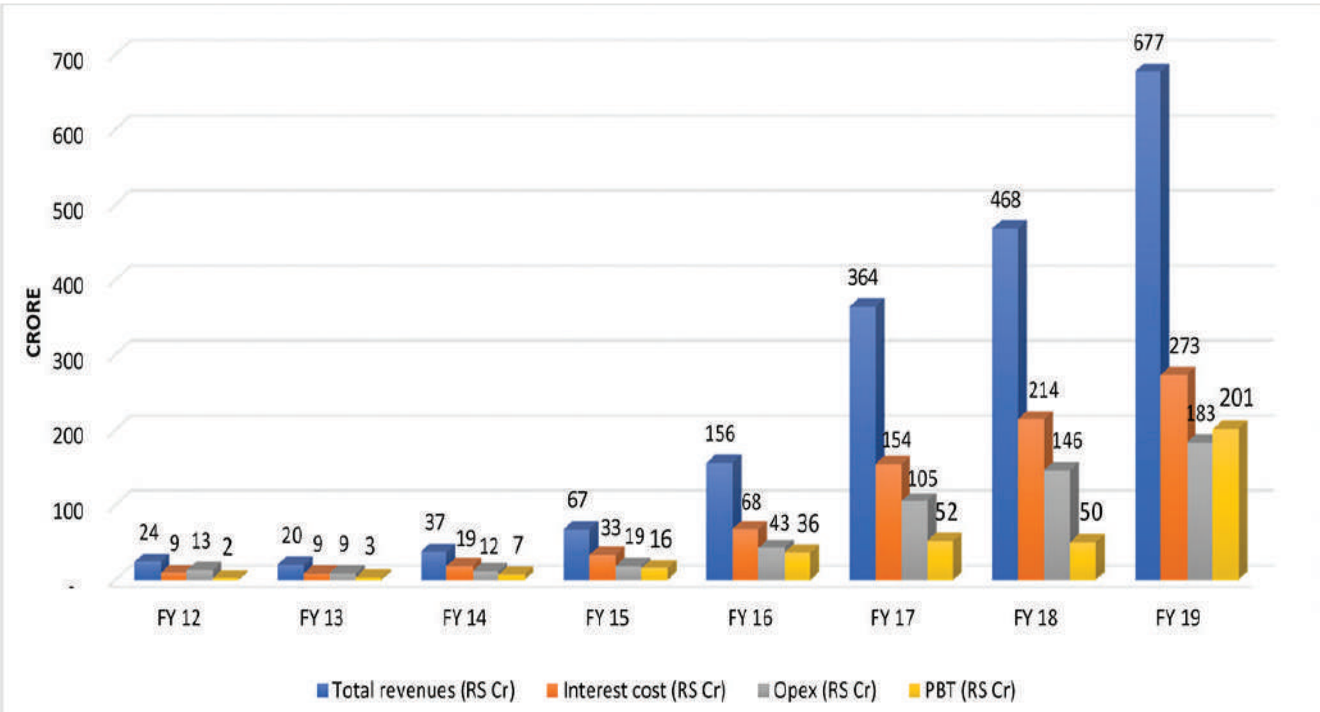
FINANCIAL HIGHLIGHTS

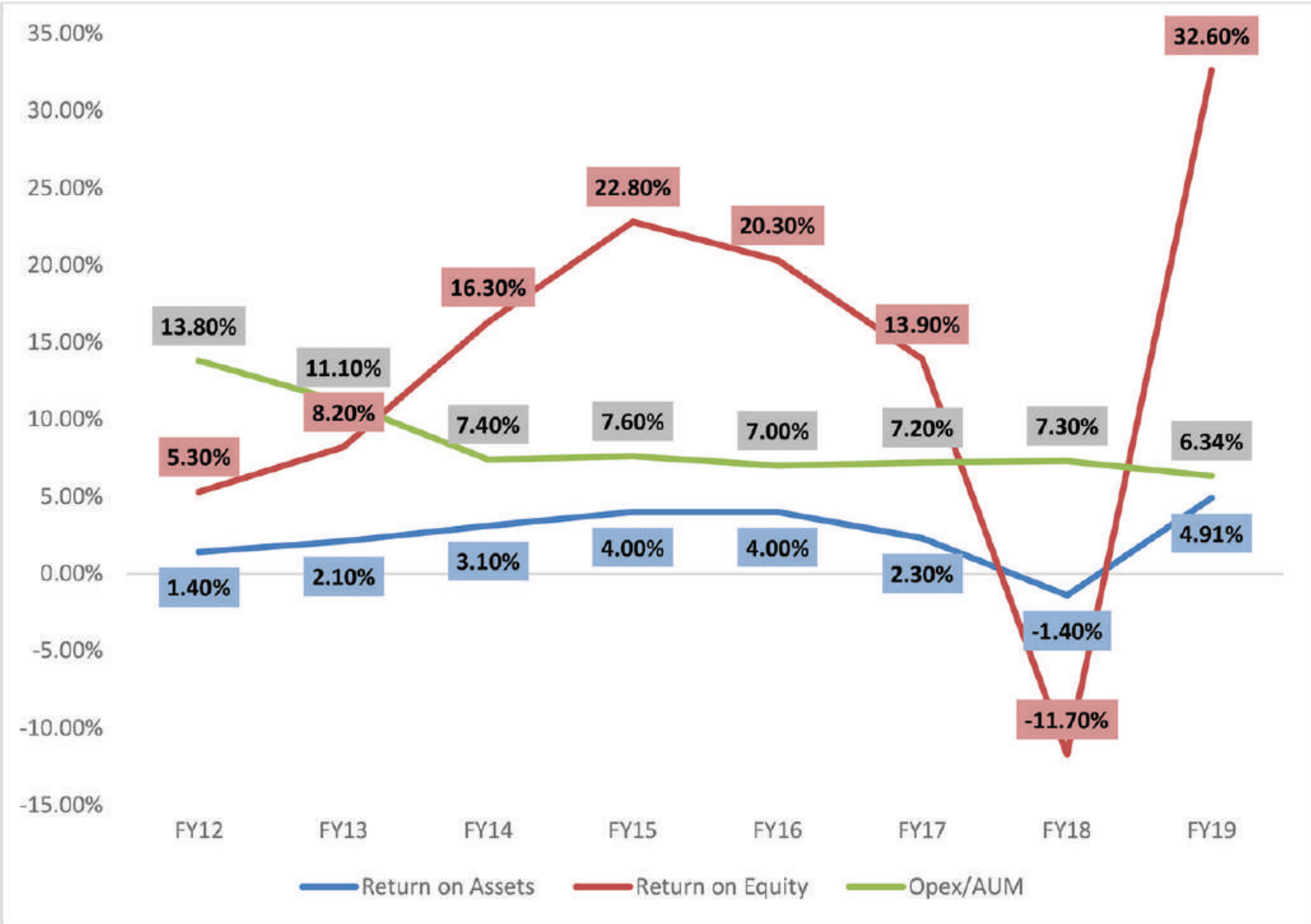
Rs. in Crores

Year	Revenue	Finance Cost	PBT	AUM	Net Interest Margin (in %)	CRAR (in %)
2018-19	677	273	201	3,841	9.39%	31.82%
2017-18	468	214	(50)	2,437	9.86%	15.19%



FINANCIAL SNAPSHOTS




35.00%
30.00%
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
-5.00%
-10.00%
-15.00%
FY12
FY13
FY14
FY15
FY16
FY17
FY18
FY19
13.80%
11.10%
7.40%
7.60%
7.00%
7.20%
7.30%
6.34%
5.30%
8.20%
16.30%
22.80%
20.30%
13.90%
-11.70%
32.60%
1.40%
2.10%
3.10%
4.00%
4.00%
2.30%
-1.40%
4.91%
Return on Assets
Return on Equity
Opex/AUM

Chairman's letter

It is my pleasure to present to you our 12th Annual Report for the year ended March 31, 2019. I am pleased to announce that Asirvad Microfinance has delivered phenomenal growth in AUM and profitability. In fact, over the last four years, the Company has reported AUM growth of nearly 12 times, growing from ₹3,220 million in FY14-15 to ₹38,388 million in FY18-19. India's Microfinance sector has also done well over this period, with AUM growing four-fold from ₹400 billion in FY15 to over ₹1.5 trillion in FY19. 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 undergone significant shifts as domestic activity in 2018-19 and inflation turned unusually benign under the impact of deflationary food prices. In 2018-19, the Centre's tax collections trailed budget estimates and contributed to fiscal deficit levels higher than the revised estimates. Continued implementation of structural and financial sector reforms to reduce public debt remains essential to secure the economy's growth prospects. In the near term, continued fiscal consolidation is needed to bring down India's high public debt.

GDP growth is expected to recover from a low of 6.6 per cent in Q3FY19 to 7.5 per cent in Q4FY20. The boost to private investment activity from the faster resolution of stressed assets and increased (and more broad-based) credit offtake amidst rising capacity utilisation can raise the growth prospects further. Conversely, further escalation of trade tensions and protectionist trends, increased volatility in global financial conditions over the uncertainty of the stance of monetary policy in the US and other advanced economies, uncertainty surrounding Brexit, a sharper slowdown in the Chinese economy and a shortfall in the south-west monsoon may pose downside risks to the growth path. Growth in India is expected to stabilise at just under 7¾ per cent over the medium term, based on the continued implementation of structural reforms and easing of infrastructure bottlenecks.

Outlook for Non-Banking Financial Companies (NBFCs)

The NBFC sector has been providing credit to customers in the underserved and unbanked areas. NBFCs are integral to the Indian Financial system, augmenting competition and diversification in the financial sector and complementing the banking system and channelling savings into capital formation, necessary for India's economic growth and development. NBFCs continue to be an integral part of the country's financial service ecosystem.

The credit growth is likely to remain moderate until 1H-FY20, with likely revival only in 2H-FY20, because of the ongoing liquidity conditions and political uncertainty. NBFC credit growth in FY20 should be about 15-17 per cent, NBFC-Retail credit is expected to cross `10 trillion; growth rate could be higher if the credit flow to NBFCs improves.

Outlook for Microfinance Institutions (MFIs)

NBFC-MFIs increased their market share of microfinance loans from 39 per cent to 58 per cent between FY15 and FY18, following greater regulatory clarity and demand for microfinance loans from states other than Andhra Pradesh. The growth rate of MFIs is expected to remain higher, which will increase its market share further in the next few fiscals. NBFC-MFIs and non-profit MFIs are the only two player groups with loan portfolios exclusively focused on microcredit. In last fiscal, small finance banks (SFBs) with MFI lending businesses started looking at other asset classes such as affordable housing, small and medium enterprises and vehicle finance, after receiving the SFB licence.

NBFC-MFIs increased their reliance on the securitisation route on the back of a tight liquidity environment, to meet their growth targets in FY19. NBFC-MFIs raised over `26,000 crores via securitisation in FY19 (~170 per cent growth over last fiscal). Securitisation has always been a critical funding tool for NBFC-MFIs, but the dependence was particularly high during the second half of FY19. There was a sharp increase in the number of NBFC-MFIs is taking part in the securitisation market in FY19. Forty-three entities raised funds through the securitisation route in FY19 (compared to twenty-four in FY18). Out of this, as many as fourteen were first-time entrants in the securitisation market, which is an encouraging development. Tighter liquidity resulted in increased funding cost. Both Priority Sector Lending (PSL) and non-PSL driven transactions reported higher yields by 100-150 bps in Q3FY19 over the levels seen in FY18. Although, the yield has come off by around 25-30 bp in Q4 FY19, with some easing in systemic liquidity.

Despite the inherent nature of the asset class and having witnessed several headwinds (demonetisation, local and political issues in some areas, cyclones and floods in some parts and farm loan waivers in some states), the sector has displayed remarkable resilience. The collection efficiencies have remained high at more than 99 per cent since CY17.

Securitisation is expected to remain a vital source of funding for NBFC-MFIs. Banks and large NBFCs are looking to acquire MFIs. Banks are also increasingly looking to partner with NBFCs for originating PSL assets (either through the BC channel or through the co-origination model), and with improving liquidity conditions, the dependence on securitisation should moderate. The traction in disbursements is likely to continue, and the industry has the potential to grow at 20-22 per cent per annum over the medium term. While the segment continues to offer excellent growth potential, most of the incremental growth opportunities lie in the relatively under-developed states, which are less penetrated, or in mature regions with higher ticket size loans to borrowers. Foray into the relatively under-penetrated markets would also entail investments in terms of creating a microfinance credit culture and imparting training to potential borrowers. However, these are crucial for instilling credit discipline, which, in turn, is a critical factor for ensuring good asset quality. Further, in mature states, the credit evaluation processes will have to be upgraded as the MFIs move to higher ticket sizes.

Performance of the Company

Your company successfully built upon the consolidation exercise, undertaken last year to address issues arising out of demonetization. The company expanded to newer geographies such as Sikkim and Goa, which are fast emerging as the company's best growth markets.

Asirvad is ranked as the 5th largest NBFC MFI in India. The Company has a network of 942 branches across 22 States with presence in 290 districts and 1,75,354 centers. It pursues the policy of continuing re-assessment of concentration risk & diversification. During the year, the Company passed on the reduction in the interest rate charged by banks/Financial Institutions by reducing the interest rate charged to customers from 22.25 per cent to 21.90 per cent.

Asirvad's AUM grew by 57.6 per cent from `24,372 million in FY17-18 to `38,408 million in FY18-19, active loan accounts increased by 20.3 per cent to 18 million from 15 million last year. Loan of `42,836 million was disbursed during the financial year, and these loans have a 99.7 per cent repayment rate. The Company's operational revenue grew by 28.6 per cent to `4,987 million for period FY18-19 compared with `3,877 million for FY17-18. Provisions stood at `198 million including the standard provision of `28.5 million made for period FY-18-19 as per the company's policy. We are now servicing over 18 million customers in 22 states.

Thank you

I am grateful to all our shareholders and other stakeholders for the support extended to the company over the years, especially in the last four years. We remain indebted to the Reserve Bank of India and NABARD for the excellent support given to the industry in the difficult days following demonetisation. I would also like to congratulate Mr Raja Vaidyanathan, Managing Director, and the management team, for having led the company exceptionally well. Now that we are firmly back on the growth path, we look forward to another stellar year of growth and profitability and thereby live up to your expectations.

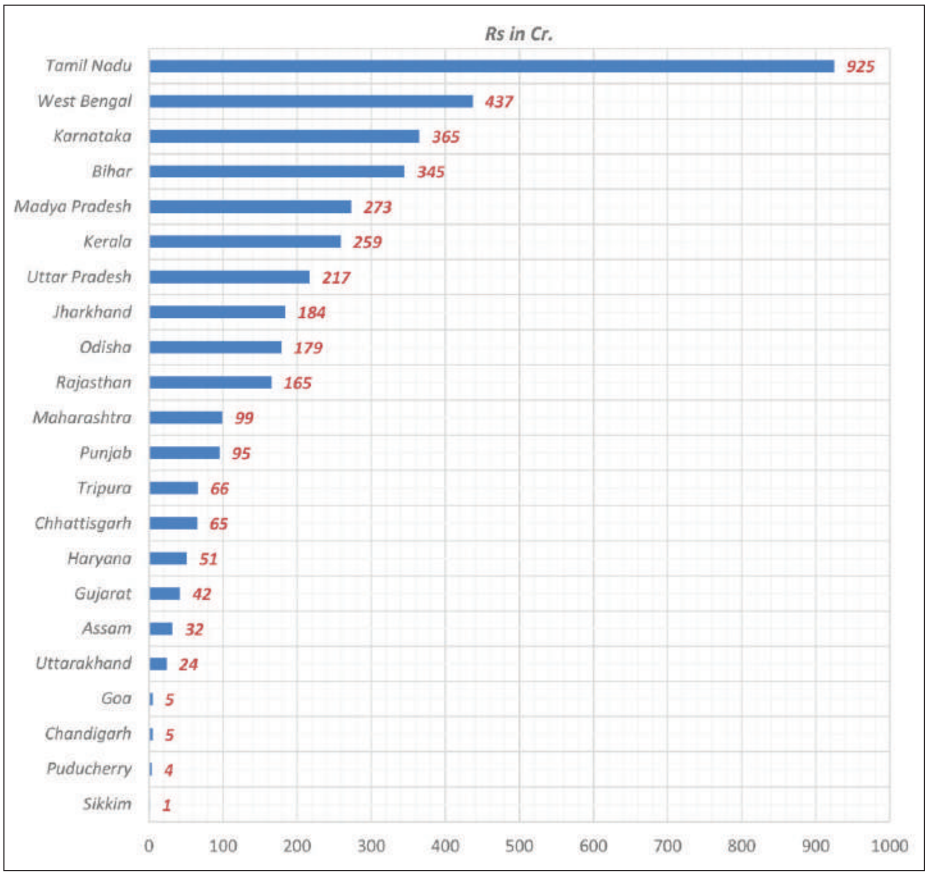
With best wishes,

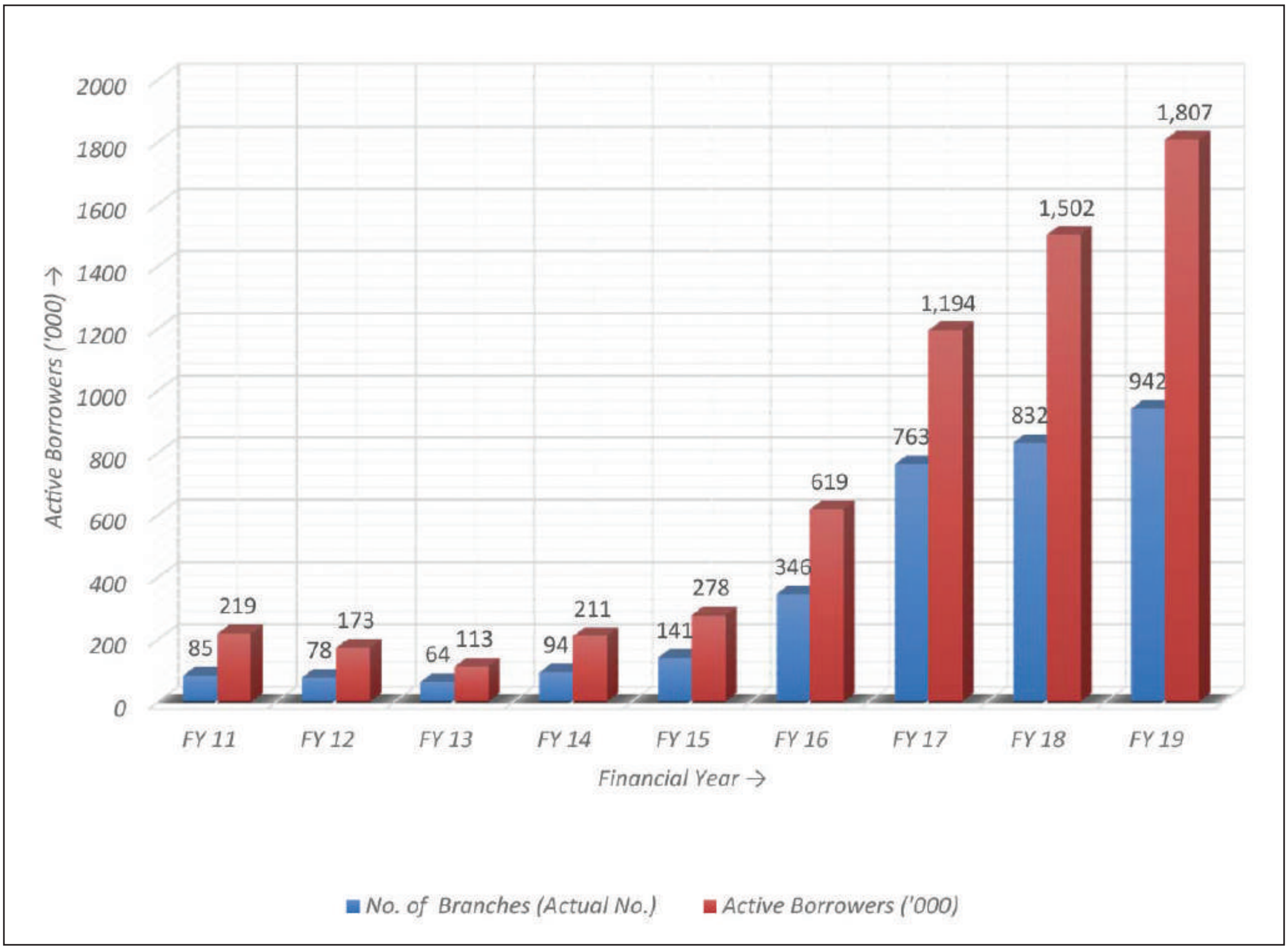
V.P. Nandakumar
Chairman

KEY TRENDS

Particulars	March, 2015	March, 2016	March, 2017	March, 2018	March, 2019
No. of Active Members	277,615	600,815	1,193,328	1,501,575	18,06,844
No of Centres	36,083	71,056	101,238	145,394	1,75,354
No of Branches	141	343	763	832	942
No. of Districts Covered	44	101	238	245	290
No. of States & UT covered	5	13	17	20	22
Total Staff	553	1,810	3,897	4,167	4,951
Disbursal during this year (Rs. In Crores)	1,229	2,437	2,107	2,875	4,286
Portfolio outstanding (Gross)	32,200	99,800	179,100	243,391	3,83,877
PAR (Rs. In Lakhs)	27	97	21,673	7,560	4,092

STATEWISE AUM

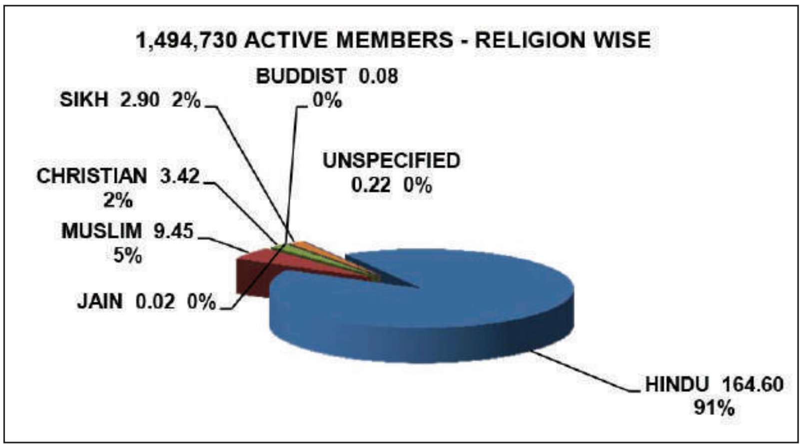




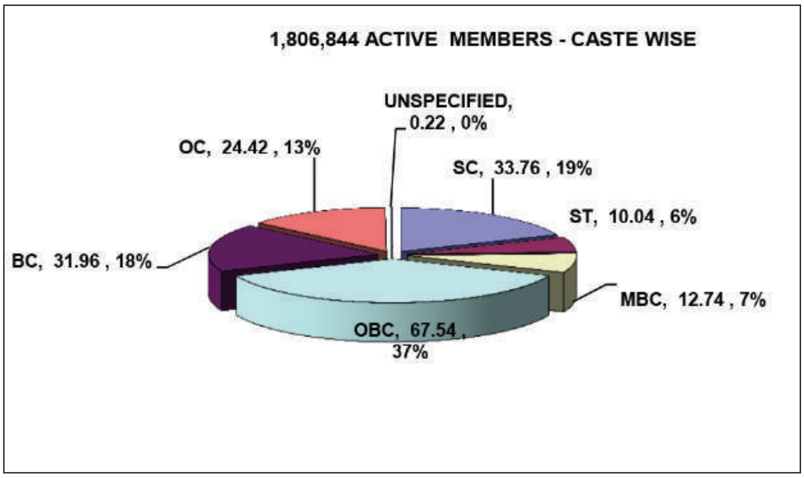
2000
1800
1600
1400
1200
1000
800
600
400
200
0
Active Borrowers ('000) →
85
219
78
173
64
113
94
211
141
278
346
619
763
1,194
832
1,502
942
1,807
FY 11
FY 12
FY 13
FY 14
FY 15
FY 16
FY 17
FY 18
FY 19
Financial Year →
No. of Branches (Actual No.)
Active Borrowers ('000)

CUSTOMERS DEMOGRAPHY

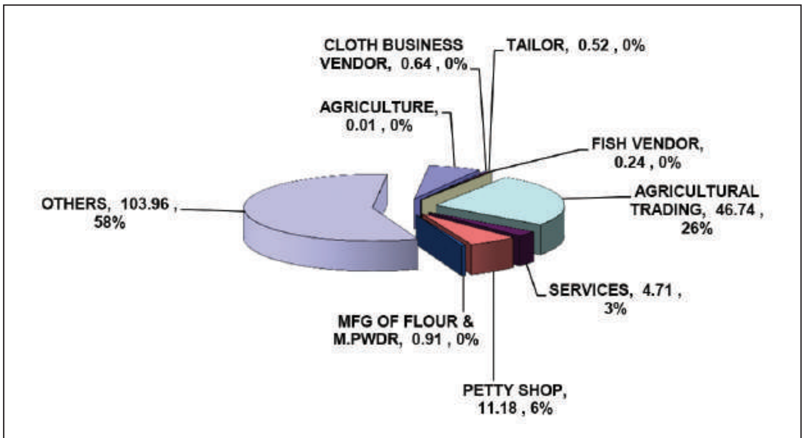
RELIGION	TOTAL	%
HINDU	164.60	91.10%
MUSLIM	9.45	5.23%
CHRISTIAN	3.42	1.89%
JAIN	0.02	0.01%
BUDDIST	0.08	0.04%
SIKH	2.90	1.61%
UNSPECIFIED	0.22	0.12%
	180.68	**100.00%**



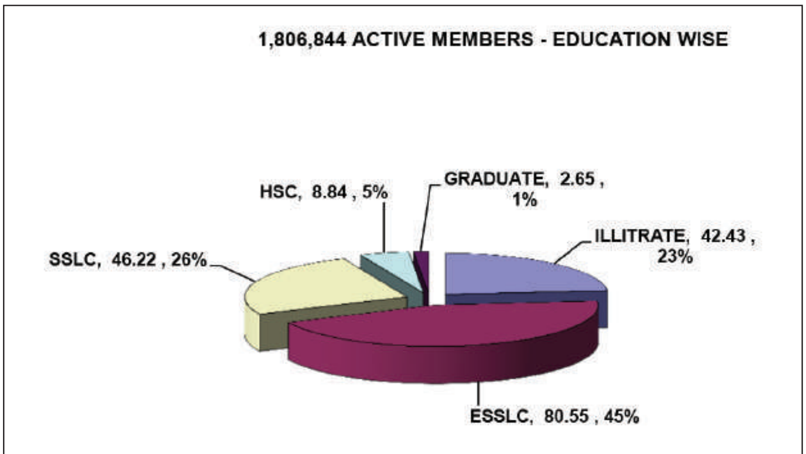
CASTE	TOTAL	%
SC	33.76	18.68%
ST	10.04	5.55%
MBC	12.74	7.05%
OBC	67.54	37.38%
BC	31.96	17.69%
OC	24.42	13.52%
UNSPECIFIED	0.22	0.12%
	180.68	**100.00%**



OCCUPATION	TOTAL	%
CLOTH BUSINESS VENDOR	0.64	0.36%
TAILOR	0.52	0.29%
FISH VENDOR	0.24	0.14%
AGRICULTURAL TRADING	46.74	25.87%
SERVICES	4.71	2.61%
PETTY SHOP	11.18	6.19%
MFG OF FLOUR & M.PWDR	0.91	0.50%
OTHERS	103.96	57.54%
AGRICULTURE	11.78	6.52%
TOTAL	**180.68**	**100.00%**



EDUCATION	TOTAL	%
ILLITRATE	42.43	23.48%
ESSLC	80.55	44.58%
SSLC	46.22	25.58%
HSC	8.84	4.89%
GRADUATE	2.65	1.46%
	180.68	**100.00%**



DIRECTORS REPORT

Dear Members,

Your Board of Directors takes pleasure in presenting the 12th Annual Report of Asirvad Micro Finance Limited ("Company"), together with the Audited Financial Statements for the year ended March 31, 2019:

FINANCIAL HIGHLIGHTS

(Rs. in Crores)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Gross Income	2019	469.59
Total Expenditure	475.84	484.07
Profit before Tax	201.41	(14.48)
Tax expense net of Deferred tax	(68.83)	(5.19)
Profit after Tax	132.58	(9.29)
Appropriations		
Transfer to Statutory Reserve	26.51	0
Surplus in Profit & Loss	106.07	(9.29)

OPERATIONAL HIGHLIGHTS

Particulars	Financial Year 2019	Financial Year 2018	Change (%)
Number of Branches	942	832	13.22
Number of Active Members (in Lakhs)	18.07	15.02	20.30
Gross Loan Portfolio (in Crore)	3,841	2,437	57.61
Number of Employees	4,951	4,167	18.81
Total Disbursement (in Crore)	4,285	2,877	48.93
No. of States (in Operation)	22	20	10.00

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.26.51 Crores to the Statutory Reserve created under Section 45-IC of the Reserve Bank of India Act, 1934.

DIVIDEND

In order to augment capital required for supporting growth of the Company, through retention of internal accruals, the Board of Directors has not recommended any dividend during the year.

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. Your Directors hereby report 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 requirement of net owned funds ('NOF') as defined under Section 45-IA of the RBI Act, 1934, to carry on the business of a NBFC-MFI.

SUBSIDIARY COMPANY.

The Company does not have any subsidiary. There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013("Act").

ADDITIONAL INVESTMENT BY MANAPPURAM FINANCE LIMITED:

Reserve Bank of India on its approval letter no. DNBS (Che) No. 1309/13.27.056/2015-16 dated 03rd February, 2016, for increasing the shareholding of Manappuram Finance Limited upto 100% in your Company over a period of time

During the financial year 2018-19, Manappuram Finance Limited subscribed further 2,07,65,089 Right Issue of shares in the Company and thereby increasing their stake to 93.33%. As on March 2019, Manappuram holds 93.33% stake in the Company with the balance being held by Mr. S.V. Raja Vaidyanathan (5.87%) and others (0.8%).

FUND ALLOCATION

TOTAL BORROWINGS

The Company's overall borrowing as on March 31, 2019 was Rs. 2,216 crores as against

Rs. 2,067 crores as of 31st March, 2018.

During the year, the Company availed term loan facilities of Rs. 630.00 Crores from Banks.

i) Non-Convertible Debentures

The Company had issued Non-Convertible Debentures (NCDs) of Rs. 345 crores on private placement basis. The Company's NCDs has been listed on Bombay Stock Exchange. These NCDs has been rated as A+/Positive by CRISIL as of 31st March, 2019.

ii) Commercial Paper

During the year, the Company raised Rs. 310 crores of Commercial Papers (CPs). All the CPs were assigned A1+ by CRISIL and outstanding as of 31st March, 2019 is Rs. 50 crores.

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" CRISIL A+/ POSITIVE" by CRISIL Ratings Limited & CARE A+/ STABLE by CARE Ratings Limited.

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, 2019, the Company's total Capital Adequacy Ratio (CAR) stood at 32%, as against statutory requirement of 15% for non-deposit accepting NBFCs.

SHARE CAPITAL

During the year under review, the authorized share capital of the Company has been increased from Rs.70 Crores to Rs.100 Crores (Represented by Rs.90 Crores of Equity Share Capital and Rs.10 Crores of Preference Share Capital.

Further, the Company has allotted 1,04,88,777 Equity Shares of face value of Rs. 10/- each at Price of Rs. 95.34/- per share (including Premium of Rs. 85.34/- per share) on right basis on dated 27th April, 2018, and 1,07,48,250 Equity Shares of Rs.10/- each at Price of Rs. 252/- per share (including Premium of Rs 242/- per share) on dated 16th March, 2019, on Rights Issue Basis. The Paid-up Share Capital of the Company after including the allotment stood at Rs.53.31 Crores. However, the Company other than Right Issue of Shares has not raised Capital in any other manner.

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

All related party transactions that were entered into during the financial year were in the ordinary course of business and on 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 2018-19 that may have potential conflict with the interest of the Company at large. Suitable 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.

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 were no material changes and commitments affecting the financial position of the Company between the end of financial year (31st March, 2019) and the date of this 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 Corporate Governance Report is attached with the Directors' Report.

MANAGEMENT DISCUSSION AND ANALYSIS

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

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92(3) and rules framed thereunder, the extract of the annual report for FY 2018-19 is given in Annexure-A in the prescribed Form No. MGT-9, which is a part of this report. The Annual Report is available on https://asirvadmicrofinance.co.in/announcements/

ROTATION OF DIRECTOR

Mr. V.P. Nandakumar (DIN: 00044512), Director retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board recommends the re-appointment of Mr. V.P. Nandakumar to shareholders.

DIRECTORS AND KEY MANGERIAL PERSONNEL.

Your Company are being managed by the Board comprising of personalities having very rich experience, skill and expertise knowledge.

APPOINTMENT

During the year under review, 3 (three) Directors were appointed on the Board of the Company.

Mr. T. Balakrishnan and Mr. T.M Manoharan were appointed as Independent Directors at the 11th Annual General Meeting held on August 3, 2018 for a period of five years

Further, In order to comply with the requirement of Women Director, the Board in its meeting held on February 2, 2019 has appointed Mrs. Pushya Sitaraman, who is Senior Advocate in

Madras High Court. Her appointment was subsequently approved as Independent Director by the members on March 16, 2019.

RESIGNATION

Ms. Kalpana Iyer and Mr. Sailesh J. Mehta Independent Directors had resigned from the office of Directorship of the Company with effect from 15th & 16th May, 2018, respectively. The board placed on record their deep appreciation for their significant contributions made by them as member of the Board and Committees.

KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2019 are: Mr. S.V Raja Vaidyanathan, Managing Director, Mr. Anup Kumar Gupta, Company Secretary and Mr. Mayank Shyam Thatte, Chief Financial Officer of the Company.

Mr. Anup Kumar Gupta was appointed as Company Secretary and Compliance Officer of the Company vide Board Meeting on dated 3rd November, 2018, in place of Ms. Simi S who has resigned from the post of Company Secretary and Compliance Officer on dated 29th October, 2018.

COMMITTEES OF THE BOARD

As on March 31, 2019, the Board had Six Committees: - the Audit Committee, the Corporate Social Responsibility Committee, the Nomination & Remuneration Committee, the Management Committee, Risk Management Committee and Borrowing Committee.

A detailed note on the composition of committees is provided in the Corporate Governance Report.

DECLARATION FROM INDEPENDENT DIRECTOR

The Company has received necessary declaration from each 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). The Company has also received undertaking and declaration from each director on fit and proper criteria in terms of the provisions of Corporate Governance (Reserve Bank) Directions, 2015.

RISK MANAGEMENT

The Company has in place a risk management policy framework which has been approved by the Board of Directors. The framework codifies the various risks and the methodologies to ensure such risks are mitigated.

AUDITORS

Deloitte Haskins & Sells, Chartered Accountants, Chennai (FRN 008072S) were appointed at the 7th Annual General Meeting of the Company as Statutory Auditors of the Company for the period of five years which will expire at the ensuing Annual General Meeting. Prior to the enactment of Companies Act, 2013, they were auditor for a period of four years. Therefore, they are eligible for re-appointment for one more year. Accordingly, their appointment as Statutory Auditors for the FY 2019-20 is being placed for the approval of the members at the ensuing Annual General Meeting.

The Company has received necessary written consent and certificate under Section 139 of the Companies Cat, 2013 from them to 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.

PARTICULARS OF EMPLOYEES

The Company had 4951 employees (on a standalone basis) as on March 31, 2019. Details of remuneration as required to be provided pursuant to Section 197(12) of the Companies Act, 2013 read with rules of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been annexed herewith as Annexure- B to the Directors Report

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility policy (CSR Policy) activity has been undertaken by the Company and has also been formulated by the Board based on the recommendation of the Corporate Social Responsibility Committee (CSR Committee) in pursuant to Section 135 of the Companies of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. For further details regarding CSR Committee, please refer to the Corporate Governance Report and CSR Annual Report (Annexure-C), which are part of this report. The CSR policy is available on https://asirvadmicrofinance.co.in/csr-policy/.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. S. Hari, Practicing Company Secretary (Certificate of Practice No. 4276) to undertake the secretarial audit of the Company for the Financial Year 2018-19. The Secretarial Audit Report do not contain qualification, reservation, or adverse remarks. The Secretarial Audit Report for the F.Y. 18-19 is appended as Annexure- D to this report.

As required under Section 204 of the Companies Act, 2013 and rules made thereunder, the Board appointed Mr. S. Hari, Practicing Company Secretary as Secretarial Auditor of the Company for fiscal 2019.

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, the Directors confirm that

i. In the preparation of the Annual Accounts for the year ended 31st March, 2019, 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, 2019 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 which are adequate and are 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

Five meetings of the Board were held during the year under review. For details meeting of Board, please refer to the Corporate Governance Report, which is a part of this report.

COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the Company.

DEBENTURE REDEMPTION RESERVE

The Company is not required to create Debenture Redemption Reserve as the debentures of the Company are privately placed.

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.

CRITERIA FOR BOARD NOMINATION

The Nomination and Remuneration Committee is responsible for identifying persons for initial nomination as directors and evaluating incumbent directors for their continued service. The Committee has formulated a charter in terms of the provisions of the Act 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 board positions / re-appointment of directors.

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.

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.

DEMATERIALISATION OF SHARES:

As on March 31, 2019, 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 was hosted 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 all 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.

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

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

1.	No. of complaints received during the year	1
2.	No. of complaints disposed off	1
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.

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 not spent any foreign currency expenditure and your Company has no foreign currency earnings.

REGULATORY ACTIONS

There are no significant or material orders passed by the regulations 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 whole- hearted and sincere co express their appreciation for the assistance and co-operation received from Banks, Financial Institutions, Government Authorities, SADHAN, Customers, Vendors and other members during the year under review. Your Directors appreciate and value the contribution made by the members of Asirvad Family.

For and on behalf of the Board of Directors

V.P. Nandakumar	**S.V. Raja Vaidyanathan**
Chairman	**Managing Director**

Place: Chennai

Date : May 13, 2019.

Annexure - A

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended 31st March, 2019

Pursuant to Section 92 (3) of the CompaniesAct, 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 MICROFINANCE 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
6.	Whether listed Company	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	S.K.D.C. 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	89.57%

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	L65910KL1992PLC006623	Holding	93.33	Section 2(46)

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

Category of Share holders	No. of Share sheld at the beginning of the year				No. of Share sheld at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
Indian									
Individual/ HUF	28,41,866	-	28,41,866	8.86%	32,27,966	-	32,27,966	6.05%	(2.81%)
Central Govt	-	-	-	-	-	-	-	-	-
State Govt(s)	-	-	-	-	-	-	-	-	-
Bodies Corp	2,89,92,800	-	2,89,92,800	90.38%	4,97,57,889	-	4,97,57,889	93.33%	2.95%
Banks / FI	-	-	-	-	-	-	-	-	-
Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	3,18,34,666	-	3,18,34,666	99.24%	5,29,85,855	-	5,29,85,855	99.38%	0.14%
Foreign	-	-	-	-	-	-	-	-	-
NRIs-Individuals	-	-	-	-	-	-	-	-	-
Other-Individuals	-	-	-	-	-	-	-	-	-
Bodies Corp.	-	-	-	-	-	-	-	-	-
Banks / FI	-	-	-	-	-	-	-	-	-
Any Other….	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-
Public Shareholding	-	-	-	-	-	-	-	-	-
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	16,278	5,000	21,278	0.08%	15,848	-	15,848	0.03%	(0.05%)

Categoryof Shareholders	No. of Share sheld at the beginning of the year				No. of Share sheld at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	2,35,194	5,000	2,40,194	0.76%	3,26,032	-	3,26,032	0.61%	(0.15%)
TotalPublic Shareholding (B)=(B)(1)+ (B)(2)	2,35,194	5,000	2,40,194	0.76%	3,26,032	-	3,26,032	0.61%	(0.15%)
C.Shares heldby Custodianfor GDRs&ADRs	-	-	-	-	-	-	-	-	-
GrandTotal (A+B+C)	**3,20,69,860**	**5,000**	**3,20,74,860**	**100%**	**5,33,11,887**	**-**	**5,33,11,887**	**100%**	**-**

I. SHARE HOLDING OF PROMOTERS

Sl. No	Share holder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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	% change in shareholding during the year
1.	Mr. S.V. Raja Vaidyanathan	27,41,866	8.55%	-	31,27,966	5.86%	-	(2.69)
2.	Ms. Anjana Vaidyanathan	1,00,000	0.31%	-	1,00,000	0.19%	-	(0.12)
3.	M/s. Manappuram Finance Limited	2,89,92,800	90.39%	-	4,97,57,889	93.33%	-	2.94
	Total	**3,18,34,666**	**99.25%**	**-**	**5,29,85,855**	**99.38%**	**-**	**0.13**

II. CHANGE IN PROMOTER'S SHAREHOLDING (PLEASE SPECIFY, IF THEREIS NO CHANGE)

Sl. No.	Name of Promoter	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.	S.V. Raja Vaidyanathan				
	At the Beginning of the year	27,41,866	8.55	31,27,966	5.86
Date wise increase / decrease in promoter shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer / bonus/ sweat equity etc)					
27.04.18		Increase	Right Issue	1,68,100	6.84
16.03.19		Increase	Right Issue	2,18,000	5.86
	At the End of the Year			31,27,966	5.86
2.	Anjana Vaidyanathan				
	At the Beginning of the year	1,00,000	0.31	-	-
Change during the year- Nil					
	At the End of the Year			1,00,000	0.18
3.	M/s. Manappuram Finance Limited				
	At the Beginning of the year	2,89,92,800	90.39	4,97,57,889	93.33
Date wise increase / decrease in promoter shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer / bonus/ sweat equity etc)					
27.04.18		Increase	Right Issue	1,02,91,894	92.30
16.03.19		Increase	Right Issue	1,04,73,195	93.33
	At the End of the Year			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	
	Name of the Shareholder	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	0.05	-	-
Change during the year-Nil					
	At the End of the Year			16,277	0.03
2.	Mr. G Srikanth				
	At the Beginning of the year	13,334	0.04	-	-
Change during the year- Nil					
	At the End of the Year			13,334	0.02
3.	Mr. S. Muthukumar				
	At the Beginning of the year	8139	0.03	14,023	0.02
Change during the year					
27.04.18		Increase	Right Issue	2,660	0.02
16.03.19		Increase	Right Issue	3,224	0.02
	At the End of the Year			14,023	0.02
4.	Mr. T. Samuel				
	At the Beginning of the year	8,139	0.02	-	-
Change during the year- Nil					
	At the End of the Year			8,139	0.01

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	1,14,371	0.35	1,43,391	0.27
Change during the year					
16.03.19		Increase	Right Issue	29,020	0.27
	At the End of the Year			1,43,391	0.27
2.	Mr. V.R. Rajiven				
	At the Beginning of the year	5,000	0.02	7,709	0.01
Change during the year					
27.04.18		Increase	Right Issue	1,634	0.01
16.03.19		Increase	Right Issue	1,075	0.01
	At the End of the Year			7,709	0.01
3.	Mr. A. Ramanathan				
	At the Beginning of the year	20,000	0.06	32,000	0.06
Change during the year					
27.04.18		Increase	Right Issue	6,536	0.06
16.03.19		Increase	Right Issue	5,464	0.06
	At the End of the Year			32,000	0.06
4.	Mr. Gautam Saigal				
	At the Beginning of the year	24,415	0.08	40,993	0.07
Change during the year					
27.04.18		Increase	Right Issue	7,979	0.07
16.03.19		Increase	Right Issue	8,599	0.07
	At the End of the Year			40,993	0.07
5.	Mr. B.N. Raveendra Babu				
	At the Beginning of the year	30,519	0.1	50,166	0.09
	Change during the year				
27.04.18		Increase	Right Issue	9,974	0.09
16.03.19		Increase	Right Issue	9,673	0.09
	At the End of the Year			50,166	0.09
6.	Mr. Desh Raj Dogra				
	At the Beginning of the year	Nil	-	-	-
Change during the year-Nil					
	At the End of the Year	-	-	Nil	-

7.	Mr. T.M. Manoharan				
	At the Beginning of the year	Nil	-	-	-
Change during the year-Nil					
	At the End of the Year			Nil	-
8.	Ms. Pushya Sitaraman				
	At the Beginning of the year	Nil	-		
	Change during the year			Nil	
	At the End of the Year	Nil	-		
9.	Mr. Mayank ShyamThatee				
	At the Beginning of the year	Nil	-	-	-
Change during the year-Nil					
	At the End of the Year	-	-	Nil	-
10.	Mr. Anup Kumar Gupta				
	At the Beginning of the year	Nil	-	-	-
Change during the year-Nil					
	At the End of the Year			Nil	-

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-Time Director and /or Manager

Sl. No.	Particulars of Remuneration	Mr. S.V. Raja Vaidyanathan, Managing Director	TotalAmount (In Rs.)
1.	Grosssalary (a) Salaryasperprovisions containedinsection17(1) of the Income-taxAct,1961	2,05,50,000	2,05,50,000
	b)Valueofperquisitesu/s 17(2)Income-taxAct, 1961 (c)Profitsinlieuofsalary under section17(3) Income- taxAct,1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as% of profit - Others, specify…		
5.	Others, please specify		
6.	Total(A)	2,05,50,000	2,05,50,000
	CeilingaspertheAct		

Sl. No	Particulars of Remuneration	Gautam Saigal	V.R. Rajiven	A. Rama nathan	D.R. Dogra	T.M. Manoharan	T. Bala krishnan	Pushya Sitaraman	Total Amount
1.	Independent Director -Feefor attending Board/ Committee Meeting -Commission -Others, please specify								
	Total (1)	-	1,60,000	2,90,000	1,90,000	1,00,000	1,80,000	50,000	9,70,000
	Non-Execu-tiveDirector -Fee for attending Board/ Committee Meeting Commission -Others, please specify	2,25,000							2,25,000
	Total (2)	2,25,000	-	-	-	-	-	-	2,25,000
	Total (B)= (1)+(2)	2,25,000	1,60,000	2,90,000	1,90,000	1,00,000	1,80,000	50,000	11,95,000
	Total Remuneration	2,25,000	1,60,000	2,90,000	1,90,000	1,00,000	1,80,000	50,000	11,95,000
	Overall Ceiling as per the Act								

*Remuneration was paid for 58 days.

C. Remuneration to Key Managerial Personnel other than MD/Manager /WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		Company Secretary	Company Secretary	Chief Financial Officer	
		Simi SS #	Anup Kumar Gupta##	Mayank Shyam Thatte	
1.	Gross Salary a) Salary as per provisions containedin section 17(1)of the Income-tax Act,1 961	9,23,860	5,77,960	49,22,496	64,24,316
	(b)Value of per quisites u/s17(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	-	-	-	-
6.	Total	9,23,860	5,77,960	49,22,496	64,24,316

Ceased to be the Company Secretary and Compliance Officer w.e.f 29/10/2018

Appointed as Company Secretary and Compliance Officer w.e.f. 03/11/2018

I.PENALTIES/PUNISHMENT/COMPOUNDINGOFOFFENCES:

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 Officer sin Default					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

Annexure- B

Particulars of Employees

<table>
<tr><th>Sl.No</th><th>Particulars</th><th>Disclosures</th></tr>
<tr><td>1.</td><td>The ratio of the remuneration of each Director to the median remuneration of the employees of thecompany for the financial year</td><td>Managing Director
139:1</td></tr>
<tr><td>2.</td><td>The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year</td><td><table><tr><td>KMP</td><td>% increase in remuneration</td></tr><tr><td>MD</td><td>-6.16</td></tr><tr><td>CFO</td><td>14.75 %</td></tr><tr><td>CS</td><td>44.78%</td></tr></table></td></tr>
<tr><td>3.</td><td>The percentage increase in the remuneration of employees in the financial year.</td><td>12 %</td></tr>
<tr><td>4.</td><td>The number of permanent employees on the rolls of the Company</td><td>4,951 employees as on March, 31 2019.</td></tr>
<tr><td>5.</td><td>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</td><td>The Average increase in the salary of the employees is 2.81 % in comparison from last financial year.</td></tr>
</table>

Employees drawing a remuneration of 1.02 crore or above per annum.

EMPLOYEE NAME	DESIGNATION
S.V Raja Vaidyanathan	Managing Director

Annexure-C

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 web, link 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 ResponsibilityCommittee (CSR Committee). The Committee has formulated and recommended a CSR Policy to the Boardand 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 andalso monitors CSR policy from time to time.

The CSR Policy of the Companyas approved by the Board of the Directors is available on the Company's website at www.asirvadmicrofinance.co.in

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, Director
Mr. B.N. Raveendra Babu	Member, Non- Executive Director
Mr. V.R. Rajiven	Member, Independent Director

- **Average net profit of the Company for last three financial year : Rs. 128, 828, 537**
- **Prescribed CSR Expenditure (two percent of the amount mentioned in item 3 above) : Rs. 25.82 lakh**
- **Details of CSR expenditure during the Financial year 2018- 19**

Particulars	Amount (In Rs.)
Total amount to be spent for the financial year 2018-19	25,82,000
Amount spent during the financial year 2018- 19	31,00,000
Amount unspent, if any	Nil

- **Manner in which the amount spent during the financial year is detailed below:**

Sl No.	CSR Project or Activity identified	Sector in which project is covered	Project or Programs with location	Amount outlay (Budget) Project or Program-wise	Amount spent on the project or programs	Cumu lative	Amount spent direct or through Agency
1.	Donation for Cyclone Rehabilitation**	Eradicating hunger, poverty and malnutrition	Chennai	31.00 lakh	31.00 lakh	31.00 lakh	Direct

** Distributed Rice bags to affected people of Cyclone Gaja in Tamil Nadu.

We state that the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives andPolicy of the Company.

S.V. Raja Vaidyanathan
Managing Director

T.M. Manoharan
Chairman of CSR Committee

MANAGEMENT DISCUSSION ANALYSIS

Operations

This year, Asirvad Assets under Management (AUM) grew at 57% as against the NBFC-MFIs growth of 42%. Asirvad was able to post better results on account of its branch expansion in earlier years and diversified geography of Operations. The micro-finance industry hasfinally come out of the post demonetization difficult phase. Asirvad has been ranked as 5th in terms of AUM position. (Industry Source: Micrometer March 2019)

The company continued to focus on expanding Eastern and North-eastern India operations by increasing branch opening in these regions. In terms of State share of Asirvad AUM, Tamilnadu tops the list followed by West Bengal, Karnataka, Bihar and Madhya Pradesh. South states contribute 41%, East 23%, North and Central contribute 19% and 17% respectively. Our medium term goal is to bring Tamilnadu share to less than 15% by increasing business in other States by year 2021. Asirvad is the most diversified MFIs operating in 22 States and 2 Union Territories. As on March 31, 2019, ten States have crossed Rs 100 crore loan portfolio, seven states have more than Rs 200 crore loan portfolio.

As at March 31, 2019, portfolio at risk for 30+ and 90+ were at 0.77% and 0.48% respectively. Industry PAR for 30+ and 90+ are at 1.7% and 1.3% respectively. (Industry Source: Micrometer March 2019). Last one year, collection efficiency was at 99.7% indicating that the customer repayment behavior has become much better and back to pre-demonetization levels. We had observed increase in overdues in certain pockets in States of Kerala due to floods, Madya Pradesh, West Bengal and Tripura due to local issues, which is being closely followed up.

Operational Highlights

Financial year 2018-19 saw good growth in terms of Business expansion and disbursements. The Micro finance disbursements during the year was Rs.4,825 Crore against Rs. 2,877 Crores in the Financial Year 2017-18

State Name	AUM in Cr.
Tamil Nadu &Puducherry	929
West Bengal	437
Karnataka	365
Bihar	345
Madya Pradesh	273
Kerala	259
Uttar Pradesh	217
Jharkhand	184
Odisha	179
Rajasthan	165

State Name	AUM in Cr.
Maharashtra	99
Punjab	95
Tripura	66
Chhattisgarh	65
Haryana	51
Gujarat	42
Assam	32
Uttarakhand	24
Goa	5
Chandigarh	5
Sikkim	1
Total	**3,838**

Particulars	Mar-19	Mar-18	Mar-17
No. of States & Union Territories	22	20	17
No. of Branches	942	832	763
No. of Districts	289	245	252
No. of Employees	4,951	4,167	3,861
No. of Active Members	1,806,844	15,01,575	11,93,328
Disb. In Crs.	4,286	2,875	2,114
Portfolio in Crs.	3,838	2,434	1,796

FINANCIAL HIGHLIGHTS

Particulars (Rs. in Crores)	March 2019	March 2018	March 2017	March 2016
Paid up Capital	53.33	32.07	26.28	26.27
Asset Under Management	3840.78	2437.20	1795.94	998.81
Borrowings (Rs. in Crores)	2236.51	2068.24	1592.70	778.32
Total Revenue (Rs. in Crores)	618.18	468.33	363.42	156.09
Profit after tax (Rs. in Crores)	132.58	(32.30)	34.34	23.96
Total Assets (Rs. in Crores)	3087.38	2502.51	1961.95	1044.61

KEY RATIOS

Ratio	2018-19	2017-18	2016-17	2015-16
PBT / Total Income	32.58%	-10.66%	14.39%	23.24%
PBT / Total Assets	6.52%	-2.00%	2.67%	3.47%
ROE	32.6%	-11.70%	13.9%	20.3%
Return on Portfolio	4.91%	-1.53%	2.46%	3.99%
Capital Adequacy	31.82%	15.19%	20.6%	24.8%
Book Value Rs.	146.77	89.59	100.61	87.55
Net Interest Margin	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 loan book increased to Rs.3,838 Crores from Rs. 2,434 Crores in the previous year. The increase in the loan book was Rs. 1,404 Crores which has been determined after taking into account loan repayments of Rs. 2881 Crore (previous year 2,235 Crores) and loans written off during the year amounting to Rs. 55.2 Crores (previous year Rs. 138.56 Crores). The growth in the microfinance loan book, after adding back loans securitised in the preceding twelve months was 57.68%. The SME loan book is 2.02 crore as on 31st March 2019.

Securitisation

During 2018-19, the company securitised its assets worth Rs. 1803 crores as against Rs. 497 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. 1473 crores as on March 31, 2019.

Resource Mobilization & 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 64 lenders across Banks, Financial Institutions, NBFCs and Overseas FII investors, who have sanctioned of Rs 1986 Crores during the year, out of which Rs.1616 crore has been availed as on 31st March 2019. It includes Rs.345 Crores of NCDs issued during the year.

The Funding mix of the company as on 31st March 2019 is given below

Term Loan	36%
Non convertible Debentures	23%
Securitization	40%
Commercial Paper	1%

New initiatives

As part of our Green initiative, digitization of our existing process and onboarding through Tabs have been identified as important projects and resources have been allocated. It will reduce paper work, simplify loan process and reduce TAT for loan processing end to end. The project will get implemented in next financial year.

Now, Asirvad customers are being informed of their transactions through regional language by way of SMS alerts. The customers are informed about their amount disbursed, due dates in advance, amount collected, overdues in case of amounts not paid. Our endeavor would be digitally include them through developing Customer specific Asirvad app in next financial year.

Handling natural calamities

During last financial year, Asirvad customers had to face cyclone Gaja hitting Thanjavur district of Tamilnadu State and unprecedented rains resulting in floods in many districts of Kerala State. We had offered appropriate CSR activities at these places. We had internally designed SOP for handling such natural calamities and the Asirvad team is well equipped to handle such natural calamities in future. Two new loan products were also designed to support such calamity affected customers.

Outlook for financial year 2019-20

Asirvad will continue to expand in eastern region and look for growing opportunities in Northern and Central region. We expect 15 States to have more Rs 100 crore AUM and four States to have more than Rs 500 crore AUM in coming new financial year. Asirvad Business Calendar (ABC) consisting of various business parameters pertaining to new financial year 19-20 has been shared to every Branch Manager to know their business targets. We expect this process will drive target achievement in desired manner. Branches opened in FY 18 and 19 will strive to reach its potential customers.

HUMAN RESOURCES

Asirvad is embarking on a new growth journey, with new aspirations and milestones. The Financial Year 2018-19 has been a very exiting period for Asirvad. Together as an organization, we continue to soar above challenges such as transformation, governance and several structural challenges. Working in tandem with operation, amid challenging times, the HR team has been able to partner in building a strong foundation for Asirvad that is centred on core values of Acceptance, Support, Integrity, Resilience, Viable, Adaptable and Dependable.

Asirvad is continued to show signs of positivity and growth, providing the Management an appetite for enhancing potential and driving growth and development of its human capital.

HUMAN CAPITAL:

3238 candidates joined Asirvad family in FY 2018-19 and the total manpower strength stood at 4951 PAN India as on 31st March 2019, with 20 States, 2 Union Territories and 942 branches.

We strongly believe on Employee Referral Program, this helps us managing our "son of soil" strategy in hiring local talents. Career Progression is an integral part of the HR strategy of Asirvad. We have a well-defined grading and banding process. We follow "home away" policy while promoting employees through cadre. Asirvad closed more than 42% of all open positions through Internal Job Promotions (IJPs) and more than 54% of the open positions through employee referrals. Internal Job Posting (IJPs) are conducted at regular intervals and employees are encouraged to participate and undergo the selection process. Asirvad has also introduced higher study incentive programs for completing graduations. SEED programs like MBAs and Certification courses have been rolled out for employees to enhance their skill and competencies while working.

RECRUITMENT THROUGH TRAIN AND BOARD MODEL

Asirvad has created Talent Transformation (TT) Team to hire entry level fresher in batches to on-board, train and deploy field employees across areas of operation. A cross functional team across HR, Training, Recruitment and Infrastructure function involved in this model.

"Right Start" initiative has been introduced to ensure new hires are trained and well equipped within stipulated time frame to enhance productivity. In a manpower intensive industry with moderately high attrition rate, the challenge is to deploy trained manpower across business clusters, at regular intervals. HR Team are trained to engage new hires for first four weeks through "First impression" initiative. The train & board model coupled with "right start" & "first impression" initiatives thus aims to address the following:

- Quick turnover in fulfilling manpower requisition
- Control early attrition rate and bettering retention
- Increase cost effectiveness and productivity

EMPLOYEE CONNECT INITIATIVES:

Employee-led organisation Asirvad strongly believes in creating an environment that ensures last mile connectivity with the field employees. The organisation's communication channels are varied and each serves a different purpose.

Asirvad-Connect & My HR Support – Asirvad-Connect is corporate communication channel through which all corporate communications like organization announcement, circulars, policies and change management etc. gets communicated to- all colleagues of Asirvad.

All employees can write to My HR Support 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 pan-India which carries all contact details for various services with escalation matrix. There is dedicate "HR Hour" for employees to contact their cluster HR Manager for seeking any help and guidance.

Speak-Up: To report any frauds, mal-practices or any action that impacts company's reputation and finance, unfair treatment & harassment to employees or their colleagues, employees can write to speak-up id with confidentiality. Depending on category of issues raised, Ombudsman assigned respective inquiry teams (Risk, Internal Audit, POSH & HR etc.) and gets it resolved.

Asirvani: A quarterly corporate newsletter has been recently launched for internal and external stakeholders.

EMPLOYEE ENGAGEMENT:

Asirvad strives to be great places to work with. In December 2018, Asirvad participated in The Great Place to Work (GPW) survey. In parameters like Credibility of Management, Respect for People, Fairness at workplace, Camaraderie between people and Taking Pride in Organisation, Asirvad clearly crosses the benchmark score of the financial services sector.

Asirvad has also introduced joint KRA between Operation and HR to hire, engage and retain best talents.

REWARDS AND RECOGNITION

Asirvad has launched employee recognition program called ICONS (Innovation, Collaboration, Outstanding, Networking and Strive) to recognise exceptional performances at the workplace. This program includes reward best performer at individual level (Asirvad ICON, Asirvad Star and Value ICON) and team level (Iconic Branch). This program helps organization to:

- Improve visibility of the best practices designed and implemented by individual or team
- Replicate the recognized and successful best practices across all branches.
- Encourage initiatives and instill a healthy competition across all branches / divisions.

REINFORCING LEARNING:

This year saw the introduction of a number of learning initiatives for both the frontline branch staff and the back end staff.

The following were the areas of focus:

- Training for transformation and change management.
- Establishing in-house capability for technology training

TRAINING FOR TRANSFORMATION AND CHANGE MANAGEMENT:

Asirvad has gone through large scale of transformation and change managements, process are renovated with automation and self-services, new products were launched, roles got redefined across level. Customized curriculum was built for each roles and post evaluation processes were put in place.

DRIVE – Divisional Manager Training

Divisional Managers across India were trained for 3days in batches and roles are redefined. They went through evaluation process before getting certified. Senior leadership across functions as well as management team interacted with these leaders to infuse passion, energy and confidence.

Area Managers workshop

State level training workshops were conducted to train Area Managers and reinforced on roles covering all facets of operation including people, risk & compliance, technology.

Training for Data Entry Operators & Divisional Accounts Executives

Asirvad has launched functional training for all divisional staffs on new process and technology so that they facilitate operation with error free business environment

Training Digital On-boarding

Asirvad has launched automated digital on-boarding of customer in few states on pilot basis. Training has been completed in those pilot states. Pan-India level training has been rolled out to ensure all field level employees are well-equipped to handle new processes.

ESTABLISHING IN-HOUSE TECHNOLOGY TRAINING CAPABILITY:

This year saw huge amount of transformation in technological front. Asirvad has initiated Train-the-Trainer (TTT) model to train all the employees across levels working in field and back office. We are in process of establishing in-house technology labs across all four regions and building customized technology content for all the applications used across branches / divisions in partnership with the respective functions.

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 paper less transactions
- ✓ 100% on Cloud

The following processes are digitized at Asirvad.

- ✓ Tablets are issued to the Field Staff for automating the Collection Process by which the receipts are issued to the customers on-the-spot using Bluetooth Printers. The receipts also supported by instant SMSes to the Customers in vernacular languages
- ✓ Geo-tagging of Centres/Branches for better management and reachout apart from tracking the field staff using GPS
- ✓ 100% digital disbursement and Centralised Disbursement posting based on NEFT data

✓ Geo Fencing based Attendance System for the employees.

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 devices (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

Every branch is audited every month by the Internal Audit team. They play a very important role in Asirvad to ensure that the business operations are carried out smoothly as per the laid down policies of the company and ensure compliance. The focus of the Internal Audit team is not only to identify and highlight, but also help the staff to rectify the mistakes and to ensure due diligence is enforced by every staff across all functions. The Board and Audit Committee reviews the adequacy and effectiveness of the internal audit function periodically, including the scope of activities, reviewing annual audit plans, staffing etc., and facilitate effective review in place across top management and ensure compliance.

The main objective of the Internal Audit function is to provide a comprehensive check and review the controls across various operation functions. The audit staff conduct different type of audit encompassing pre-disbursement, post- disbursement and Branch functions which cover the entire business operations. In addition to this, special audits also carried out at branches to meet some specific requirements of the management

The Internal Audit observations are broadly categorized into four types of alerts based on risk and occurrence viz., Critical, High, Medium and Low. These are further cascaded to multiple levels of business operation teams for validation and compliance. The overall findings and closure statuses has been presented to Audit committee forum comprising senior Board members on a Quarterly basis.

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 organization 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.

CORPORATE GOVERNANCE REPORT

Report on Corporate Governance

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 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 Microfinance limited 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.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 hasstipulated all NBFCs to frame an internal guideline on Corporate Governance. In pursuance of the aforesaidguidelines, 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, 2019, your Company's Board consists of 10 (Ten) members.The composition of the Board is in conformity with the provisions of Companies Act, 2013 and CorporateGovernance Directions issued by Reserve Bank of India.

Composition and Category of Directors

Name of Director	Category	Designation
Mr. V.P. Nandakumar	Non- Executive	Chairman
Mr. S.V. Raja Vaidyanathan	Executive	Managing Director
Mr. B.N. Raveendra Babu	Non- Executive	Non- Independent Director
Mr. Gautam Saigal	Non- Executive	Non- Independent 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. PushyaSitaraman	Non- Executive	Independent Director

Meetings of the Board

During the year, the Board met 5 (Five) times on thefollowing dates;

15th	3rd August,	3rd November,	2nd February,	16th March,
May,2018	2018	2018	2019	2019

Attendance during the financial year 2018-19 of each Director at the Board Meetings, lastAnnual General Meeting.

Sl. No	Name of the Director	Category	Attended (Board Meeting)	Attended last AGM held on 3rd August, 2018
1	Mr. V.P. Nandakumar	Chairman	5	No
2	Mr. S.V. Raja Vaidyanathan	Managing Director	5	Yes
3	Mrs. Kalpana Iyer	Independent Director	1	No
4	Mr. B.N. Raveendra Babu	Director	5	Yes
5	Mr.V.R.Rajiven	Independent Director	5	Yes
6	Mr. Gautam Saigal	Independent Director	5	Yes
7	Mr. A Ramanathan	Independent Director	4	No
8	Mr. D.R. Dogra	Independent Director	5	Yes
9	Mr. Shailesh J Mehta	Independent Director	1	No
10	Mr. T.M. Manoharan	Independent Director	5	Yes
11	Mr. T. Balakrishnan	Independent Director	5	Yes
12	Ms. PushyaSitaram	Independent Director	2	No

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 16th March, 2019 without the attendance of non independent directors and members of management. All the Independent Directors attended the meetingand:

- 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 managementand 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 Audit Committee, being the sub-group of the full board, has an important role to play in the process of financial monitoring and reporting. The audit committee is established with the aim of enhancing confidence in the integrity of an organization’s processes and procedures relating to internal controls and corporate reporting including financial reporting. Audit Committee provides an ‘independent’ reassurance to the board through its oversight and monitoring role, ensuring transparency and accuracy of financial reporting and disclosures, effectiveness of external and internal audit functions, robustness of the systems of internal audit and internal controls, effectiveness of anti-fraud, ethics and compliance systems, and review of the functioning of the whistleblower mechanism. Audit Committee may also play a significant role in the oversight of the company’s risk management policies and programs. Both internal and external auditors report directly to the audit committee.

The functions of the audit committee include

- Monitor and review the Company's financial statements and internal controls.
- Supervise financial reporting process.
- Review financial results before placing them to the Board along with related disclosures and filing requirements.

- Review adequacy of internal controls and performance of internal audit function.
- Discuss with management, the Company's major policies with respect to risk assessment and risk management.
- Ensure compliance with accounting standards with respect to financial statements

The Audit Committee met on the following dates during the financial year 2018-19:

14th May, 2018	3rd August, 2018	3rd November, 2018	2nd February, 2019

Composition and Attendance of the Audit Committee are as follows:

Name of the Director	Category	Number of Meeting held	Number of Meeting Attended
Mr. D.R. Dogra	Chairman, Independent Director	4	4
Mr. T. Balakrishnan	Member, Independent Director	4	3
Mr. Gautam Saigal	Member, Non-Executive Director	4	4
Mr. A. Ramanathan	Member, Independent Director	4	3

Nomination and Remuneration Committee

The Board has constituted the Nomination and Remuneration Committee pursuant to the provisions of theCompanies 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 managementpositions 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 motivateDirectors.

The Nomination and Remuneration Committee met on the following dates during the financial year 2018-19:

14th May, 2018	3rd November, 2018	2nd February, 2019	16th March, 2019

Composition and Attendance of the Nomination and Remuneration Committee are as follows:

Name of the Director	Category	Number of Meeting held	Number of Meeting Attended
Mr. T. Balakrishnan	Chairman, Independent Director	3	2
Mr. V.R. Rajiven	Member, Independent Director	3	3
Mr. Gautam Saigal	Member, Non- Executive*	3	3
Mr. B.N. Raveendra Babu	Member, Director	3	3

*Non- 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 Boardand various recommendations of the Committee including the amount of expenditure to be incurred on CSRactivities are submitted to the Board for approval. The Committee has framed a transparent monitoringmechanism for implementation of CSR projects or programs or activities undertaken by the Company andalso monitors CSR policy from time to time.

The Corporate Social Responsibility Committee met on 2nd February, 2019, during the financial year 2018-19:

Composition and Attendance of the Corporate Social Responsibility Committee are as follows:

Name of the Director	Category	Number of Meeting held	Number of Meeting Attended
Mr. T. M. Manoharan	Chairman, Independent Director	1	1
Mr. S.V. Raja Vaidyanathan	Member, Executive Director	1	1
Mr. B.N. Raveendra Babu	Member, Non- Executive	1	1
Mr. V.R. Rajiven	Member, Independent Director	1	1

Borrowing Committee

The Borrowing 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.

The Borrowing Committee met on the following dates during the financial year 2018-19:

5th April, 2018	27th June, 2018	29th June, 2018	14th July, 2018	16th Aug, 2018
30th Aug, 2018	24th Sept, 2018	26th Sept, 2018	12th Oct, 2018	27th Oct, 2018
30th Nov, 2018	7th Dec, 2018	12th Dec, 2018	20th Dec, 2018	24th Dec, 2018
27th Dec, 2018	9th January, 2019	21st Feb, 2019	8th March, 2019	18th Mar, 2019
23rd Mar, 2019	26th March, 2019	27th Mar, 2019		

Compositions of the Borrowing Committee are as follows:

Name of the Director	Category
Mr. S.V. Raja Vaidyanathan	Chairman, Executive Director
Mr. A. Ramanathan	Member, Independent Director
Mr. B.N. Raveendra Babu	Member, Non- Executive Director
Mr. V.P. NandaKumar	Member, Non- Executive 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.

Asset Liability Committee isconstituted 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 fordeciding the business strategy of the company (on the assets and liabilities sides) in line with the company's budget and decided risk management objectives.

Compositions of the Risk Management Committee are as follows:

Name of the Director	Category
Mr. Gautam Saigal	Chairman, Non- Executive Director
Mr. T.M. Manoharan	Member, Independent Director
Mr. V.R. Rajiven	Member, Independent Director
Mr. D.R. Dogra	Member, Independent Director

The Asset Liability Committee met on the following dates during the financial year 2018-19:

12th April, 2018	25th May, 2018	20th June, 2018	27th July, 2018	24th August, 2018
18th Sep, 2018	12th Oct, 2018	29th Nov, 2018	27th Dec, 2018	22nd Jan, 2019
26th Feb, 2019	22nd Mar, 2019			

Compositions of the Asset Liability Committee are as follows:

Name of the Director	Category
Mr. S.V. Raja Vaidyanathan	Chairman, Executive Director
Mr. S. Ramachandran	Member, COO
Mr. Mayank Shyam Thatte	Member, CFO and Secretary

IT Strategic Committee

IT Strategic 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.

The IT Strategic Committee met on 23rd April, 2018 and 20th October, 2018 during the financial year 2018-19:

Compositions of the IT Strategic Committee 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	Member, Chief Technology Officer

Details of General Meeting

During the financial year 2018-19, 11thAnnual General Meeting was held on 3rdAugust, 2018 and 2 (Two) Extra Ordinary General Meetings (EGM) was held on 10th April, 2018 and 16th March, 2019 respectively. Thedetails are given below:

Sl.No	Meeting	Time	Venue
1	Annual General Meeting	05.00 P.M.	Radisson Blu Hotel, GST Road, St. Thomas Mount, Chennai – 600 016.
2	Extra Ordinary General Meeting	03.30 P.M.	First Floor, Lemuir House, GN Chetty Road, Chennai 600 017
3	Extra Ordinary General Meeting	04.00 P.M.	First Floor, Lemuir House, GN Chetty Road, Chennai 600 017

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 2019

Shareholding Category	No of Shares	Shareholding (%)
Body Corporate	49757889	93.33
Others	3553998	6.67
Total	53311887	100%

For and on behalf of the Board

S.V.Raja Vaidyanathan
Managing Director

V.P.Nandakumar
Chairman and Director
Date:
Place: Chennai

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2019

(pursuant to section 204(1) of the Companies Act 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014

To

The Members

M/s Asirvad Microfinance Ltd.

'Deshbandhu Plaza'

No.47 Whites Road, 1st Floor

Chennai 600 014.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Asirvad Microfinance Limited (CIN No.U65923TN2007PLC064550) (hereinafter called 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.

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 2019 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.

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, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Companies (Acceptance of Deposits) Rules, 2014.

(iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulation, Guidelines, Standards.

During the period under review:

1. The Company has taken loans from the Banks/Financial Institutions from time to time. Necessary charges in Form CHG-1 were filed.
2. The Company has allotted Secured Non-Convertible Listed Debentures.
3. The Company has not accepted Deposits from the public.
4. The Company has not taken inter-corporate loans in the year.
5. During the year the company has taken loans amounting to Rs. 2192 Crores (FY 2018 Rs.1113 Cr.) and necessary CHG-1 was filed with ROC in time.
6. During the year, a few loans were fully repaid by the company amounting to Rs.329 Crores (FY 2018 Rs.275 Cr.). Accordingly, under Sec. 82 of the Companies Act 2013, Satisfaction of charges in Form No. CHG-4 were filed with the Registrar of Companies for the aforesaid amount in time. This does not, however, include part repayment of loans.
7. This company continues to be a Subsidiary of M/s Manappuram Finance Limited.
8. The Company has not declared dividend during the year
9. The Company's Authorized Share Capital increased to Rs.100 Crores and necessary e-Forms filed with Registrar of Companies.
10. The company has spent the eligible profit on Corporate Social Responsibility.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. The Company has appointed a Woman Director as required under sec.149 of the Companies Act 2013.

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

Decisions were carried unanimously. However, important discussions on members' views are captured and recorded, as part of the minutes.

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.

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

Place: Chennai

Date: 13th May 2019

Signature:
S. Hari
Company Secretary in Practice
FCS No. 821
C P No. 4276

Annexure 'A'

To,

The Members

M/s Asirvad Microfinance Ltd.

'Deshbandhu Plaza'

No.47 Whites Road, 1st Floor

Chennai 600 014.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on the Secretarial Audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. 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 procedures on test basis.

6. 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:

S. Hari

Company Secretary in Practice

FCS No. 821

C P No. 4276

Place: Chennai

Date: 13th May 2019

INDEPENDENT AUDITOR'S REPORT

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 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statementand the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the

Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India as referred in Note 3.1 to the financial statements, of the state of affairs of the Company as at 31 March 2019, and its profit, total comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Provision for Expected Credit Losses on Loans** The Loans are the most significant item in the Financial Statements. This, being the first year of application of the expected credit loss model in determining the provisions, a significant degree of judgement is involved in determining the quantum so as to ensure that there is neither management bias nor material risk of misstatement. The measurement of the said estimate is primarily dependent upon key assumptions relating to probability of default and loss given default, after eliminating exceptional events/losses.	**Principal audit procedures performed:** We tested the design and operating effectiveness of key controls focusing on the following: • Appropriateness of assumptions, used in determination of provisions; and • Completeness and accuracy of data input into models. For determination of provision we tested data inputs and agreed a sample of data used in the models to source systems. We evaluated the methodology to establish model parameters and assessed the appropriateness of the models used.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report, Management Discussion Analysis, Corporate Governance Report, Report on Corporate Social Responsibility and Secretarial Audit Report, but does not include the financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.

- Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

- In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- When we read the Directors Report, Management Discussion Analysis, Corporate Governance Report, Report on Corporate Social Responsibility and Secretarial Audit Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under

  Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we reportthat:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act and other accounting principles generally accepted in India (Refer Note 3.1 to the financial statements).

   e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directorsis disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order/CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.008072S)

S Sundaresan
(Partner)
(Membership No.25776)

Place: Chennai
Date: 13 May 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Asirvad Microfinance Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the

Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**

Chartered Accountants

(Firm's Registration No.008072S)

Place: Chennai

Date:13 May 2019

S Sundaresan

(Partner)

(Membership No.25776)

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of Fixed Assets :

a) The Company has maintained proper records showing full particulars, including quantitative details and situationof fixed assets.

b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of CARO 2016 is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Professional Tax, Income-tax, Goods & Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods & Service Tax, Professional Tax, cess and other material statutory dues in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax which have not been deposited as on

31 March 2019on account of disputes are given below :

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Amount Rs.in Lakhs)	Amount Unpaid (Amount Rs. in Lakhs)
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2015-16	1,124.50	899.60
Income Tax Act, 1961	Income Tax	CIT(A)	AY 2016-17	1,978.91	1,583.13

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and dues to debenture holders. The Company does not have any borrowings from Government.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the

CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year other than embezzlement of cash amounting to Rs. 210.93Lakhs by employees in 25 of the branches of the Company (Refer note 45 to the Financial Statements) detected and appropriately dealt with by the Management.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the

Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has made preferential allotment of shares or fully or partly convertible debentures during the year under review.

In respect of the above issue, we further report that:

(a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and

(b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.008072S)

S Sundaresan
(Partner)
(Membership No.25776)

Place: Chennai
Date: 13 May 2019

FINANCIAL STATEMENT

Asirvad Microfinance Limited
Balance Sheet as at 31 March 2019

	Particulars	Note No.	As at 31 March 2019 Amount Rs.in Lakhs	As at 31 March 2018 Amount Rs.in Lakhs	As at 1 April 2017 Amount Rs.in Lakhs
I	**ASSETS**				
1	**Financial assets**				
	(a) Cash and cash equivalents	5	52,590.02	19,026.25	10,091.98
	(b) Bank Balances other than (a) above	6	16,224.19	8,570.44	6,824.39
	(c) Loans	7	232,235.30	203,461.22	162,811.38
	(d) Loans given to staff - at amortised cost		80.41	53.46	28.68
	(e) Investments	8	5.00	5.00	5.00
	(f) Other Financial assets	9	3,328.95	2,174.76	1,172.59
2	**Non-financial Assets**				
	(a) Current tax assets (net)	10	1,466.86	817.43	-
	(b) Deferred tax assets (net)	11	2,261.20	4,444.65	3,936.73
	(c) Investment Property		8.64	8.64	8.64
	(d) Property. Plant and Equipment	12 (a)	205.14	628.88	551.68
	(e) Intangible assets	12 (b)	21.23	73.34	7.01
	(f) Other non financial assets	13	310.85	160.39	108.14
	Total assets		**308 737.79**	**239 424.46**	**185 546.22**
II	**LIABILITIES AND EQUITY**				
1	**Financial Liabilities**				
	(a) Other Payables				
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	14	1,656.06	1,035.90	835.11
	(b) Debt Securities	15	78,537.03	61,998.17	43,310.74
	(c) Borrowings (other than debt securities)	16	133,699.47	134,836.90	105,309.81
	(d) Subordinated Liabilities	17	11,414.15	11,407.06	11,412.46
	(e) Other Financial liabilities	18	4,209.10	1,512.82	398.83
2	**Non-financial Liabilities**				
	(a) Provisions	19	236.48	184.29	567.10
	(b) Other non-financial liabilities	20	739.78	576.25	473.46
3	**Equity**				
	(a) Equity share capital	21	5,331.19	3,207.49	2,627.66
	(b) Other equity	22	72,914.53	24,665.58	20,611.05
			308 737.79	**239 424.46**	**185 546.22**

See accompanying notes forming part of the financial statements
In terms of our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants

S Sundaresan
Partner

Place : Chennai
Date : 13 May 2019

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)

MayankShyamThatte
Chief Financial Officer

Anup Gupta
Company Secretary

Asirvad Microfinance Limited
Statement of Profit and Loss for the year ended 31 March 2019

	Particulars	Note No	For the Year Ended 31 March 2019 Amount Rs.in Lakhs	For the Year Ended 31 March 2019 Amount Rs.in Lakhs
I	Revenue from operations			
	Interest income	23	60,660.71	43,571.27
	Other operating income	24	1,157.47	280.61
	Total (I)		**61,818.18**	**43,851.88**
II	**Other Income**		**5,906.82**	**3,107.32**
III	**Total Income (I + II)**		**67,725.00**	**46,959.20**
IV	**Expenses**			
	Finance cost	26	27,344.95	21,318.20
	Impairment of financial instruments	27	1,977.89	12,427.67
	Employee benefit expenses	28	11,348.19	9,252.10
	Depreciation, amortization and impairment	12	588.50	635.94
	Other expenses	29	6,324.11	4,773.43
	Total Expenses (IV)		47,583.64	48,407.34
V	**Profit/(loss) before tax (III - IV)**		**20,141.36**	**(1,448.14)**
VI	**Tax Expense:**	**11.1**		
	(1) Current tax		4,711.00	
	(2) Deferred tax		2,171.99	(519.64)
VII	**Other Comprehensive Income**			
A	(i) Items that will not be classified to profit or loss: Remeasurement gains and (losses) on defined benefit obligations (net)	11.1	32.71	33.55
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(11.46)	(11.72)
	Other Comprehensive Income		**21.25**	**21.83**
IX	**Total Comprehensive Income for the year (VII + VIII)**		13,279.62	(906.67)
X	**Earnings per equity share**	**31**		
	- Basic (Rs.)		31.35	31.35
	- Diluted (Rs.)		31.35	31.35

See accompanying notes forming part of the financial statements
In terms of our report of even date attached

For Deloitte Haskins & Sells
Chartered Accountants

S Sundaresan
Partner

Place : Chennai
Date : 13 May 2019

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)

MayankShyamThatte
Chief Financial Officer

Anup Gupta
Company Secretary

Asirvad Microfinance Limited
Statement of changes in Equity for the year ended 31 March 2019

1. Equity Share capital Amount Rs. In Lakhs

Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
3,207.49	2,123.70	5,331.19

2. Other Equity

Particulars	Reserves and Surplus						Total
	Statutory Reserve	Capital redemption reserve	Securities Premium	Share Option Outstanding	General Reserve	Retained Earnings	
Balance as at 1 April 2017	**1,679.97**	**500.00**	**15,900.80**	**-**	**35.93**	**2,494.35**	**20,611.05**
Total Comprehensive Income for the year						(906.67)	(906.67)
Securities Premium on equity shares issued during the year			4,948.20				4,948.20
Others				13.00			13.00
Balance as at 31 March 2018	1,679.97	500.00	20,849.00	13.00	35.93	1,587.68	24,665.58
Total Comprehensive Income for the year						13,279.62	13,279.62
Securities Premium on equity shares issued during the year			34,961.89				34,961.89
Others	2,651.67			7.44		(2,651.67)	7.44
Balance as at 31 March 2019	4,331.64	500.00	55,810.89	20.44	35.93	12,215.63	72,914.53

Asirvad Microfinance Limited
Statement of Cash flows

	Particulars	For the Year Ended 31 March 2019 Amount Rs.in Lakhs	For the Year Ended 31 March 2018 Amount Rs.in Lakhs
A	**Cash flow from Operating Activities**		
	Profit/(Loss) After Tax	**13,258.37**	**(928.50)**
	Adjustments for:		
	Depreciation/ Amortisation	588.50	635.94
	Tax Expenses	6,882.99	(519.64)
	Provision for Receivables under Financing Activity (Net)	1,977.89	12,427.67
	Reversal of Provision for Credit enhancements on assets under financing activity	-	(6.92)
	Loss on Sale of Fixed Assets (Net)	2.21	5.07
	Dividend Income	(507.64)	(195.94)
	Finance Cost	27,344.95	21,318.20
	Interest on Deposits	(1,381.03)	(584.62)
	Income from Securitisation of Receivables	(6,724.05)	(2,150.05)
	Operating Profit before Working Capital Changes	**41,442.19**	**30,001.21**
	Changes in Working Capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Receivables under Financing Activity	(38,924.99)	(54,802.02)
	Loans given to staff	(26.95)	(24.78)
	Other financial Assets	(1,071.93)	(915.73)
	Other non financial assets	(159.55)	(104.05)
	Adjustments for increase / (decrease) in Operating Liabilities:		
	Trade Payables	620.16	200.79
	Other financial Liabilities	2,696.28	1,113.99
	Other non financial Liabilities	163.53	102.79
	Other Provisions	52.19	37.77
	Cash Flow Generated from/(used in) Operations	**4,790.93**	**(24,390.03)**
	Income Received in Advance (Securitization)	6,724.05	2,150.05
	Interest Income on Deposits	1,280.53	479.94
	Net cash flow from/(used in) operations	**12,795.51**	**(21,760.04)**
	Net Income Tax Paid	(5,360.43)	(1,238.01)
	Net Cash flows from/(used in) Operating Activities	**7,435.08**	**(22,998.05)**
B.	**Cash flow from Investing Activities**		
	Proceeds from Sale of Fixed Assets	163.18	119.24
	Capital Expenditure on Fixed Assets (including Capital Advances)	(287.13)	(846.27)
	Dividend received	507.64	195.94
	Net Cash Flow Generated from/(used in) Investing Activities	**383.69**	**(531.09)**
C.	**Cash flow from Financing Activities**		
	Proceeds from Long-Term Borrowings-Term Loans (net)	(646.85)	31,910.34
	Interest paid on Term loans	(15,379.82)	(12,675.48)
	Prepaid Processing Charges	222.35	(26.65)
	Proceeds from Long-Term Borrowings-Debentures (net)	12,593.00	16,684.67
	Interest paid on Debentures	(10,303.55)	(7,235.06)
	Prepaid Processing Charges	83.09	31.42
	Proceeds from Short-Term Borrowings - CP	3,477.75	1,483.96
	Repayment of Short-Term Borrowings - Cash Credit	0.28	(2,499.17)
	Proceeds from Finance Lease	(86.53)	2.82
	Proceeds from Issue of Equity Shares	37,085.59	5,528.02
	Other Interest and charges paid	(1,300.31)	(741.46)
	Net Cash Flow from Financing Activities	**25,745.00**	**32,463.41**
	Net increase in Cash and cash equivalents (A+B+C)	33,563.77	8,934.27
	Cash and cash equivalents at the beginning of the year	19,026.25	10,091.98
	Cash and Cash Equivalents at the end of the year	**52,590.02**	**19,026.25**

Asirvad Microfinance Limited
Statement of Cash flows

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
	Amount Rs.in Lakhs	Amount Rs.in Lakhs
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per balance sheet (Refer note 5)	52,590.02	19,026.25
	52,590.02	**19,026.25**

See accompanying notes forming part of the financial statements
In terms of our report of even date attached

For and on behalf of the Board of Directors of Asirvad Microfinance Limited

For Deloitte Haskins & Sells
Chartered Accountants

S Sundaresan
Partner

V P Nandakumar
Chairman
(DIN No.00044512)

S V Raja Vaidyanathan
Managing Director
(DIN No.01467098)

Place : Chennai
Date : 13 May 2019

MayankShyamThatte
Chief Financial Officer

Anup Gupta
Company Secretary

Asirvad Microfinance Limited

Notes forming part of the Financial Statements for the year ended 31 March 2019

1. CORPORATE INFORMATION

Asirvad Microfinance Limited was incorporated in August 2007 under the provisions of Companies Act, 1956. The Company is a Non Banking Finance Company -Microfinance Institution (NBFC-MFI). The Company is registered as a Microfinance Institution under the Non Banking Financial Company-Micro Finance Institution (Reserve Bank) Directions , 2011 as amended, vide RBI letter dated 4th October 2013.

The Company is engaged in extending micro credit advances to poor women, who are otherwise unable to access finance from the mainstream banking channels. The Company provides small value collateral fee loans with fortnightly /monthly repayments. The Company follows the Grameen Model with suitable adoptions using the group where each member is responsible for the loan repayment of the other members of the group. The Company provides collateral free product loans to the existing borrowers of small amount. The Company uses its branch infrastructure to market products to the members of the Joint Liability groups on behalf of other agencies for an agreed fee/commission.

The Comoanv also provides loans to Small and Medium Enterprises.

2. HOLDING Company

The Company become subsidiary Company of Manappuram Finance Limited, after Manappuram Finance Limited acquired controlling stake in the Company during the Financial Year 2014-15.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of Compliance

On 16 February 2015, the Ministry of Corporate Affairs ("MCA") notified the Companies (Indian Accounting Standards) Rules, 2015. The rules specify the Indian Accounting Standards (Ind AS) applicable to certain class of companies and sets out dates of applicability. Asirvad Microfinance Limited, being an Non Banking Financial Company, for which IND AS is applicable from Phase III as defined in the said notification, is required to apply the standards as specified in Companies (Indian Accounting Standards) Rules, 2015.

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1 April 2017,

In respect of significant accounting matters, the Company has analyzed the provisions contained in Ind AS and the relevant guidance as per RBI Guidelines and has adopted appropriate accounting treatment while ensuring compliance with RBI Guidelines.

The Company follows the prudential norms for income recognition, asset classification and provisioning as prescribed by the Reserve Bank of India for NBFC-MFI's or more stringent norms.

Upto the year ended 31 March 2018, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1 April 2017. Previous year figures in the financial statements have been restated to Ind AS. Refer Note 37 for the details of first-time adoption exemptions availed by the Company.

3.2 Basis of Preparation and Presentation of Financial Statements

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, and 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

3.3 Standards issued but not effective

Ind AS 116, "Leases" is applicable with effect from 1 April 2019. THis Standard replaces the existing Standard on Leases, Ind AS 17. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees -leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is in the process of evaluating the leases and its impact on the financial statements.

3.4 Use of Estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the acCompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Company's accounting policies, management has made judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.5 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(a) Interest income on loans given is recognized under the internal rate of return method. Income on Non-performing Assets is recognized only when realized and any interest accrued on such assets is de-recognized by reversing the unrealized interest income already recognized.

(b) Loan processing fee is recognized over the life of the loan on a proportionate basis.

(c) Income from interest strip (excess interest spread) of a securitized portfolio is recognized in the Statement of Profit and Loss net of any losses when realized in cash, in line with the relevant RBI guidelines.

(d) Referral Fee income on marketing of products is recognized on accrual basis when the service is rendered taking into account the number of units sold at the rates applicable according to the terms of the agreement.

(e) Interest income on deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(f) Dividend income from investments (other than equity shares) is recognized on actual realizations, as stipulated by RBI.

3.6 Leasing

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corrosponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case, they are capitalized in accordance with the Company's general policy on borrowing cost. Contingent rentals are recognized as expenses in the period in which they are incurred.

Rental expense from operating leases is generally recognized on a straight line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.7 Employee Benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity and compensated absences.

Retirement Benefit Costs and Termination Benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in the Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item ‘Employee benefits expense’. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees upto the reporting date.

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

Share-based payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Holding Company's estimate of equity instruments that will eventually vest, with a corrosponding increase in equity. At the end of each period, the Holding Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, recognized in profit or loss such that the cummulative expense reflected the revised estimate, with a corrosponding adjustment to equity-settled employee benefits reserve.

3.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other complrehensive income or directly in equity, respectively.

3.9 Cash and Cash Equivalents (for purposes of Cash Flow Statement)

Cash and cash equivalent in the balance sheet comprise demand deposits with bank and Cash on hand, short-term deposits with an original maturity of three months or less including lien marked deposits with Banks and others with respect to loans availed by Company. These balances are subject to an insignificant risk of changes in value.

Bank Balances include term deposits held with an original maturity more than 3 months and includes lien marked deposits with Banks and others with respect to loans availed by Company/assets securitised.

3.10 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) after extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information

3.11 Property, Plant and Equipment

Furniture and Fixtures, Leasehold Improvements, Office Equipment, Vehicles, Computers and Others are stated at cost less accumulated depreciation and accumulated impairment losses. Costs comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from tax authorities), any attributable expenditure on making the assets ready for intended use.

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives , using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainity that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Estimated useful lives of the assets are as follows:

Particulars	Years
Furniture and Fixtures including AC and Electrical fittings	10
Leasehold Improvements	6
Office Equipment	5
Vehicles	8
Computers and others	6

Depreciable amount for assets is the cost of an asset, less its estimated residual value. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and expected residual value at the end of its life. Depreciation on tangible fixed assets has been provided on the Written Down Value Method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Depreciation is accelerated on fixed assets, based on their condition, usability etc., as per the estimates of the Management, where necessary. Depreciation methods, useful lives and residual values are reviewed periodically including at each financial year end.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its tangible assets recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.12 Investment Property

Investment Properties are properties held to earn rentals and / or for capital appreciation. Investment properties are measured initially at cost, including transactions costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirement for cost model.

An Investment property is derecognized upon disposal or when the Investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

For transition to Ind AS, the Company has elected to continue with the carrying value of its Investment property recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.13 Intangible Assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over the estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on prospective basis.

Software is depreciated over the license period or 6 years, whichever is lower.

An Intangible assets is derecognised on disposal or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible assets measured as the difference between the net disposal proceeds and the carrying amount of the asset as recognised in profit or loss when the asset is derecognised.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.14 Impairment to Tangible and Intangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.15 Provisions and Contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

'Contingent Liability and Assets :

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

3.16 Financial Instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provision of the instruments.

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

Financial Assets

Initial Recognition

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in four categories:

1. Debt instruments at amortised cost
2. Debt instruments at fair value through other comprehensive income (FVTOCI).
3. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).
4. Equity instruments measured at fair value through other comprehensive income FVTOCI.

Financial assets measured at amortised cost

A 'debt instrument' is measured at amortised cost if both the following conditions are met:

a) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset (other than those stated as amortized cost) is subsequently fair valued through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Dividend income from these financial assets is included in other income.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received or receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Financial liabilities Initial Measurement

Financial liabilities are classified and measured at amortized cost. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts

Subsequent Measurement

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

Impairment of financial assets

The Company recognises Impairment allowance for expected credit losses (ECL) on Financial Assets held at amortized cost. The Company also computes the provision for non-performing assets (NPA) as per IRAC norms of RBI. The higher of the two is recorded in the books.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls).

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months from the reporting date.

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as loans and advances and security deposits held at amortised cost are tested for impairment based on evidence or information that is available without undue cost or effort. Lifetime Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

The Company applies a three-stage approach to measuring expected credit losses (ECLs) for Loan Receivables. No ECL is recognised on equity investments.

Measurement of ECLs

Expected Credit Loss is computed as follows = Gross EAD * PD* LGD

The Exposure at Default ("EAD") is an estimate of the exposure (gross carrying amount), at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments.

The Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

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

To calculate the ECL, the Company assesses the possible default events of EAD at various Stages. The Company has broadly followed the following approach to compute ECL.

The Advances exposure is broadly classified into 2 pools : MFI loans and SME The EAD is categorised based on respective Past Due status as given below :

Stage 1: 12-months ECL

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company has assessed that all standard advances and advances upto 30 days default would fall under this category.

For these assets, 12-month ECL are recognized and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance).

Stage 2: Lifetime ECL — not credit impaired

Financial instruments that have had a significant increase in credit risk since initial recognition are classified under this stage. 30 Days Past Due upto 90 Days is considered as significant increase in credit risk and classified under this category. For these assets, lifetime ECL are recognized, but interest revenue is still calculated on the gross carrying amount of the asset.

Stage 3: Lifetime ECL — credit impaired

All exposures greater than 90 Days Past due assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised. Interest revenue is recognized on actual realization in line with prudential norms.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial assets credit risk has increased significantly since initial recognition, by considering the change in the risk of defaults occurring over the remaining life of the financial assets.

The measurement of ECL reflects:

a) An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes

b) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events and current conditions.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not the financial ability to repay the amounts subject to the write-off.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL in respect of Financial assets measured at amortised cost are presented as a deduction from the gross carrying amount of the assets in the statement of financial position.

3.17 Earnings per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

3.18 Goods & Services Tax Input Credit

Goods & Service Tax Input Credit is accounted for in the books in the period when the underlying Goods and service received are accounted and when there is reasonable certainty in availing / utilizing the same.

3.19 Insurance claims

Insurance claims recoverable are accrued for on the basis of claims admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection. Claims pending settlement for more than a year are provided for.

4 Critical Accounting Judgements and Key Sources of Estimation Uncertainity

In the application of the Company's accounting policies which is described in Note 3, the Management of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

(i) Useful lives of Property, plant and equipment (Refer Note 3.11)

(ii) Assets and obligations relating to employee benefits (Refer Note 3.7)

(iii) Valuation and measurement of income taxes and deferred taxes (Refer Note 3.8)

(iv) Imoairment of financial assets based on Expected Credit Loss model (Refer Note 3.16)

5 Cash and cash equivalents

Particulars	As at 31 March 2019 Amount Rs.in Lakhs	As at 31 March 2018 Amount Rs.in Lakhs	As at 1 April 2017 Amount Rs.in Lakhs
(a) Cash on hand	0.27	36.33	558.44
(b) Balances with Banks			
- In Current Accounts	6,589.75	8,615.57	6,533.54
- In Deposit Accounts - Not covered Under Lien	46,000.00	10,374.35	3,000.00
Total	**52,590.02**	**19,026.25**	**10,091.98**

5.1 Of the above, the balances that meet the definition of Cash and cash equivalents as per Ind AS 7 Cash Flow Statements is	52,590.02	19,026.25	10,091.98

6 Bank Balances other than above

Particulars	As at 31 March 2019 Amount Rs.in Lakhs	As at 31 March 2018 Amount Rs.in Lakhs	As at 1 April 2017 Amount Rs.in Lakhs
Balances with Banks			
- In Deposit Accounts - Under Lien (Refer Note 6.1 below)	16,224.19	8,570.44	6,824.39
Total	**16,224.19**	**8,570.44**	**6,824.39**

6.1 Deposit accounts under lien comprise of:

Deposits amounting to Rs. 6,591.90 lakhs (As at 31 March 2018: Rs. 5,204.92 lakhs ; As at 1 April 2017: Rs. 5,993.26 lakhs) have been placed with certain banks for obtaining term loans.

Deposits amounting to Rs. 9,632.29 lakhs (As at 31 March 2018: Rs. 3,240.53 lakhs ; As at 1 April 2017: Rs. 831.13 lakhs) placed as credit enhancement (cash collateral) towards Assets De-recognised on account of securitization.

7 Loans (at amortised cost) (Refer Notes below)

Particulars	As at 31 March 2019 Amount Rs.in Lakhs	As at 31 March 2018 Amount Rs.in Lakhs	As at 1 April 2017 Amount Rs.in Lakhs
A) (i) Secured and considered good			
Loans	203.59	333.74	315.41
Less : Advance EMI's received	0.06	-	-
Less : Impairment loss allowance	87.73	73.70	5.77
Sub Total	**115.80**	**260.04**	**309.64**
A) (ii) Unsecured and considered good, unless otherwise stated			
Loans	236,529.06	211,030.54	172,165.89
Less : Advance EMI's received	295.10	155.67	-
Less : Impairment loss allowance	4,114.46	7,673.69	9,664.15
Sub Total	**232,119.50**	**203,201.18**	**162,501.74**
Grand Total	**232,235.30**	**203,461.22**	**162,811.38**

(Amount Rs.in Lakhs)

7.1	Particulars	As on 31 March 2019	As on 31 March 2018	As on 1 April 2017
	The Loan Receivables reflected above excludes microfinance loans assigned to a third party on securitization in accordance with RBI Guidelines as given aforesaid :	147,336.83	32,206.82	7,418.39

(Amount Rs.in Lakhs)

7.2	Particulars	As on 31 March 2019	As on 31 March 2018	As on 1 April 2017
	Provisions as per RBI Prudential Norms	3,982.58	7,164.27	5,682.99
	Provisions as per ECL model under Ind AS 109	4,202.19	7,747.39	9,669.92
	Amount recorded in the books	4,202.19	7,747.39	9,669.92

7.3 The Stage wise break of Loans reflected above (Refer Note 7) is given below :

(A) As at 31 March 2019

(Amount Rs.in Lakhs)

Loan Receivables	Stage 1: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days	Total
i. Loans considered as Qualifying Assets	215,343.50	697.78	1,544.23	217,585.51
ii. Loans considered as Non Qualifying Assets	18,906.52	85.58	163.77	19,155.87
Gross Carrying Amount of Loans	**234,250.02**	**783.36**	**1,708.00**	**236,741.38**
Less : Impairment loss allowance *	2,346.78	147.41	1,708.00	4,202.19
Net Loans	**231,903.24**	**635.95**	**-**	**232,539.19**

(B) As at 31 March 2018

(Amount Rs.in Lakhs)

Loan Receivables	Stage 1: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days	Total
i. Loans considered as Qualifying Assets	193,445.31	983.13	5,290.29	199,718.73
ii. Loans considered as Non Qualifying Assets	11,480.53	45.64	268.58	11,794.75
Gross Carrying Amount of Loans	**204,925.84**	**1,028.77**	**5,558.87**	**211,513.48**
Less : Impairment loss allowance *	2,060.39	128.13	5,558.87	7,747.39
Net Loans	**202,865.45**	**900.64**	**-**	**203,766.09**

(C) As at 01 April 2017

(Amount Rs.in Lakhs)

Loan Receivables	Stage 1: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days	Total
i. Loans considered as Qualifying Assets	150,529.74	6,913.71	7,008.04	164,451.49
ii. Loans considered as Non Qualifying Assets	7,249.69	235.92	238.37	7,723.98
Gross Carrying Amount of Loans	**157,779.43**	**7,149.63**	**7,246.41**	**172,175.47**
Less : Impairment loss allowance *	1,575.96	847.55	7,246.41	9,669.92
Net Loans	**156,203.47**	**6,302.08**	**-**	**162,505.55**

*The impairment loss allowance includes Contingent Provision against Standard Assets (Non Qualifying assets) of Rs. 194.57 Lakhs as at 31 March 2019 (As at 31 March 18 : Rs. 126.97 Lakhs ; As at 1 April 2017 is Rs. 73 Lakhs)

7.4 Reconciliation of impairment allowance on Loans

Particulars	Amount Rs.in Lakhs
Impairment allowance as at 1 April 2017	9,669.92
Add: Impairment allowance provided in statement of Profit & Loss	12,427.67
Less: Impairment allowance Utilised for writing off Loss assets	14,350.20
Impairment allowance as at 31 March 2018	**7,747.39**
Add: Impairment allowance provided in statement of Profit & Loss	1,977.89
Less: Impairment allowance Utilised for writing off Loss assets	5,523.09
Impairment allowance as at 31 March 2019	**4,202.19**

7.5 As per RBI guidelines on Securitisation DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 updated on April 16, 2019 the details of securitisation are given below:

Particulars	31 March 2019 Numbers/Amount (Rs.)	31 March 2018 Numbers/Amount (Rs.)	1 April 2017 Numbers/Amount (Rs.)
(i) No of SPVs sponsored by the NBFC for securitisation transactions			
a.Through Direct assignment	4	1	1
b.Through PTC	14	8	4
Total	**18**	**9**	**5**
(ii) Total amount of securitised assets as per books of the SPVs Sponsored (Amount Rs.in Lakhs)			
a.Through Direct assignment	28,733.88	137.42	681.68
b.Through Pass through Ceritificates	118,101.63	31,850.12	6,736.71
Total	**146,835.51**	**31,987.54**	**7,418.39**
(iii) Total amount of exposures retained by the NBFC to comply with MRR as on the date of Balance sheet			
a) Off-balance sheet exposures			
- First loss	-	-	-
- Others	-	-	-
b)On-balance sheet exposures (Amount Rs.in Lakhs)			
- First loss			
a. Direct Assignment	-	-	-
b. Pass through Ceritificates	-		-
- Others (Minimum Retention requirement("MRR"))	17,841.73	5,164.00	-
(iv) Amount of exposures to securitisation transactions Other than MRR			
a) Off-balance sheet exposures			
i)Exposure to own securitizations (Amount Rs.in Lakhs)			
- First loss	-	584.97	-
a. Direct Assignment	-	-	-
b. Pass through Ceritificates	-	584.97	-
- Others	-	-	-
ii)Exposure to third party securitisations			
- First loss	-	-	-
- Others	-	-	-
b) On-balance sheet exposures (Amount Rs.in Lakhs)			
i)Exposure to own securitisations			
- First loss			
a. Direct Assignment	-	-	-
b. Pass through Ceritificates	9,632.29	3,240.53	831.13
- Others	-	-	-
ii) Exposure to third party securitisations			
First loss	-	-	-
Others	-	-	-

7.6 Details of Financial Assets sold to Securitisation Company

Particulars	For the Year ended 31 March 2019	For the Year ended 31 March 2018	For the Year ended 31 March 2017
Total number of loan assets securitized during the year	**1,065,278.00**	**370,839.00**	**125,860.00**
a.Through Direct assignment	253,895.00	-	-
b.Through PTC	811,383.00	370,839.00	125,860.00
Book value of loan assets securitized during the year (Amount Rs.in Lakhs)	**199,637.90**	**54,895.62**	**17,177.79**
a.Through Direct assignment	43,336.00	-	-
b.Through PTC	156,301.90	54,895.62	17,177.79
Sale consideration received during the year (Amount Rs.in Lakhs)	**180,282.56**	**49,731.61**	**16,733.03**
a.Through Direct assignment	39,002.40	-	-
b.Through PTC	141,280.16	49,731.61	16,733.03
MFI Loans Subordinated as Credit Enhancement on Assets Derecognised (Amount Rs.in Lakhs)	**19,355.34**	**5,164.01**	**444.76**
a.Through Direct assignment	4,333.60	-	-
b.Through PTC	15,021.74	5,164.01	444.76
Gain / (loss) on the securitization transaction recognised in P&L	-	-	10.69
a.Through Direct assignment	-	-	10.69
b.Through PTC	-	-	
Gain / (loss) on the securitization transactions deferred	-	-	-
a.Through Direct assignment	-	-	-
b.Through PTC	-	-	
Quantum of Credit Enhancement provided on the transactions in the form of deposits (Amount Rs.in Lakhs)	**9,632.29**	**3,240.53**	**831.13**
a.Through Direct assignment	-	-	-
b.Through PTC	9,632.29	3,240.53	831.13
Quantum of Credit Enhancement as at year end (Amount Rs.in Lakhs)	**9,632.29**	**3,240.53**	**631.02**
a.Through Direct assignment	-	-	-
b.Through PTC	9,632.29	3,240.53	631.02
Interest spread Recognised in the Statement of Profit and Loss during the Year (Amount Rs.in Lakhs)	**6,702.23**	**2,215.69**	**1,587.62**
a.Through Direct assignment	1,477.80	147.12	-
b.Through PTC	5,224.43	2,068.57	1,587.62

8 Investments

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
Investments at Fair Value through other comprehensive income			
(i) Equity instruments in India	5.00	5.00	5.00
Gross Total	**5.00**	**5.00**	**5.00**
Less : Allowance for impairment loss	-	-	-
Total	**5.00**	**5.00**	**5.00**

9 Other financial assets (At amortised cost)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Security deposits	428.65	325.18	330.40
(b) Interest accrued on deposits with banks and others	706.22	605.72	501.04
(c) Deposit under Pradhan Mantri Garib Kalyan Yojna (PMGKY)	15.00	15.00	15.00
(d) Receivable from Securitised assets	1,681.04	590.99	-
(e) Others	498.04	637.87	326.15
Total	**3,328.95**	**2,174.76**	**1,172.59**

10 Current Tax Assets (Net)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
Advance Income Tax (Net of Provisions for taxation of Rs. 10,413.09 Lakhs as at 31 March 2019 ; Rs.5,702.09 Lakhs as at 31 March 2018 and Rs. 5,702.09 Lakhs As at 1 April 2017)	1,466.86	817.43	-
Total	**1,466.86**	**817.43**	**-**

11 Deferred Tax Assets (Net)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
Deferred Tax Assets (Net) (Refer Note 11.1)	2,261.20	4,444.65	3,936.73
Total	**2,261.20**	**4,444.65**	**3,936.73**

11.1 Current Tax and Deferred Tax

(i) Income Tax Expense

Particulars	For the Year ended 31 March 2019	For the Year ended 31 March 2018
	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Current tax in respect of current year	4,711.00	-
(b) Deferred tax relating to origination and reversal of temporary differences	2,171.99	(519.64)
Total Tax Expense recognised in statement of profit and loss	**6,882.99**	**(519.64)**

(ii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
	Amount Rs.in Lakhs	Amount Rs.in Lakhs
Profit Before tax from Operations	20,141.36	(1,448.14)
Income Tax using the Company's domestic Tax rate #	7,038.20	-
Effect of Income Exempt from Tax	177.39	-
Effect of other permanent differences	(33.53)	-
Effect on utilisation of accumulated losses during the year	(299.07)	-
Income Tax recognised in the Statement of Profit & Loss	**6,882.99**	**-**

The tax rate used for the 2018-2019 and 2017-2018 reconciliations above comprises Corporate tax rate of 30./o, applicable surcharge and cess, payable by corporate entities in India on taxable profits under the India Law.

(iii) Income Tax on Other Comprehensive Income

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
	Amount Rs.in Lakhs	Amount Rs.in Lakhs
Deferred Tax		
Remeasurement of defined benefit obligation	(11.46)	(11.72)
Total	**(11.46)**	**(11.72)**

(iv) Following is the analysis of the deferred tax asset/(liabilities) presented in the Balance sheet.

(Amount Rs. in Lakhs)

Particulars	For the Year Ended 31 March 2019			
	Opening Balance	Charge/(Credit) recognised in: Recognised in profit and Loss	Charge/(Credit) recognised in: Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax assets/deferred Tax liability :				
Property, Plant and Equipment	199.11	(61.70)	-	260.81
Carried forward losses	1,143.46	1,143.46	-	-
Provision for Employee Benefits	241.12	(57.10)	11.46	286.76
Provision for Loan Receivables	2,664.75	1,323.37	-	1,341.38
Provision for Fraud Insurance Claim Receivable	22.57	(101.66)	-	124.23
Effective Interest Rate on Borrowings	87.35	(33.51)	-	120.86
Present Value Discounting of Security Deposit and Documentation Fee	86.29	(40.87)	-	127.16
Total	**4,444.65**	**2,171.99**	**11.46**	**2,261.20**

(Amount Rs. in Lakhs)

Particulars	For the Year Ended 31 March 2018			
	Opening Balance	Charge/(Credit) recognised in: Recognised in profit and Loss	Charge/(Credit) recognised in: Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax assets/deferred Tax liability :				
Property, Plant and Equipment	112.64	(86.47)	-	199.11
Carried forward losses	-	(1,143.46)	-	1,143.46
Interest on Borrowings	57.32	57.32	-	-
Provision for Employee Benefits	206.13	(46.71)	(11.72)	241.12
Provision for Loan Receivables	3,319.81	655.06	-	2,664.75
Provision for Fraud Insurance Claim Receivable	-	(22.57)	-	22.57
Effective Interest Rate on Borrowings	110.38	23.03	-	87.35
Present Value Discounting of Security Deposit and Documentation Fee	130.45	44.16	-	86.29
Total	**3,936.73**	**(519.64)**	**(11.72)**	**4,444.65**

12
A. Current Year

Amount Rs.in Lakhs

S.No.	Description	Gross Block				Accumulated Depreciation and Amortisation					Net Block	
		Balance as at 1 April 2018	Additions	Disposals	Balance as at 31 March 2019	Balance as at 1 April 2018	For the year	Eliminated on Disposal of Assets	Depreciation Adjustments	As at 31 March 2019	Balance as at 31 March 2019	Balance as at 31 March 2018
12 (a)	**Property, plant and equipment**											
1	Computers	664.64	130.30	0.81	794.13	348.19	367.35	0.62	-	714.92	79.21	316.45
2	Furnitures & Fixtures	162.48	53.75	0.09	216.14	79.35	62.05	0.08	-	141.32	74.82	83.13
3	Leasehold Improvements	0.97	-	-	0.97	0.77	0.18	-	-	0.95	0.02	0.20
4	Office Equipments	131.88	19.04	13.95	136.97	80.21	43.79	13.47	-	110.53	26.44	51.67
5	Vehicles											
	- Owned	80.73	0.87	-	81.60	62.79	0.11	-	-	62.90	18.70	17.94
	- Taken under Finance Lease	194.58	-	176.17	18.41	35.09	29.07	51.70	-	12.46	5.95	159.49
		1,235.28	**203.96**	**191.02**	**1,248.22**	**606.40**	**502.55**	**65.87**	**-**	**1,043.08**	**205.14**	**628.88**
12 (b)	**Intangible assets**											
1	Softwares	55.41	74.08	0.04	129.45	22.31	85.95	0.04	-	108.22	21.23	33.10
2	CWIP - Software	40.24	-	40.24	-	-	-	-	-	-	-	40.24
		95.65	**74.08**	**40.28**	**129.45**	**22.31**	**85.95**	**0.04**	**-**	**108.22**	**21.23**	**73.34**
	Grand Total	**1,330.93**	**278.04**	**231.30**	**1,377.67**	**628.71**	**588.50**	**65.91**	**-**	**1,151.30**	**226.37**	**702.22**

B. Previous year

Amount Rs.in Lakhs

S.No.	Description	Gross Block				Accumulated Depreciation and Amortisation					Net Block	
		Balance as at 1 April 2017	Additions	Disposals	Balance as at 31 March 2018	Balance as at 1 April 2017	For the year	Eliminated on Disposal of Assets	Depreciation Adjustments	Balance as at 31 March 2018	Balance as at 31 March 2018	Balance as at 1 April 2017
12 (a)	**Property, plant and equipment**											
1	Computers	118.38	547.75	1.49	664.64	-	351.36	-	3.17	348.19	316.45	118.38
2	Furnitures & Fixtures	101.40	61.24	0.16	162.48		80.39	-	1.04	79.35	83.13	101.40
3	Leasehold Improvements	-	0.97	-	0.97	-	0.77	-	-	0.77	0.20	-
4	Office Equipments	84.93	47.40	0.45	131.88	-	80.38	-	0.17	80.21	51.67	84.93
5	Vehicles											
	- Owned	111.36	-	30.63	80.73	-	64.31	1.52	-	62.79	17.94	111.36
	- Taken under Finance Lease	135.61	104.29	45.32	194.58	-	36.42	-	1.33	35.09	159.49	135.61
		551.68	**761.65**	**78.05**	**1,235.28**	**-**	**613.63**	**1.52**	**5.71**	**606.40**	**628.88**	**551.68**
12 (b)	**Intangible assets**											
1	Softwares	7.01	48.40	-	55.41	-	22.31	-	-	22.31	33.10	7.01
2	CWIP - Software	-	88.02	47.78	40.24	-	-	-	-	-	40.24	-
		7.01	**136.42**	**47.78**	**95.65**	**-**	**22.31**	**-**	**-**	**22.31**	**73.34**	**7.01**
	Grand Total	**558.69**	**898.07**	**125.83**	**1,330.93**	**-**	**635.94**	**1.52**	**5.71**	**628.71**	**702.22**	**558.69**

13. Other non financial assets

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Deferred Lease rental	8.77	12.35	25.27
(b) Goods & service tax credit (input) receivable	5.50	4.14	7.50
(c) Prepaid expenses	287.82	99.50	-
(d) Capital Advances	-	9.09	60.89
(e) Advance to Suppliers	8.76	35.31	14.48
	310.85	**160.39**	**108.14**

14. Other Trade Payables

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 38)	-	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,656.06	1,035.90	835.11
Total	**1,656.06**	**1,035.90**	**835.11**

15. Debt securities (At Amortised Cost)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Redeemable Non-convertible Debentures			
- Secured	32,331.47	43,256.27	34,894.20
- Unsecured	41,243.85	17,257.94	8,416.54
(b) Commercial Papers (Unsecured)	4,961.71	1,483.96	-
Total	**78,537.03**	**61,998.17**	**43,310.74**
(i) Debt securities in India	78,537.03	61,998.17	43,310.74
(ii) Debt securities outside India	-	-	-
Total	**78,537.03**	**61,998.17**	**43,310.74**

15.1 Details of Debentures - Secured and Unsecured, Redeemable Non-convertible Debentures (NCD's)- Redeemable at par The NCDs are secured by charge on specific loans of the Company.

(Amount Rs.in lakhs)

No. of Debentures	Face value	Interest Rate	Due date of redemption	No. of instalments as at 31 March 2019	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
750	1,000,000	11.35%	30-Sep-19	6	1,250.00	3,750.00	7,500.00
2500	100,000	11.45%	28-Mar-19	-	-	1,500.00	2,500.00
1500	100,000	11.45%	17-Apr-19	1	450.00	1,500.00	1,500.00
700	1,000,000	13.25%	29-Mar-21	1	7,000.00	7,000.00	7,000.00
330	1,000,000	13.25%	01-May-21	1	3,300.00	3,300.00	3,300.00
100	1,000,000	14.50%	01-Dec-20	-	-	1,000.00	1,000.00
15	10,000,000	13.50%	12-Jul-19	1	1,500.00	1,500.00	1,500.00
25	10,000,000	13.50%	12-Jul-22	1	2,500.00	2,500.00	2,500.00
500	1,000,000	13.00%	01-Dec-22	1	5,000.00	5,000.00	5,000.00
350	1,000,000	13.00%	01-Jul-22	1	3,500.00	3,500.00	3,500.00
150	1,000,000	13.00%	01-Jul-22	1	1,500.00	1,500.00	1,500.00
150	1,000,000	13.00%	01-Jun-23	1	1,500.00	1,500.00	1,500.00
333	1,200,000	12.80%	01-Jul-19	1	333.00	1,665.00	2,997.00
400	1,000,000	12.25%	09-Aug-19	1	1,200.00	2,600.00	4,000.00
500	1,000,000	12.84%	19-Aug-19	1	5,000.00	5,000.00	5,000.00
380	1,000,000	12.00%	01-Nov-19	1	3,800.00	3,800.00	3,800.00
1000	1,000,000	12.30%	09-Aug-23	1	10,000.00	10,000.00	-
1000	1,000,000	11.55%	27-Nov-20	7	5,833.33	9,166.67	-
1500	1,000,000	11.42%	25-May-20	3	11,250.00	5,000.00	-
100	1,000,000	11.43%	22-May-20	3	750.00	-	-
100	1,000,000	11.43%	22-Jun-20	3	1,125.00	-	-
100	1,000,000	11.43%	22-Jun-20	3	1,500.00	-	-
5000	100,000	11.65%	27-Aug-20	4	3,750.00	-	-
2500	1,000,000	11.50%	31-Mar-21	9	8,000.00	-	-
1000	1,000,000	11.50%	31-Mar-21	9	3,333.33	-	-
Total					**83,374.67**	**70,781.67**	**54,097.00**

15.2 The Company has not defaulted in the repayment of dues to debenture holders

16. Borrowings (other than debt securities) (At Amortised Cost) (Refer note 16.1 below

Particulars	As at 31 March 2019 Amount Rs.in Lakhs	As at 31 March 2018 Amount Rs.in Lakhs	As at 1 April 2017 Amount Rs.in Lakhs
(a) Secured			
- Term Loan from Banks	112,347.71	96,201.86	62,828.56
- Term Loan from NBFCs	16,306.88	30,986.56	39,889.39
- Finance Lease obligations	8.98	95.51	92.69
- Cash credit / Overdraft facilities from banks	0.28	-	2,499.17
(b) Unsecured			
- Term Loan from NBFCs	5,035.62	7,552.97	-
Total	**133,699.47**	**134,836.90**	**105,309.81**
Borrowings in India	133,699.47	134,836.90	105,309.81
Borrowings outside India	-	-	-
Total	**133,699.47**	**134,836.90**	**105,309.81**

16.1 The Company has not defaulted in the repayment of dues to Banks and NBFC's.

16.2 Security on Term Loans from Banks and Others

All loans are secured by hypothecation of Micro Finance Loans. Further, the Company has provided a specific lien on deposits with Banks (Refer (a) below) and also have deposits with other NBFCs for Term Loans (Refer (b) below)

Particulars	As at 31 March 2019 Amount Rs.in Lakhs	As at 31 March 2018 Amount Rs.in Lakhs	As at 1 April 2017 Amount Rs.in Lakhs
(a) Deposits with Banks & Others	6,471.90	4,909.92	5,993.26
(b) Deposits with NBFCs	120.00	295.00	-
Total	**6,591.90**	**5,204.92**	**5,993.26**

16.3 Details of Terms of Repayment- Term Loans from Banks and Others

(a) As at 31. March 2019

Particulars	As at 31 March 2019 Amount Rs.in Lakhs	Number of Remaining Instalments	Maturity < 1 Year	Maturity > 1 Year
Base Rate+Spread	93,201.11	1 to 36	64,943.11	28,258.00
Fixed	40,003.23	1 to 23	17,321.56	22,681.67
TOTAL	**133,204.34**		**82,264.67**	**50,939.67**

(b) As at 31 March 2018

Particulars	As at 31 March 2018 Amount Rs.in Lakhs	Number of Remaining Instalments	Maturity < 1 Year	Maturity > 1 Year
Base Rate+Spread	73,414.58	1 to 36	43,272.09	30,142.49
Fixed	61,032.45	1 to 23	30,474.90	30,557.55
TOTAL	**134,447.03**		**73,746.99**	**60,700.04**

(c) As at 1 April 2017

Particulars	As at 1 April 2017 Amount Rs.in Lakhs	Number of Remaining Instalments	Maturity < 1 Year	Maturity > 1 Year
Base Rate+Spread	61,596.56	1 to 36	35,532.86	26,063.70
Fixed	40,984.60	1 to 23	20,240.98	20,743.62
TOTAL	**102,581.16**		**55,773.84**	**46,807.32**

16.4 Details of Cash Credit from Bank - Secured

(a) The cash credit facility is secured by hypothecation of Microfinance Loans

(b) The details of interest rate and repayment terms are as follows:

(Amount Rs.in Lakhs)

Repayment Terms	Interest Rate	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Repayable on Demand	9.50%	-	-	2,499.17

16.5 (i) Details of Commercial Paper - Unsecured (Amount Rs.in Lakhs)

(Amount Rs.in Lakhs)

As at 31 March 2019	Rate of interest	Terms of repayments	As at 31 March 2019
Issued to Others (Invesco)	9.8%	62 Days	5,000

(Amount Rs.in Lakhs)

As at 31 March 2018	Rate of interest	Terms of repayments	As at 31 March 2018
Issued to Others (Credit Suisse)	9%	60 Days	1,500

(ii) Details of Commercial Paper issued/repaid during the current year ended 31 March 2019

Particulars	Tenor (Days)	Discount rate (per annum)	Date of Transaction	Redemption Date
CREDIT SUISSE	60	9.00%	15-Mar-18	14-May-18
SURYODAY	70	9.00%	12-Apr-18	21-Jun-18
SURYODAY-08082018	51	8.95%	08-Aug-18	28-Sep-18
L&T Mututal Fund	33	8.85%	23-Aug-18	25-Sep-18
CP- SBI Mutual Fund	91	10.85%	04-Dec-18	5-Mar-19
CP- Anand Rathi	108	10.85%	04-Dec-18	22-Mar-19
CP-Kangra Central Coop Bank	100	9.15%	18-Dec-18	28-Mar-19
CP-Invesco	62	9.80%	26-Feb-19	29-Apr-19

(iii) Details of Commercial Paper issued/repaid during the current year ended 31 March 2018

Particulars	Tenor (Days)	Discount rate (per annum)	Date of Transaction	Redemption Date
Caspian Impact Invetsments	120	9.00%	20-Sep-17	18-Jan-18
Caspian Impact Invetsments	120	9.00%	20-Sep-17	18-Jan-18
Utkarsh Small Finance Bank	100	9.00%	20-Nov-17	28-Feb-18
Au Small Finance Bank	91	9.00%	05-Dec-17	6-Mar-18
Credit Suisse	60	9.00%	15-Mar-18	14-May-18

(iv) Details of Commercial Paper issued/repaid during the current year ended 1 April 2017

Particulars	Tenor (Days)	Discount rate (per annum)	Date of Transaction	Redemption Date
Sundaram Ultra Short Term Fund	84	9.90%	7-Oct-16	30-Dec-16
Royal Sundaram General Insurance Company	84	9.90%	7-Oct-16	30-Dec-16
Invesco Trustee Private Limited	89	9.35%	27-Oct-16	24-Jan-17

17. Subordinated Liabilities

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
Redeemable Non-Convertible Debentures (Unsecured) - Subordinated Debt (At Amortised Cost)	11,414.15	11,407.06	11,412.46
Total	**11,414.15**	**11,407.06**	**11,412.46**

18. Other financial liabilities

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Interest payable on assets securitised	4,106.51	987.25	46.02
(b) Gratuity Payable	-	-	72.67
(c) Other payables	102.59	525.57	280.14
Total	**4,209.10**	**1,512.82**	**398.83**

19. Provisions

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Provision for Compensated Absences	236.48	184.29	139.60
(b) Provision for Income Tax (Net of Advance Tax and Tax Deducted at source amounting to Rs. 5,281.51 Lakhs as at 1 April 2017)	-	-	420.58
(c) Provision towards Credit Enhancement	-	-	6.92
Total	**236.48**	**184.29**	**567.10**

20. Other non financial liabilities

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Statutory dues payable	477.62	327.81	231.45
(b) Deferred Lease Rentals	-	1.77	-
(c) Other Payables	262.16	246.67	242.01
Total	**739.78**	**576.25**	**473.46**

21. Equity Share Capital

Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Number of shares	Amount Rs.in Lakhs	Number of shares	Amount Rs.in Lakhs	Number of shares	Amount Rs.in Lakhs
(a) Authorised						
Equity shares of Rs.10/- each	100,000,000	10,000.00	40,000,000	4,000.00	30,000,000	3,000.00
Cumulative Redeemable Non-Convertible Preference shares of Rs.100/- each	1,000,000	100.00	1,000,000	100.00	1,000,000	100.00
TOTAL	**101,000,000**	**10,100.00**	**41,000,000**	**4,100.00**	**31,000,000**	**3,100.00**
(b) Issued , Subscribed and Fully Paid Up Equity shares of Rs.10/- each	53,311,887	5,331.19	32,074,860	3,207.49	262.77	2,627.66
TOTAL	**53,311,887**	**5,331.19**	**32,074,860**	**3,207.49**	**262.77**	**2,627.66**

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Equity Shares	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	Number of shares	Amount Rs.in Lakhs	Number of shares	Amount Rs.in Lakhs	Number of shares	Amount Rs.in Lakhs
At the beginning of the year	32,074,860	3,207.49	26,276,636	2,627.67	26,276,636	2,627.66
Issued during the year (Refer Note 21.1 below)	21,237,027	2,123.70	5,798,224	579.82	-	-
Outstanding at the end of the year	**53,311,887**	**5,331.19**	**32,074,860**	**3,207.49**	**26,276,636**	**2,627.66**

21.1 During the year Ended ended 31 March 2019, the Company has issued 1,04,88,777 equity shares of Rs.10 each at a premium of Rs.85.34 per equity share through Rights Issue on 27 April 2018 and 1,07,48,250 equity shares of Rs. 10 each at a premium of Rs. 242 per share on 16 March 2019 respectively.

(ii) Details of shares held by the holding company:

Class of shares / Name of shareholder	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No of shares held	% holding in the class of shares	No of shares held	% holding in the class of shares	No of shares held	% holding in the class of shares
Equity Shares of Rs. 10 each						
Manappuram Finance Limited (the Holding Company)	49,757,889	93.33%	28,992,800	90.39%	23,749,979	90.38%

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
	No of shares held	% holding in the class of shares	No of shares held	% holding in the class of shares	No of shares held	% holding in the class of shares
Equity Shares of Rs. 10 each						
Mr. S V Raja Vaidyanathan	3,127,966	5.87%	2,741,866	8.54%	2,227,966	8.48%
Manappuram Finance Limited	49,757,889	93.33%	28,992,800	90.39%	23,749,979	90.38%

(iv) Terms / Rights attached to Equity shares:

The Company has only one class of equity shares having a par value of Rs.10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Dividend proposed by the Board of Directors,if any is subject to the approval of the shareholders at the Annual General Meeting, except in the case of interim dividend.

(v) Employees Stock Option Scheme (ESOP):

All the options granted by the Company were exercised and there are no outstanding options pending exercise as at 31 March 2019, 31 March 2018 and 1 April 2017.

22. Other Equity

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Capital Redemption Reserve	500.00	500.00	500.00
(b) Share Options Outstanding Reserve	20.44	13.00	-
(c) Statutory Reserve	4,331.64	1,679.97	1,679.97
(d) Securities Premium Account	55,810.89	20,849.00	15,900.80
(e) General Reserve	35.93	35.93	35.93
(f) Surplus in Statement of Profit and Loss	12,172.55	1,565.85	2,494.35
(g) Other Comprehensive Income (OCI)	43.08	21.83	-
Total	**72,914.53**	**24,665.58**	**20,611.05**

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
	Amount Rs.in Lakhs	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Capital Redemption Reserve			
Opening balance	500.00	500.00	500.00
Add: Additions during the year	-	-	-
Less: Utilised / transferred during the year	-	-	-
Closing Balance	**500.00**	**500.00**	**500.00**
(b) Share Options Outstanding Reserve			
Opening balance	13.00	-	-
Add : Premium on shares issued during the year	7.44	13.00	-
Less : Utilised during the year	-	-	-
Closing Balance	**20.44**	**13.00**	**-**
(c) Statutory Reserve			
Opening balance	1,679.97	1,679.97	993.33
Add: Additions during the year	2,651.67	-	686.64
Less: Utilised / transferred during the year	-	-	-
Closing Balance	**4,331.64**	**1,679.97**	**1,679.97**
(d) Securities Premium Account			
Opening balance	20,849.00	15,900.80	15,900.80
Add : Premium on shares issued during the year	34,961.89	4,948.20	-
Less : Utilised during the year	-	-	-
Closing Balance	**55,810.89**	**20,849.00**	**15,900.80**
(e) General Reserve			
Opening balance	35.93	35.93	35.93
Add: Transferred from surplus in Statement of Profit and Loss	-	-	-
Less: Utilised / transferred during the year	-	-	-
Closing Balance	**35.93**	**35.93**	**35.93**
(f) Surplus in Statement of Profit and Loss			
Opening Balance	1,565.85	2,494.35	(252.21)
Add: Profit/(Loss) for the year	13,258.37	(928.50)	3,433.20
Less:Transfer to Statutory Reserve	2,651.67	-	686.64
Closing Balance	**12,172.55**	**1,565.85**	**2,494.35**
(g) Other Comprehensive Income (OCI)			
Opening Balance	21.83	-	-
Add: Profit for the Year	21.25	21.83	-
Less:Transfer to Statutory Reserve	-	-	-
Closing Balance	**43.08**	**21.83**	**-**
TOTAL (a+b+c+d+e+f+g)	**72,914.53**	**24,665.58**	**20,611.05**

23. Interest Income

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Interest Income from Loan:		
- Interest on Loan- Microfinance Loans	52,536.36	40,707.11
- Interest on Loan- SME Loans	43.62	63.50
(b) Interest on deposits with Banks and Financial Institutions	1,381.03	584.62
(c) Other interest income	6,699.70	2,216.04
Total	**60,660.71**	**43,571.27**

24. Other Operating Income

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Loss Assets recovered	1,157.47	280.61
Total	**1,157.47**	**280.61**

25. Other Income

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Dividend income from mutual funds	507.64	195.94
(b) Referral Fees	5,318.57	2,836.48
(c) Reversal of Provision for Credit Enhancement on Assets De-recognised	-	6.92
(d) Miscellaneous income	80.61	67.98
Total	**5,906.82**	**3,107.32**

26. Finance Cost

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Interest on Borrowings		
- Term Loans from Banks	11,039.73	9,885.78
- Term Loans from NBFCs	4,309.25	2,973.92
- Commercial Paper	623.71	145.78
- Overdraft	1.94	23.38
(b) Interest on Debt Securities		
- Debentures & subordinated Liabilities	10,695.66	7,717.04
(c) Others Interest Expense		
- Interest on Finance Lease Obligations	5.63	14.16
- Interest on Delayed Payment of TDS/Income Tax	-	68.04
(d) Other Borrowing Costs		
- Processing Fees	419.64	135.35
- Bank Charges	249.39	354.75
	27,344.95	**21,318.20**

27. Impairment of financial instruments

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
	Amount Rs.in Lakhs	Amount Rs.in Lakhs
Loans (Also refer Note 7.4)	1,977.89	12,427.67
Total	**1,977.89**	**12,427.67**

28. Employee Benefit Expenses

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Salaries and Wages	10,244.11	8,226.46
(b) Contributions to Provident and Other Funds	672.73	630.44
(c) Share based payments to Employees	7.44	13.00
(d) Staff Welfare Expenses	423.91	382.20
Total	**11,348.19**	**9,252.10**

29. Other expenses

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
	Amount Rs.in Lakhs	Amount Rs.in Lakhs
(a) Electricity	86.32	76.09
(b) Rent including Lease Rentals	1,047.88	943.28
(c) Directors commission	60.00	-
(d) Repairs and Maintenance	62.93	64.52
(e) Insurance	75.86	56.50
(f) Rates and Taxes	49.21	17.25
(g) Communication Expenses	280.31	238.10
(h) Travel and Conveyance	2,226.04	1,709.36
(i) Printing and Stationery	461.51	277.86
(j) Directors' Sitting Fees	13.79	14.42
(k) Business Promotion	9.72	10.12
(l) Donations and Contributions	58.77	69.50
(m) Legal and Professional Fees	477.10	350.79
(n) Provision for Insurance Claim Receivable	273.12	136.51
(o) Subscription Charges	11.27	1.53
(p) Software Costs	639.35	421.48
(q) Security Charges	12.27	6.24
(r) House Keeping Expenses	120.91	101.12
(s) Office Expenses	53.70	22.76
(t) Loss on Sale of Property, Plant & Equipment	2.21	5.07
(u) Payments to Statutory Auditors' (net of input tax credit)		
- Statutory Audit	18.00	18.00
- Tax Audit	2.00	2.00
- Other Services	21.50	6.50
- Out of Pocket expenses	0.83	-
(v) Miscellaneous Expenses	259.51	224.43
Total	**6,324.11**	**4,773.43**

30. Segment Reporting

The Company is engaged in extending micro credit advances to poor women, who are otherwise unable to access finance from the mainstream banking channels. Based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the Chief Operating Decision Marker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by the overal business segment, i.e. Microfinance Loans. As the allocation of resources and profitability of the business is evaluated the CODM on an overall by basis, with evaluation into individual categories to understand the reasons for variations, no separate segments have been no additional disclosure has been identified. Accordingly made for the segmental revenue, segmental results and the segmental assets & liabilities.

31. Earnings per share

Basic and Diluted earnings per share :

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

Particulars	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
(a) Net Profit attributable to Equity Shareholders - Rs. in lakhs (Basic and Diluted)	13,258.37	(928.50)
(b) Weighted average number of equity shares in calculating basic Earnings Per Share (Nos.)	42,287,647.41	27,865,190.52
(c) Earnings per share - Basic and Diluted - Rs.	31.35	(3.33)

32 A. Obligation under Operating Lease

The Company has entered into operating lease agreements primarily for corporate office and branches. An amount of Rs.1,047.88 Lakhs (Previous Year : Rs.943.28 Lakhs) has been debited to the Statement of Profit and Loss towards lease rentals and other charges for the current year. The leases agreement for branches are non cancellable for periods of 11 months to 12 months and may be renewed based on mutual agreement of the parties.

The future minimum lease payments for hospitals premises under operating lease contracted are as follows:

Amount Rs.in Lakhs

Particulars	Expected Minimum Lease Commitment		
	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Payable not later than one year	96.07	49.25	66.51
Payable later than one year and not later than five years	112.23	27.16	76.41
Payable later than five years	-	-	-

B. Obligation under Finance Lease

Amount Rs.in Lakhs

Particulars	Expected Minimum Lease Commitment		
	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Rentals payable under Hire purchase agreement			
- Within one year	9.73	56.88	40.50
- Later than one year and not later than five years	-	48.57	65.68
Less: Future finance charges	0.75	9.94	13.49
Total	**8.98**	**95.51**	**92.69**

33. Employee benefits

33.1 Defined Contribution Plan

(a) The Company makes Provident and Pension Fund contributions, which is a defined contribution plan, for qualifying employees. Additionally, the Company also provides, for covered employees, health insurance through the Employee State Insurance scheme. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(b) Expenses Recognised

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Included under 'Contributions to Provident and Other Funds' (Refer Note 28)		
Contributions to provident and pension funds	672.73	630.44
(b) Included under 'Staff Welfare Expenses' (Refer Note 28)		
Contributions to Employee State Insurance	309.47	242.53

33.2 Compensated Absences

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Included under "Salaries & Wages" (Refer Note 28)	138.83	101.36

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(b) Net asset / (liability) recognised in the Balance Sheet	498.64	430.96	381.61
Current portion of the above	323.02	293.30	262.11
Non - current portion of the above	175.62	137.66	119.50

The Key Assumptions used in the computation of provision for compensated absences are as given below:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Discount Rate (% p.a)	7.35%	7.60%	6.75%
Future Salary Increase (% p.a)	10.00%	10.00%	10.00%
Attrition Rate	16.00%	16.00%	16.00%

33.3 Defined Benefit Plans:

"The Company operates a gratuity plan covering qualifying employees. The benefit payable is calculated as per the Payment of Gratuity Act, 1972 and the benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

In respect of the plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at 31 March 2019 by Mr. Arunachalam Rajaraman, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and paid service cost, were measured using the projected unit cost credit method.

(a) Amount recognised in the statement of profit & loss in respect of the defined benefit plan are as follows :

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Amounts recognised in statement of Profit & Loss in respect of these defined benefit plans are as follows:		
Service Cost		
- Current Service Cost	152.05	139.91
- Past Service Cost	-	9.86
- Net interest expense	(5.90)	(2.44)
Components of defined benefit costs recognised in statement of profit or loss (A)	**146.15**	**147.33**
Actuarial (gain)/loss on Plan Obligations	35.36	58.09
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	(2.65)	(24.53)
Components of defined benefit costs recognised in other comprehensive income (B)	**(32.71)**	**(33.56)**
Total	**113.44**	**113.77**

(i) The current service cost and interest expense for the year are included in the Note 28 - Employee Benefit Expenses in the statement of profit & loss under the line contribution to provident and other funds.

(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income.

(b) The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows :

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
I. Net Asset/(Liability) recognised in the Balance Sheet			
Present value of defined benefit obligation	385.30	265.25	167.44
Fair value of plan assets	399.30	291.61	94.77
Net Asset/(Liability) recognised in the Balance Sheet	14.00	26.36	(72.67)
Current portion of the above	-	-	-
Non current portion of the above	14.00	26.36	72.67

(c) Movement in the present value of the defined benefit obligation are as follows :

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Change in the obligation during the year ended		
Present value of defined benefit obligation at the beginning of the year	265.25	167.44
Expenses Recognised in Profit and Loss Account		
- Current Service Cost	152.05	139.91
- Past Service Cost	-	9.86
- Interest Expense (Income)	19.72	11.93
Remeasurement gains / (losses)		
- Effect of Changes in Financial Assumptions	4.57	(8.03)
- Effect of Experience Adjustments	(39.93)	(50.06)
Benefit payments	(16.36)	(5.80)
Present value of defined benefit obligation at the end of the year	**385.30**	**265.25**

(i) The weighted average duration of the benefit obligation at 31 March 2019 is 11.059 years (As at 31 March 2018 is 11.16 years).

(d) Movement in fair value of plan assets are as follows :

(Amount Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Change in fair value of assets during the year		
Fair value of plan assets at the beginning of the year	291.61	94.77
Expenses Recognised in Profit and Loss Account		
- Expected return on plan assets	25.62	14.37
Remeasurement gains / (losses)		
- Actuarial gains/(loss) arising form changes in financial assumptions	(2.65)	(24.53)
Contributions by employer (including benefit payments recoverable)	101.08	212.80
Benefit payments	(16.36)	(5.80)
Fair value of plan assets at the end of the year	**399.30**	**291.61**

(e) The fair value of plan assets for India at the end of the reporting year for each category are as follows :

(Amount Rs. in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Investment Funds with Insurance Company - Life Insurance Corporation of India	399.30	291.61	94.77

(i) The plan assets comprise insurer managed funds. None of the assets carry a quoted market price in active market or represent the entity's own transferable financial instruments or property occupied by the entity.

(ii) The Actual return on plan asset for the year ended 31 March 2019 was Rs. 2.65 Lakhs (For the year ended 31 March 2018: Rs. 24.53 Lakhs).

(f) The principal assumptions used for the purpose of actuarial valuation were as follows:

Investment Risk:

The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Interest Risk:

A decrease in the yield of Indian government securities will increase the plan liability.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortaility of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries. In particular, there is a risk for the Company that any adverse salary growth can result in an increase in cost of providing these benefits to employees in future.

The principal assumptions used for the purpose of actuarial valuation were as follows :

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Discount rate	7.50%	7.67%	7.67%
Expected rate of salary increase	10.00%	10.00%	10.00%
Withdrawal Rate	16.00%	16.00%	16.00%
Mortality	Indian Assured Lives (2006-2008)	Indian Assured Lives (2006-2008)	Indian Assured Lives (2006-2008)

1. The discount rate is based on the prevailing market yields of Indian Government securities as at balance sheet date for the estimated term of the obligation.

2. The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

3. In order to protect the capital and optimize returns within acceptable risk parameters, the plan assets are maintained with an insurer managed fund (maintained by the Life Insurance Corporation ("LIC")) and is well diversed.

Sensitivity Analysis

"The benefit obligation results of a such a scheme are particularly sensitive to discount rate, longevity risk, salary growth and employee attrition, if the plan provision do provide for such increases on commencement of pension.

The following table summarizes the impact in financial terms on the reported defined benefit obligation at the end of the reporting period arising on account changes in these four key parameters:"

(Amount Rs. in Lakhs)

Impact on the Defined benefit Obligation	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(a) Discount Rate			
- Increase by 50 bps	(13.18)	(9.03)	(11.38)
- Decrease by 50 bps	14.02	9.60	12.92
(b) Salary Growth Rate			
- Increase by 50 bps	13.58	9.29	12.33
- Decrease by 50 bps	(12.90)	(8.83)	(11.13)
(c) Withdrawal Rate			
- Increase by 50 bps	(8.63)	(6.15)	(4.07)
- Decrease by 50 bps	9.06	6.45	4.30
(d) Mortality Rate			
- Increase by 50 bps	(0.02)	(0.01)	(0.01)
- Decrease by 50 bps	0.02	0.01	0.01

"These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There is no change in the methods and assumptions used in preparing the sensitivity analysis from the prior years."

(h) Effect of Plan on Entity's Future Cash Flows

(i) The Company expects to make a contribution of Rs. 34.73 lakhs during the next financial year.

(ii) The weighted average duration of the benefit obligation at 31 March 2019 is 11.059 years (As at 31 March 2018 is 11.16 years).

(iii) Maturity profile of defined benefit obligation:

Expected cash flows over the next (valued on undiscounted basis):	Amount in Rs. Lakhs
Within 1 year	34.73
2 to 5 years	160.58
More than 5 years	209.07

(i) Experience Adjustments *

Experience Adjustments	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
Defined Benefit Obligation	385.30	265.25	167.44
Fair value of plan assets	399.30	291.61	94.77
Surplus/(Deficit)	14.00	26.36	(72.67)
Experience adjustment on plan liabilities [(Gain)/Loss]	(35.36)	(58.09)	(3.52)
Experience adjustment on plan assets [Gain/(Loss)]	(2.65)	(24.53)	0.87

* Experience adjustments related to prior years have been disclosed based on the information to the extent available.

34. Related Party Transactions

34.1 Names of Related Parties and Nature of Relationship

Description of Relationship	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Key Management Personnel of the Company and Holding Company	Mr. S V Raja Vaidyanathan Managing Director	Mr. S V Raja Vaidyanathan Managing Director	Mr. S V Raja Vaidyanathan Managing Director
	Mr. Mayank Shyam Thatte Chief Financial Officer	Mr. Mayank Shyam Thatte Chief Financial Officer (From 06.02.2018)	Mr. R. Govindarajan Chief Financial Officer
		Mr. Ramachandran S Chief Financial Officer (From 07.08.2017 to 06.02.2018)	Ms. S.Simi Company Secretary
	Ms. S.Simi, Company Secretary (From 01.04.2018 till 29.10.2018)	Mr. R. Govindarajan Chief Financial Officer (Till 05.08.2017)	
	Mr. Anup Kumar Gupta, Company Secretary (from 03.11.2018)	Ms. S.Simi Company Secretary	
	Mr. V P Nandakumar - Managing Director & CEO of the Holding Company	Mr. V P Nandakumar - Managing Director & CEO of the Holding Company	Mr. V P Nandakumar - Managing Director & CEO of the Holding Company
	Mrs. Bindhu AL - Chief Financial Officer of the Holding Company	Mrs. Bindhu AL - Chief Financial Officer of the Holding Company	Mrs. Bindhu AL - Chief Financial Officer of the Holding Company
Holding Company	Manappuram Finance Limited	Manappuram Finance Limited	Manappuram Finance Limited
Entity over which Key Managerial Personnal has Significant Influence	Asirvad Development Foundation	Asirvad Development Foundation	Asirvad Development Foundation

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

34.2 Transactions with the Related Parties

(Amount Rs.in Lakhs)

Transaction	Related Party	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
Remuneration to Key Managerial Personnel	Mr. S V Raja Vaidyanathan Managing Director	291.72	219.00
	Mr. Mayank Shyam Thatte, Chief Financial Officer	62.02	7.27
	Mr. Ramachandran S, Chief Financial Officer(Till 06.02.2018)	-	23.23
	Mr. R. Govindarajan, Chief Financial Officer (Till 05.08.2017)	-	11.46
	Ms. S.Simi, Company Secretary (Till 29.10.2018)	8.87	9.93
	Mr. Anup Kumar Gupta, Company Secretary (from 03.11.2018)	5.50	-
Donation	Asirvad Development Foundation	25.77	69.50
Issue of Rights Share (Including Securities Premium)	Manappuram Finance Limited	36,204.74	4,998.51
	Mr. S V Raja Vaidyanathan Managing Director	709.63	489.95
	Mr. V P Nandakumar - Managing Director & CEO of the Holding Company	73.13	19.72

Transaction	Related Party	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Balance as at Year End				
Other Receivable	Manappuram Finance Limited	-	35.88	35.88
Donation Payable	Asirvad Development Foundation	-	-	20.00

Note:

(a) The Company accounts for costs incurred by / on behalf of the Related Parties based on the actual invoices / debit notes raised and accruals as confirmed by such related parties. The Related Parties have confirmed to the Management that as at 31 March 2019 , 31 March 2018 and 1 April 2017 there are no further amounts payable to / receivable from them, other than as disclosed above.

(b) The Related Parties have confirmed to the Management that as at 31 March 2019, 31 March 2018 and 1 April 2017 there are no further amounts payable to / receivable from them, other than as disclosed above.

(c) The above compensation to key management personnel excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

35. Financial Instruments

35.1. Capital Management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure. For the purpose of the Company's capital management, capital includes equity share Capital and Other Equity. Debt includes term loans from banks, NBFC and debentures net of Cash and bank balances. The Company monitors capital on the basis of the following gearing ratio. There is no change in the overall capital risk management strategy of the Company compared to last year.

Gearing Ratio :

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Borrowings	223,650.65	208,242.13	160,033.01
Cash and Bank Balance	(52,590.02)	(19,026.25)	(10,091.98)
Net Debt (A)	**171,060.63**	**189,215.88**	**149,941.03**
Total Equity (B)	78,245.72	27,873.07	23,238.71
Net Debt to equity ratio (A/B)	**2.19**	**6.79**	**6.45**

35.2 Categories of Financial Instruments

The carrying value of the financial instruments by categories as on 31 March 2019, 31 March 2018 and 1 April 2017 is as follows:

Particulars	Carrying Value			Fair Value		
	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
(a) Financial Assets						
(i) Measured at amortised cost						
- Loans	232,235.30	203,461.22	162,811.38	232,235.30	203,461.22	162,811.38
- Cash and Bank balance	68,814.21	27,596.69	16,916.37	68,814.21	27,596.69	16,916.37
- Other financial assets	3,328.95	2,174.76	1,172.59	3,328.95	2,174.76	1,172.59
- Loan given to staff	80.41	53.46	28.68	80.41	53.46	28.68
(ii) Measured at Fair value through OCI						
- Investments	5.00	5.00	5.00	5.00	5.00	5.00
	304,463.87	**233,291.13**	**180,934.02**	**304,463.87**	**233,291.13**	**180,934.02**
(b) Financial Liabilities :						
Measured at amortised cost						
- Borrowings	223,650.65	208,242.13	160,033.01	223,650.65	208,242.13	160,033.01
- Trade payables	1,656.06	1,035.90	835.11	1,656.06	1,035.90	835.11
- Other financial liabilities	4,209.10	1,512.82	398.83	4,209.10	1,512.82	398.83
	229,515.81	**210,790.85**	**161,266.95**	**229,515.81**	**210,790.85**	**161,266.95**

"The management assessed that fair value of Loans other receivables, cash and cash equivalents, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale."

The amortized cost of the Company's interest-bearing borrowings are determined by using the Effective Interest method. The own non- performance risk as at 31 March 2019 was assessed to be insignificant.

There were no items of financial assets or financial liabilities which were valued at fair value as of 31 March 2019, 31 March 2018 and 1 April 2017.

36. Financial Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages financial risk relating to the operations through internal risk reports which analyse exposure by degree and magnitude of risk. These risks include market risk (including interest rate risk and other price risk), credit risk and liquidity risk. Compliance with policies and exposure limits is reviewed by the management on a continuous basis.

36.1 Liquidity Risk Management :

Liquidity risk refers to the risk that the Company cannot meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Company maintains adequate reserves and banking facilities, and continuously monitors the forecast and actual cash flows by matching maturing profiles of financial assets and financial liabilities in accordance with the approved risk management policy of the Company periodically. The Company believes that the working capital (including banking limits not utilised) and its cash and cash equivalent are sufficient to meet its short and medium term requirements.

Liquidity and Interest Risk Tables :

Refer Note 41.6 which details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The contractual maturity is based on the earliest date on which the Company may be required to pay.

36.2 Market Risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The Company is exposed to two types of market risk as follows:

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

We are subject to interest rate risk, principally because we lend to clients at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest ratesfor different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropraitely.

The Company has Board Approved Asset Liability Management (ALM) policy for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

Price Risk

The Company's exposure to price risk is not material and it is primarily on account of investment of temporary treasury surpluses in the highly liquid debt funds for very short durations. The Company has a board approved policy of investing its surplus funds in highly rated debt mutual funds and other instruments having insignificant price risk, not being equity funds/ risk bearing instruments.

36.3 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The Management considers that the carrying amount of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

36.4 Offsetting of financial assets and financial liabilities

The Company has not offset financial assets and financial liabilities.

37 First-time adoption of Ind AS

"These financial statements, for the year ended 31 March 2019, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP) and Master Directions issued by Reserve Bank of India in this regard.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2019, together with the comparative period data as at and for the year ended 31 March 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2017, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2017 and the financial statements as at and for the year ended 31 March 2018."

37.1 Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemption:

(i) Deemed Cost for Property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognized as at 1 April 2017 (transition date) measured as per the previous Indian GAAP ('I GAAP') and use that carrying value as its deemed cost as of the transition date.

Estimates

Ind AS estimates as on 1 April 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company has made an estimate regarding impairment of financial assets based on Expected Credit Loss model which were not required under the Previous GAAP.

37.2 First time IND AS Adoption Reconciliation :

(i) Effect of Ind AS adoption on the Balance Sheet as at 31 March 2018 :

Amount Rs.in Lakhs

Particulars	As at 31 March 2018 (End of Last period Presented under Previous GAAP)			As at 1 April 2017 (End of Last period Presented under Previous GAAP)		
	Previous GAAP	Effect of transition to IND AS	IND AS balance sheet	Previous GAAP	Effect of transition to IND AS	IND AS balance sheet
ASSETS						
Financial assets						
(a) Cash and cash equivalents	19,026.25	-	19,026.25	10,091.98	-	10,091.98
(b) Bank Balances other than (a) above	8,570.44	-	8,570.44	6,824.39	-	6,824.39
(c) Loans	204,288.84	(827.62)	203,461.22	167,168.84	(4,357.46)	162,811.38
(d) Loans given to staff - at amortised cost	53.46	-	53.46	28.68	-	28.68
(e) Investments	5.00	-	5.00	5.00	-	5.00
(f) Other Financial assets	2,177.14	(2.38)	2,174.76	1,175.36	(2.77)	1,172.59
	234,121.13	**(830.00)**	**233,291.13**	**185,294.25**	**(4,360.23)**	**180,934.02**
Non-financial Assets						
(a) Current tax assets (net)	817.43	-	817.43	-	-	-
(b) Deferred tax assets (net)	3,981.05	463.60	4,444.65	2,218.15	1,718.58	3,936.73
(c) Investment Property	8.64	-	8.64	8.64	-	8.64
(d) Property, Plant and Equipment	628.88	-	628.88	551.68	-	551.68
(e) Intangible assets	73.34	-	73.34	7.01	-	7.01
(f) Other non financial assets	160.39	-	160.39	108.14	-	108.14
	5,669.73	**463.60**	**6,133.33**	**2,893.62**	**1,718.58**	**4,612.20**
	239,790.86	**(366.40)**	**239,424.46**	**188,187.87**	**(2,641.65)**	**185,546.22**

Amount Rs.in Lakhs Amount Rs.in Lakhs

Particulars	As at 31 March 2018 (End of Last period Presented under Previous GAAP)			As at 1 April 2017 (End of Last period Presented under Previous GAAP)		
	Previous GAAP	Effect of transition to IND AS	IND AS balance sheet	Previous GAAP	Effect of transition to IND AS	IND AS balance sheet
Financial Liabilities						
(a)Other Payables						
(i) total outstanding dues of micro enterprises and small enterprises	-		-	-		-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,035.90	-	1,035.90	835.11	-	835.11
(b) Debt Securities	62,152.20	(154.03)	61,998.17	43,310.05	0.69	43,310.74
(c) Borrowings (other than debt securities)	134,568.92	267.98	134,836.90	105,026.90	282.91	105,309.81
(d) Subordinated Liabilities	11,270.99	136.07	11,407.06	11,380.18	32.28	11,412.46
(e) Other Financial liabilities	1,512.82	-	1,512.82	398.83	-	398.83
	210,540.83	**250.02**	**210,790.85**	**160,951.07**	**315.88**	**161,266.95**
Non-financial Liabilities						
(a) Provisions	184.29	-	184.29	567.10	-	567.10
(b) Other non-financial liabilities	329.58	246.67	576.25	231.48	241.98	473.46
	513.87	**246.67**	**760.54**	**798.58**	**241.98**	**1,040.56**
Equity						
(a) Equity share capital	3,207.49	-	3,207.49	2,627.66	-	2,627.66
(b) Other equity	25,528.67	(863.09)	24,665.58	23,810.56	(3,199.51)	20,611.05
	28,736.16	**(863.09)**	**27,873.07**	**26,438.22**	**(3,199.51)**	**23,238.71**
	239,790.86	**(366.40)**	**239,424.46**	**188,187.87**	**(2,641.65)**	**185,546.22**

(ii) Reconciliation of equity as previously reported under Indian GAAP to Ind AS

Amount Rs.in Lakhs

Particulars	As at 31 March 2018	As at 1 April 2017
Equity as reported under previous GAAP	28,736.16	26,438.22
Ind AS: Adjustments increase (decrease):		
(i) Impact on recognition of financial assets measured at amortised cost	(244.50)	(370.53)
(ii) Impact on recognition of financial liabilities at amortised cost by application of Effective Interest Rate Method on Term loans	(267.98)	(282.91)
(iii) Impact on recognition of financial liabilities at amortised cost by application of Effective Interest Rate Method on Debentures	154.03	(0.69)
(iv) Impact on recognition of financial liabilities at amortised cost by application of Effective Interest Rate Method on Subordinated debt	(136.07)	(32.28)
(v) Expected Credit loss method (ECL) as per Ind AS 109	(583.12)	(3,986.93)
(vi) Actuarial Loss on defined benefit obligation		-
(vii) Fair Valuation of Security Deposits	(2.38)	(2.77)
(viii) Provision for Sick Leave	(246.67)	(241.98)
(ix) Deferred Tax impact on above adjustments	463.60	1,718.58
Total adjustment to equity	**(863.09)**	**(3,199.51)**
Total Equity as reported under IND AS	**27,873.07**	**23,238.71**

(iii) Effect of Ind AS adoption on the Statement of Profit & Loss for the Year ended 31 March 2018

Amount Rs.in Lakhs

		Year ended 31 March 2018 (latest period presented under previous GAAP)		
	Particulars	**Previous GAAP**	**Effect of transition to Ind AS**	**Ind AS**
	Revenue from operations			
I	Interest income	43,558.60	12.67	43,571.27
II	Other operating income	154.58	126.03	280.61
	Total	**43,713.18**	**138.70**	**43,851.88**
	Other Income	3,107.32	-	3,107.32
III	**Total Revenue (I + II)**	**46,820.50**	**138.70**	**46,959.20**
IV	**EXPENSES**			
	Finance cost	21,384.11	(65.91)	21,318.20
	Impairment of financial instruments	15,831.45	(3,403.78)	12,427.67
	Employee benefit expenses	9,200.89	51.21	9,252.10
	Depreciation, amortization and impairment	635.94	-	635.94
	Other expenses	4,761.11	12.32	4,773.43
	Total Expenses	**51,813.50**	**(3,406.16)**	**48,407.34**
V	**Loss before tax (III - IV)**	**(4,993.00)**	**3,544.86**	**(1,448.14)**
VI	**Tax Expense**			
	(a) Current tax	-	-	-
	(b) Deferred tax	(1,762.90)	1,243.26	(519.64)
	Total tax expense	**(1,762.90)**	**1,243.26**	**(519.64)**
VII	**Loss for the year (V - VI)**	**(3,230.10)**	**2,301.60**	**(928.50)**
VIII	**Other Comprehensive Income**			
	(i) Items that will not be recycled to profit or loss Remeasurement gains and (losses) on defined benefit obligations (net)	-	33.55	33.55
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	(11.72)	(11.72)
	Total Other Comprehensive Income for the year	**-**	**21.83**	**21.83**
IX	**Total Comprehensive Income for the year (VII + VIII)**	**(3,230.10)**	**2,323.43**	**(906.67)**

(iv) Reconciliation of Total Comprehensive Income for the year ended 31 March 2018 :

Amount Rs.in Lakhs

PARTICULARS	**Year ended 31 March 2018 (latest period presented under previous GAAP)**
Loss as per Previous GAAP	(3,230.10)
Ind AS: Adjustments (increase) decrease:	
(i) Impact on recognition of financial assets measured at amortised cost	126.03
(ii) Impact on recognition of financial assets measured at amortised cost	12.67
(iii) Impact on recognition of financial liabilities at amortised cost by application of Effective Interest Rate Method	65.91
(iv) Expected Credit loss method (ECL) as per Ind AS 109	3,403.78
(v) Actuarial Loss on defined benefit obligation	(33.55)
(vi) Fair Valuation of Security Deposits	(12.32)
(vii) Provision for Sick Leave	(4.66)
(viii) Deferred Tax impact on above adjustments	(1,243.26)
(ix) ESOP Adjustments	(13.00)
Total adjustment to profit or loss	**2,301.60**
Profit under Ind AS	**(928.50)**
Other Comprehensive Income (Net of Tax)	21.83
Total Comprehensive Income under Ind AS	**(906.67)**

Note : Under previous GAAP,total comprehensive income was not reported. Therefore the above reconciliation starts with loss under previous GAAP.

(v) Effect of Ind AS adoption on the Statement of Cash Flows for the Year ended 31 March 2018

Amount Rs.in Lakhs

PARTICULARS	Year ended 31 March 2018 (latest period presented under previous GAAP)		
	Previously Reported	Effect of Transition to IND AS	IND AS
Previous GAAP			
Net cash flows from operating activities	(43,585.01)	20,586.96	(22,998.05)
Net cash flows from investing activities	(562.96)	31.87	(531.09)
Net cash flows from financing activities	53,082.24	(20,618.83)	32,463.41
Net increase in cash and cash equivalents	**8,934.27**	**-**	**8,934.27**
Add: Cash and cash equivalents at beginning of year	10,091.98	-	10,091.98
Cash and cash equivalents at end of year	**19,026.25**	**-**	**19,026.25**

(vi) Analysis of Cash & cash equivalents as at 31 March 2018 and as at 1 April 2017 for the purpose of cashflows under IND AS :

PARTICULARS	As at 31 March 2018 (end of the last period presented under previous GAAP)	As at 1 April 2017 (Date of Transition)
Cash and cash equivalents consist of:		
Cash and Bank Balances as per Balance sheet	19,026.25	10,091.98
Less: Bank balances not considered as cash and Cash Equivalents	-	-
Add: Current investments considered as part of Cash and Cash Equivalents (as defined in AS 3 Cash flow statements)	-	-
Total Cash and Cash Equivalents as at the end of the year	**19,026.25**	**10,091.98**

Explanatory Notes to Ind AS adjustments

(a) Under previous GAAP, the company was recognizing provisions on non-performing assets as per Prudential Norms prescribed by the Reserve Bank of India. Further, under Ind AS 109, these provisions have been computed based on the Expected Credit Loss model. Accordingly, the provisions stands higher by Rs. 583.12 Lakhs as at 31 March 2018 and Rs.3,986.92 Lakhs as at 1 April 2017. Retained earnings under other Equity increased / decreased by Rs. 3,986.92 Lakhs as at 1 April 2017.

(b) Under previous GAAP, security deposits were recognised based on historical cost. Under Ind AS, these financial assets have been adjusted to be carried at amortised cost. The notional cost of interest on deposit under Ind AS has been recognized as rental expense and the interest accrual has been recognized as interest income earned on financial assets.

(c) Under previous GAAP, actuarial gains and loss on defined benefit plans were recognised in profit or loss. Under IND AS, the actuarial gains and losses form part of re-measurement of the net defined benefit obligation / asset which are recognised in other comprehensive income.

(d) Under the previous GAAP, transaction costs in relation to borrowings are amortized over tenor of the borrowings. As per Ind AS 109, transaction costs including processing fee, prepayment charges, in relation to borrowings are to be adjusted to borrowings and amortised over the repayment period of the said liability. The same has been considered in the opening and comparative period financial statements.

(e) Under the previous GAAP, the cost of Equity settled Employee stock options plan (ESOP) of holding company which were granted to the employees of the Company, was not recorded as there were no debits received from the holding company, which assessed, managed and administered the ESOP. Under INDAS 102, the cost of such grants needs to be accounted for in accordance with the said standard by determining the fair value at the date of the grant is expensed on a straight line basis over the vesting period for equity settled share based payments, based on the holding company's estimate of the equity instruments that will eventually vest. At the end of each reporting period the holding company's revises its estimate of the number of equity instruments expected to vest. At the end of the vesting period, the holding company raises a debit note on the Company for the amount paid to the employees.

(f) Under the previous GAAP, documentation fees collected from customers were amortized over average tenor of the loan (i.e 18 months). Under Ind AS 109, the documentation fee is included as part of the Loan and amortised over the repayment period of the said Loan.

(f) Opening Reserves as at 1 April 2017 has been adjusted consequent to the above IND AS Transition adjustments.

(g) Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains or losses are required to be presented in other comprehensive income.

(h) The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

38 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Based on and to the extent of information received by the Company from the suppliers during the year regarding their status under the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars for the years ended 31 March 2019, 31 March 2018 and 31 March 2017 are furnished below:

Particulars	For the Year Ended 31 March 2019 Amount Rs.in Lakhs	For the Year Ended 31 March 2018 Amount Rs.in Lakhs.	For the Year Ended 1 April 2017 Amount Rs.in Lakhs
Principal amount remaining unpaid to any supplier as at the end of the accounting year.	-	-	-
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-	-
The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
The amount of interest due and payable for the year.	-	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-	-

Note:

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

39 Commitments and Contingencies

Particulars	As at 31 March 2019 Amount in Rs.	As at 31 March 2018 Amount in Rs.	As at 1 April 2017 Amount in Rs.
A. Contingent Liabilities:			
Income Tax			
- Income Tax (A.Y. 2011-12)	-	-	408.08
- Income Tax (A.Y. 2014-15)	-	-	9.60
- Income Tax (A.Y. 2015-16)	1,124.50	1,124.50	-
- Income Tax (A.Y. 2016-17)	1,978.91	-	-
B. Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for:			
- Intangible Assets	-	20.35	8.75

A) Income Tax

Income Tax (A.Y. 2011-12) & (A.Y.2014-15)

"The Company had received an Assessment order u/s. 148 for the AY 2011-12 with a demand of Rs. 408.08 Lakhs by taxing the receipt of share premium amount received by the Company as unexplained cash credits. Further, the Company had also received an Assessment Order u/s. 143(3) for the AY 2014-15 with a demand of Rs. 959,630 disallowing ESOP expenses, interest expenses incurred to earn exempted income and penalties & fines.

However during the year the Company has paid an amount of Rs. 83.52 Lakhs being 20% of the total demand for the above two cases and the same has been disclosed as part of Advance Tax. Also Refer Note 10 and 11.

The Company had filed appeals against the above with the Commissioner of Income Tax - Appeals and the Company has received a favourable order vide their order dated 30 April 2018. Based on professional advice, the company strongly believe that case will be decided in their favour and hence no provision has been considered."

Income Tax (A.Y. 2015-16)

"During the FY1718, the Company has received an Assessment order under Section 143(3) for the AY 2015-16 with a demand of Rs. 1,124.49 Lakhs by taxing the receipt of share premium amount received by the Company as unexplained cash credits, expense claimed towards employee stock option scheme and disallowance of depreciation under Section 32 of the Income Tax Act, 1961.

The Company has filed appeals against the above with the Commissioner of Income Tax - Appeals. Based on professional advice, the company strongly believe that case will be decided in their favour and hence no provision has been considered. However In the FY1718 the Company has paid an amount of Rs. 224.89 Lakhs being 20% of the total demand and the same has been disclosed as part of Deposit under protest

Considering the fact that, the ground of order received for AY 2015-16 is similar to order received for AY 2011-12 and AY 2014-15 for which the Company has received favourable order from CIT(A), the Company expects a favourable order to received for AY 2015-16 also.

Further, outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals."

Income Tax (A.Y. 2016-17)

"During the FY1819, the Company has received an Assessment order under Section 143(3) for the AY 2016-17 with a demand of Rs. 1,978.90 Lakhs by taxing the receipt of share premium amount received by the Company as unexplained cash credits under Section 56(2)(viib) of the Income Tax Act, 1961.

The Company has filed appeals against the above with the Commissioner of Income Tax - Appeals. Based on professional advice, the company strongly believe that case will be decided in their favour and hence no provision has been considered. However In the FY1718 the Company has paid an amount of Rs. 395.78 Lakhs being 20% of the total demand and the same has been disclosed as part of Deposit under protest

Considering the fact that, the ground of order received for AY 2016-17 is similar to order received for AY 2011-12 and AY 2014-15 for which the Company has received favourable order from CIT(A), the Company expects a favourable order to received for AY 2015-16 also. Further, outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals."

40. Disclosure Pursuant to Reserve Bank of India Master Direction DNBR. PD. 008/03.10.119/2016-17 updated 16 April 2019

40.1 Customer Complaints *

(a)	No. of complaints pending as on 1 April 2018	-
(b)	No. of complaints received during the year	9,967
(c)	No. of complaints redressed during the year	9,965
(d)	No. of complaints pending as on 31 March 2019	2

* As disclosed by the Management and relied upon by the Auditors.

40.2 Details of Registration with Financial Regulators

S.No	Regulator	Registration No.
1	Ministry of Company Affairs	CIN:U65923TN2007PLC064550
2	Reserve Bank of India	N-07-00769 dated 4 October 2013

40.3 Ratings assigned by Credit Rating Agencies

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Commercial paper	CRISIL A1+	CRISIL A1+/Stable	CRISIL A1+/Stable
Long Term Bank Facilities	CRISIL A+/Positive CARE A+ / Stable	CRISIL A+/Stable	CRISIL A+/Stable
Long term Non-Convertible Debentures	CRISIL A+/Positive CARE A+ / Stable	ICRA A (Stable) CRISIL A+/Stable CARE A+	ICRA A (Stable) CRISIL A+/Stable CARE A+
MFI Grading	MFI 1 (MFI One) - CARE	MFI 1 (MFI One) - CARE	MFI 1 (MFI One) - CARE

40.4 Concentration of Advances, Exposures and NPA's

Particulars	As at 31 March 2018	As at 31 March 2018	As at 1 April 2017
Total Advances and Exposures to twenty largest borrowers	Refer Note below	Refer Note below	Refer Note below
Total Exposure to top four NPA accounts	Refer Note below	Refer Note below	Refer Note below
Percentage of Advances and Exposures to twenty largest borrowers to Total Advances of the NBFC	Refer Note below	Refer Note below	Refer Note below

The Company operates in the business of microfinance providing collateral free loans for fixed amounts ranging from Rs. 20,000 to Rs. 45,000 to women engaged in various income generating activities. As at 31 March 2019, the Company has provided loans to more than 18 lakhs women and hence, the disclosure relating to concentration to advances, exposures and NPA's are not applicable to the Company.

40.5 Details of non-performing financial assets purchased /sold

There have been no Non performing assets purchased or sold by the Company as at 31 March 2019, 31 March 2018 and 1 April 2017.

40.6 Sector-wise NPAs as on 31 March 2019

Sl.No	Sector	Percentage of NPAs to Total Advances in that sector as on 31 March 2019	Percentage of NPAs to Total Advances in that sector as on 31 March 2018	Percentage of NPAs to Total Advances in that sector as on 1 April 2017
1	Agriculture & allied activities	0.53%	1.65%	2.62%
2	MSME	0.40%	2.88%	5.64%
3	Corporate borrowers	NA	NA	NA
4	Services	NA	NA	NA
5	Unsecured personal loans	NA	NA	NA
6	Auto loans (commercial vehicles)	NA	NA	NA
7	Other loans	NA	NA	NA

40.7 Provisions and Contingencies

Particulars	For the Year Ended 31 March 2019 Amount Rs.in Lakhs	For the Year Ended 31 March 2018 Amount Rs.in Lakhs
Impairment Loss Allowance	1,977.89	12,427.67
Provision for Income Tax (excluding deferred tax)	4,711.00	-

40.8 Movement of NPAs

Sl.No	Particulars	As at 31 March 2019 Amount Rs.in lakhs	As at 31 March 2018 Amount Rs.in lakhs	As at 1 April 2017 Amount Rs.in lakhs
(i)	Net NPAs to Net Advances (%)	0.00%	0.23%	1.36%
(ii)	**Movement of NPAs (Gross)**			
	(a) Opening balance	5,676.13	8,022.48	97.06
	(b) Additions during the year	1,694.17	12,003.83	8,349.36
	(c) Reductions during the year	(5,523.09)	(14,350.18)	(423.94)
	(d) Closing balance	1,847.21	5,676.13	8,022.48
(iii)	**Movement of Net NPAs**			
	(a) Opening balance	-	2,339.49	71.84
	(b) Additions during the year	-	-	2,267.65
	(c) Reductions during the year	-	(1,769.70)	-
	(d) IND AS Adjustments		569.79	2,339.49
	(e) Closing balance	-	-	-
(iv)	**Movement of provisions for receivables under financing activities**			
	(a) Opening balance	7,747.39	9,676.84	1,023.09
	(b) Provisions made during the year	1,977.89	12,427.67	9,208.56
	(c) Write-off / write-back of excess provisions	(5,523.09)	(14,357.12)	(554.81)
	(d) Closing balance	4,202.19	7,747.39	9,676.84

40.9 During the year there are no instances of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeding the sanctioned limit or outstanding or entire outstanding whichever is higher.

40.10 During the year company has not given any advances with intangible collateral such as charge over the rights, licenses, authority etc.

40.11 Registration Obtained from Other Financial Sector Regulators

During the year the company has not obtained any registrations from other financial regulators.

40.12 Penalties Imposed by RBI and Other Regulators

No penalties imposed by RBI or Other Regulators.

40.13 Investments

Particulars	As at 31 March 2019 Amount Rs.in Lakhs	As at 31 March 2018 Amount Rs.in Lakhs	As at 1 April 2017 Amount Rs.in Lakhs
Value of Investments			
(i) Gross Value of Investments			
(a) In India	5.00	5.00	5.00
(b) Outside India,	-	-	-
(ii) Provisions for Depreciation	-	-	-
(a) In India	-	-	-
(b) Outside India,	-	-	-
(iii) Net Value of Investments	-	-	-
(a) In India	5.00	5.00	5.00
(b) Outside India.	-	-	-
Movement of provisions held towards depreciation on investments	-	-	-
(i) Opening balance	-	-	-
(ii) Add : Provisions made during the year	-	-	-
(iii) Less : Write-off / write-back of excess	-	-	-
(iv) Closing balance	-	-	-

40.14 Derivatives:

The Company has no transactions / exposure in derivatives for all years presented.

41 "Disclosure Pursuant to Reserve Bank of India Master Direction DNBR. PD. 008/03.10.119/2016-17 (updated 16th April, 2019) Capital Adequacy Ratio"

Particulars	As at 31 March 2019 Amount Rs.in Lakhs	As at 31 March 2018 Amount Rs.in Lakhs	As at 1 April 2017 Amount Rs.in Lakhs
Tier I Capital	70,811.78	22,116.84	23,850.19
Tier II Capital	5,315.30	10,114.06	11,194.08
Total Capital	76,127.08	32,230.90	35,044.28
Total Risk Assets	239,688.73	212,241.96	170,150.08
Capital Ratios			
Tier I Capital as a percentage of Total Risk Assets (%)	29.54%	10.42%	14.02%
Tier II Capital as a percentage of Total Risk Assets (%)	2.22%	4.77%	6.58%
Total Capital (%)	**31.76%**	**15.19%**	**20.60%**
Amount of subordinated debt raised as Tier II Capital	**11,414.15**	**11,407.06**	**11,412.46**
Amount raised by issue of Perpetual Debt Instruments	**-**	**-**	**-**

41.1 Exposure to Real Estate Sector

(Amount Rs.in Lakhs)

Category	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
a) Direct Exposure			
(i) Residential Mortgages			
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented			
(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits	203.59	333.74	315.41
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -	-	-	-
a.Residential			
b.Commercial Real Estate			
Total Exposure to Real Estate Sector	203.59	333.74	315.41

41.2 Exposure to Capital Market

The Company does not have any exposure to Capital market as at 31 March 2019 ,31 March 2018 and 1 April 2017.

41.3 Draw Down from Reserves

No Drawdown from Reserves has been noted in the financial years ended 31 March 2019, 31 March 2018 and 1 April 2017.

41.4 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

There are no overseas assets of the Company as there are no Joint Ventures and subsidiaries abroad

41.5 Off-balance Sheet SPVs sponsored

There have been no off- balance sheet SPVs sponsored by the Company during the financial years ended 31 March 2019, 31 March 2018 and 1 April 2017

41.6 Asset Liability Management

(a) Maturity Pattern of certain items of Assets and Liabilities as at 31 March 2019:

(Amount Rs.in Lakhs)

Particulars	1 day to 30 – 31 days (One Month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from Banks & NBFCs	6,168.43	8,121.68	6,165.77	23,718.72	38,090.30	47,895.44	3,044.00	-	**133,204.34**
Market Borrowings	5,658.33	5,041.67	2,500.00	12,158.00	14,425.00	37,091.67	11,500.00	-	**88,374.67**
Assets									
Advances (Micro Finance Loans)	26,760.03	26,255.43	21,972.72	64,226.13	102,485.40	142,376.18	2.37	-	**384,078.26**
Investments	-	-	-	-	-	-	-	5.00	**5.00**

(b) Maturity Pattern of certain items of Assets and Liabilities as at 31 March 2018:

(Amount Rs.in Lakhs)

Particulars	1 day to 30 – 31 days (One Month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from Banks & NBFCs	4,121.41	4,058.37	3,279.03	14,756.04	26,823.92	40,746.74	2,145.76	-	**95,931.27**
Market Borrowings	1,303.23	4,852.06	3,959.80	8,692.02	25,058.46	55,431.88	10,000.00	1,500.00	**110,797.45**
Assets									
Advances (Micro Finance Loans)	19,902.60	17,147.26	14,897.00	47,233.89	74,848.75	38,158.15	-	-	**212,187.65**
Investments	-	-	-	-	-	-	-	5.00	**5.00**

(c) Maturity Pattern of certain items of Assets and Liabilities as at 1 April 2017:

(Amount Rs.in Lakhs)

Particulars	1 day to 30 – 31 days (One Month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Total
Liabilities									
Borrowings from Banks & NBFCs	2,722.21	3,089.09	2,794.32	9,043.76	18,876.74	28,402.93	166.67	-	**65,095.72**
Market Borrowings	1,037.43	1,198.65	1,992.11	8,422.49	11,197.31	43,373.62	12,660.00	14,200.00	**94,081.61**
Assets									
Advances (Micro Finance Loans)	17,858.96	14,355.82	14,314.73	39,743.17	60,934.26	25,416.31	15.46	-	**172,638.71**
Investments	-	-	-	-	-	-	-	5.00	**5.00**

42 Disclosure Pursuant to paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016):

(Amount Rs.in Lakhs)

S.No	Particulars	As at 31 March 2019		As at 31 March 2018		As at 1 April 2017	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	Liabilities:						
1	***Loans and Advances availed by the NBFC inclusive of interest accrued thereon but not paid:***						
(a)	Debentures (Refer Note Below)						
	- Secured	38,915.32	-	54,848.80	-	36,305.42	-
	- Unsecured	46,332.82	-	17,414.23	-	18,790.96	-
	(other than falling within the meaning of public deposits)			-			
(b)	Deferred Credits		-	-	-	-	-
(c)	Term Loans (Refer Note Below)			-			
	- Secured	128,954.01	-	127,729.94	-	103,220.64	-
	- Unsecured	5,043.19	-	7,540.80	-	-	-
(d)	Inter-Corporate Loans and Borrowings		-	-	-	-	-
(e)	Commercial Paper	5,000.00	-	1,500.00	-	-	-
(f)	Finance Lease obligations	8.98					
(g)	Cash Credits		-	-	-	2,499.17	-

Note: Includes Interest Accrued but Not Due on Debentures amounting to Rs. 1,873.47 Lakhs (As at 31 March 2018 : Rs. 1,481.36 Lakhs ; As at 1 April 2017 : Rs. 999.38 Lakhs) and Term Loans amounting to Rs. 792.86 Lakhs (As at 31 March 2018: Rs.823.70 Lakhs ; As at 1 April 2017 : Rs.639.47 Lakhs).

(Amount Rs.in Lakhs)

S.No	Particulars	Amount Outstanding as at 31 March 2019	Amount Outstanding as at 31 March 2018	Amount Outstanding as at 1 April 2017
	Assets:			
2	***Break-up of Loans and Advances including Bills Receivables [other than those included in (3) below] :***			
(a)	Secured	203.53	333.74	315.41
(b)	Unsecured (Refer Note Below)	236,233.96	210,874.87	172,165.89
3	***Break up of Leased Assets and Stock on Hire and Other Assets counting towards AFC activities***			
(i)	Lease Assets including Lease Rentals Accrued and Due:			
	(a) Financial Lease	-	-	-
	(b) Operating Lease	-	-	-
(ii)	Stock on Hire including Hire Charges under Sundry Debtors:			
	(a) Assets on Hire	-	-	-
	(b) Repossessed Assets	-	-	-
(iii)	Other Loans counting towards AFC Activities			
	(a) Loans where Assets have been Repossessed	-	-	-
	(b) Loans other than (a) above	-	-	-

(Amount Rs.in Lakhs)

S.No	Particulars	Amount Outstanding as at 31 March 2019	Amount Outstanding as at 31 March 2018	Amount Outstanding as at 1 April 2017
4	***Break-up of Investments***			
	Current Investments			
I	**Quoted:**			
(i)	Shares: (a) Equity	-	-	-
	(b) Preference	-	-	-
(ii)	Debentures and Bonds	-	-	-
(iii)	Units of Mutual Funds	-	-	-
(iv)	Government Securities	-	-	-
(v)	Others (please specify)		-	-
II	**Unquoted:**			
(i)	Shares: (a) Equity	-	-	-
	(b) Preference	-	-	-
(ii)	Debentures and Bonds	-	-	-
(iii)	Units of Mutual Funds	-	-	-
(iv)	Government Securities	-	-	-
(v)	Others (please specify)		-	-
	Long Term Investments			
I	**Quoted:**			
(i)	Shares: (a) Equity	-	-	-
	(b) Preference	-	-	-
(ii)	Debentures and Bonds	-	-	-
(iii)	Units of Mutual Funds	-	-	-
(iv)	Government Securities	-	-	-
(v)	Others (please specify)	-	-	-
II	**Unquoted:**	-		
(i)	Shares: (a) Equity	5	5	5
	(b) Preference	-	-	-
(ii)	Debentures and Bonds	-	-	-
(iii)	Units of Mutual Funds	-	-	-
(iv)	Government Securities	-	-	-
(v)	Investment in Pass Through Certificates	-	-	-
		-		

(Amount Rs.in Lakhs)

5	Borrower Group-wise Classification of Assets Financed as in (2) and (3) above						
	Category	As at 31 March 2019 (Net of Provisions) (Refer Note below)		As at 31 March 2018 (Net of Provisions) (Refer Note below)		As at 1 April 2017 (Net of Provisions) (Refer Note below)	
		Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
1	Related Parties						
	(a) Subsidiaries	-	-	-	-	-	-
	(b) Companies in the same Group	-	-	-	-	-	-
	(c) Other Related Parties	-	-	-	-	-	-
2	Other than Related Parties	115.80	232,042.40	260.04	203,201.18	309.64	162,501.74
	Total	115.80	232,042.40	260.04	203,201	310	162,502

Note:

The Company's share of Net Asset Value of Alpha Micro Finance Consultants Private Limited has been calculated based on the audited financial statements of the Company as at 31 March 2018.

43 Loan Portfolio and Provision for Standard and Non Performing Assets

(a) Current Year

Asset Classification	Loan Outstanding as at 31 March 2019 (Gross) Amount in Rs. Lakhs	Provision as at 31 March 2019 Amount in Rs in Lakhs	Loan Outstanding as at 31 March 2019 (Net) Amount in Rs. In Lakhs
Receivables under Financing Activities (including securitised assets)			
Standard Assets	382,231.00	2,354.98	379,876.02
Non - Performing Assets	1,847.21	1,847.21	-
Total	**384,078.21**	**4,202.19**	**379,876.02**

(b) Previous Year

Asset Classification	Loan Outstanding as at 31 March 2018 (Gross) Amount Rs.in Lakhs	Provision as at 31 March 2018 Amount Rs.in Lakhs	Loan Outstanding as at 31 March 2018 (Net) Amount Rs.in Lakhs
Receivables under Financing Activities (including securitised assets)			
Standard Assets	238,044.15	2,071.25	235,972.90
Non - Performing Assets	5,676.14	5,676.14	-
Total	**243,720.29**	**7,747.39**	**235,972.90**

(C) Previous Year (FY 16-17)

Asset Classification	Loan Outstanding as at 1 April 2017 (Gross) Amount Rs.in Lakhs	Provision as at 1 April 2017 Amount Rs.in Lakhs	Loan Outstanding as at 1 April 2017 (Net) Amount Rs.in Lakhs
Receivables under Financing Activities (including securitised assets)			
Standard Assets	171,571.38	1,647.44	169,923.94
Non - Performing Assets	8,022.48	8,022.48	-
Total	**179,593.86**	**9,669.92**	**169,923.94**

44 Changes in Provisions

(a) Current Year

Amount Rs.in Lakhs

Particulars	As at 1 April 2018	Provision for the Year	Utilization/ Reversal	As at 31 March 2019
Loans	7,747.39	1,977.89	5,523.09	4,202.19
Provision for Credit Enhancements on Assets De-Recognised	-	-	-	-
Total	**7,747.39**	**1,977.89**	**5,523.09**	**4,202.19**

(b) Previous Year

Amount Rs.in Lakhs

Particulars	As at 1 April 2017	Provision for the Year	Utilization/ Reversal	As at 31 March 2018
Loans	9,669.92	12,427.67	14,350.20	7,747.39
Provision for Credit Enhancements on Assets De-Recognised	6.92	-	6.92	-
Total	**9,676.84**	**12,427.67**	**14,357.12**	**7,747.39**

44.1 An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to loans is as follows:

(Amount Rs.in Lakhs)

Particulars	As at 31 March 2019				As at 31 March 2018			
	Stage 1: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days	Total	Stage 1: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days	Total
Gross carrying amount as at 1 April	204,620.98	1,028.77	5,558.86	211,208.61	158,085.27	7,149.63	7,246.39	172,481.29
New assets originated or purchased	198,391.62	554.83	283.35	199,229.80	215,152.57	491.30	1,189.63	216,833.50
	(146,545.71)	(45.55)	4,467.93	(142,123.33)	(29,207.63)	4,254.72	5,873.34	(19,079.57)
Assets derecognised or repaid (excluding write offs)								
Transfers to Stage 1	182,545.85	-	-	182,545.85	21,766.75	-	-	21,766.75
Transfers to Stage 2	-	698.75	-	698.75	-	619.82	-	619.82
Transfers to Stage 3	-	-	1,603.90	1,603.90	-	-	4,500.22	4,500.22
Amounts written off	(445.68)	(424.66)	(4,647.14)	(5,517.48)	(3,090.72)	(4,337.07)	(6,004.32)	(13,432.11)
Gross carrying amount as at 31 March	**233,946.08**	**783.37**	**1,708.04**	**236,437.49**	**204,620.97**	**1,028.77**	**5,558.87**	**211,208.61**

Reconciliation of ECL balance is given below:

(Amount Rs.in Lakhs)

Particulars	As at 31 March 2019				As at 31 March 2018			
	Stage 1: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days	Total	Stage 1: 0-30 days	Stage 2: 31-90 days	Stage 3: >90 days	Total
ECL allowance as at 1 April	2,060.39	10.86	5,676.14	7,747.39	1,575.96	71.47	8,022.48	9,669.92
New assets originated or purchased	1,983.92	5.55	283.36	2,272.83	2,151.53	4.91	1,189.63	3,346.06
	(1,458.14)	(0.09)	4,607.09	3,148.86	(277.90)	43.12	5,990.61	5,755.84
Assets derecognised or repaid (excluding write offs)								
Transfers to Stage 1	1,825.46	-	-	1,825.46	217.67	-	-	217.67
Transfers to Stage 2	-	6.99	-	6.99	-	6.20	-	6.20
Transfers to Stage 3	-	-	1,603.90	1,603.90	-	-	4,500.22	4,500.22
Amounts written off	(4.46)	(4.25)	(4,647.14)	(4,655.85)	(30.91)	(43.37)	(6,004.32)	(6,078.60)
ECL allowance as at 31 March	**2,346.78**	**8.20**	**1,847.21**	**4,202.19**	**2,060.39**	**10.86**	**5,676.14**	**7,747.39**

45 Disclosures of Fraud

a) Current Year

Category	More than Rs. 1 lakh		Less than Rs. 1 lakh	
	Number of Instances	Amount in Rs. In Lakhs	Number of Instances	Amount in Rs. In Lakhs
Embezzlement of Cash				
- By Employees	22	197.97	7	12.96
- By Others	6	9.05	25	13.15
Total	**28**	**207.02**	**32**	**26.11**

b) Previous Year 17-18

Category	More than Rs. 1 lakh		Less than Rs. 1 lakh	
	Number of Instances	Amount in Rs. In Lakhs	Number of Instances	Amount in Rs. In Lakhs
Embezzlement of Cash				
- By Employees	15	87.61	9	3.16
- By Others	2	2.64	11	7.76
Total	**17**	**90.25**	**20**	**10.92**

c) Previous Year 16-17

Category	More than Rs. 1 lakh		Less than Rs. 1 lakh	
	Number of Instances	Amount in Rs. In Lakhs	Number of Instances	Amount in Rs. In Lakhs
Embezzlement of Cash				
- By Employees	6	29.30	2	1.56
- By Others	5	34.49	7	4.11
Total	**11**	**63.79**	**9**	**5.67**

Note: The above summary is prepared based on the information available with the Company and relied upon by the Auditors.

45.1 Disclosure as required under Reserve Bank of India Master Direction DNBR. PD. 008/03.10.119/2016-17 (updated 16th April, 2019)

Net Interest Margin during the Year:

Particulars	For the Year ended 31 March 2019	For the Year ended 31 March 2018	For the Year ended 31 March 2017
Average Interest (a)	21.70%	22.25%	23.24%
Average effective cost for borrowing Interest (b)	12.31%	12.39%	13.30%
Net Interest Margin (a-b)	9.39%	9.86%	9.94%

The Average interest represents the effective rate at which loans have been disbursed to the customers for the year ended 31 March 2019, 31 March 2018 and 1 April 2017.

The Average interest cost of borrowings of the Company for the year ended 31 March 2019, 31 March 2018 and 1 April 2017 has been computed based on the monthly interest cost divided by the average monthly balances of outstanding borrowings. The Average cost of borrowings include the following :

a) Upfront processing fees paid by the Company for availing loans.

b) Interest on the borrowings.

46 Disclosures of Transactions Pursuant to Regulation 34(3) of SEBI (LODR) Regulations, 2015:

S.No	Loans and Advances in the nature of Loans	As at 31 March 2019 Amount in Rs. In Lakhs		As at 31 March 2018 Amount in Rs. In Lakhs		As at 1 April 2017 Amount in Rs. In Lakhs	
		Amount Outstanding	Maximum Amount Outstanding during the year	Amount Outstanding	Maximum Amount Outstanding during the year	Amount Outstanding	Maximum Amount Outstanding during the year
(a)	From Holding Company: - Mannapuram Finance Limited	-	-	-	-	-	-
(b)	To Fellow Subsidiaries - No Fellow Subsidiaries during the Current Year	-	-	-	-	-	-
(c)	To Associates - No Associate during the Current Year	-	-	-	-	-	-
(d)	Where there is						
	- No Repayment Schedule	-	-	-	-	-	-
	- Repayment Schedule beyond seven years	-	-	-	-	-	-
	- No Interest	-	-	-	-	-	-
	- Interest below the rate as specified in section 186 of the Companies Act, 2013	-	-	-	-	-	-
(e)	To Firms / Companies in which directors are interested (Other the (a) and (b) above)						
(f)	Investments by the Loanee in the Shares of Parent Company and Subsidiary Company	-	-	-	-	-	-

Note: The information on maximum amount outstanding has been disclosed from the date on which the concerned director was appointed on the Board of the Company.

47. Referral Fees

The Company has entered into agreements with Inthree Access, Uniq Synergy, Aspire Innovate, Eureka Forbes, Gloworld and Greenlight Planet for facilitating sale of their products (solar lamps, water purifier, cookware etc.) to its members. The Company receives referral fees for the products disbursed based on slab rates specified in the terms of the agreements entered with them. The Company has received an amount of Rs. 5,318.57 Lakhs (Previous Year : Rs. 2,836.48 Lakhs) towards referral fee for the facilitating of their products.

48. Corporate Social Responsibility (CSR)

During the year, the Company incurred an aggregate amount of Rs. 31.00 Lakhs (Previous Year - Rs. 89.50 Lakhs) towards corporate social responsibility in compliance of Section 135 of the Companies Act 2013 read with relevant schedule and rules made thereunder. The details of the CSR spend are given below:

(i) Gross amount required to be spent by the Company during the year: Rs. 25.82 Lakhs

(ii) Amount spent by the Company during the year:

(Amount Rs.in Lakhs)

Particulars	Amount Paid	Yet to be Paid	Total
Donation for Cyclone Rehabiliation	31.00	-	31.00

49 Statutory Reserve

As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund at a rate of 20% of the net profit after tax of the Company every year. Considering the Profit after tax for the year ended 31 March 2019, Rs.2,651.67 Lakhs is transferred to the statutory reserve as required under Section 45-IC of Reserve Bank of India (RBI) Act, 1934.

50. As stated in Note 3.1, the Company has adopted Indian Accounting Standards with effect from 31 March 2018 with date of transition to Ind AS being 1 April 2017. Accordingly, the comparative financial information of the Company as at 1 April 2017 and 31 March 2018 included in these financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006, and have been restated to comply with Ind AS.

51. Previous Year Figures

Previous year's figures have been regrouped / reclassified, wherever necessary, to correspond with the current year's classification / disclosure.

52 The Board of Directors of the Company has reviewed the realisable value of all the financial assets and has confirmed that the value of such assets in the ordinary course of business will not be less that the value at which these are recognized in the financial statements. In addition, the Board has also confirmed the carrying value of the non-financial assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these financial statements in its meeting held on 13 May 2019.

For and on behalf of the Board of Directors

V P Nandakumar Chairman (DIN No.00044512)	**S V Raja Vaidyanathan** Managing Director (DIN No.01467098)
Mayank Shyam Thatte Chief Financial Officer	**Anup Gupta** Company Secretary

Place : Chennai
Date : 13 May 2019

NOTICE OF 12th ANNUAL GENERAL MEETING

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 12THANNUAL GENERAL MEETING OF THE MEMBERS OF M/S. ASIRVAD MICRO FINANCE LIMITED WILL BE HELD ON THURSDAY, THE 8TH AUGUST, 2019, AT 4.00 P.M. AT HOTEL BLU RADISSION GRT, MEENAMBAKKAM, CHENNAI- 600 016, TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended 31st March, 2019, and reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr.Vazhappully Padmanabhan Nandakumar (DIN 00044512), who retire by rotation, and being eligible, offer himself for re-appointment.

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder(including any statutory modification(s) or re-enactment thereof for the time being in force), Deloitte Haskins & Sells, Chartered Accountants, Chennai (FRN 008072S)be and are hereby appointed as Statutory Auditors of the Company for the Financial Year 2019-20 and shall hold office from the conclusion of this Annual General Meeting till the conclusion of 13th Annual General Meeting at such remuneration as determined by the Board of Directors of the Company in consultation with Auditors."

By the order of the Board
For, Asirvad Micro Finance Limited

Sd/-
Company Secretary

Date: 15/07/2019
Place: Chennai

Notes:

1. IN TERMS OF THE PROVISIONS OF SECTION 105 OF THE COMPANIES ACT, 2013, READ WITH RULE 19 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014, A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UPTO AND NOT EXCEEDING FIFTY (50) AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE CORPORATE OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING. PROXY FORM FOR THE MEETING IS ENCLOSED

2. The form of proxy to be valid should be duly completed, stamped and signed and must be deposited with the Company at least 48 hours before the time scheduled for the Meeting.

3. Corporate Members intending to send their authorised representative(s) are requested to send a duly certified copy of the board resolution authorizing their representative(s) to attend the Annual General Meeting, pursuant to provisions of Section 113 of the Companies Act, 2013, along with their respective specimen signature authorizing the representative on their behalf at the meeting.

4. Members are requested to register the changes, from time to time, in their email-address with the Company to enable the Company to service various notice(s), reports, documents, etc. in the electronic mode.

5. Members are requested to bring their attendance slips duly filled together with their copies of Annual Report to the meeting

6. All relevant documents referred to in the AGM Notice will be available for inspection by the Members at the Corporate Office of the Company during normal business hours on all working days (except 2nd& 4th Saturday(s), Sunday(s) and Public Holiday(s) up to the date of the Annual General Meeting and during the continuance of the Annual General Meeting.

7. AGM Notice along with the Attendance Slip and Proxy Form is being sent by electronic mail/ registered post/ speed post etc. to all the Members whose email addresses are registered with the Company unless a Member has requested for a hard copy of the same.

8. AGM Notice will also be available on the website of the Company www.asirvadmicrofinance.co.in.

9. Route map for venue of the meeting is enclosed.

By the order of the Board

For, **Asirvad Micro Finance Limited**

Sd/-
Company Secretary

Date: 15 /07/2019
Place: Chennai

ATTENDANCE SLIP

12th ANNUAL GENERAL MEETING TO BE HELD ON 8TH AUGUST, 2019 AT 4.00 P.M.

NAME OF THE ATTENDING MEMBER (IN BLOCK LETTER)

ADDRESS OF THE MEMBER	
DP ID NO.	
CLIENT ID NO.	
NO.OF SHARES HELD	

I ______________________________, being a member(s) of Asirvad Microfinance Ltd hereby record my presence at an 12TH ANNUAL GENERAL MEETING of the Company being held on 8TH August, 2019, at 4.00 P.M.

Signature: ______________________________

Date:

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U65923TN2007PLC064550

Name of the Company: **Asirvad MicroFinance Limited**

Registered Office: 1st Floor, Desabandhu Plaza, 47, Whites Road, Royapettah, Chennai – 600 014.

Name of the Member (s):
Registered address :
E-mail Id:
Folio No/ Client Id :
DP ID :

I/We, being the member (s) of ………… shares of the above named company, hereby appoint

1. Name: ______________________________ E-mail Id: ______________________

Address: ____

__________________________________ Signature:________________________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on 8th August, 2019 indicated below :

Ordinary Resolutions	Optional	
	For	Against
To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended 31st March, 2019, and reports of the Board of Directors and Auditors thereon.		
To Appoint a Director in place of Mr. Vazhappully Padmanabhan Nandakumar (DIN 00044512), who retire by rotation, being eligible, offer himself for re-appointment.		
Appointment of Deloitte Haskins & Sells, Chartered Accountants, Chennai (Firm Regn No. 008072S) as Statutory Auditors of the Company.		

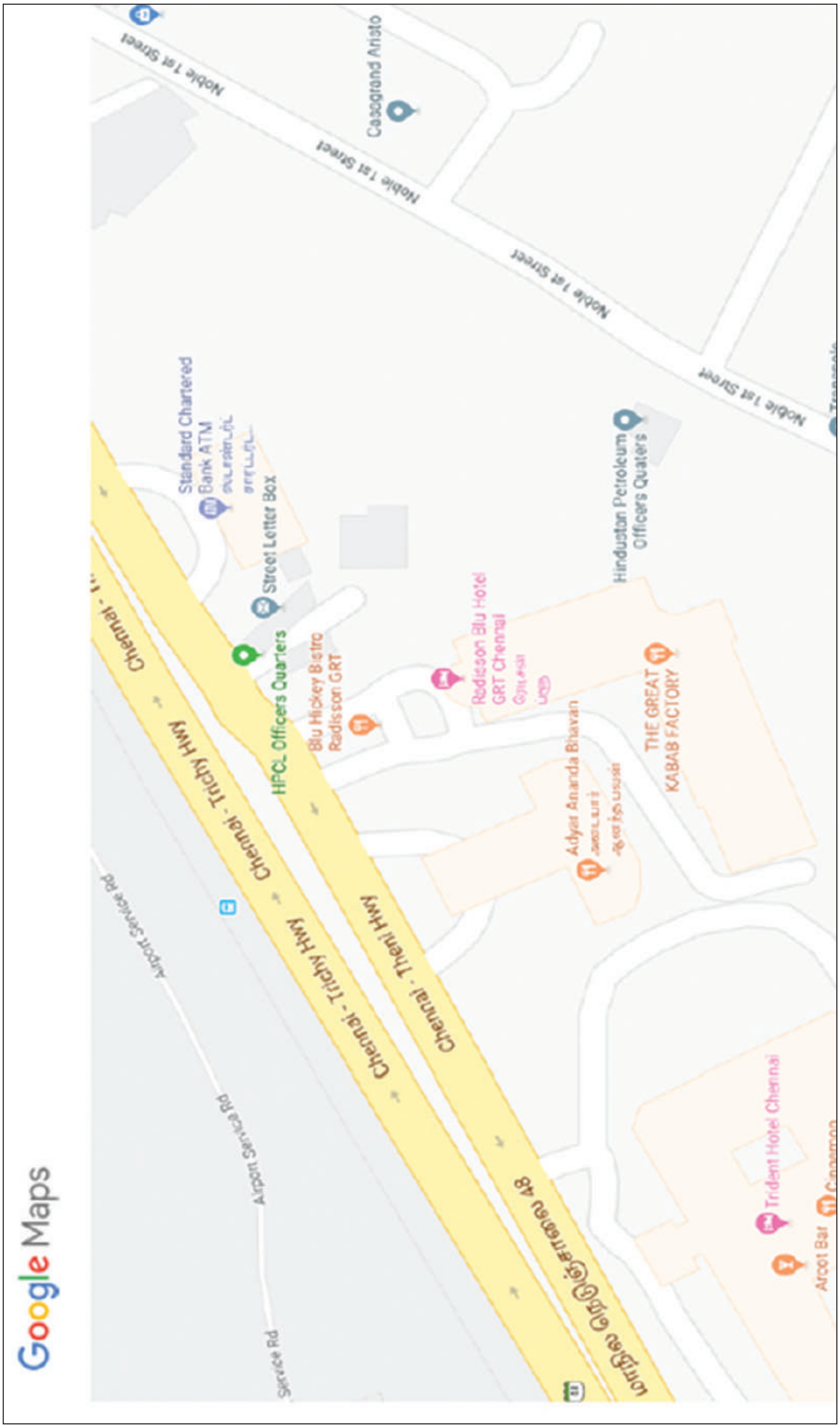
Signature of Shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Date:

Place: Chennai


Google Maps
Noble 1st Street
Casagrand Aristo
Standard Chartered Bank ATM
Street Letter Box
HPCL Officers Quarters
Blu Hickey Bistro Radisson GRT
Radisson Blu Hotel GRT Chennai
Hindustan Petroleum Officers Quaters
Adyar Ananda Bhavan
THE GREAT KABAB FACTORY
Chennai - Trichy Hwy
Chennai - Theni Hwy
Airport Service Rd
Service Rd
Trident Hotel Chennai
Arcot Bar

Corporate Events

Inauguration of Zonal office in Karanataka

Lenders Meet

Business meet in Goa

HR Training Program

Board of Directors