

Asirvad Micro Finance Limited
(Subsidiary of Manappuram Finance Limited)
CIN: U65923TN2007PLC064550

Regd Office: 1st Floor, Desabandhu Plaza, 47, Whites Road, Chennai - 600014
Statement of Audited Financial Results for the quarter and year ended 31 March 2021

(in ₹ lakhs, except for Earnings Per Share)

S.No	Particulars	Quarter Ended			Year Ended	
		31 March 2021	31 December 2020	31 March 2020	31 March 2021	31 March 2020
		(Audited) (Refer note 5)	(Unaudited)	(Audited & Restated) (Refer note 3)	(Audited)	(Audited)
(I)	Revenue from operations					
	(a) Interest income	24,962.42	22,672.21	23,322.85	95,762.88	91,338.06
	(b) Dividend income	140.08	280.32	228.92	1,286.86	947.06
	(c) Net gain on derecognition of financial instruments under amortised cost	1,915.91	2,469.65	4,566.26	7,147.98	12,590.98
	(d) Other operating income	850.79	166.20	144.12	1,099.17	629.84
	Total revenue from operations	27,869.20	25,588.38	28,262.15	1,05,296.89	1,05,505.94
(II)	Other income	508.65	1,455.47	1,069.65	2,421.47	4,638.46
	Total income (I+II)	28,377.85	27,043.85	29,331.80	1,07,718.36	1,10,144.40
(III)	Expenses					
	(a) Finance cost	10,604.29	10,960.91	10,813.11	45,754.14	40,943.86
	(b) Employee benefit expenses	5,196.91	5,200.81	4,456.00	18,852.94	15,020.44
	(c) Depreciation, amortization and impairment	411.16	351.17	319.36	1,183.72	714.45
	(d) Impairment of financial instruments	9,486.52	4,841.22	3,068.36	29,980.94	9,234.97
	(e) Other expenses	2,118.66	2,472.40	1,977.38	8,878.60	7,697.99
	Total expenses	27,817.54	23,826.51	20,634.21	1,04,650.34	73,611.71
(IV)	Profit before tax and exceptional item (I + II - III)	560.31	3,217.34	8,697.59	3,068.02	36,532.69
(V)	Exceptional item	-	-	5,502.64	-	5,502.64
(VI)	Profit before tax (IV - V)	560.31	3,217.34	3,194.95	3,068.02	31,030.05
(VII)	Tax expense	147.92	1,439.83	332.59	1,379.88	7,497.25
(VIII)	Profit after tax (VI - VII)	412.39	1,777.51	2,862.36	1,688.14	23,532.80
(IX)	Other comprehensive income					
	(i) Items that will not be reclassified to profit or loss					
	a. Remeasurement gains and (losses) on defined benefit obligations (net)	(176.51)	-	(59.65)	(184.28)	(31.06)
	b. Fair value changes on derivatives designated as cash flow hedge, net	64.95	-	-	64.95	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	28.08	-	15.02	30.04	7.82
	Total other comprehensive income (i+ii)	(83.48)	-	(44.63)	(89.29)	(23.24)
	Total comprehensive income for the period/year (VIII + IX)	328.92	1,777.51	2,817.73	1,598.85	23,509.56
(X)	Paid-up equity share capital	5,331.19	5,331.19	5,331.19	5,331.19	5,331.19
(XI)	Reserves (excluding revaluation reserves)	Not Applicable	Not Applicable	Not Applicable	1,00,212.30	98,620.69
(XII)	Earnings per Share of Rs.10 each					
	- Basic	0.77	3.33	5.37	3.17	44.14
	- Diluted	0.77	3.33	5.37	3.17	44.14
		(not annualised)	(not annualised)	(not annualised)	(annualised)	(annualised)

Asirvad Micro Finance Limited
(Subsidiary of Manappuram Finance Limited)
CIN: U65923TN2007PLC064550
Regd Office: 1st Floor, Deshabandhu Plaza, 47, Whites Road, Chennai - 600014
Statement of Audited Financial Results for the quarter and year ended 31 March 2021

1) The above statement of audited financial results were reviewed by the audit committee and recommended for approval and approved by the Board of Directors at their meetings held on 24 May 2021.

2) The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated 27 March 2020 and 17 April 2020 and in accordance therewith, the Company has proposed a moratorium on the payment of all principal instalments and/ or interest, as applicable, falling due between 01 March 2020 and 31 August 2020 to all eligible borrowers who have no overdue as on 29 February 2020. For all such accounts where the moratorium was granted, the asset classification will remain at a standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the Company's policy). The collection received during moratorium period has been adjusted towards moratorium interest first and then towards principal. Revised repayment schedule has been drawn as at 01 September, 2020 and future collection will be adjusted towards current interest, moratorium interest and principal till the moratorium interest is fully recovered and thereafter towards current interest and principal and accordingly the collections received for the month of September 2020 onwards has been adjusted as per the revised repayment schedule.

Further as per RBI Resolution framework dated 06 August 2020, the Company has done restructuring of loans for its 1,10,000 customers who has made request for restructuring of their loan as their livelihood was severely impacted due to COVID and the loans worth Rs. 211.24 crore were restructured.

As at 31 March 2021, the Company has made provision towards impairment loss allowance amounting to Rs. 341.45 crore which includes potential impact on account of COVID-19 pandemic on the Company's operations. This provision was made based on available information then and given the uncertainty over the potential macro-economic impact and based on the policy approved by the board, to determine the provision for impairment of financial assets.

The company witnessed a substantial improvement in all the business parameters of the Company in the last quarter of the year. The Company has achieved overall collection efficiency of 93% in the last quarter and also there was good demand for its loan product given the fact that economic recovery was gaining the momentum.

The nation is now going through the second COVID wave, though the Company is well prepared to handle the COVID this time, as the lockdowns are more localized, digital collection through paytm/airtel has been activated, Micro Finance Institutions (MFIs) has been classified under essential service and so resultantly we have achieved collection efficiency of 91% in April 2021 despite of lockdown and restriction on employee movement. Further The RBI has taken the swift action has opened the restructuring window vide Resolution Framework 2.0 notification dated 05 May 2021 for NBFCs which will certainly benefit the Company.

The Company has taken adequate safety measures to protect its employees and also will ensure vaccination for its field staff on priority basis which will help company to continue its business operations with minimum disruption. The current provision made under impairment loss allowance with revised estimates seems to be adequate. However, the Company will continue to closely monitor any material changes to future economic conditions due to the impact of pandemic.

3) During the half year ended 31 March 2020, pursuant to the regulatory update on Ind AS issued by RBI dated 13 March 2020 to promote consistent Ind AS implementation among NBFCs, the Company had changed its policy on accounting for securitized assets and direct assignment transactions. The securitized assets which were hitherto, de-recognised in the books based on 'True Sale Criteria' prescribed by RBI, have now been re-recognised in the books along with interest income using effective interest rate as the Company had not transferred substantially all the risks and rewards in accordance with the provisions of Indian Accounting Standard No.109. Similarly, the gain on sale of assets arising from direct assignment transactions, have been recognised on de-recognition as interest only strip. Pursuant to the impact of this change in accounting policy, the Company has restated the comparative financial information for the quarter ended 31 March 2020, in accordance with the requirements of Ind AS 8 – 'Accounting Policies, Changes in Accounting Estimates and Errors'.

The impact of the restatement are as follows:-

Financial line item	(Amount Rs. in Lakhs)
	As at and for the Quarter ended 31 March 2020 (increase / (decrease))
Interest Income	(2,966.05)
Net Gain on derecognition of financial instruments	(8,024.72)
Other income	75.00
Finance Cost	(7,106.53)
Provision and other Losses	365.32
Other expenses	89.12
Tax expense	(1,073.17)
(Loss) after tax for the period	(3,190.51)
Impact on Earnings per Share of Rs.10 each	
- Basic (not annualised)	5.98
- Diluted (not annualised)	5.98

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

5) The figures for the quarter ended 31 March 2021 and 31 March 2020 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the end of third quarter of the respective financial year.

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

For and on behalf of the Board of Director

Place : Chennai
Date : 24 May 2021

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