



ASIRVAD MICRO FINANCE LIMITED

Subsidiary of MANAPPURAM FINANCE LTD.

Small Loans... Big Dreams..

A NEW BEGINNING. A PROMISING FUTURE.



15TH ANNUAL REPORT 2021-2022

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

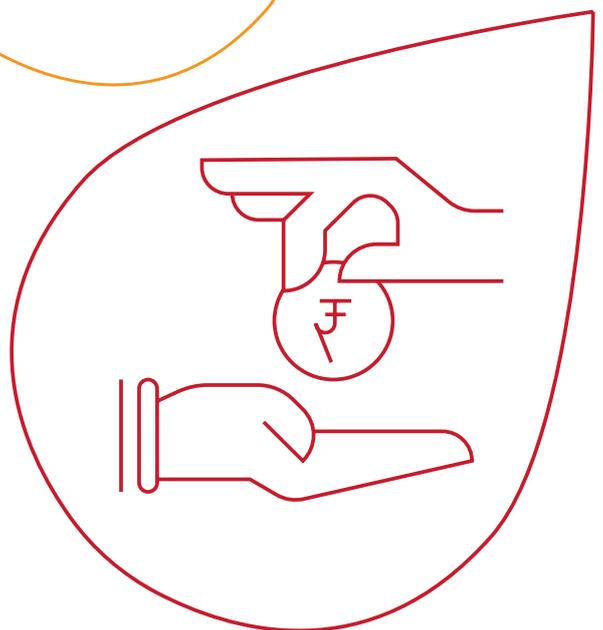
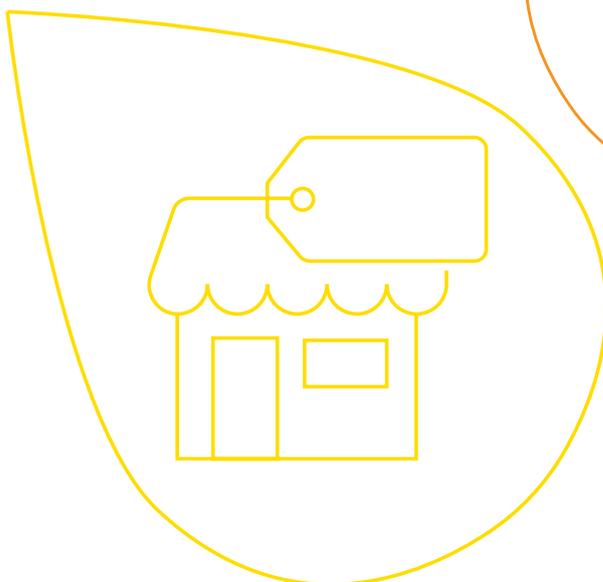
The last two years have been extraordinary with challenges of an unprecedented scale. We have weathered the tough times and emerged stronger after each crisis, on the back of our solid foundation and robust capabilities. Our core strengths of customer centricity and quick adoption of top-notch technology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

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

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

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

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

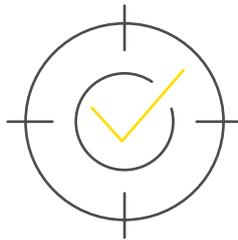


About Us

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

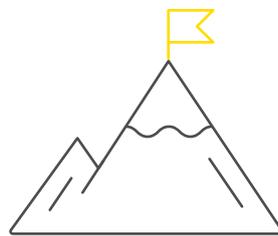
Our product portfolio encompasses loans such as Micro Finance loans, MSME loans, and Gold loans. We have a reputation of being one of the lowest-cost micro finance companies in India with an operating expense to Assets Under Management (AUM) of 6% as on March 31, 2022.

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



Vision

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



Mission

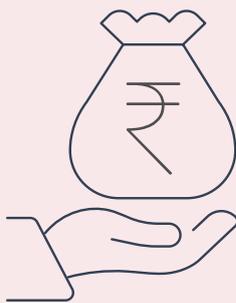
To organise groups of committed poor women and provide innovative financial services in a sustainable manner with a view to alleviate poverty through viable income generation activities.



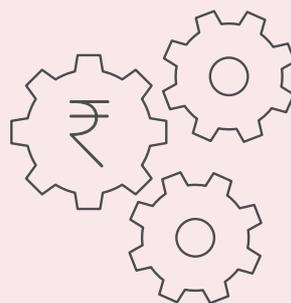
Values

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

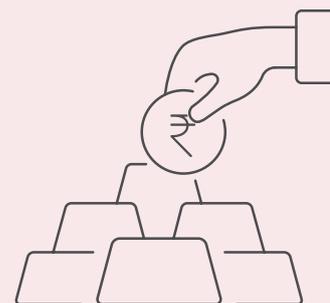
Our Offerings



Micro Finance Loan

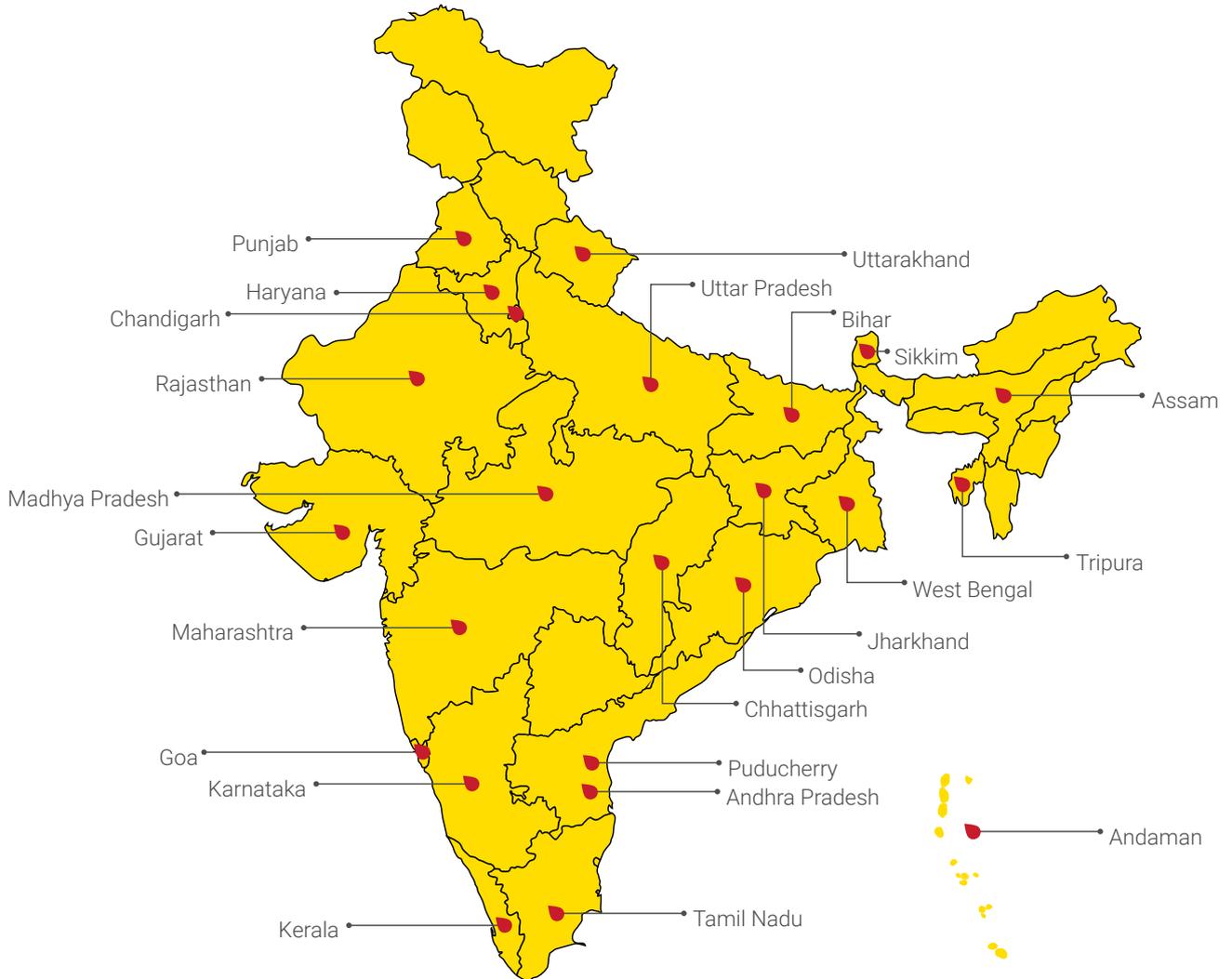


MSME Loan



Gold Loan

Branch Network



Map not to scale. For illustrative purposes only.

Quick Facts

1,526*
No of branches

2.5 million*
Active borrowers

12,581*
No. of employees

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

₹ 8,557
Crores*
Total disbursements

AA-/Stable
Long Term Rating by CRISIL

A1+
Short Term Rating by CRISIL

A+/Stable
Rating by CARE

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

Our Journey





Chairman's Message



Mr. V P Nandakumar
Chairman

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

Dear Shareowners,

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

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

regulations for the microfinance sector announced in March 2022, which is acknowledged as a milestone for the sector.

Economic Outlook

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

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

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

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

Microfinance Sector

The microfinance business model gives people at the bottom of the pyramid

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

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

Industry Poised for Growth

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

borrowers. India's microfinance sector is now better placed to fulfil its goal of extending credit to the unbanked sections.

Performance of the Company

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

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

A Word in Gratitude

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

With best wishes,

V P Nandakumar
Chairman

Message from Managing Director



B N Raveendra Babu
Managing Director

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

Dear Shareholders,

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

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

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

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

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

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

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

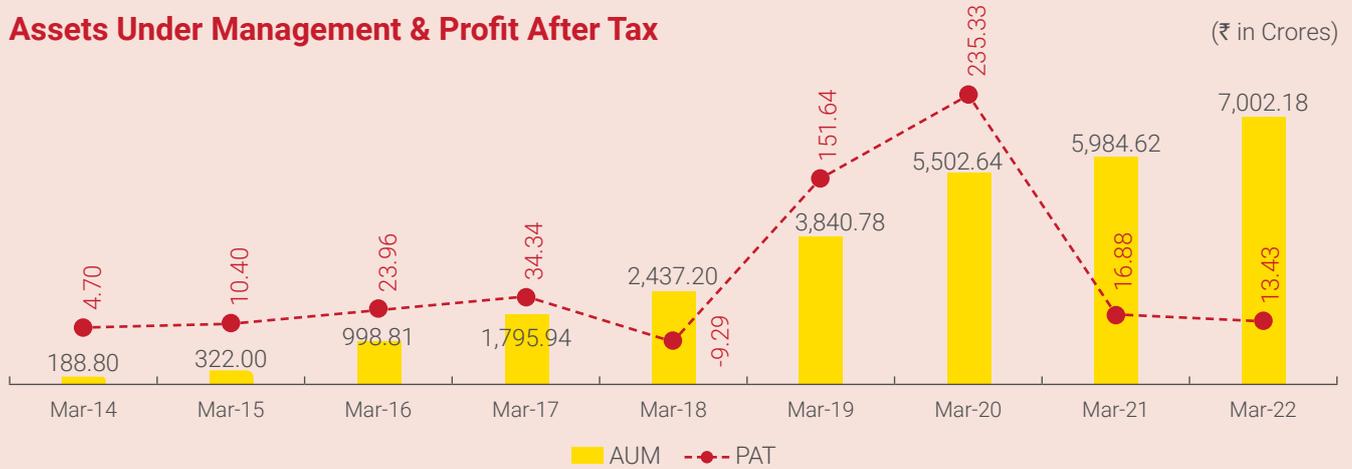
I take the opportunity to express my sincere gratitude to the regulators for their continuous guidance and support in helping us build a sustainable business. The commitment and co-operation of the employees is the backbone of your Company and I thank them for being true asset. I have no doubt that everyone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

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

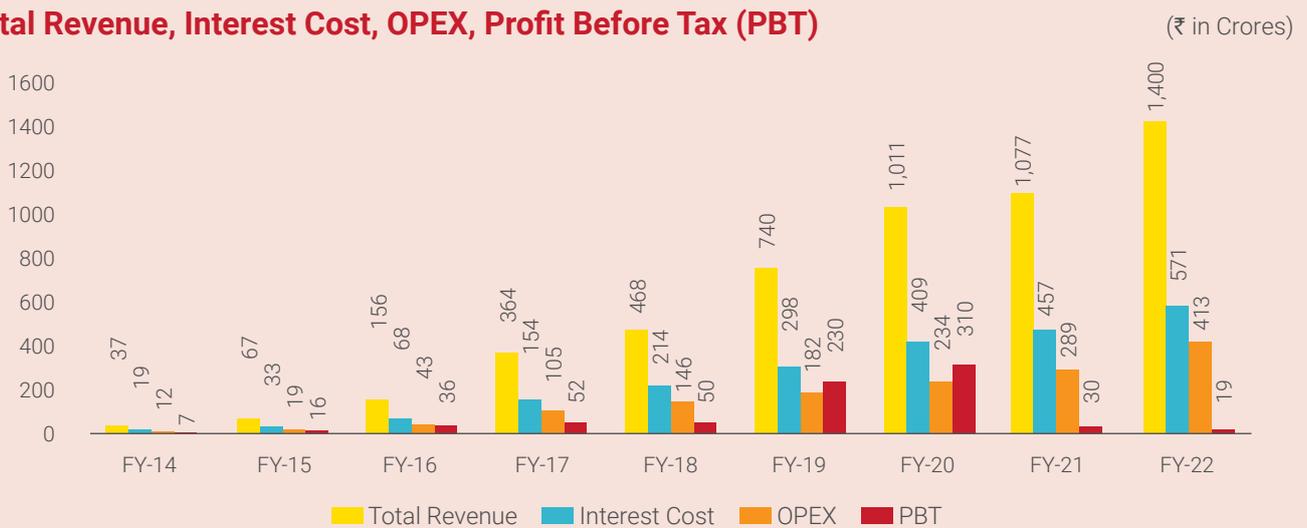
I am optimistic that, together, we can take Asirvad to newer heights in creating value for the community.

Performance Highlights

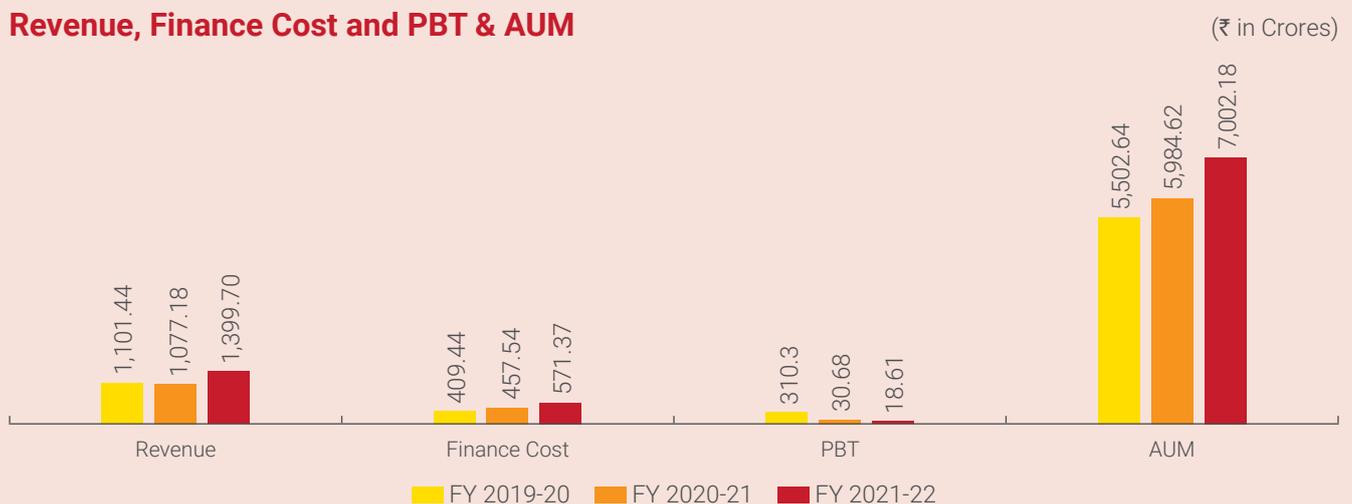
Assets Under Management & Profit After Tax



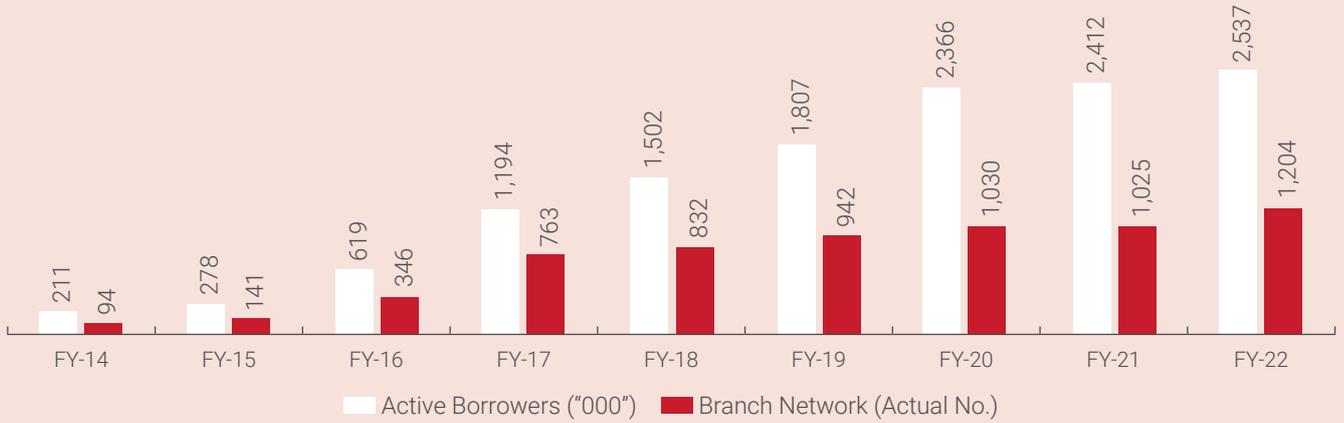
Total Revenue, Interest Cost, OPEX, Profit Before Tax (PBT)



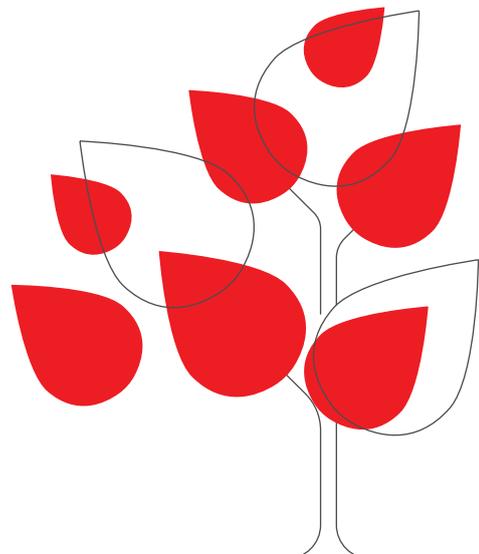
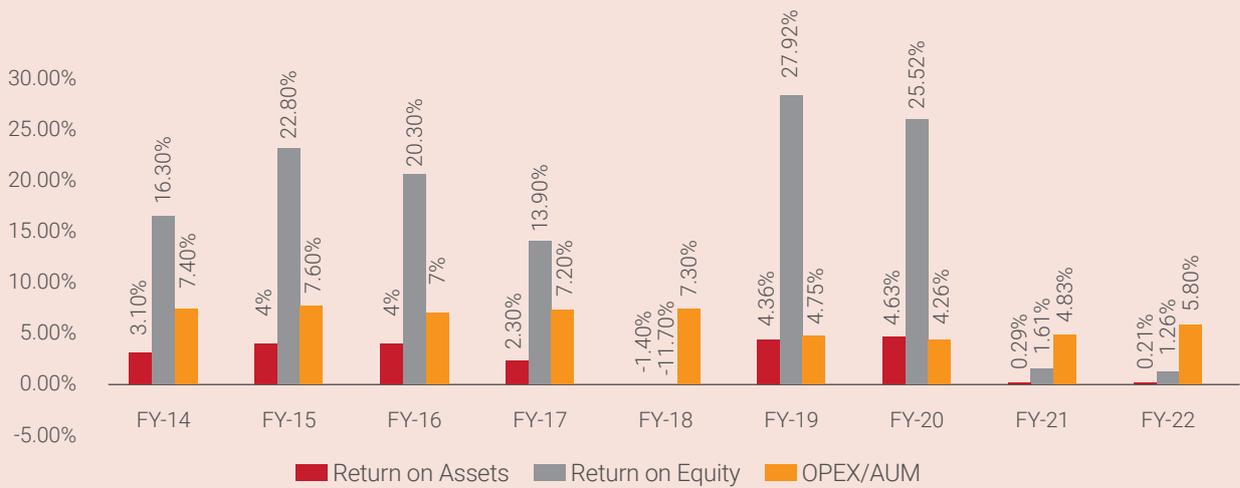
Revenue, Finance Cost and PBT & AUM



Operational Metrics(MFI)



Financial Ratios



Strengthening Our Technology Edge

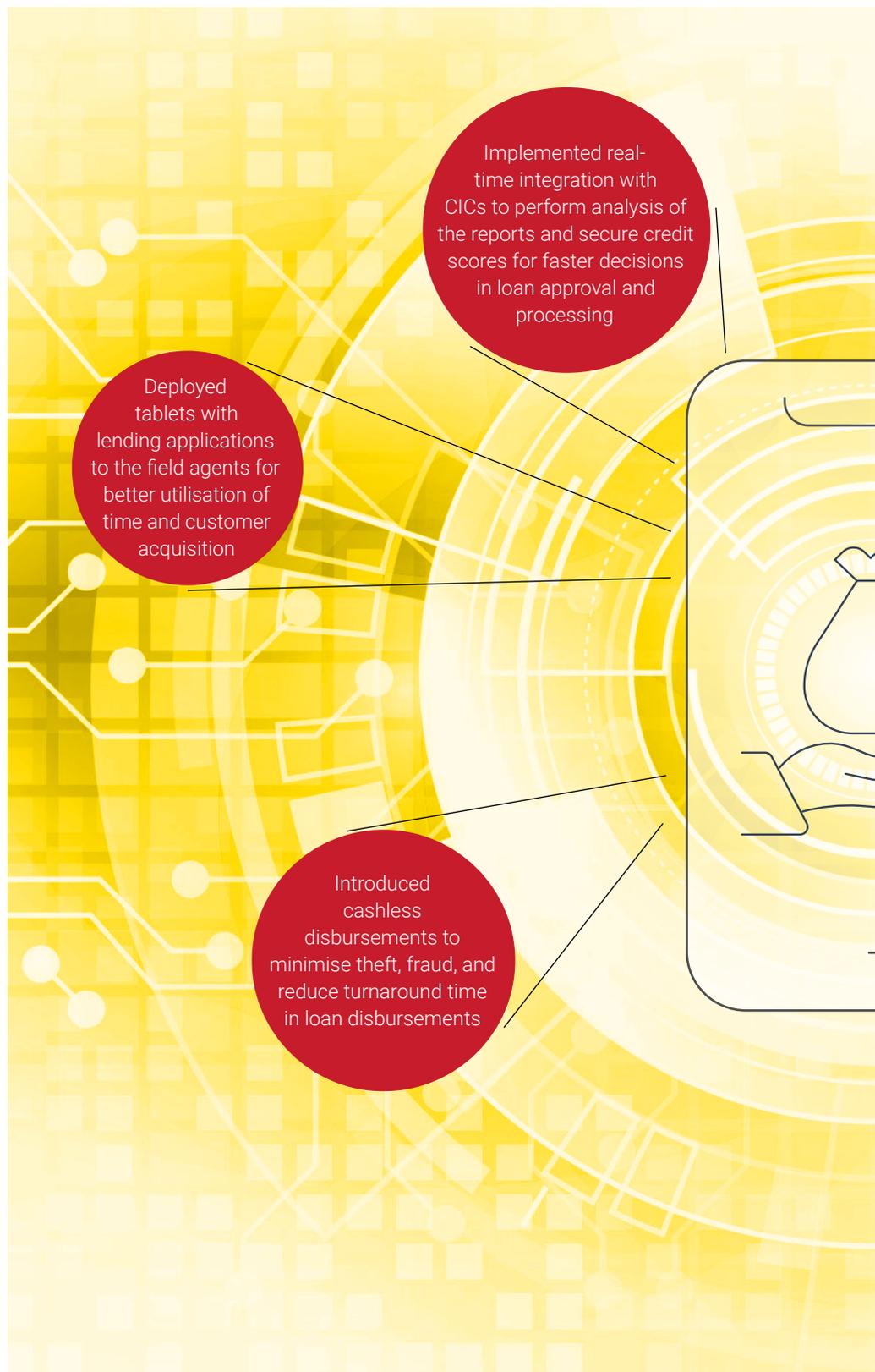
We have been actively adopting innovative digital technologies to simplify processes for our customers and our people. Our intent is to integrate technology to improve efficiencies and strengthen our competitive edge.

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

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

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

Digitalisation Initiatives to Enhance Customer Experience





Way forward

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

Board of Directors



Mr. V P Nandakumar

Chairman

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



Mr. B N Raveendra Babu

Managing Director

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

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

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



Mr. S V Raja Vaidyanathan

Non-Executive and Non-Independent Director

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


Mr. Gautam Saigal

Non-Executive and Non-Independent Director

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

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

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

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

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


Mr. A Ramanathan

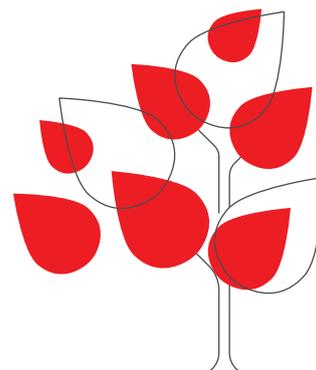
Independent Director

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


Mr. D R Dogra

Independent Director

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



Board of Directors



Mr. T Balakrishnan
Independent Director

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



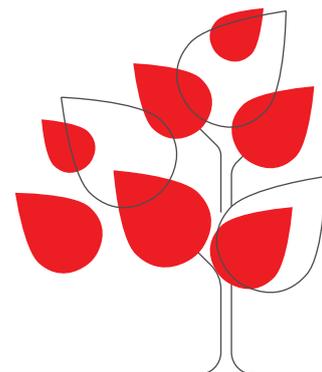
Mr. T M Manoharan
Independent Director

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



Ms. Pushya Sitaraman
Independent Director

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




Mr. S K Mitra

Independent Director

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

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

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

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


Mr. Abhijit Sen

Independent Director

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


Mr. Harshan Kollara

Independent Director

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

Corporate Information

Company

Asirvad Micro Finance Limited

Corporate Identification Number

U65923TN2007PLC064550

Registered Office

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

*Upto August 31, 2022

Corporate Office

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

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

Managing Director

Mr. B N Raveendra Babu

Statutory Auditors

M. P. Chitale & Co, Chartered Accountants

Firm Registration No. 101851W CTS
759 / 70, Ground Floor, Vatsala Bhavan,
Prabhat Road, Lane No. 1, Pune - 411
004, Maharashtra

Secretarial Auditors

KSR & Co., Company Secretaries LLP

Indus Chambers, No.101, Govt. Arts
College Road, Coimbatore - 641 018

Registrars & Transfer Agents

S.K.D.C. Consultants Limited

"Surya", 35, Mayflower Avenue, Behind
Senthil Nagar, Sowripalayam Road,
Coimbatore - 641 028 (Tamil Nadu)

Phone: 0422 4958995, 2539835 / 836
Fax : 0422 2539837

Email: info@skdc-consultants.com

Debenture Trustees

Catalyst Trusteeship Limited

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

IDBI Trusteeship Services Limited

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

Vardhman Trusteeship Private Limited

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

List of Lenders

Refinance Institution and Financial Institution

NABARD
SIDBI

PSU Banks

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

Private Sector Banks

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

Foreign Institutional Investors

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

Foreign Banks

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

Small Finance Banks

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

NBFCs

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

Board and its Committees

Board of Directors

Mr. V P Nandakumar
Chairman

Mr. Abhijit Sen
Independent Director

Mr. A Ramanathan
Independent Director

Mr. B N Raveendra Babu
Managing Director

Mr. D R Dogra
Independent Director

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

Mr. Harshan Kollara
Independent Director

Mrs. Pushya Sitaraman
Independent Director

Mr. S K Mitra
Independent Director

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

Mr. T Balakrishnan
Independent Director

Mr. T M Manoharan
Independent Director

Nomination & Remuneration Committee

Mr. T Balakrishnan
Chairman

Mr. A Ramanathan
Member

Mr. Gautam Saigal
Member

Mrs. Pushya Sitaraman
Member

Borrowing and Securities Allotment Committee

Mr. B N Raveendra Babu
Chairman

Mr. A Ramanathan
Member

Mr. S V Raja Vaidyanathan
Member

Mr. V P Nandakumar
Member

Risk Management Committee

Mr. Gautam Saigal
Chairman

Mr. Abhijit Sen
Member

Mr. B N Raveendra Babu
Member

Mr. D R Dogra
Member

Mr. S V Raja Vaidyanathan
Member

Mr. T M Manoharan
Member

Mr. S. Umasankar (CRO)
Member & Secretary

Management Committee

Mr. V. P. Nandakumar
Chairman

Mr. Abhijit Sen
Member

Mr. B N Raveendra Babu
Member

Mr. D R Dogra
Member

Mr. Gautam Saigal
Member

Mr. Harshan Kollara
Member

Mr. S V Raja Vaidyanathan
Member

Audit Committee

Mr. D R Dogra
Chairman

Mr. Abhijit Sen
Member

Mr. Gautam Saigal
Member

Mr. S V Raja Vaidyanathan
Member

Mr. T Balakrishnan
Member

Mr. Harshan Kollara
Member

Corporate Social Responsibility Committee

Mrs. Pushya Sitaraman
Chairperson

Mr. B N Raveendra Babu
Member

Mr. D R Dogra
Member

Mr. T Balakrishnan
Member

Asset Liability Committee

Mr. B N Raveendra Babu
Chairman

Mr. Ravindra Goud (COO)
Member

Mr. S Umasankar (CRO)
Member

Mr. Rajesh KRN Namboodiripad (CFO)
Member & Secretary

IT Strategy Committee

Mr. S K Mitra
Chairman

Mr. Abhijit Sen
Member

Mr. B N Raveendra Babu
CIO

Mr. S V Raja Vaidyanathan
Member

Mr. Joshy KG
CTO

Stakeholders Relationship Committee

Mr. S K Mitra
Chairman

Mr. B N Raveendra Babu
Member

Ms. Pushya Sitaraman
Member

Mr. T. M. Manoharan
Member

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

Management Discussion and Analysis

INDUSTRY STRUCTURE AND DEVELOPMENTS ¹

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

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

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

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

Like many other countries, the modern microfinance industry in India started in 1990s and was also inspired by the Grameen Model of Prof. Mohammad Yunus in Bangladesh. Over the years, as this model evolved and became successful, it gained the confidence of customers, MFIs, and other stakeholders and started to scale-up. From 2005-06, many not-for-profit MFIs converted into for-profit NBFCs and many new for-profit NBFCs also entered the micro-credit business, attracting private capital, commercialisation, professionalism, and scale. This fuelled growth, competition, and scale with a sharp focus on specialisation in delivering micro-credit efficiently and profitably. As a result, within 5 years, the micro-credit industry in India grew multi-fold to reach loans outstanding of nearly ₹ 20,000 Crores. However, this period also witnessed

some degree of turbulence around customer protection, over-leverage, inadequate disclosures, lack of customer awareness, unaffordable pricing as well as risks of geographic concentration, ghosts' loans, local-level interferences beyond the reach of regulatory oversight.

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

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

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

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

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

¹ Source - MFIN

New Regulatory Developments

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

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

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

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

Revision to qualifying income criteria

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

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

Risk-based pricing to be followed

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

Other important changes:

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

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

OPERATIONS OF THE COMPANY

MFI

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

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

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

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

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

MSME Loans

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

Loans against Jewellery

The Company has a large captive channel strength and customer base. Given that these can be leveraged to provide complementary loans to existing customers, the Company has launched a new loan product called "Gold Loan" in Odisha and West Bengal on March 10, 2021. This was introduced with

a key objective to help customers to provide them business capital for the income generation activity. So far, the Company provides gold loan from 305 branches spread across Assam, Andhra Pradesh, Bihar, Haryana, Madhya Pradesh, Odisha, Punjab, Rajasthan, Telangana, Uttar Pradesh & West Bengal. The Company offers progressively higher loan amounts at higher price points through different gold loan schemes with different interest rates.

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

FINANCIAL HIGHLIGHTS

(₹ in Crores)

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

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

KEY RATIOS

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

Assets Under Management

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

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

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

Direct Assignment

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

Resource Mobilisation & Treasury Operations

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

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

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

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

Provision for Contingencies

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

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

Opportunities and Outlook

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

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

Leveraging Channels

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

Building non-MFI Portfolio

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

Leveraging Technology Capability

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

Opportunity for Higher NIM

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

RISK MANAGEMENT

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

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

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

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

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

Credit Risk

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

Liquidity Risk

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

Competition Risk

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

Operational Risk

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

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

Attrition Risk

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

INTERNAL AUDIT & CONTROLS

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

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

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

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

INFORMATION TECHNOLOGY

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

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

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

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

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

HUMAN RESOURCES

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

Human Capital

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

Employee Connect Initiatives

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

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

- Know your HR & HR Hour: "Know your HR" poster has been displayed in all branches of Asirvad and a dedicated

"HR Hour" has been allotted for employees to contact their HR Manager for seeking any help and guidance

- Speak-Up: To report anything confidential, employees can write to speak-up on their e-mail ids
- Asirvad Connect: A quarterly corporate newsletter has been launched for internal and external stakeholders

Training

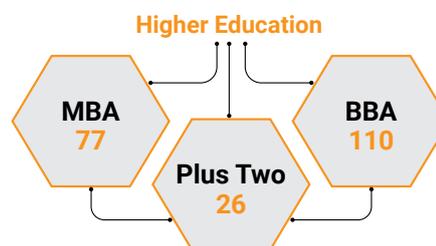
The Company believes in moulding its human resources through a series of training and employee engagement programs to foster a positive attitude, right skills, and creative thinking. AMFL's training department plays a vital role in creating a dynamic workplace by augmenting the functional and behavioural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

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

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

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

Certification Through On-Line Courses



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

V. P. Nandakumar
Chairman
DIN: 00044512

B N Raveendra Babu
Managing Director
DIN: 00043622

Date: June 27, 2022
Place: Chennai

Board Report

Dear Members,

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

FINANCIAL HIGHLIGHTS AND STATE OF AFFAIRS

(₹ in Crores)

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

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

OPERATIONAL HIGHLIGHTS

MFI

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

Gold Loan

(₹ in Crores)

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

MSME

(₹ in Crores)

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

*Includes co-located branches

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

TRANSFER TO RESERVE

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

DEBENTURE REDEMPTION RESERVE

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

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

DIVIDEND

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

DEPOSITS

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

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

RBI REGULATIONS.

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

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

RESOURCES

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

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

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

TOTAL BORROWINGS

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

i) Non-Convertible Debentures

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

ii) Sub-ordinated Debts

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

iii) Commercial Paper

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

iv) External Commercial Borrowings

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

SUBSIDIARY/ JOINT VENTURE/ ASSOCIATE COMPANIES

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

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

CREDIT RATING

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

The Company has debt credit ratings as follows:

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

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

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

CAPITAL ADEQUACY

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

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

SHARE CAPITAL

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

RELATED PARTY TRANSACTIONS

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

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

CORPORATE GOVERNANCE REPORT

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

EXTRACT OF ANNUAL RETURN

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

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

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

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

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

Key Managerial Personnel

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

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

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

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

Director retiring by rotation

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

DECLARATION FROM INDEPENDENT DIRECTOR

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

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

INDEPENDENT DIRECTOR'S MEETING

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

RISK MANAGEMENT

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

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

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

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

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

AUDITORS

Statutory Auditors & their Report

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

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

Secretarial Auditor & their Report

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

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

Annual Secretarial Compliance Report

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

Information systems Audit

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

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

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

Internal Audit

As part of the efforts to evaluate the effectiveness of the internal control systems, your Company's internal audit function reviews all the control measures on a periodic basis and recommends

improvements, wherever appropriate. The Audit Committee regularly reviews the audit findings as well as the adequacy and effectiveness of the internal control measures.

NON-APPLICABILITY OF MAINTENANCE OF COST RECORDS

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

FRAUDS REPORTED BY AUDITORS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. In the preparation of the Annual Accounts for the year ended March 31, 2022, the applicable accounting standards as set out with the requirements under Schedule- III of the Act, had been followed with the proper explanation relating to material departures for the same.
- ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and the profit and loss of the Company for the year ended on that date.
- iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. They have prepared the annual accounts on a going concern basis and
- v. They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively
- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MEETINGS OF THE BOARD OF DIRECTORS

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

ANNUAL PERFORMANCE EVALUATION

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

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

NOMINATION AND REMUNERATION POLICY

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

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

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

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

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

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

DETAILS OF AUCTIONS HELD DURING THE YEAR 2021-22

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

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

DEMATERIALIZATION OF SHARES

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

CREDIT BUREAU SUBSCRIPTION

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

FAIR PRACTICE CODE

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

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

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

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

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION 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 section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (accounts) Rules, 2014, is disclosed in "Annexure – G" as attached with this report.

SECRETARIAL STANDARDS OF ICSI

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

COMPOSITION OF COMMITTEES

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

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

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

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

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

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

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

OTHERS

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

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

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

CERTIFICATE ON CORPORATE GOVERNANCE

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

PARTICULARS OF EMPLOYEES

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

DETAILS OF REMUNERATION/ COMMISSION RECEIVED BY MANAGING DIRECTOR FROM SUBSIDIARIES

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

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

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

CHANGE IN NATURE OF BUSINESS IF ANY

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

ACKNOWLEDGEMENT

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

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

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

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

V. P. Nandakumar

Chairman

DIN: 00044512

B N Raveendra Babu

Managing Director

DIN: 00043622

Date: June 27, 2022

Place: Chennai

Annexure - A

ASIRVAD MICRO FINANCE LIMITED RELATED PARTY TRANSACTIONS (RPTs) POLICY

1. Preamble

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

2. Definitions

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

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

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

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

"Related Party" means related party as defined in Regulation 2(1)(zb) of the SEBI Listing Regulations, which inter alia provides that a "related party" means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards¹.

Further,

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

shall be deemed to be a related party.

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

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

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

3. Policy

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

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

¹ Applicable Accounting Standard is IndAS 24

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

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

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

4. Transactions that are considered as Related Party Transactions:

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

- (a) Sale, purchase or supply of any goods or materials;
- (b) selling or otherwise disposing of, or buying, property of any kind;
- (c) leasing of property of any kind;
- (d) availing or rendering of any services;
- (e) appointment of any agent for purchase or sale of goods, materials, services or property;
- (f) such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company; and
- (g) underwriting the subscription of any securities or derivatives thereof, of the Company.

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

- a) A transaction involving a transfer of resources, services or obligations between
 - i) A listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand
 - (ii) A listed entity or any of its subsidiaries on one hand and any other person or entity on the other hand the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries with effect from April 01, 2023

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

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

- (a) Purchases or sales of goods (finished or unfinished);
- (b) Purchases or sales of property and other assets;

- (c) Rendering or receiving of services;
- (d) leases;
- (e) Transfer of research and development;
- (f) Transfer under license agreements;
- (g) Transfer under finance arrangements (including loans and equity contribution in cash or in kind);
- (h) Provision of Guarantees and Collaterals;
- (i) Commitments to do something if a particular event occurs or not occur in the future, including executory contracts (recognised and unrecognised)
- (j) Settlement of liabilities on behalf of the entity or by the entity on behalf of that related party;
- (k) Management contracts including for deputation of employees.

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

1. A person or a close member of that person's family is related to a Company if that person:
 - a. has control or joint control or significant influence over the Company; or
 - b. is a key managerial personnel of the Company or of a parent of the Company; or
2. An entity is related to a Company if any of the following conditions applies:
 - a. The entity is a related party under Section 2(76) of the Companies Act, 2013; or
 - b. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); or
 - c. Both entities are joint ventures of the same third party; or
 - d. One entity is a joint venture of a third entity and the other entity is an associate of the third entity; or
 - e. The entity is controlled or jointly controlled by a person identified in (1); or
 - f. A person identified in (1)(b) has significant influence over the entity (or of a parent of the entity)

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

The following transactions are not considered as Related Party Transactions

- a. The issue of specified securities on a preferential basis, subject to compliance of the requirements under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
- b) The Corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding
 - (i) Payment of dividend;
 - (ii) Subdivision or consolidation of securities;
 - (iii) Issuance of securities by way of a rights issue or a bonus issue; and
 - (iv) Buy-back of securities

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

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

1. Names of his / her Relatives;
2. Partnership firms in which he / she or his / her Relative is a partner;
3. Private Companies in which he / she or his / her Relative is a member or Director;
4. Public Companies in which he / she is a Director and holds along with his/her Relatives more than 2% of paid up share capital as at the end of immediate preceding financial year;
5. Any Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with his / her advice, directions or instructions (other than advice, directions or instructions obtained from a person in professional capacity);
6. Persons on whose advice, directions or instructions, he / she is accustomed to act (other than advice, directions or instructions obtained from a person in professional capacity); and
7. Body Corporate or any Association of Individuals in which he / she or his / her Relative is a Director or owner or Partner or Promoter or Manager or Chief

Executive Officer of Body Corporate or Member of the Association of Individuals.

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

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

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

Transactions that require prior approval of Audit Committee

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

Transactions that require prior approval of Audit Committee of MAFIL:

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

Material Modification

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

- a. Substitution of the name of the Related Party arising due to succession, corporate re-structuring, acquisition etc.
- b. Nature of goods or services

- c. Total value of the Related Party Transaction
- d. Period approved for Related Party Transaction

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

- a. Substitution of the name of the Related Party arising due to succession, corporate re-structuring, acquisition etc.
- b. Quantum of loan or inter-corporate deposit.
- c. Interest related terms including interest holiday, if any, security terms, if any
- d. Period
- e. Repayment terms

Information to be placed before Audit Committee:

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

- a. Type, material terms and particulars of the proposed transaction;
- b. Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);
- c. Tenure of the proposed transaction (particular tenure shall be specified);
- d. Value of the proposed transaction;
- e. The percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a Related Party Transaction involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
- f. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary:
 - i) details of the source of funds in connection with the proposed transaction;
 - ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,
 - nature of indebtedness;
 - cost of funds; and
 - tenure;

- iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
- iv) the purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the related party transactions.
- g. Justification as to why the Related Party Transaction is in the interest of the Company;
- h. A copy of the valuation or other external party report, if any such report has been relied upon;
- i. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed related party transaction, on a voluntary basis;
- j. Any other information that may be relevant

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

Factors to be considered by the Audit Committee

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

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

- a. Whether the terms of the Related Party Transaction are in the ordinary course of the Company's business and are on an arm's length basis;
- b. Whether the transaction could be material or significant by value;
- c. The business reasons for the Company to enter into the Related Party Transaction and the nature of alternative options available, if any;
- d. Whether the Related Party Transaction includes any potential reputational risks or misuse of corporate assets that may arise as a result of or in connection with the proposed Transaction; and
- e. Whether the Related Party Transaction would affect the independence or present a conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial interest or benefit

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

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

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

Omnibus Approval

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

- a. Name of the related party;
- b. Nature of the transaction;
- c. Period of the transaction;
- d. Maximum amount of the transactions that can be entered into;
- e. Indicative base price / current contracted price and formula for variation in price, if any;
- f. Justification for the omnibus approval.

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

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

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

8. Approval by the Board:

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

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

9. Approval by Shareholders

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

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

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

- a. All the information provided by the management of the Company to the Audit Committee;
- b. Any other information that may be relevant.

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

- a. Summary of the information provided by the management of the Company to the Audit Committee;
- b. Justification for why the proposed transaction is in the interest of the Company;
- c. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details placed before the Audit Committee except the information on source of funds and cost of funds.

- d. A statement that the valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction will be made available through the registered email address of the shareholders;
- e. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
- f. Any other information that may be relevant.

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

Transactions that require prior approval of Shareholders of MAFIL:

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

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

- a. Company shall disclose each year in the Audited Financial Statements transactions with Related

Parties as prescribed in the applicable Accounting Standard as well as accounting policies governing transactions with Related Parties.

- b. Disclosure in the Board's Report to the shareholders shall be made as prescribed under Companies Act, 2013/ SEBI Listing Regulations.
- c. Company shall submit along with publication of half yearly financial results, disclosures of all RPTs, in the format specified by SEBI to the stock exchanges and publish the same on its website.
- d. The Company Secretary shall make necessary entries in the Register of Contracts required to be maintained under the Companies Act, 2013.

11. Dissemination of Policy:

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

12. Policy Review:

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

Annexure-1

Form RPT

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

Dear Sir,

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

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

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

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

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

Sr. No.	Name of the Body Corporate

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

Sr. No.	Name of the person	Relation

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

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

Signature: _____

Name: _____

Designation: Director

DIN No: _____

Date: _____

Place: _____

Schedule to Form RPT

LIST OF RELATIVES

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

Signature: _____

Name: _____

Designation: Director

DIN No: ____

Date: ____

Place: ____

Annexure-2

Disclosure to be placed before Audit Committee:

Sl. No.	Particulars	Information
1.	Name of the Product/Service	
2.	Name of the Related Party	
3.	Relationship of Related Party with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise)	
4.	Type/ Nature of the proposed transaction	
5.	Material terms and particulars of the proposed transaction	
6.	Tenure/ Term of the proposed transaction (particular tenure shall be specified)	
7.	Value of the proposed transaction	
8.	The percentage of the Company's turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	
9A.	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company then source of funds in connection with the proposed transaction	
9B.	Where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments:	
	<ul style="list-style-type: none"> • Nature of indebtedness • Cost of funds • tenure 	
9C.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security;	
9D.	Purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the RPT	
10.	Justification as to why the RPT is in the interest of the Company	
11.	A copy of the valuation or other external party report, if any such report has been relied upon	
12.	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis (If available)	
13.	Brief details of the Arm's length test conducted	
14.	Ordinary Course or not	
15.	Necessity of entering into the transaction	
16.	Does the transaction require prior approval of MAFIL Audit Committee	
17.	Does the transaction require prior approval of MAFIL Shareholders	
18.	Any other information that may be relevant	

Annexure - B

Corporate Governance Report

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

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

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

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

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

RBI Guidelines on Corporate Governance

In order to enable NBFCs to adopt best practices and greater transparency in their operations, RBI has stipulated all NBFCs to frame an internal guideline on Corporate Governance.

In pursuance of the aforesaid guidelines, the Company has framed the Policy of Internal guidelines on Corporate Governance and reviews and updates the same periodically.

Company's Philosophy on Corporate Governance

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

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

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

Board of Directors

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

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

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

*Managing Director from July 01,2021

**Managing Director till June 30,2021

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

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

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

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

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

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

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

Meetings of the Board

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

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

There is no relationship between Directors inter se.

Familiarisation Programme for Independent Directors

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

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

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

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

Separate meetings of the Independent Directors

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

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

Committees of the Board

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

Audit Committee

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

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

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

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

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

Role of Audit Committee

- The recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- Review and monitor the Auditor's independence and performance, and effectiveness of Audit process;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Oversight of financial reporting process and disclosures of financial information to ensure that the Financial Statement is correct, sufficient and credible;
- Examining/ Reviewing with management the annual Financial Statement and the Auditors' Report thereon before submission to the board for approval, with particular reference to:
 1. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 2. changes, if any, in accounting policies and practices and reasons for the same;
 3. major accounting entries involving estimates based on the exercise of judgment by management;
 4. significant adjustments made in the financial statements arising out of audit findings;
 5. compliance with listing and other legal requirements relating to financial statements;
 6. disclosure of any related party transactions;
 7. modified opinion(s) in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Security of inter-corporate Loans and Investments;
- Valuation of undertakings or Assets of the Company, wherever it is necessary;

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

making appropriate recommendations to the board to take up steps in this matter;

Nomination and Remuneration Committee

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

- To identify persons who are qualified to become Directors and also who may be appointed in senior management positions in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- To formulate the criteria for performance evaluation of Independent Directors and the Board;
- To carry out performance evaluation of Independent Directors along with the Board as a whole;
- To evaluate the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate Directors.

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

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

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

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

CRITERIA FOR PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

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

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

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

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

Stakeholders Relationship Committee

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

Role of the Committee:

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

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

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

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

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

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

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

Name, designation and address of Compliance Officer:

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

There are no complaints received from the security holders during the FY 2021-22

Risk Management Committee

The risk management framework is perhaps one of the most important parameters that define the success of a financial services organisation. A risk management programme establishes a process of identifying and assessing the major risks covering all areas of the institution's activities. The Board of Directors is responsible to ensure that management has implemented a risk management programme, that resources are allocated for risk management and internal controls, and that there is adequate oversight of the audit function as one of the Board of Director's responsibilities. The Board has constituted Risk Management Committee to ensure proper management of risk in the Company.

The Risk Management Committee met four times on following dates during the financial year 2021-22:

S. No.	Date of Meeting	Attended (Risk Management)
1.	Wednesday, May 5, 2021	6
2.	Wednesday, July 28, 2021	6
3.	Tuesday, October 26, 2021	6
4.	Saturday, January 29, 2022	6

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

Name of the Director	Category
Mr. Gautam Saigal	Chairman, Non-Executive Director
Mr. Abhijit Sen	Member, Independent Director
Mr. B N Raveendra Babu	Member, Managing Director
Mr. D. R. Dogra	Member, Independent Director
Mr. S. V. Raja Vaidyanathan	Member, Non-executive Director
Mr. T. M. Manoharan	Member, Independent Director
Mr. S. Umasankar	Member cum Secretary of the Committee, CRO

Role of the Committee:

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

- To formulate a detailed Risk Management Policy, which shall cover the following:
 1. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
 2. Measures for risk mitigation including systems and processes for internal control of identified risks;
 3. Business continuity plan
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- Identification, monitoring and measurement of the risk profile of the Company (including market risk, operational risk, compliance risk, credit risk, transactional risk etc.);

- Overseeing its integrated risk measurement system;
- To analyze the critical decision for investments and corporate lending;
- Perform such other act, including the acts and functions stipulated by RBI and any other regulatory authority, as prescribed from time to time.

Corporate Social Responsibility Committee

In accordance with the provisions of Section 135 of the Companies Act, 2013 read with Rules made thereunder, the Board of Directors of the Company have constituted the Corporate Social Responsibility Committee ("CSR Committee"). The Committee has formulated and recommended a CSR Policy to the Board and various recommendations of the Committee including the amount of expenditure to be incurred on CSR activities. The Committee has framed a transparent monitoring mechanism for implementation of CSR projects or programs as per the Annual Action Plan of the Company and also monitors CSR policy from time to time.

The Corporate Social Responsibility Committee met four times on below mentioned dates during the financial year 2021-22:

S. No.	Date of Meeting
1.	Monday, May 03, 2021
2.	Tuesday, July 27, 2021
3.	Friday, October 22, 2021
4.	Saturday, January 22, 2022

Composition of the Corporate Social Responsibility Committee as on March 31, 2022 are as follows:

Name of the Director	Category
Mrs. Pushya Sitaraman	Chairperson, Independent Director
Mr. B N Raveendra Babu	Member, Managing Director
Mr. D R Dogra	Member, Independent Director
Mr. T Balakrishnan	Member, Independent Director

Role of the CSR Committee includes:

- Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;
- Recommend the amount of expenditure to be incurred
- Monitor the CSR Policy of the Company from time to time;
- Formulation of Annual Action Plan in accordance with CSR Policy

IT Strategy Committee

IT Strategy Committee was constituted as per the RBI Master Directions on IT Framework for NBFC Sector. The Constitution of IT Strategy Committee is mandatory for the Company.

During the financial year 2021-22, the IT Strategy Committee met Five times on the following dates:

S. Date of Meeting No.

1. Friday, April 30, 2021
2. Tuesday, July 27, 2021
3. Friday, September 24, 2021
4. Saturday, January 22, 2022
5. Wednesday, March 30, 2022

Composition of the IT Strategy Committee as on March 2022 are as follows:

Name of the Director	Category
Mr. Subrata Kumar Atindra Mitra	Chairman, Independent Director
Mr. Abhijit Sen	Member, Independent Director
Mr. B.N Raveendra Babu	Member, Chief Information Officer, Managing Director
Mr. S.V. Raja Vaidyanathan	Member, Non-executive Director
Mr. Joshy K.G.	Chief Technology Officer

Borrowing & Securities Allotment Committee

The Borrowing & Securities Allotment Committee is in place inter alia to approve fresh borrowings from banks and financial institutions and also to empower designated individuals in the senior management to finalize the terms and conditions relating to the proposal under consideration and for allotment of Securities.

The Borrowing & Securities Allotment Committee met on the following dates during the financial year 2021-22:

22.04.2021	29.04.2021	19.05.2021	*09.07.2021	13.07.2021
27.07.2021	29.07.2021	26.08.2021	27.08.2021	02.09.2021
06.09.2021	15.09.2021	21.09.2021	27.09.2021	09.11.2021
30.12.2021	31.12.2021	12.01.2022	04.03.2022	09.03.2022
12.03.2022	24.03.2022	30.03.2022	31.03.2022	

*Two meetings were conducted on the same day

Composition of the Borrowing and Security Allotment Committee as on March 31, 2022 are as follows:

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

Asset Liability Committee

Asset Liability Committee is constituted to inter alia monitor the asset liability gap, strategise action to mitigate the risk associated, ensuring adherence to the limits set by the Board as well as for deciding the business strategy of the Company (on the assets and liabilities sides) in line with the Company's budget and decided risk management objectives.

During the financial year 2021-22, the Asset Liability Committee met twelve times on the following dates:

29.04.2021	20.05.2021	23.06.2021	15.07.2021	25.08.2021	21.09.2021
16.10.2021	18.11.2021	21.12.2021	19.01.2022	23.02.2022	25.03.2022

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

Name of the Director	Category
Mr. B N Raveendra Babu	Chairman, Managing Director
Mr. Ravindra Goud,	Member, COO
Mr. Umashankar Srinivasan	Member, CRO
Mr. Yogesh Udhoji	Member and Secretary of the Committee, CFO

Management Committee

For ensuring effective management of overall operations of the Company, the Management Committee was constituted. The said Committee meets from time to time for monitoring the activities of various departments of the Company in order to give a high-level strategy for the functioning of business. The said Committee meets from time to time for monitoring the activities of various departments of the Company in order to ascertain that procedures/ codes of the Company are adhered effectively.

During the Financial Year, the said Committee met twice i.e., on October 18, 2021 and March 09, 2022.

Further, the composition of Management Committee as on March 31, 2022 are as follows:

Name of the Director	Category
Mr. V P Nandakumar	Chairman, Non-Executive Director
Mr. Abhijit Sen	Member, Independent Director
Mr. B.N Raveendra Babu	Member, Managing Director
Mr. D. R. Dogra	Member, Independent Director
Mr. Gautam Saigal	Member, Non-Executive Director
Mr. Harshan Kollara Sankarakutty	Member, Independent Director
Mr. S.V. Raja Vaidyanathan	Member, Non-Executive Director

Remuneration to Directors

Details of remuneration of the Directors for the financial year ended March 31, 2022:

(₹ In Lakhs, unless otherwise mentioned)

Name of the Directors	Salary, Perquisite & Pension	Sitting Fee	Commission paid during the year (₹)	Stock Options	Shareholding (Equity) (No.)
Mr. V.P. Nandakumar	-	-	-	-	1,43,391
Mr. S.V. Raja Vaidyanathan	57.90	6.07	110	-	10,24,415
Mr. B.N. Raveendra Babu	120.30	-	60	-	50,166
Mr. Gautam Saigal	-	6.27	13	-	40,993
Mr. T. Balakrishnan	-	5.77	13	-	-
Mr. A. Ramanathan	-	6.12	10	-	32,000
Mr. Desh Raj Dogra	-	5.89	15	-	-
Mr. T.M. Manoharan	-	3.44	10	-	-
Mrs. Pushya Sitaraman	-	4.24	13	-	-
Mr. S. K. Mitra	-	3.57	16	-	-
Mr. Abhijit Sen	-	6.02	10	-	-
Mr. Harshan Kollara Sankarakutty	-	3.16	10	-	-

Criteria of making payments to Non-Executive Directors

While considering the level of commission payable to the independent, non-executive directors, the Nomination and Remuneration Committee takes into account various factors such as attendance, level of participation, contribution to the meetings and its decision making, continuity on the Board, fit and proper status and feedback of performance appraisal questionnaire, etc.

Disclosures with respect to Remuneration

Executive Directors

Mr. S.V. Raja Vaidyanathan- Managing Director upto June 30, 2021

- (i) all elements of remuneration package of individual directors summarised under major groups, such as salary, benefits, bonuses, stock options, pension etc;

Name of the Directors	Salary, Perquisite & Pension	Sitting Fee	Commission paid during the year (₹)	Stock Options	Shareholding (Equity) (No.)	Gratuity	Leave Encashment
Mr. S.V. Raja Vaidyanathan	57.90	6.07	110	-	10,24,415	102.49	34.74

- Salary: ₹ 2,31,84,000 (Rupees Two Crores Thirty One Lakh and Eighty Four Thousand Only);
 - Commission: Not exceeding 1% of net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013. The quantum of commission to be determined by the Board of Directors subject to the norms framed by the Board from time to time;
 - Expenses Reimbursement: The Company will reimburse all reasonable expenses incurred by Mr. S. V. Raja Vaidyanathan, during the course of the employment period which are consistent with Company policies in effect from time to time.
 - Contribution to Pension Fund, Superannuation Fund, Gratuity Fund, Encashment of leave at the end of the tenure of appointment as per the rules of the Company
- (These shall not be included in the computation of remuneration or ceiling on the perquisites);
- In the event of inadequacy of profits or no profits Mr. Raja Vaidyanathan, Managing Director shall be entitled to consolidated remuneration including Commission but not exceeding ₹ 3.5 Crores during financial year 2021-2022.
- (ii) performance criteria includes the below;
- Competent, as per the criteria identified by the Nomination and Remuneration Committee for the effective functioning of the entity and the Board
- Understanding and knowledge of the entity and the sector in which it operates

Fulfills the function as assigned to him/her by Board and the regulatory norms.

Actively takes initiative with respect to various areas

Ensure that there is fairness and integrity in the Company, in letter as well as in spirit

Highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.).

(iii) service contracts, notice period, severance fees; NA

(iv) stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable: NA

Mr. B.N. Raveendra Babu, Managing Director from June 30, 2021

(i) all elements of remuneration package of individual directors summarised under major groups, such as salary, benefits, bonuses, stock options, pension etc;

Name of the Directors	Salary, Perquisite & Pension (₹)	Sitting Fee	Commission paid during the year (₹)	Stock Options
Mr. B.N. Raveendra Babu	120.30	-	60	-

- Salary: ₹ 1,24,20,000 (Rupees One Crore Twenty Four Lakh and Twenty Thousand Only) per annum with effect from July 01, 2021 with an annual increment of 6,00,000/- (Rupees Six Lakh Only);
- Commission: Not exceeding 1% of net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013. The quantum of commission to be determined by the Board of Directors subject to the norms framed by the Board from time to time;
- Retirement Benefits / Perquisites Contribution to PF: @ 12% of the monthly salary;
- Employee Stock Option Plan: Eligible to the extent of number of shares arising based on options approved to be issued by the Nomination & Remuneration Committee of the Company;
- Contribution to Pension Fund, Superannuation Fund, Gratuity Fund, Encashment of leave at the end of the tenure of appointment as per the rules of the Company (These shall not be included in the computation of remuneration or ceiling on the perquisites);

- Medical Reimbursement Expenses: For self and family including premium payable for medical insurance;

- Personal Accident Insurance: As per the rules of the Company;

- Leave Travel Concession: For self and family once in a year as per the rules of the Company;

- Fee for Clubs: Subject to maximum of two clubs excluding admission and life membership fees;

- Others: Such other allowances, perquisites, benefits and amenities as may be provided by the Company from time to time.

- In the event of inadequacy of profits or no profits, Mr. B. N. Raveendra Babu, Managing Director shall be entitled to consolidated remuneration including Commission but not exceeding ₹ 3 Crores during any financial year and such remuneration shall remain in force for a period of three years commencing from the year the Company has inadequacy of profits or reports loss.

(ii) performance criteria includes the below;

Competent, as per the criteria identified by the Nomination and Remuneration Committee for the effective functioning of the entity and the Board

Understanding and knowledge of the entity and the sector in which it operates

Fulfills the function as assigned to him/her by Board and the regulatory norms.

Actively takes initiative with respect to various areas

Ensure that there is fairness and integrity in the Company, in letter as well as in spirit

Highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.).

(iii) service contracts, notice period, severance fees; NA

(iv) stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable: NA

Resignation of Independent Director

No Independent Director has resigned during the Financial Year 2021-22.

General Body Meeting

Details of the last three Annual General Meetings of the Company are given below:

Sl. No	Meeting	Date & Time	Venue
1	Annual General Meeting	September 08, 2021 at 04.00 PM	Door No.9, 10th Floor, Club House Road, Anna Salai, Chennai- 600002 (THROUGH VIDEO CONFERENCE)
Special Resolutions Passed			
<input type="checkbox"/> To increase the borrowing power of the Company U/s 180(1) (c) of the Companies Act, 2013			
<input type="checkbox"/> To create charges on the Movable and Immovable properties of the Company, both present and future, in respect of borrowings u/s 180(1) (a) of the Companies Act, 2013			
<input type="checkbox"/> Re-appointment of Mr. D R Dogra (holding DIN: 00226775) as Independent Director of the Company			
2	Annual General Meeting	August 25, 2020 at 10.00 AM	Door No.9, 10th Floor, Club House Road, Anna Salai, Chennai- 600002 (THROUGH VIDEO CONFERENCE)
Special Resolutions Passed			
<input type="checkbox"/> To increase the borrowing power of the Company U/s 180(1) (c) of the Companies Act, 2013			
<input type="checkbox"/> To create charges on the Movable and Immovable properties of the Company, both present and future, in respect of borrowings u/s 180(1) (a) of the Companies Act, 2013			
<input type="checkbox"/> To offer or invite subscription for Non-convertible Debentures (NCDs) and Commercial Paper (CPs)			
<input type="checkbox"/> To appoint Mr. B. N. Raveendra Babu as Joint Managing Director and Key Managerial Personnel			
3	Annual General Meeting	August 08, 2019 at 4.00 PM	Hotel Blu Radisson GRT Meenambakkam, Chennai- 600016

No Special Resolutions Passed during the FY 2018-19

No resolutions were passed vide Postal Ballot during the financial year 2021-22. No special resolution is proposed to be conducted through postal ballot.

All the proposed resolutions, including special resolutions were passed by the shareholders as set out in their respective notices.

Details of Extraordinary General Meeting during the FY 2021-22: -

Sl. No	Meeting	Date & Time	Venue
1	Extraordinary General Meeting	May 21, 2021 at 3.00 PM	IV/470A(OLD) W638A(NEW), Manappuram House, Valapad, Thrissur – 680 567 (Kerala) (Through Audio-Visual Mode)
2	Extraordinary General Meeting	January 10, 2022 at 10.30 PM	IV/470A(OLD) W638A(NEW), Manappuram House, Valapad, Thrissur – 680 567 (Kerala) (Through Audio-Visual Mode)

Means of Communication

The Company publishes the un-audited / audited financial results on quarterly basis in accordance with the provisions of SEBI (LODR) Regulations, 2015. The financial results in the prescribed format are published in leading newspapers like Financial Express. The Company has its website at <https://asirvadmicrofinance.co.in/> where in relevant information about the Company and its performance including board approved policies / code are given. The financial results of the Company are also posted on its web site. The Company is a debt listed Company hence it does not upload the presentations to institutional investors/ analysts.

All information/communication for debenture holders are duly filed with BSE Limited and the same are posted in the Company's website.

General Shareholders Information as on March 31, 2022

(a) Annual general meeting - date, time and venue;	September 24, 2022 at 11.00 AM Venue: Audio Visual Means
(b) Financial year;	2021-22
(c) Dividend payment date;	NA (No payment during the FY 2021-22)
(d) The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s);	BSE Limited (BSE) 25th floor, P. J. Towers, Dalal Street, Mumbai - 400 001 Annual listing fee for FY 2021-22 has been paid by the Company to BSE within due date.
(e) Stock code;	BSE Scrip Code- 950689
(f) Market price data- high, low during each month in last financial year;	NA (Debt listed Company)
(g) Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc;	NA (Debt listed Company)
(h) In case the securities are suspended from trading, the directors report shall explain the reason thereof;	NA
(i) Registrar to an issue and share transfer agents;	S.K.D.C. Consultants Limited, Category I Registrars and Share Transfer Agents "Surya" 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641028, TN, India Phone: +91 422 4958995, 2539835/ 836
(j) Share transfer system;	All shares and debentures of the Company are in the Demat form and are transferrable through Depository System.
(k) Outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity;	NA (It is a debt listed Company)
(l) commodity price risk or foreign exchange risk and hedging activities;	Please refer the Notes No. 39 of financial statements
(m) Plant locations;	There are no plants for the Company, however, we have branches across India
(n) Address for correspondence.	Registered Office: Deshbandhu Plaza, First Floor 47, Whites Road Chennai TN 600014 IN Corporate Office : Door No.9, 9th Floor, Club House Road Anna Salai Chennai 600002 TN IN
(o) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad.	Details of Credit Rating is detailed in the Directors' Report.

Dematerialisation and Liquidity

The Company is a member of the depository services of the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialisation of its shares. As on March 31, 2022, 100% of the equity shares of the Company are in electronic form with the depositories as detailed below:

Category	No. of Shares	%
National Securities Depository Ltd	53304178	99.99%
Central Depository Services Ltd	7709	.014%
Total	53311887	100%

Distribution of shareholding as on March 31, 2022

SL No	No. of Equity Shares	No of Shareholders	% of Shareholders	No of Shares held	% of Shareholders
1.	1000 - 10000	1	11.11	7709	0.01
2.	10001 - 20000	2	22.22	27357	0.05
3.	20001 - 30000	0	0.00	0	0.00
4.	30001 - 40000	1	11.11	32000	0.06
5.	40001 - 50000	1	11.11	40993	0.08
6.	Above 50000	4	44.44	53203828	99.80
Total		9	100.00	53311887	100

Other Disclosures

- There were no materially significant related party transactions having potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note 36 of Standalone financial statements.
- There were no instances of non-compliance by the Company for which any penalties or strictures were imposed on the Company by the Stock Exchanges and SEBI, or any statutory authority on any matter related to capital markets during the last three years.
- The Company has adopted the Whistle Blower Policy and has established the necessary mechanism in line with the Stock Exchanges, for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee. The Vigil Mechanism as per Regulation 22 of Listing Regulations ensures standards of professionalism, honesty, integrity and ethical behavior. The Whistle Blower Policy/Vigil Mechanism is uploaded on the Company's website at the web link <https://asirvadmicrofinance.co.in/whistle-blower/>
- Details of compliance with Mandatory requirements and adoption of non-mandatory requirements- Company is in compliance with all mandatory requirements applicable to it as per SEBI LODR i.e., Chapter II, Chapter III, Chapter IV (From Regulation 17 to 27) and Chapter V.
- The Company does not currently have any material listed/ unlisted subsidiary companies as defined in Regulation 24 (1) of Listing Regulations. The Policy on Material Subsidiaries may be accessed at <https://asirvadmicrofinance.co.in/policy-on-determining-material-subsidiaries/>
- The policy on dealing with related party disclosures is uploaded on the Company's website at the web link of <https://asirvadmicrofinance.co.in/related-party-transaction-policy/>
- The disclosure of commodity price risks and commodity hedging activities

The Company lends against the collateral of used gold jewellery. When the customer fails to repay the principal

plus interest of the loan, the Company auctions the collateral and recovers the dues as per the RBI guidelines on gold loan auctioning. The amount recovered at the time of auction depends on the price of the gold content of the jewellery. As gold is a commodity, the Company does therefore bear an exposure to commodity price risk. If gold prices are high, the amount of recovery at the time of auction is more and when the price of gold is low the amount recovered at the time of auction is lower. At the time of auction, the Company may not collect fully the amount of interest due, especially if the price of gold is lower at the time of auction than at the time of disbursement.

- Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). _ NA
- A certificate from a Company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is published at the report as Annexure_A
- Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof: _ NA
- Total fees for all services paid by the listed entity to the statutory auditor –

Payment to Statutory Auditor - FY 21-22 (Amt in Lakhs)

- Statutory audit	16.00
- Tax audit	1.50
- Other services (Limited Review, Interim Audit and Certification)	9.50
- Out of pocket expenses	2.43

- Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
 - number of complaints filed during the financial year – 3 Nos
 - number of complaints disposed of during the financial year - 3 Nos

- c. number of complaints pending as on end of the financial year - 0
- Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount'- Nil
 - Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed. – Nil
 - The Company is in compliance with all the corporate governance requirements mandated by Part A to D of Schedule II of the SEBI (LODR) Regulations, 2015.
 - The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the SEBI (LODR) Regulations, 2015:
 - The Company does not spend for the non-executive chairperson's office and also does not reimburse expenses incurred in performance of his duties
 - The auditors' report on statutory financial statements of the Company are unmodified.
 - Mr. V. P. Nandakumar is the Non-Executive Chairman of the Company and Mr. B.N. Raveendra Babu is the Managing Director of the Company. The Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director
 - The internal auditor may report directly to the audit committee
 - The Company has complied with all the disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27.
- Clauses (b) to (i) of sub regulation (2) of Regulation 46 of Listing Regulations (relating to disclosure on the website of the Company) is not applicable to the Company.

Code of Conduct

As per Regulation 26 of SEBI (LODR) Regulations, 2015, the Company has framed a Code of Conduct for the directors and senior management personnel and the same has been uploaded on to the website of the Company and is accessible to the shareholders of the Company at <https://asirvadmicrofinance.co.in/code-of-conduct-for-directors-and-senior-management/>.

It is hereby affirmed that all the Board members and senior management personnel have complied with Code of Conduct of the Company. In terms of the provisions of Part E of Schedule V of the SEBI (LODR) Regulations, 2015, a declaration signed by the Managing Director of the Company is published in this report as Annexure - B.

MD/CFO Certification

The requisite certification made by MD/CFO as per the Regulation 17(8) as specified in Part B of Schedule II of the SEBI (LODR) Regulations, 2015 for FY 2021-22 which was taken note by the Board of Directors at its meeting held on May 16, 2022 is published in this report as Annexure – C.

Matrix setting out the skills/expertise/competence of the board of directors

Leadership

Extended business leadership experience resulting in understanding of organisational and administrative processes and practices, strategic planning and risk management

People Practices

Experience and strengths in developing talent, planning succession, driving change and long-term growth. Understands the drivers leading to behavior change.

Financial Management & Control

Proven expertise in financial management, financial control, capital planning and Accounting with understanding of associated standards and reporting practices

Diversity including gender and occupation

Representation of diversity in terms of gender, geography, culture, occupations that bring varied independent perspectives expanding the Board's understanding of the needs and viewpoints of customers, partners, employees, government, and other stakeholders.

Technology

A significant background in technology including applications, Infrastructure, information security etc resulting in knowledge of how to anticipate technological trends, generate disruptive innovation, and extend or create new business models.

Governance

Service in a public Company board with good insights on Governance requirements and practices for Board and management and accountability, protecting shareholder interests.

Sales and Marketing

Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation

Regulatory and compliance

Extended experience and understanding of the regulatory environment operating in the context of the business of financial services including financial risk management

Law

Legal background and experience

Financial Services

Extended experience in a financial services firm enabling a rich understanding of the sector and the context including financial Inclusion practices and strategies

Sustainability

Experience and exposure in understanding sustainability from the business perspective with regard to employees, customers and the larger community including the environment.

Please insert a "✓" against core skills/expertise/competencies as defined below, which each Director identifies that he/she possess.

Name of Director	Mr. V. P. Nandakumar	Mr. Abhijit Sen	Mr. A. Ramanathan	Mr. B. N. Raveendra Babu	Mr. Desh Raj Dogra	Mr. Gautam Saigal	Mrs. Pushya Sitaraman	Mr. Subrata Kumar Atindra Mitra	Mr. S. V. Raja Vaidyanathan	Mr. T. Balakrishnan	Mr. T. M. Manoharan	Mr. Harshan Kollara
Leadership	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
People Practices	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Financial Control	✓	✓	✓	✓	✓	✓		✓	✓			✓
Diversity including gender and occupation	✓						✓	✓		✓	✓	✓
Technology		✓		✓				✓	✓			✓
Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sales and Marketing	✓			✓		✓		✓	✓			
Regulatory	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓
Law							✓		✓	✓	✓	
Financial Services	✓	✓	✓	✓	✓	✓		✓	✓			✓
Sustainability	✓			✓					✓	✓	✓	

For and on behalf of the Board of Directors

ASIRVAD MICRO FINANCE LIMITED

V. P. Nandakumar

Chairman
DIN: 00044512

Date: June 27, 2022
Place: Chennai

B N Raveendra babu

Managing Director
DIN: 00043622

Annexure - A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(pursuant to Regulation 34(3) and Schedule V - Para C clause (10)(i) of the
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Asirvad Micro Finance Limited
Deshbandhu Plaza, First Floor
47, Whites Road Chennai-600014

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Asirvad Micro Finance Limited** (CIN U65923TN2007PLC064550) and having its registered office at Deshbandhu Plaza, First Floor, 47 Whites Road, Chennai-600014 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V- Para C Sub-clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment/Re-appointment in the Company
1.	Abhijit Sen	00002593	March 17, 2020
2.	Subrata Kumar Atindra Mitra	00029961	March 17, 2020
3.	B.N Raveendra Babu	00043622	February 10, 2015 / July 01, 2021*
4.	V.P.Nandakumar	00044512	February 10, 2015
5.	T.Balakrishnan	00052922	May 15, 2018
6.	T M Manoharan	00225640	May 15, 2018
7.	Desh Raj Dogra	00226775	September 09, 2016 / September 08, 2021 #
8.	Gautam Saigal	00640229	March 18, 2015
9.	Harshan Kollara	01519810	August 07, 2021
10.	S V Raja Vaidyanathan	01467098	August 29, 2007
11.	Ramanathan Annamalai	02645247	July 31, 2015 / July 31 2020 #
12.	Pushya Sitaraman	06537196	February 02, 2019 / February 01, 2022 #

* Appointed as Managing Director

Second term as Independent Director

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **KSR & Co Company Secretaries LLP**

Sd/-

Dr.C.V.Madhusudhanan

Partner

FCS: 5367; CP: 4408

UDIN: F005367D000532511

Date : June 27, 2022

Place : Coimbatore

Annexure - B

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted Code of Conduct for the Directors and senior management personnel. I confirm that the Company has in respect of the year ended March 31, 2022, received from the Senior Management Personnel of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

On Behalf of the Board

Date: April 30, 2022
Place: Valapad

Sd/-
B N Raveendra Babu
Managing Director

Annexure - C**CEO & CFO CERTIFICATION UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015****To: The Board of Directors of Asirvad Micro Finance Limited**

We, B.N. Raveendra Babu, Managing Director and Yogesh Ratnakar Udhoji, Chief Financial Officer of Asirvad Micro Finance Limited, ("the Company") hereby certify that: -

- (a) We have reviewed financial statements and cash flow statement for the quarter ended March 31, 2022, and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company for the quarter ended March 31, 2022, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit committee
- 1. significant changes in internal control over financial reporting during the quarter;
 - 2. significant changes in accounting policies during the quarter and that the same have been disclosed in the notes to the financial statements; and
 - 3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

B.N. Raveendra Babu

Managing Director

Sd/-

Yogesh Ratnakar Udhoji

Chief Financial Officer

Date: May 16, 2022

Place: Chennai

Annexure - C

Annual Report on Corporate Social Responsibility (CSR) Activities

1. A brief outline of the Company's CSR Policy

In accordance with the provisions of Section 135 of the Companies Act, 2013 read with Rules made thereunder, the Board of Directors of the Company have constituted the Corporate Social Responsibility Committee (CSR Committee). The Committee has formulated and recommended a CSR Policy to the Board and various recommendations of the Committee including the amount of expenditure to be incurred on CSR activities are submitted to the Board for approval. The Committee has framed a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company and also monitors CSR policy from time to time.

2. Compositions of the Corporate Social Responsibility Committee are as follows:

SL No	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mrs. Pushya Sitaraman	Chairperson, Independent Director	4	3
2.	Mr. S.V. Raja Vaidyanathan	Member, Non Executive Director	4	1*
3.	Mr. A Ramanathan	Member, Independent Director	4	1*
4.	Mr. B N Raveendra Babu	Member, Managing Director	4	4
5.	Mr. T Balakrishnan	Member, Independent Director	4	3
6.	Mr. D R Dogra	Member, Independent Director	4	3

*CSR Committee reconstituted on May 24, 2021

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

Composition of CSR committee is available on the Company's website at <https://asirvadmicrofinance.co.in/sub-committee/>

The CSR Policy of the Company as approved by the Board of Directors is available on the Company's website at <https://asirvadmicrofinance.co.in/csr-policy/>

CSR projects approved by the board is available on the Company's website at <https://asirvadmicrofinance.co.in/announcements/>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if any - NA

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - Yes

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.	2020-21	17,15,798.39	17,15,798.39
2.	-	-	-
3.	-	-	-
	TOTAL	17,15,798.39	17,15,798.39

6. Average net profit of the Company for last three financial years : ₹ 190.56 Crores

7. (a) Two percent of average net profit of the Company as per section 135(5) : ₹ 3.81 Crores

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : ₹ 0.016 Crores

(c) Amount required to be set off for the financial year, if any : ₹ .17 Crores

(d) Total CSR obligation for the financial year (7a+7b-7c) : ₹ 3.64 Crores

8. (a) CSR amount spend or unspent for the financial year

Total Amount spent for the Financial Year (in Cr.)	Amount Unspent (in Cr)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 0.52	₹ 3.14	₹ 0.20 on 18-Apr-2022 ₹ 2.94 on 29-Apr-2022	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District.						Name	CSR Registration number.
1.	Promotion of quality education through Manappuram Civil Service Academy	Promotion of Quality education	Yes	Kerala	Thrissur	6 Months	6000000	1697686	4302314	No	Through Implementation Agency - Manappuram Foundation	CSR00004545
2.	Construction of houses directly and in association with LIONS clubs.	Rural development projects and measures for reducing inequalities faced by socially and economically backward group.	No	Kerala	All over Kerala	2 Years	17887000	117290	17769710	No	Through Implementation Agency - Manappuram Foundation	CSR00004545
3.	Improvement of health facilities at Kidwai Memorial Institute of Oncology-Bangalore through Lions Club International Foundation	Promotion of Healthcare/ preventive healthcare	No	Karnataka	Bangalore	10 Months	11400000	2242500	9157500	No	Through Implementation Agency - Manappuram Foundation	CSR00004545
TOTAL		-	-	-	-	-	3,52,87,000	40,57,476	31229524	-	-	-

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation-Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration number
1.	Support to Physically challenged and Women victims	Promotion of Health care and Women empowerment	Yes	Tamil Nadu	Ariyalur, Dharmapuri, Chennai and Vellore	11,00,000	No	Through Key Implementation Agency - Manappuram Foundation	CSR00004545
2.	Providing the food kits/ groceries to the victims of natural calamities / pandemic	Eradicating hunger, poverty and malnutrition	Yes	Bihar	Bhagalpur, Purnia, Samastipur and Supaul	9,680	No	Through Key Implementation Agency - Manappuram Foundation	CSR00004545

- (d) Amount spent in Administrative Overheads - Nil
- (e) Amount spent on Impact Assessment, if applicable - Nil
- (f) Total amount spent for the Financial Year (b+c+d+e) - ₹ 0.52 Crore
- (g) Excess amount for set off, if any - Nil

Sl. No.	Particular	Amount (in Cr.)
1.	Two percent of average net profit of the Company as per section 135(5)	3.64
2.	Total amount spent for the Financial Year	0.52
3.	Excess amount spent for the financial year [(ii)-(i)]	-
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	-	-	-	-	-	-	-
2.	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
1.	-	-	-	-	-	-	-	-
2.	-	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-	-

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

SI No	(a) Date of creation or acquisition of the capital asset(s)	(b) Amount of CSR spent for creation or acquisition of capital asset	(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
1.	25.01.2022	103,160	Manappuram Foundation Address : V/104, Manappuram House, Valapad P O, Thrissur, Kerala - 680 567	Interior works for Manappuram Civil Service Academy including Furniture & fittings Location : Manappuram Civil Service Academy, 4 th Floor, Shobha Heights, Punkunnam, Thrissur, Kerala

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5)–

The amount remains unspent is pertaining to the ongoing projects and the same have been transferred to CSR unspent account. In certain case, there were procedural delays in getting permission from statutory authorities to complete the projects which lead to extend the projects more than one year. The amount so transferred will be spent with in a period of 3 years.

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

Pushya Sitaraman

Chairperson of CSR Committee
DIN: 06537196

B N Raveendra Babu

Managing Director
DIN: 00043622

Date: June 27, 2022

Place: Chennai

Annexure - D
SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 read with

Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the Financial Year ended March 31, 2022

- To,
- The Members,
Asirvad Micro Finance Limited
Deshbandhu Plaza, First Floor
47, Whites Road Chennai-600014
- We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Asirvad Micro Finance Limited** (CIN U65923TN2007PLC064550) (hereinafter called "the Company"). Secretarial Audit was conducted for the financial year ended on March 31, 2022 in a manner that provided us reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.
- On the basis of the above and on our verification of documents, books, papers, minutes, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the Audit, we hereby report that in our opinion, the Company has, during the period covered under the Audit as aforesaid, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
- We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2022 according to the provisions of:
- (i) The Companies Act, 2013 and the Rules made there under.
 - (ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made there under.
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under.
 - (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowing (ECB).
 - (v) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992:
 - a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
 - c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - d) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 (limited to obligations of the Company)
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
- (vi) The following laws, regulations, directions, orders are applicable specifically to the Company:
- a) The Reserve Bank of India Act, 1934
 - b) Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016.
 - c) Raising Money through Private Placement of Non-Convertible Debentures (NCDs) by NBFCs - RBI Guidelines.
 - d) Master Circular – Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015.
 - e) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
- We have also examined compliance with the applicable clauses of the following:
- (i) the Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India.
 - (ii) Listing Agreement for debt securities entered into with BSE Limited in respect of privately placed non-convertible debentures issued by the Company.

We further report that

The Board of Directors of the Company is duly constituted with the proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes made to the composition of the Board of Directors was duly carried out during the period covered under the Audit.

Adequate notice and detailed notes on Agenda were given to all Directors at least seven days in advance to schedule the Board Meetings except in certain instances shorter notice was provided and decisions taken in compliance of Section 173(3) of the Act. There exists a system for seeking and obtaining further information and clarifications on the Agenda items before the Meeting and for meaningful participation at the Meeting.

Majority decision is carried through and recorded as part of the minutes. We understand that there were no dissenting members' views requiring to be captured in the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period covered under the Audit, the Company has made the following specific actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, referred to above:

- a. The Company has raised an amount of ₹ 893 Crores (Secured: ₹ 643 Crores, Unsecured: ₹ 250 Crores) by issue of 7,380 Redeemable Listed Non-Convertible Debentures (NCDs) of ₹ 10 Lakhs each (Face value), 1050 Redeemable Unlisted Non-Convertible Debentures (NCDs) of ₹ 10 Lakhs each (Face value) and 5000 Redeemable Unlisted Non-Convertible Debentures (NCDs) of ₹ 1 Lakh each (Face value) on a private placement basis, in one or more series/ tranches.
- b. The Company has not raised any debt through public issue.
- c. The Memorandum of Association of the Company was amended twice during the year to include main objects such as, to act as authorised money dealers, Forex dealers, money transfer agents, to facilitate all kinds of e-commerce business etc and to act as collection agents for insurance companies, banks, financial institutions, utility companies and entities.

For **KSR & Co Company Secretaries LLP**

Dr. C.V. Madhusudhanan

Partner
(FCS: 5367; CP: 4408)
UDIN: F005367D000330318

Date: May 16, 2022

Place: Coimbatore

Annexure - E

ASIRVAD MICRO FINANCE LIMITED

NOMINATION & REMUNERATION POLICY

Introduction

The Board of Directors of Asirvad Micro Finance Limited (**"the Company"**) has constituted Nomination and Remuneration Committee ("the Committee") pursuant to Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("LODR"), which is a combination of Non- Executive Directors and Independent Directors. The Committee has formulated and recommended to the Board a policy called **"Nomination & Remuneration Policy"** in adherence to Companies Act, 2013, the provisions of LODR and the regulatory framework for Non-Banking Financial Companies (NBFCs) issued by Reserve Bank of India (RBI).

This policy aims to ensure the payment of equitable, competitive remuneration to all Directors, Key Managerial Personnel (KMP), Senior Management and employees of the Company which is based on individual performance, Company's benchmark and Industry practices. It envisions that the synergy of versatile individuals with diversified skillsets at the board level will contribute to bringing the Company into great heights. Therefore, it is important to have a competent and highly professional team of board members who leads us.

Key Principles of the Remuneration Policy

The following are the set of principles that act as guiding factors:

- The remuneration of KMPs and Senior Management shall be aligned with the policy of the Holding Company;
- Minimise complexity and ensure transparency;
- Promote a culture of meritocracy and is linked to key performance and business drivers;
- Reflective of market competitiveness, so as to attract the best talent.

Objective and purpose of the Remuneration Policy

The following are the key objectives of the policy:

- To guide the Board in relation to the appointment and removal of Directors, KMP and Senior Management;
- To evaluate the performance of the members of the Board and provide the necessary report to the Board for further evaluation;
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;
- To 'Pay for Performance' i.e. the remuneration shall be linked to the performance and to strike the right balance

between fixed and incentive pay reflecting short and long term performance objectives appropriate to the goals of the Company;

- To ensure compliance and maintain high standards of governance.

Appointment and Removal of Director, KMP and Senior Management Personnel

1. Appointment Criteria and Qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/ her appointment;
- b) A person should possess the adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has the discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position;
- c) The Company shall not appoint or continue the employment of any person as Director, Managing Director, Whole Time Director or Manager who has attained the age of seventy years. However, in case of Managing Director, Whole Time Director or Manager, who has attained the age of seventy years his/ her appointment may be made by passing a special resolution;
- d) The Committee shall undertake a process of Due Diligence based on the criteria of qualification, technical expertise, track record, integrity etc and shall ensure that proposed or existing Director meets the fit and proper criteria as prescribed by the Reserve Bank of India.

2. Tenure

a) Managing Director / Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.

b) Independent Director:

An Independent Director shall hold office for a term up to maximum five consecutive years on the Board of the Company and will be eligible for re-appointment for another term of maximum five year on the passing of a special resolution by the Company. Independent Directors shall not retire by rotation.

The Chairman/ Managing Director of the Company shall issue and sign the appointment letter of Independent Directors.

3. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend to the Board with reasons recorded in writing, removal of Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said act, rules and regulations.

Remuneration to the Directors, KMP and Senior Management Personnel

i) Executive Directors and Non- Executive Directors/ Independent Directors

- The remuneration and commission of Executive and Non- Executive Directors/ Independent Directors shall be recommended by the Committee to the Board of Directors and shall be subject to the provisions of Companies Act, 2013.
- The remuneration for Executive Directors shall be arrived at by considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry, future contribution, etc. The elements of the remuneration and limits are applicable as defined in the Companies Act, 2013 and rules/ schedules made thereunder.
- The remuneration of Executive Directors shall be divided into two components i.e. fixed and variable. The fixed component comprises salary, allowances, perquisites, provident fund, gratuity etc. The variable component comprises annual performance pay which may be a fixed amount as decided by the Board. In addition to this, the Executive Director may also be offered and allotted shares under the Employee Stock Option Scheme (ESOS) of the Company.
- The Non-Executive and Independent Directors of the Company would be paid sitting fees within the permissible limits prescribed under the Companies Act, 2013 and rules framed thereunder for attending meetings. The sitting fee shall be decided by the Board from time to time on the recommendation of the Committee.
- In case of profits/inadequate profits/ losses, the Directors may also be paid remuneration by way of Commission as defined in the Companies Act, 2013 read with Schedule V of the said act. The Committee shall recommend to the Board for the payment of Commission to Directors.
- The Board of Directors shall decide the actual amount to be paid to each Non-Executive/ Independent Director based on factors such as meetings attended by the Director, time and effort put in and contribution made by them.

- Independent Directors shall not be entitled to stock options.

ii) KMP and Senior Management

- The remuneration for the KMP, Senior Management and Employees of the Company would be guided by the Industry Standard and internal policy of the Company. The remuneration structure is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, PF etc. The variable component comprises the annual performance of the Individual employee. In addition to this, the Company also has an Employee Stock Option Scheme (ESOS), pursuant to which, equity shares of the Company may be offered and allotted to the employees identified by the Committee.
- “Senior management” shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/ manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include Company secretary and chief financial officer.
- Internally, performance ratings of all Employees would be spread across a normal distribution curve. The rating obtained by an employee will be used as an input to determine variable and merit pay increases. Variable and merit pay increases will be calculated using a combination of individual performance and organisational performance. Compensation can also be determined based on identified skill sets critical to the success of our organisation. It is determined as per management’s review of market demand and supply, Industry benchmarks etc.

Membership & Quorum:

The Committee shall consist of minimum of 3 Non-Executive Directors, majority of them being independent. The quorum of the Committee shall be one-third of its total strength or two members, whichever is higher including at least one independent director in attendance.

Chairperson:

1. The Chairperson of the Committee shall be appointed by the Board. In case of absence of Chairperson, the members of the Committee shall elect among them to act as Chairperson;
2. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairperson of the Committee;

3. Chairperson of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

Frequency of Meetings

The meeting of the Committee shall be held at such regular intervals as may be required but at least once in a year.

POLICY ON DIVERSITY OF BOARD OF DIRECTORS

This policy on diversity is largely framed to address the importance of a diverse Board in harnessing the unique and individual skills and experiences of the members in a way that collectively benefits the organisation and business. The basic essence is to provide a framework for leveraging on the differences within the expertise of the Board, offering a broad range of perspectives that are directly relevant to the business. A truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will ensure that the Company retains its competitive advantage.

The Company believes that a diverse Board will amongst others—

- a. Enhance the quality of decisions making and ensure better business performance.
- b. Encourage diversity of perspectives thereby fuel creativity and innovation.
- c. Complement and expand the skills, knowledge and experience of the Board as a whole.
- d. Provide better Corporate Governance.

The board of Directors of the Company should have a fair combination of executive and non-executive Directors with not less than 50 percent being Non-Executive Directors. The Company shall maintain the strength of Independent Directors on its board keeping in mind the regulatory requirements and guidelines on Corporate Governance.

The Company shall appoint Directors keeping in mind an ideal diversity in knowledge or expertise that could add value to the overall performance of the board and of the Company. The desired diversity may be fixed by the Nomination and Remuneration Committee ("the Committee") based on the nature of business of the Company from time to time. The diversity of the total board may include the following;

Expertise in;

- i. Banking, Finance, Accountancy, Taxation
- ii. Governance, Regulatory background, Law and practice
- iii. Management, Administration
- iv. Engineering, Human resource, Subject of social relevance
- v. IT, Marketing

All Board appointments will be done on merit, in the context of skills as required for the areas of our business operations, management and also expertise in the fields of regulatory, legal, research, human capital management, strategic planning, marketing and general administration.

The Committee is responsible for reviewing and assessing the composition and performance of the Board, as well as identifying appropriately qualified persons to occupy Board positions.

While all appointments to the Board will continue to be made on merit, the Committee will consider the benefits of diversity (including but not limited to the attributes listed above) in identifying and recommending persons for Board membership, as well as in evaluating the Board and its individual members.

Further, the Committee will ensure that no person is discriminated against on grounds of religion, race, gender, pregnancy, childbirth or related medical conditions, national origin or ancestry, marital status, age, sexual orientation, or any other personal or physical attribute which does not speak to such person's ability to perform as a Board member.

Accordingly, the Committee shall:

1. assess the appropriate mix of diversity, skills, experience and expertise required on the Board and assess the extent to which the required skills are represented on the Board,
2. make recommendations to the Board in relation to appointments, and maintain an appropriate mix of diversity, skills, experience and expertise on the Board, and
3. periodically review and report to the Board requirements, if any, in relation to diversity on the Board.

Annexure - F

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

The Company has granted the options under "Asirvad Employee Stock Option Scheme, 2019" and following are the details:

Option granted	5,12,500 Options (Outstanding as on April 01, 2021)
Options vested	-
Options exercised	-
The total no. of shares arising as a result of exercise of option.	-
Option lapsed	2,70,000 Options
The exercise price	₹ 364/ per option/ equity
Variation of terms of option	-
Money realised by exercise of options	-
Total no. of options in force	2,42,500 (Outstanding as on March 31, 2022)
Employee wise details of options granted to:-	Nil
a) KMP	Nil
b) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	Nil
c) Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil

For and on behalf of the Board of Directors

ASIRVAD MICRO FINANCE LIMITED

V. P. Nandakumar

Chairman
DIN: 00044512

B N Raveendra Babu

Managing Director
DIN: 00043622

Date: June 27, 2022

Place: Chennai

Annexure - G

A. CONSERVATION OF ENERGY

i. the steps taken or impact on conservation of energy

Asirvad in partnership with Microenergy Credits (MEC) is committed to reduce the carbon emission from environment by way of distributing/ facilitating/ promoting products, which can reduce emission such as solar lantern, improved cook stoves or water purifiers and the same is part of the Global Clean & Renewable Energy program under UNFCCC.

ii. the steps taken by the Company for utilising alternate sources of energy

Clean energy is more affordable than fossil fuels on a lifecycle basis, but the upfront cost of such technologies is prohibitive to most households. Access to financial aid can drive households to adopt clean energy and save money in their first month. MEC works by partnering with Micro Finance Institutions and NBFCs which already serve low income and rural households. MEC provides technical & operational assistance to help the MFIs increase the use of energy efficient products among people.

In this partnership, Asirvad has committed to distribute/ facilitate/promote products which can reduce emission such as solar lantern, improved cook stoves or water purifiers.

iii. the capital investment on energy conservation equipment

There was no capital investment spent on energy conservation investments as Company acts as a facilitator.

B. TECHNOLOGY ABSORPTION

i. the efforts made towards technology absorption

Asirvad Micro finance limited is one of the first NBFC-MFIs to develop and work a centrally overseen programming application and every one of its all branches overworking online with direct admittance to the centrally facilitated applications, through cloud environment.

ii. the benefits derived like product improvement, cost reduction, product development or import substitution

The Company keeps on separating itself from other market runners by ceaselessly developing new technological area stages to offer simplicity of tasks and straightforwardness for its clients, these cutting-edge advancements are ready to totally change the MFI industry.

iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

- a) the details of technology imported
- b) the year of import
- c) whether the technology been fully absorbed
- d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

Not Applicable

iv. the expenditure incurred on Research and Development

Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earnings during the year and outgo were as follows:

Description	Nature	Currency	Amount in INR
Interest	Outgo	EUR and USD	32,23,96,813.14
Micro Energy	Earnings	USD	17,48,686.75
Credit			

For and on behalf of the Board of Directors

ASIRVAD MICRO FINANCE LIMITED

V. P. Nandakumar

Chairman

DIN: 00044512

B N Raveendra Babu

Managing Director

DIN: 00043622

Date: June 27, 2022

Place: Chennai

Annexure - H

CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Members,
Asirvad Micro Finance Limited
Deshbandhu Plaza, First Floor
47, Whites Road Chennai-600014

We have examined documents, books, papers, minutes, forms and returns filed and other records maintained by the Company and all the relevant records for certifying the compliance of conditions of Corporate Governance by **Asirvad Micro Finance Limited** (CIN U65923TN2007PLC064550) (the Company) for the year ended March 31, 2022, in pursuance to Notice ref. 20220107-16 dated January 7, 2022 of Bombay Stock Exchange (BSE) as stipulated in Para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further in pursuance to Notice ref. 20220107-16 dated January 7, 2022 of Bombay Stock Exchange (BSE).

Management's Responsibility

The compliance of conditions of Corporate Governance (in respect of Regulations 16 to 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015) is the responsibility of the management. The management along with the Board of Directors are responsible in implementation and maintenance of internal control and procedures to ensure compliance with conditions of corporate governance as stated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015.

Our Responsibility

Our examination was limited to implementation of the conditions thereof and adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance under Regulations 16 to 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Our Opinion

In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with the conditions of Corporate Governance as specified in regulations 17 to 27 and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **KSR & CO COMPANY SECRETARIES LLP**

Sd/-

Dr. C. V. MADHUSUDHANAN

Partner

FCS: 5367; CP: 4408

UDIN: F005367D000330331

Place : Coimbatore

Date : May 16, 2022

Annexure - I
REMUNERATION DETAILS OF DIRECTORS, KMPS, AND EMPLOYEES
1. REMUNERATION DETAILS OF TOP TEN EMPLOYEES

(Amount in ₹)

Employee Name	Designation	Nature of Employment	Age	Date of joining	Qualification & Experience	Last Employment	% of equity shares held in the Company	Relative of any Director or Manager of the Company	Total Earnings FY 21-22
Yogesh Ratnakar Udhoji	Chief Financial Officer	Full Time	51	16-Sep-19	Chartered Accountant, Experience – 20 years	Easy Home Finance Ltd.	Nil	No	7260000
Ravindra Goud	Chief Operating Officer	Full Time	50	06-Jan-20	Master Of Business Administration, Experience – 23 years	Origo Finance Pvt Ltd.	Nil	No	4151208
Adinath K R	Chief Digital Officer	Full Time	36	01-06-2020	PH. D	Macom-Vice President - IT	Nil	No	4000000
Kalivarathan K	Vice President	Full Time	49	04-Sep-19	Master Of Arts, Experience – 19 years	Belstar Microfinance Ltd.	Nil	No	3399096
Nikhilesh Kumar Jain	Deputy CFO	Full Time	35	01-08-2016	Chartered Accountant	Manappuram Finance Ltd. Sr. Manager	Nil	No	3170760
Sriram Balakrishnan	Senior Vice President	Full Time	54	15-Feb-19	Master Of Business Administration, Experience – 15 years	Western India Transport Finance Co Pvt Ltd.	Nil	No	3142752
Robert K P	Joint General Manager	Full Time	35	04-01-2020	Chartered Accountant	Manappuram Finance Ltd. Chief Manager	Nil	No	2991168
Venkataraghavan J	Senior Vice President	Full Time	47	01-09-2017	Chartered Accountant	Manappuram Finance Ltd. Chief Manager	Nil	No	2916576
Alok Pattanayak	Vice President	Full Time	-	16-09-2019	MBA	IFMR Rural Channels and Services	Nil	No	25,76,844
Ritesh Kumar Singh	Vice President	Full Time	-	11-09-2019	MBA	Midland Microfin Ltd.	Nil	No	25,42,848

2. EMPLOYEES EMPLOYED THOROUGHOUT THE FINANCIAL YEAR AND DRAWING A REMUNERATION OF 1.02 CRORES OR ABOVE PER ANNUM

Employee Name	Designation
BN Raveendra Babu	Managing Director

Employee Name	Designation	Nature of Employment	Age	Date of joining	Qualification & Experience	Last Employment	% of equity shares held in the Company	Relative of any Director or Manager of the Company	*Total Earnings FY 21-22
Raveendra Babu BN	Managing Director	Appointed by Board for a term of Five years till 30 th May, 2026	69	01-Jun-21	Master's Degree in Commerce (Certificate from Institute of certified Management Accounts UK) Experience: 29 years	Executive Director – Manappuram Finance Limited	0.09%	No	₹ 120.30 Lakhs

*The amount detailed in the above table only related to Salary. Commission and other benefits are detailed in Corporate Governance Report.

3. EMPLOYEES EMPLOYED FOR A PART OF THE FINANCIAL YEAR AND DRAWING A REMUNERATION OF NOT LESS THAN EIGHT LAKHS AND FIFTY THOUSAND RUPEES PER MONTH

Employee Name	Designation	Nature of Employment	Age	Date of joining	Qualification & Experience	Last Employment	% of equity shares held in the Company	Relative of any Director or Manager of the Company	*Total Earnings FY 21-22
S.V. Raja Vaidyanathan	Managing Director	Appointed by Board for a term of three years till June 30, 2021	67	29-08-2007	B. Tech (IIT Madras); MBA (IIM Calcutta), AICWAI & ACS Experience: 42 years	President Reliance Industries Limited	1.92%	No	₹ 57.91 Lakhs

*Tenure of Mr. S V Raja Vaidyanathan as Managing Director till June 30, 2021

**The amount detailed in the above table only related to remuneration, commission and other benefits are not part of this.

4. if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.- NA

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

V. P. Nandakumar

Chairman
DIN: 00044512

B N Raveendra Babu

Managing Director
DIN: 00043622

Date: June 27, 2022
Place: Chennai

FINANCIAL STATEMENTS

Independent Auditors' Report

To,

The Members of Asirvad Micro Finance Limited.

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of **Asirvad Micro Finance Limited** (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	Expected Credit Loss - Impairment of carrying value of loans and advances and implementation of Resolution Framework 2.0	<p>We performed audit procedures set out below:</p> <ul style="list-style-type: none"> Assessed the Company's accounting policies for measurement and recognition of ECL in line with the requirements of Ind AS 109 - Financial Instruments Understood and assessed the Company's process and controls on measurement and recognition of impairment in the loan portfolio Verified on a sample basis, loans in stage 1, 2 and 3 to ascertain that they were allocated to the appropriate stage Test checked the Probability of Default ('PD') and Loss Given Default ('LGD') computations performed by the management, including testing data used in assessment and evaluation of whether the results support appropriateness of the PDs at a portfolio level
	<p>Refer to Note 3(i) of significant accounting policies and Note 39.</p>	
	<p>Under Ind AS 109, Expected Credit Losses ('ECL') are required to be determined for recognising impairment losses on financial assets which are stated at amortised cost. The Company exercises significant judgment using assumptions in recognising impairment provision for loans and advances.</p>	
	<p>The computation of impairment provision or ECL is based on significant management estimates and judgments, which are as under:</p>	
	<ul style="list-style-type: none"> Judgements about credit risk characteristics for collective evaluation of impairment under various stages of ECL 	

Sr. No.	Key Audit Matter	Auditor's Response
	<ul style="list-style-type: none"> • Loan staging criteria • Calculation of Probability of Default ('PD') and Loss Given Default ('LGD') • Consideration of probability scenarios and forward looking macro-economic factors • Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment with the range of possible effects unknown to the country arising out of the COVID 19 pandemic <p>ECL requires a large variety of data such as historical data, macro-economic & state specific variables as an input to the ECL model. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model.</p> <p>During the year, the Reserve Bank of India (RBI) has issued a guideline which is also applicable to NBFCs as part of COVID-19 relief measures that may be provided to its borrowers:</p> <ul style="list-style-type: none"> • Resolution Framework 2.0 which required the NBFCs to provide certain concessions including moratorium in repayment of loans based on fulfillment of certain conditions and the asset classification and provisioning requirements to be applied on such loans. <p>This guideline required the ECL models to be reassessed based on the impact of COVID-19, geographical and other relevant macro level economic risk to measure the ECL.</p> <p>In view of the criticality of the item to the Financial Statements, complex nature of assumptions, interpretations of RBI regulations & judgements exercised by the management and loans forming a major portion of the Company's assets and impairment charge for the year being material to the net profit for the year, in our opinion this is considered as a Key Audit Matter.</p>	<ul style="list-style-type: none"> • Test checked the computations of determining Exposure at Default (EAD) • Test checked the manner of determining significant increase in credit risk and the resultant basis for classification of exposures into various stages • Performed an assessment of the ECL provision levels at each stage including management's assessment on COVID 19 impact to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment. • Tested the arithmetical accuracy of the computations made by the Company • Obtained the approved policy including board notes to assess and understand the relief measures sanctioned to various class of borrowers in accordance with the RBI guideline and tested on sample basis the compliance with respect to asset classification and provisioning norms. • Perused the disclosures in the financial statements in respect of ECL and specific disclosures made in adherence with RBI guidelines related to COVID-19 packages.
2	Information Technology ('IT') Systems impacting financial reporting and migration to the new Loan Management software	<p>We performed audit procedures set out below:</p> <ul style="list-style-type: none"> • Obtained an understanding of the IT infrastructure and IT systems relevant to the Company's financial reporting process for evaluation and tested relevant IT general controls and IT application controls.

Sr. Key Audit Matter No.	Auditor's Response
<p>Adequate IT General Controls, application controls and access controls are required to ensure that such IT systems are able to process the data to ensure data consistency, accuracy and reliability especially for financial reporting.</p> <p>During the year, the Company has completely migrated to the new loan management software having integrated accounting module ('New LMS') from the legacy IT system in the month of February 2022. Pursuant to the implementation of the New LMS, financial and other related information was required to be migrated from the legacy IT systems to the New LMS.</p> <p>Also, certain manual adjustments were required to be made to re-classify balances from control account to sub ledgers, post entries manually in fixed asset module which added to the complexity.</p> <p>We have identified 'Information Technology' ('IT') Systems impacting financial reporting and migration to the new Loan Management software (LMS) as key audit matter because of significant use of IT system and the scale and complexity of the IT architecture including its extensive use in the financial reporting process. Our audit outcome is dependent on the effective functioning of such IT systems.</p>	<ul style="list-style-type: none"> • Our audit procedures included verifying, testing and reviewing the design and operating effectiveness of the key automated and manual business cycle controls and logic for system generated reports relevant to the audit by verifying the reports/returns and other financial and non-financial information generated from the system on a test check basis. • Tested the automated computation processed by the IT system that includes computation of interest income. • We have tested and reviewed the reconciliations between the loan origination/ servicing application and the accounting software to mitigate the risk of incorrect data flow to/from separate application software. • We have placed reliance on audit report issued by the independent third party IS auditor as appointed by the Company post migrating to the new LMS. • To obtain comfort over the completeness, and accuracy of the migration process reliance was placed on the work (migration audit) performed by an independent third party whose work includes but was not limited to, the following: <ol style="list-style-type: none"> 1. Reconciliation of the closing balances as at February 19, 2022, as per the legacy IT system and the New LMS. 2. Comparing the general ledger balances with the sub ledger balances of the new LMS at February 19, 2022 • To obtain comfort over the data flow, IT control, and security configurations of the New LMS system a post-implementation review is performed by an independent third party whose work includes but were not limited to, the following: <ol style="list-style-type: none"> 1. Technical and functional review of Microfinance (MFI), MSME and Gold loan module under New LMS system. • We have also obtained management representations wherever considered necessary.

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

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Annual Report but does not include the Standalone Financial Statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditors' report.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our

knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 (Revised) "The Auditor's Responsibilities Relating to Other Information".

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's management and the Board of Directors are responsible for the matters stated in sub-section (5) of Section 134 of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for the safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation, and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The Standalone Financial Statements of the Company as at March 31, 2021 were audited by the predecessor auditor, who have expressed an unmodified opinion on those Standalone Financial Statements vide their audit report dated May 24, 2021.

Our opinion on the Standalone Financial Statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the said order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended;
- e) On the basis of written representations received from the directors as at March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of sub-section (2) of Section 164 of the Act;
- f) With respect to the adequacy of internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'.
3. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) the Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 41 to the Standalone Financial Statements as at March 31, 2022
 - b) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2022;
 - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022; and
 - d) (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the standalone financial statements (Refer note 62 to the Standalone Financial Statements), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to the accounts (Refer note 62 to the Standalone Financial Statements), no funds have been received by the Company from any person(s) or entity(ies), including

- foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- e) The Company has neither declared any dividend nor paid any dividend during the year.
4. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors, including sitting fees paid to directors, during the year is in accordance with the provisions of Section 197 read with Schedule V of the Act;

For M. P. Chitale & Co

Chartered Accountants

ICAI Firm Registration No.: 101851W

Sanat Ulhas Chitale

Partner

ICAI Membership No.: 143700

UDIN: 22143700AJBVFT9762

Place: Pune

Date: May 16, 2022

Annexure A

to the Independent Auditors' Report – March 31, 2022

Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditors' Report to the members of the Company of even date:

- (i) (a) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment including intangible assets.

- (b) In our opinion, the Company's program of verifying Property, Plant and Equipment once in three years, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to such program, the physical verification of Property, Plant and Equipment were physically verified by the Company during the year. We have been informed that no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us, we report that, the title deeds, comprising all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) classified as Property Plant and Equipment, are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment or intangible assets during the year.
- (e) According to the information and explanations given to us and based on management representations, there are no proceedings initiated or are pending against the Company as at March 31, 2022 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

- (ii) (a) The Company is in the business of providing micro finance loans. Therefore, it does not hold any physical inventories. Accordingly, paragraph 3(ii) (a) of the Order is not applicable to the Company.

- (b) The Company has been sanctioned working capital limits in excess of five Crores rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. According to information and explanation given to us and the records examined by us, the quarterly returns or statements, if any have not been filed by the Company during the

year with such banks or financial institutions as the working capital limits have not been utilised by the Company as at March 31, 2022.

- (iii) (a) Since the Company is in business of providing micro finance loans, the reporting under clause 3(iii)(a) of the Order is not applicable to the Company

- (b) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, the provisions of clause 3(iii)(b) of the Order are not applicable to the Company.

- (c) The Company is principally engaged in the business of providing loans. In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been duly stipulated and the repayments of principal amounts and receipts of interest have generally been regular as per repayment schedules except for 86,144 cases having loan outstanding balance at year end aggregating to ₹ 10,316.16 Lakhs wherein the repayments of principal and interest are not regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where repayment of principal and interest have not been regular.

- (d) In respect of loans granted by the Company, the total amount overdue for more than 90 days as at the balance sheet date are as under;

No. of cases	Principal amount overdue (₹ Lakhs)	Interest overdue (₹ Lakhs)	Total overdue (₹ Lakhs)
86,144	9,607.96	708.20	10,316.16

According to information and explanation given to us and the records examined by us, the Company has taken reasonable steps to recover the principal and interest amount.

- (e) Since the Company is in business of providing micro finance loans, the reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

- (f) The Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment.

- (iv) There are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are attracted. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us and to the best of our knowledge, the Central Government has not prescribed the maintenance of cost records under sub-section 1 of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, as amended for the services of the Company, and, hence, reporting on clause 3 (vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us, and on the basis of examination of the books of account of the Company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues applicable to it. According to information and explanations given to us, no undisputed amount payable was outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues as mentioned in sub clause vii(a) above which have not been deposited with the appropriate authorities on account of any dispute except as mentioned below:
- (viii) According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income in the tax assessments made during the year under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority during the year.
- (c) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has utilised the money raised by way of term loans during the year for the purposes for which they were raised, other than placement funds aggregating to ₹ 32,300 lakhs in Bank accounts/ Bank Fixed Deposit and Mutual Fund, pending utilisation of funds as per respective sanction terms as at March 31, 2022.
- (d) On an overall examination of the Standalone Financial Statements of the Company, no funds have been raised on short-term basis. Accordingly reporting on clause 3 (ix) (d) of the Order is not applicable to the Company.
- (e) The Company does not have subsidiary, associate or joint venture, accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have subsidiary, associate or joint venture, accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has not raised any money by way of an initial public offer or further public offer (including debt instruments). Accordingly, paragraph 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) According to information and explanation given to us, and on the basis of examination of the books and records of the Company, we have come across the instance of material frauds on the Company amounting to ₹ 135.52 Lakhs, noticed and reported during the year as per the requirements of RBI guidelines.

Details of dues of Income Tax, which has not been deposited as at March 31, 2022 on account of dispute are given below:

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹ in Lakhs)
Income Tax Act, 1961	Income Tax	CIT (Appeals)	AY 2015-16	1,124.50
Income Tax Act, 1961	Income Tax	CIT (Appeals)	AY 2016-17	1,978.91
Income Tax Act, 1961	Income Tax	CIT (Appeals)	AY 2017-18	1,521.37



- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year, while determining the nature, timing and extent of our audit procedures.
- (xii) The Company is not a Nidhi Company and hence, reporting under clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable Ind AS.
- (xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with directors. Accordingly, reporting under paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and such registration has been obtained by the Company.
- (b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Micro Finance activities without obtaining a valid Certificate of Registration from the Reserve Bank of India as per Reserve Bank of India Act, 1934.
- (c) According to the information and explanations given to us the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) In our opinion, there is no core investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) Pursuant to the RBI guidelines dated April 27, 2021, the predecessor statutory auditors (Walker Chandiook & Co LLP, ICAI Firm Registration No. 001076N/N500013) of the Company resigned during the year; and that there were no issues, objections or concerns raised by the outgoing auditors as communicated to us.
- (xix) On the basis of the financial ratios, aging and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) Other than ongoing projects, there are no unspent amounts towards Corporate Social Responsibility ('CSR') to be transferred to a Fund specified in Schedule VII to the Companies Act, 2013 within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company for the year.
- (b) In respect of ongoing projects, the Company has transferred unspent CSR amounts as at the end of the current financial year, to a Special account within a period of 30 days from the end of the current financial year in compliance with the provision of section 135(6) of the Act.
- (xxi) Based on information and explanations given to us, the Company is not required to prepare consolidated financial statements as per section 129(3) of the Companies Act 2013. Accordingly reporting under clause 3(xxi) of the Order is not applicable to the Company.

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

Sanat Ulhas Chitale

Partner
ICAI Membership No.: 143700
UDIN: 22143700AJBVFT9762

Place: Pune
Date: May 16, 2022

Annexure B

to the Independent Auditors' Report – March 31, 2022

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ('the Act')

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

We have audited the Internal Financial Controls with reference to the Standalone Financial Statements of **Asirvad Micro Finance Limited** ('the Company') as at March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls

with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sanat Ulhas Chitale

Partner
ICAI Membership No.: 143700
UDIN: 22143700AJBVFT9762

Place: Pune
Date: May 16, 2022

Balance Sheet

as on March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
I Assets			
1 Financial assets			
(a) Cash and cash equivalents	5	79,430.46	64,846.87
(b) Bank balance other than (a) above	6	12,392.06	18,721.99
(c) Loans	7(a)	5,42,611.52	4,79,519.17
(d) Loans given to staff	7(b)	5.14	76.52
(e) Investments	8	10,713.50	5.00
(f) Derivative financial instruments	14	274.10	-
(g) Other financial assets	9	10,891.38	6,566.94
		6,56,318.16	5,69,736.49
2 Non-financial Assets			
(a) Current tax assets (net)	10	3,804.14	1,858.88
(b) Deferred tax assets (net)	11 (a)	9,043.41	8,282.84
(c) Investment property	12	8.64	8.64
(d) Property, plant and equipment	12	3,423.04	687.63
(e) Right of use asset	12	7,396.46	894.48
(f) Other intangible assets	12	142.04	259.69
(g) Intangible assets under development	12	94.18	54.50
(h) Other non financial assets	13	1,137.83	776.23
		25,049.73	12,822.88
Total assets		6,81,367.89	5,82,559.39
II Liabilities and equity			
1 Financial liabilities			
(a) Derivative financial instruments	14	-	135.30
(b) Other payables	15		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,688.28	2,447.22
(c) Debt securities	16	1,38,543.44	1,21,905.45
(d) Borrowings (other than debt securities)	17	3,85,412.34	3,19,334.54
(e) Subordinated liabilities	18	31,920.38	21,476.92
(f) Other financial liabilities	19	12,679.69	6,043.41
		5,71,244.13	4,71,342.84
2 Non-financial liabilities			
(a) Current tax liabilities (net)	20 (a)	-	725.91
(b) Provisions	20 (b)	1,497.57	1,506.75
(c) Other non-financial liabilities	21	1,420.86	3,440.39
		2,918.43	5,673.05
3 Equity			
(a) Equity share capital	22	5,331.19	5,331.19
(b) Other equity	23	1,01,874.14	1,00,212.30
		1,07,205.33	1,05,543.49
Total Liabilities and Equity		6,81,367.89	5,82,559.38

Notes 1 to 64 form an integral part of the financial statements

This is the balance sheet referred to in our report of even date

For M.P. CHITALE & Co

Chartered Accountants

ICAI Firm Registration Number: 101851W

Sanat Ulhas Chitale

Partner

ICAI Membership Number: 143700

Date: May 16, 2022

Place: Pune

For and on behalf of the Board of Directors of

Asirvad Micro Finance Limited

V P Nandakumar

Chairman

(DIN No. 00044512)

Yogesh Ratnakar Udhoji

Chief Financial Officer

Date: May 16, 2022

Place: Chennai

B N Raveendra Babu

Managing Director

(DIN No. 00043622)

Aparna Menon

Company Secretary

Statement of Profit and Loss

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
I Revenue from operations			
Interest income	24 (a)	1,18,084.12	95,762.88
Net Gain on derecognition of financial instruments under amortised cost category	24 (b)	11,697.22	7,147.98
Dividend income	24 (c)	1,118.80	1,286.86
Other operating income	25	4,669.82	1,099.17
		1,35,569.96	1,05,296.89
II Other income	26	4,400.01	2,421.47
III Total income (I + II)		1,39,969.97	1,07,718.36
IV Expenses			
Finance cost	27	57,136.57	45,754.14
Impairment of financial instruments	28	39,707.04	29,980.94
Employee benefit expenses	29	26,868.91	18,852.94
Depreciation and amortisation expense	30	3,523.43	1,183.72
Other expenses	31	10,872.65	8,878.60
Total expenses (IV)		1,38,108.60	1,04,650.34
V Profit before exceptional items and tax (III - IV)		1,861.37	3,068.02
VI Exceptional items		-	-
VII Profit before tax (V- VI)		1,861.37	3,068.02
VIII Tax expense			
(1) Current tax	11 (b)	1,664.62	6,618.90
(2) Deferred tax	11 (b)	(872.88)	(4,828.08)
(3) Tax relating to earlier years	11 (b)	(273.61)	(410.94)
		518.13	1,379.88
IX Profit for the year (VII - VIII)		1,343.24	1,688.14
X Other comprehensive income	23		
A (i) Items that will not be reclassified to profit or loss:			
a. Remeasurement gains and (losses) on defined benefit obligations (net)		155.76	(184.28)
b. Fair value changes on derivatives designated as cash flow hedge (net)		290.44	64.95
(ii) Income tax relating to items that will not be reclassified to profit or loss		(112.30)	30.04
Subtotal (A)		333.90	(89.29)
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Subtotal (B)		-	-
Other comprehensive income (A + B)		333.90	(89.29)
XI Total comprehensive income for the year (IX + X)		1,677.14	1,598.85
XII Earnings per equity share of ₹ 10 each	33		
- Basic (₹)		2.52	3.17
- Diluted (₹)		2.52	3.17

Notes 1 to 64 form an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For M.P. CHITALE & Co

Chartered Accountants

ICAI Firm Registration Number: 101851W

Sanat Ulhas Chitale

Partner

ICAI Membership Number: 143700

Date: May 16, 2022

Place: Pune

For and on behalf of the Board of Directors of

Asirvad Micro Finance Limited

V P Nandakumar

Chairman

(DIN No. 00044512)

Yogesh Ratnakar Udhoji

Chief Financial Officer

Date: May 16, 2022

Place: Chennai

B N Raveendra Babu

Managing Director

(DIN No. 00043622)

Aparna Menon

Company Secretary

Statement of Cash Flow

 for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A Cash flow from operating activities		
Profit before income tax	1,861.37	3,068.02
Adjustments for:		
Depreciation and amortisation expense	3,523.43	1,183.72
Impairment of financial instruments	39,707.04	29,980.94
Provision for insurance claim receivable	339.47	301.70
Loss/(Profit) on sale of fixed assets (net)	-	0.06
Dividend income	(1,118.80)	(1,286.86)
Finance cost	57,136.57	45,754.14
Interest on deposits	(1,925.67)	(2,774.95)
Share based payments to employees	(15.30)	(7.24)
Operating profit before working capital changes	99,508.11	76,219.53
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Loans	(1,02,799.39)	(75,172.60)
Loans given to staff	71.38	25.78
Other financial assets	(4,663.91)	2,655.70
Other non financial assets	(361.60)	(366.14)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	241.06	684.52
Other financial liabilities	(1,083.22)	1,341.34
Other non financial liabilities	(2,019.53)	(26,482.21)
Other provisions	146.58	165.29
Net cash flow generated / (used in) operations	(10,960.53)	(20,928.79)
Net Income tax paid	(4,062.18)	(5,826.75)
Net cash generated / (used in) in operating activities (A)	(15,022.71)	(26,755.54)
B Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	-	25.00
Purchase of property, plant and equipment	(4,912.35)	(801.33)
Purchase of other intangible assets	(317.10)	(456.50)
Net movement in bank deposits	6,438.58	1,013.48
Dividend received	1,118.80	1,286.86
Investments	(10,708.50)	-
Interest income on deposits	1,817.02	3,269.05
Net cash flow generated / (used in) from investing activities (B)	(6,563.55)	4,336.56

Statement of Cash Flow (contd.)

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
C Cash flow from financing activities		
Proceeds from long term borrowings - term loans	3,38,167.00	1,92,545.00
Repayment of long term borrowings - term loans	(2,73,763.08)	(2,02,517.37)
Interest paid on term loans	(33,739.57)	(31,042.46)
Proceeds from long term borrowings - debentures	89,300.00	1,11,500.00
Repayment of long term borrowings - debentures	(59,315.59)	(35,575.00)
Interest paid on debentures	(16,829.10)	(9,133.79)
Proceeds from securitisation borrowings	-	-
Repayment of securitisation borrowings	(6,845.87)	(52,241.91)
Interest paid on securitisation	(84.88)	(3,378.55)
Proceeds from short term borrowings - commercial paper	-	-
Repayment of short term borrowings - commercial paper	-	(2,266.55)
Interest paid on CP	-	(233.45)
Repayment of short term borrowings - cash credit	-	-
Proceeds from finance lease	-	-
Other interest and charges paid	(719.07)	(464.51)
Net cash flow from financing activities (C)	36,169.83	(32,808.59)
Net increase in cash and cash equivalents (A+B+C)	14,583.59	(55,227.57)
Cash and cash equivalents at the beginning of the period	64,846.87	1,20,074.44
Cash and cash equivalents at the end of the period	79,430.46	64,846.87
Cash and cash equivalents as per above comprise of the following		
(a) Cash on hand	2,268.64	224.72
(b) Balances with banks (of the nature of cash and cash equivalents)	77,161.82	64,622.15
Balance as per statement of cash flow	79,430.46	64,846.87

Notes 1 to 64 form an integral part of the financial statements

This is the Statement of Cash flow referred to in our report of even date

For M.P. CHITALE & Co

Chartered Accountants

ICAI Firm Registration Number: 101851W

Sanat Ulhas Chitale

Partner

ICAI Membership Number: 143700

Date: May 16, 2022

Place: Pune

For and on behalf of the Board of Directors of
Asirvad Micro Finance Limited**V P Nandakumar**

Chairman

(DIN No. 00044512)

Yogesh Ratnakar Udhoji

Chief Financial Officer

Date: May 16, 2022

Place: Chennai

B N Raveendra Babu

Managing Director

(DIN No. 00043622)

Aparna Menon

Company Secretary

Statement of Changes in Equity for the year ended March 31, 2022

A. Equity Share Capital

(1) For the Year Ended March 31, 2022

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Changes in equity share capital during the current year	Balance at the end of the current reporting period
5,331.19	-	-	5,331.19

(2) For the Year Ended March 31, 2021

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Changes in equity share capital during the current year	Balance at the end of the current reporting period
5,331.19	-	-	5,331.19

B. Other Equity

(1) For the Year Ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Reserves and Surplus					Other Comprehensive Income				Total
	Securities Premium	Statutory Reserve	Capital redemption reserve	Contribution from Holding Company	General Reserve	Retained Earnings	Remeasurement Gain/Loss on Defined Benefit Obligation	Effective portion of Cash flow hedge	Tax related to items that will not be reclassified	
Balance at the beginning of the current reporting period(As at April 01, 2021)	55,810.89	9,756.91	500.00	15.30	35.93	34,162.72	(149.08)	64.95	14.68	1,00,212.30
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	55,810.89	9,756.91	500.00	15.30	35.93	34,162.72	(149.08)	64.95	14.68	1,00,212.30
Total Comprehensive Income for the current year	-	-	-	-	-	1,343.24	155.76	290.44	(112.30)	1,677.14
Dividends	-	-	-	-	-	-	-	-	-	-
Transfer To/From	-	268.65	-	-	-	(268.65)	-	-	-	-
Reversal During the Year	-	-	-	(15.30)	-	-	-	-	-	(15.30)
Balance at the end of the current reporting period(As at March 31, 2022)	55,810.89	10,025.56	500.00	-	35.93	35,237.31	6.68	355.39	(97.62)	1,01,874.14

Statement of Changes in Equity

 for the year ended March 31, 2022

(2) For the Year Ended March 31, 2021

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Reserves and Surplus						Other Comprehensive Income			Total
	Securities Premium	Statutory Reserve	Capital redemption reserve	Contribution from Holding Company	General Reserve	Retained Earnings	Remeasurement Gain/Loss on Defined Benefit Obligation	Effective portion of Cash flow hedge	Tax related to items that will not be reclassified	
Balance at the beginning of the current reporting period(As at April 01, 2020)	55,810.89	9,419.28	500.00	22.54	35.93	32,812.21	35.20	-	(15.36)	98,620.69
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	55,810.89	9,419.28	500.00	22.54	35.93	32,812.21	35.20	-	(15.36)	98,620.69
Total Comprehensive Income for the current year	-	-	-	-	-	1,688.14	(184.28)	64.95	30.04	1,598.85
Dividends	-	-	-	-	-	-	-	-	-	-
Transfer To/From	-	337.63	-	-	-	(337.63)	-	-	-	-
Reversal During the Year	-	-	-	(7.24)	-	-	-	-	-	(7.24)
Balance at the end of the current reporting period(As at March 31, 2021)	55,810.89	9,756.91	500.00	15.30	35.93	34,162.72	(149.08)	64.95	14.68	1,00,212.30

Notes 1 to 64 form an integral part of the financial statements

This is the Statement of Changes in Equity referred to in our report of even date

For M.P. CHITALE & Co

Chartered Accountants

ICAI Firm Registration Number: 101851W

Sanat Ulhas Chitale

Partner

ICAI Membership Number: 143700

Date: May 16, 2022

Place: Pune

For and on behalf of the Board of Directors of

Asirvad Micro Finance Limited

V P Nandakumar

Chairman

(DIN No. 00044512)

Yogesh Ratnakar Udhoji

Chief Financial Officer

Date: May 16, 2022

Place: Chennai

B N Raveendra Babu

Managing Director

(DIN No. 00043622)

Aparna Menon

Company Secretary

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

1 Corporate information

Asirvad Micro Finance Limited was incorporated in August 2007 under the provisions of Companies Act, 1956. The Company is a Non-Banking Financial Company - Systemically Important Non-Deposit taking Company - Microfinance Institution (NBFC-MFI). The Company is registered as a Microfinance Institution under the Non Banking Financial Company - Micro Finance Institution (Reserve Bank) Directions, 2011 as amended, vide RBI letter dated October 04, 2013.

The Company is engaged in extending micro credit advances to poor women, who are otherwise unable to access finance from the mainstream banking channels. The Company provides small value collateral free loans with fortnightly/monthly repayments. The Company follows the Grameen Model with suitable adaptations using the group where each member is responsible for the loan repayment of the other members of the group.

In addition to the core business of providing micro-credit, the Company also provides secured loans to Micro Small and Medium Enterprise ('MSME') and also provides gold loans.

2 Basis of preparation

(i) Statement of compliance with Indian Accounting Standards (Ind AS)

These financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies for all the periods presented in these financial statements.

The financial statements for the year ended March 31, 2022 were authorised and approved for issue by the Board of Directors on May 16, 2022.

(ii) Historical cost convention

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies.

(iii) Critical accounting estimates and judgements

The preparation of financial statements in conformity with the Ind AS requires the management to make judgements,

estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring adjustment to the carrying amounts of assets or liabilities in future periods.

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

Business model assessment

The Company determines the business model at a level that reflects how the financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and accordingly prospective change to the classification of those assets are made.

Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

Fair value measurements

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Impairment of loan portfolio

Judgment is required by management in the estimation of the amount and timing of future cash flows when determining an impairment allowance for loans and advances. In estimating these cash flows, the Company makes judgments about the borrower's financial situation. These estimates are based on assumptions about a number of factors such as credit quality, level of arrears etc. and actual results may differ, resulting in future changes to the impairment allowance.

Provisions

Provisions created in respect of a range of future obligations such as litigation. Some of the provisions involve significant judgment about the likely outcome of various events and estimated future cash flows. The measurement of these provisions involves the exercise of management judgments about the ultimate outcomes of the transactions. Payments that are expected to be incurred after more than one year are discounted at a rate, which reflects both current interest rates and the risks specific to that provision.

Useful lives of depreciable/ amortisable assets

Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of asset.

3 Summary of significant accounting policies

(a) Property, plant and equipment

Initial recognition and measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and

rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss.

Subsequent measurement (depreciation method, useful lives and residual value)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation on property, plant and equipment is provided on the written down method over the useful life of the assets as prescribed under Part 'C' of Schedule II, which is also the management's estimates of useful lives of such assets.

Asset class	Useful Life
Furniture and Fixtures including Electrical fittings	10
Leasehold Improvements	5
Office Equipment	5
Vehicles	8
Computers and others	3

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed. The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss, when the asset is de-recognised.

(b) Investment Property

Initial recognition and measurement

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

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

property includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

De-recognition

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

(c) Intangible assets

Initial recognition and measurement

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent measurement (depreciation method, useful lives and residual value)

Intangible assets are amortised over a period of five years from the date when the assets are available for use. The estimated useful life (amortisation period) of the intangible assets is arrived basis the expected pattern of consumption of economic benefits and is reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Intangible assets under development

Intangible assets under development represents expenditure incurred in respect of intangible assets under development and are carried at cost. Cost includes development cost, borrowing costs and other direct expenditure necessary to create, produce and repair the asset to be capable of operating in the manner intended by management. These are recognised as assets when the Company demonstrate following recognition requirements:

- The development costs can be measured reliably
- The project is technically and commercially feasible

- The Company intends to and has sufficient resources to complete the project
- The Company has the ability to use or sell such intangible asset
- The asset will generate probable future economic benefits.

(d) Revenue recognition

Interest and processing fee income on loans

Interest income for all financial instruments measured at amortised cost, is recorded using the effective interest rate ('EIR'). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company records interest income on actual receipt basis. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest income is also recognised on carrying value of assets over the remaining period of such assets.

Referral income

Income from cross sale services is recognised on accrual basis when the service is rendered taking into account the number of units sold at the rates applicable according to the terms of the agreement.

Interest on fixed deposits

Interest income on deposits with banks is recognised in time proportion basis taking into account the amount outstanding and the rate applicable using the effective interest rate (EIR) method.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

Dividend income

Dividend income is recognised at the time when the right to receive is established by the reporting date.

Miscellaneous income

All other income is recognised on an accrual basis, when there is no uncertainty in the ultimate realisation/collection.

(e) Finance cost

Finance cost consists of interest and other cost that the Company incurred in connection with the borrowing of funds. All other finance costs are charged to the statement of profit and loss as incurred basis the effective interest rate method.

(f) Taxation

Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised either in OCI or in other equity.

Tax expense recognised in Statement of Profit and Loss comprises the sum of deferred tax and current tax except to the extent it recognised in other comprehensive income or directly in equity.

(g) Employee benefits

Defined contribution plan

(i) Provident fund

This is a defined contribution plan where contributions are remitted to provident fund authorities in accordance with the relevant statute and charged to the Statement of Profit and Loss in the period in which the related employee services are rendered. The Company has no further obligations for future provident fund benefits in respect of these employees other than its monthly contributions.

Defined benefit plan

(i) Gratuity

The liability recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

(ii) Compensated absences

The Company provides benefit of compensated absences under which unveiled leave are allowed to be accumulated to be availed in future. The compensated absences comprises of both vesting and non vesting benefit. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Company's defined benefit plan is included in employee benefits expense.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Gains and losses through re-measurements of the defined benefit plans are recognised in other comprehensive income, which are not reclassified to profit or loss in a subsequent period.

Short-term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share based payments

The Company has formulated an Employees Stock Option Scheme. The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in other equity.

The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in Statement of Profit and Loss, with a corresponding adjustment to equity.

(h) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. Recoverable amount is higher of an asset's net selling price and its value in use.

If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount.

The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

(i) Impairment of financial assets

The Expected Credit Loss (ECL) allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12m ECLs are calculated on a collective basis for identified homogenous pool of loans.

Loan assets

The Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- Stage 1 (0-30 days) includes loan assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date.
- Stage 2 (31-90 days) includes loan assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment.
- Stage 3 (more than 90 days) includes loan assets that have objective evidence of impairment at the reporting date.

The ECL is measured at lifetime ECL for Stage 1, Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default, defined as follows:

The Probability of Default (PD) represents the likelihood of a borrower defaulting on its financial obligation over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Exposure at Default (EAD) is based on the amounts the Company expects to be owed at the time of default. Management overlay is included in determining the lifetime ECL. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

Notes Forming Part of the Financial Statements

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(All amounts in ₹ lakhs unless otherwise stated)

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Write off

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to the statement profit and loss account.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand (including imprest), demand deposits and short-term highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. The Company nets off the balance of bank overdraft with cash and cash equivalents for cash flow statement.

(k) Provisions, contingent assets and contingent liabilities

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best

estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

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

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

(l) Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances to assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Notes Forming Part of the Financial Statements

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(All amounts in ₹ lakhs unless otherwise stated)

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

(m) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

Classification and Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified and measured based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

- a. Amortised cost
- b. Fair Value Through Other Comprehensive Income (FVTOCI) or
- c. Fair Value Through Profit or Loss (FVTPL).

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

(i) Financial asset carried at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss. Non-performing financial assets are carried at amortised cost in the financial statement.

(ii) Financial assets carried at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and selling financial assets
- (b) The contractual terms of the financial asset meet the SPPI test.

FVTOCI instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income is recognised in profit or loss in the same manner as for financial assets measured at amortised cost

(iii) Financial assets carried at Fair Value Through Profit or Loss (FVTPL)

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortised cost or at fair value through

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognised in statement of profit and loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified

as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments, which are measured at amortised cost.

Classification and Subsequent measurement

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR method. Any gains or losses arising on derecognition of liabilities are recognised in the Statement of Profit and Loss.

Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(n) Derivative financial instruments

The Company enters into derivative financial instruments, cross currency swaps, to manage its borrowing exposure to foreign exchange.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognised at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

period. The resulting gain/loss is recognised in Statement of profit and loss.

(n) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss (interest and other finance cost associated) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares

Segment reporting

The Company operates in a single business segment i.e. lending to members, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Company operates in a single geographical segment i.e. domestic.

(o) Government grants

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Grant or subsidy relates to revenue, it is recognised as income on a systematic basis in profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate.

(p) Foreign currency

Functional and presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements have been prepared and presented in Indian Rupees (INR), which is the Company's functional and presentation currency

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency

using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the Statement of Profit and Loss in the year in which they arise.

(q) Securitisation and direct assignment

The securitised assets where the Company has not transferred substantially all the risks and rewards in accordance with the provisions of Indian Accounting Standard No.109 (Ind AS 109), 'Financial Instruments' shall not be de-recognised and proceeds received from securitisation shall be recognised as borrowings and interest thereon shall be recognised as finance cost.

The direct assignment transaction where the Company has transferred substantially all the risks and rewards in accordance with the provisions of Indian Accounting Standard No.109 (Ind AS 109), 'Financial Instruments' shall be de-recognised. Similarly, the gain on sale of assets arising from a direct assignment transactions, has been recognised on de-recognition as interest only strip.

(r) Statement of cash flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

4 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

5 Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Cash on hand	2,268.64	224.72
(b) Balances with banks		
- In current accounts	23,860.52	17,399.55
- In deposit accounts - not covered under lien	53,301.30	47,222.60
	79,430.46	64,846.87

5.1 Particulars	As at March 31, 2022	As at March 31, 2021
Of the above, the balances that meet the definition of cash and cash equivalents as per Ind AS 7 cash flow statements	79,430.46	64,846.87

6 Bank balance other than above (Also, refer note 17.1)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Banks		
- In Deposit Accounts - under lien (Refer note 6.1 below)	12,392.06	18,721.99
	12,392.06	18,721.99

6.1 Deposit accounts under lien comprise of:

Deposits (excluding accrued interest) amounting to ₹ 11,631.70 lakhs (As at March 31, 2021 ₹ 12,842.59 lakhs) have been placed with certain banks for obtaining term loans.

Deposits (excluding accrued interest) Nil (As at March 31, 2021 : ₹ 5,148.97 lakhs) are placed as credit enhancement (cash collateral) towards securitisation transactions.

7(a) Loans (at amortised cost)

Particulars	As at March 31, 2022	As at March 31, 2021
(A) Term loans	5,77,010.65	5,13,664.06
Less : Impairment loss allowance	34,399.13	34,144.89
Total	5,42,611.52	4,79,519.17
(i) Secured		
Loans	34,929.86	4,360.92
Less : Impairment loss allowance	221.94	104.83
Sub Total	34,707.92	4,256.09
(ii) Unsecured		
Loans	5,42,080.79	5,09,303.14
Less : Impairment loss allowance	34,177.19	34,040.06
Sub Total	5,07,903.60	4,75,263.08
Grand Total	5,42,611.52	4,79,519.17

7(b) Loans given to staff (at amortised cost)

Particulars	As at March 31, 2022	As at March 31, 2021
Loans to Staff	5.14	76.52
	5.14	76.52

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

7.1 Particulars	As at March 31, 2022	As at March 31, 2021
The loan receivables reflected above excludes microfinance loans assigned to a third party on direct assignment in accordance with RBI Guidelines which qualify for derecognition as per Ind AS 109. The amounts given are net of minimum retention retained in the books:	1,21,256.10	85,801.60

7.2 Particulars	As at March 31, 2022	As at March 31, 2021
Provisions as per RBI Prudential Norms	7,305.46	6,989.97
Provisions as per ECL model under Ind AS 109	34,399.13	34,144.89
Amount recorded in the books	34,399.13	34,144.89

As at March 31, 2022

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net Carrying amount	Provisions required as per IRACP norms	Difference between IND AS 109 provisions and IRACP norms
(A)	(B)	(C)	(D)	E = (C-D)	(F)	(G)
Performing assets						
Standard	Stage 1	5,02,773.92	7,393.48	4,95,380.44	6,400.38	993.10
	Stage 2	64,628.77	19,108.77	45,520.00	646.29	18,462.48
Non Performing Assets (NPA)						
Substandard	Stage 3	9,607.96	7,896.88	1,711.09	258.79	7,638.09
Total		5,77,010.65	34,399.13	5,42,611.52	7,305.46	27,093.67

As at March 31, 2021

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net Carrying amount	Provisions required as per IRACP norms	Difference between IND AS 109 provisions and IRACP norms
(A)	(B)	(C)	(D)	E = (C-D)	(F)	(G)
Performing assets						
Standard	Stage 1	4,70,496.16	9,600.52	4,60,895.64	6,391.89	3,208.63
	Stage 2	34,081.12	15,475.69	18,605.43	339.29	15,136.40
Non Performing Assets (NPA)						
Substandard	Stage 3	9,086.78	9,068.68	18.10	258.79	8,809.89
Total		5,13,664.06	34,144.89	4,79,519.17	6,989.97	27,154.92

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

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

(A) As at March 31, 2022

Particulars	Stage 1: 0-30 days	Stage 2: 31-90 days	Stage 2: 31-90 days
i. Loans considered as Qualifying Assets	4,53,019.10	62,681.50	9,076.86
ii. Loans considered as Non Qualifying Assets	49,754.81	1,947.27	531.11
Gross Carrying Amount of Loans	5,02,773.91	64,628.77	9,607.96
Less : Impairment loss allowance *	7,393.48	19,108.77	7,896.88
Net Loans	4,95,380.42	45,520.00	1,711.09

(B) As at March 31, 2021

Particulars	Stage 1: 0-30 days	Stage 2: 31-90 days	Stage 2: 31-90 days
i. Loans considered as Qualifying Assets	4,50,063.58	32,334.87	8,599.55
ii. Loans considered as Non Qualifying Assets	19,581.34	1,593.65	487.23
Gross Carrying Amount of Loans	4,69,644.92	33,928.53	9,086.78
Less : Impairment loss allowance *	9,600.52	15,475.69	9,068.68
Net Loans	4,60,044.38	18,452.83	18.10

7.3 Reconciliation of impairment allowance on Loans

Particulars	Amount
Impairment allowance as at April 01, 2020	18,510.11
Add: Impairment allowance provided in statement of Profit & Loss	29,980.94
Less: Impairment allowance Utilised for writing off Loss assets	14,346.16
Impairment allowance as at March 31, 2021	34,144.89
Add: Impairment allowance provided in statement of Profit & Loss	39,707.04
Less: Impairment allowance Utilised for writing off Loss assets	39,452.80
Impairment allowance as at March 31, 2022	34,399.13

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

Particulars	As at March 31, 2022	As at March 31, 2021
(i) No of SPVs sponsored by the NBFC for securitisation transactions		
a. Through Direct assignment	22	14
b. Through PTC	-	8
Total	22	22
(ii) Total amount of securitised assets as per books of the SPVs Sponsored		
a. Through Direct assignment	1,21,256.10	85,801.60
b. Through Pass through Certificates	-	6,822.72
Total	1,21,256.10	92,624.32

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
(iii) Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet		
a) Off-balance sheet exposures		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
First loss	14,733.58	15,476.18
Others	-	-
a. Pass through Certificates	-	-
Others	-	-
(iv) Amount of exposures to securitisation transactions Other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own securitisations		
First loss	-	-
Others	-	-
ii) Exposure to third party securitisations		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
i) Exposure to own securitisations		
First loss	-	5,148.97
Others	-	-
ii) Exposure to third party securitisations		
First loss	-	-
Others	-	-

7.5 Details of Financial Assets sold to Securitisation Company

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Total number of loan assets securitised during the year		
a. Through Direct assignment	4,92,020.00	1,75,430.00
b. Through PTC	-	-
	4,92,020.00	1,75,430.00
Book value of loan assets securitised during the year		
a. Through Direct assignment	1,41,548.43	44,443.44
b. Through PTC	-	-
	1,41,548.43	44,443.44
Sale consideration received during the year		
a. Through Direct assignment	1,25,923.67	39,999.79
b. Through PTC	-	-
	1,25,923.67	39,999.79
MFI Loans Subordinated as Credit Enhancement on Assets Derecognised		
a. Through Direct assignment	15,624.76	4,443.64
b. Through PTC	-	-
	15,624.76	4,443.64

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Gain / (loss) on the securitisation transaction recognised in P&L		
Through PTC & Direct assignment	11,697.22	7,147.98
Gain / (loss) on the securitisation transactions deferred		
Through PTC & Direct assignment	-	-
	11,697.22	7,147.98
Quantum of Credit Enhancement provided on the transactions in the form of deposits		
a. Through Direct assignment	-	-
b. Through PTC	-	5,148.97
	-	5,148.97
Quantum of Credit Enhancement as at year end		
a. Through Direct assignment	-	-
b. Through PTC	-	5,148.97
	-	5,148.97
Interest spread Recognised in the Statement of Profit and Loss during the Year		
a. Through Direct assignment	11,697.22	7,147.98
b. Through PTC	-	-
	11,697.22	7,147.98

7.6 No disclosure has been presented as per RBI notification RBI/2019-20/220 DOR, No.BP.DC.63/21.04,048/2020-21 Dated: April 17, 2020; as the balances are Nil.

8 Investments

Particulars	As at March 31, 2022	As at March 31, 2021
Investments at fair value through other comprehensive income		
Outside India		
In India		
(i) Unquoted Equity instruments	5.00	5.00
(ii) Investment in Government Securities	10,708.50	
Gross Total	10,713.50	5.00
Less : Allowance for impairment loss	-	-
Total	10,713.50	5.00

9 Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Security deposits	630.85	614.60
(b) Retained interest on asset assigned	7,415.54	4,417.17
(c) Others	2,844.99	1,535.17
	10,891.38	6,566.94

10 Current tax assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income tax	3,804.14	1,858.88
	3,804.14	1,858.88

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

11 (a) Deferred tax assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets (net)	9,043.41	8,282.84
	9,043.41	8,282.84

11 (b) Current tax and deferred tax

(i) Income tax expense

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Current tax in respect of current year	1,664.62	6,618.90
(b) Deferred tax relating to origination and reversal of temporary differences	(872.88)	(4,828.08)
(c) Tax relating to earlier year	(273.61)	(410.94)
Total tax expense recognised in statement of profit and loss	518.13	1,379.88

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

Particulars	As at March 31, 2022	As at March 31, 2021
Profit Before tax from operations	1,861.37	3,068.02
Income Tax using the Company's domestic Tax rate #	468.51	772.22
Effect of other permanent differences	88.15	88.23
Effect of deferred tax remeasurement	234.47	930.37
Effect of change in previous year tax amount	(273.00)	(410.94)
Income tax recognised in the statement of profit & loss	518.13	1,379.88

The tax rate used for the FY 2021-2022 and 2020-2021 reconciliations above are the Corporate tax rate of 22%, applicable surcharge and cess payable by corporate entities in India on taxable profits under the Income tax act.

(iii) Income tax on other comprehensive income

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax		
Remeasurement of defined benefit obligation	39.20	(46.39)
Fair value changes on derivatives designated as cash flow hedge (net)	73.10	16.35
	112.30	(30.04)

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

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

Particulars	For the Year Ended March 31, 2022			Closing Balance
	Opening Balance	(Charge)/Credit recognised in		
		Recognised in profit and Loss	Recognised in OCI	
Tax effect of items constituting deferred tax assets/deferred Tax liability:				
Property, plant and equipment	318.75	316.76	-	635.51
Provision for employee benefits	634.94	198.23	(39.20)	793.97
Provision for loan receivables	8,245.22	340.57	-	8,585.79
Provision for fraud insurance claim receivable	158.52	20.84	-	179.36
Effective interest rate on borrowings	(28.28)	107.26	-	78.98
Present value discounting of security deposit and documentation fee	509.92	60.72	-	570.64
Effect of implementation of Ind AS 116	29.91	104.81	-	134.72
Effective interest rate on DA and PTC loans	(1,569.79)	(296.70)	-	(1,866.49)
Gain / loss on hedge valuation	(16.35)	-	(73.10)	(68.99)
Total	8,282.84	852.49	(112.30)	9,043.49

Particulars	For the Year Ended March 31, 2021			Closing Balance
	Opening Balance	(Charge)/Credit recognised in		
		Recognised in profit and Loss	Recognised in OCI	
Tax effect of items constituting deferred tax assets/deferred Tax liability:				
Property, plant and equipment	50.61	268.14	-	318.75
Provision for employee benefits	193.17	395.38	46.39	634.94
Provision for loan receivables	4,838.01	3,407.21	-	8,245.22
Provision for fraud insurance claim receivable	103.04	55.48	-	158.52
Effective interest rate on borrowings	317.24	(345.52)	-	(28.28)
Present value discounting of security deposit and documentation fee	290.66	219.26	-	509.92
Effect of implementation of Ind AS 116	24.05	5.86	-	29.91
Effective interest rate on DA and PTC loans	(2,392.08)	822.29	-	(1,569.79)
Cash flow hedge reserve	-	-	(16.35)	(16.35)
Total	3,424.70	4,828.10	30.04	8,282.84

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

12 Property, plant and equipment, other intangible assets, Right of use assets and Intangible assets under development

Particulars	Property, plant and equipment									
	Investment Property - Land	Computers	Furnitures & Fixtures	Leasehold Improvements	Office Equipments	Vehicles	Total	Right of use asset	Other intangible assets- Softwares	Intangible assets under development
Gross block										
As at April 01, 2020	8.64	1,523.59	391.96	170.98	235.06	54.86	2,376.45	845.75	131.80	-
Additions	-	549.17	178.69	14.51	58.96	27.40	828.72	286.67	402.00	54.50
Disposals	-	-	-	-	(25.06)	-	(25.06)	-	-	-
As at March 31, 2021	8.64	2,072.76	570.66	185.49	268.96	82.26	3,180.11	1,132.42	533.80	54.50
Additions	-	954.75	2,285.60	0.49	1,671.51	-	4,912.35	7,453.39	277.42	39.68
Disposals	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	8.64	3,027.51	2,856.25	185.98	1,940.47	82.26	8,092.46	8,585.80	811.22	94.18
Accumulated depreciation/amortisation:										
As at April 01, 2020	-	1,086.09	237.13	59.54	158.20	49.45	1,590.41	124.61	130.80	-
Depreciation/ Amortisation expense	-	635.88	94.91	116.70	75.60	3.99	927.08	113.33	143.31	-
Eliminated on Disposal of Assets	-	-	-	-	-	-	-	-	-	-
Depreciation Adjustments	-	-	-	-	(25.00)	-	(25.00)	-	-	-
As at March 31, 2021	-	1,721.97	332.04	176.24	208.80	53.44	2,492.49	237.94	274.11	-
Depreciation/ Amortisation expense	-	765.12	784.98	8.84	607.67	10.33	2,176.95	951.41	395.07	-
Eliminated on Disposal of Assets	-	-	-	-	-	-	-	-	-	-
Depreciation Adjustments	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	-	2,487.09	1,117.03	185.08	816.47	63.77	4,669.43	1,189.35	669.18	-
Net block										
As at March 31, 2021	8.64	350.79	238.61	9.25	60.16	28.82	687.63	894.48	259.69	54.50
As at March 31, 2022	8.64	540.42	1,739.22	0.90	1,123.99	18.49	3,423.04	7,396.46	142.04	94.18

Also refer Note 56 for Intangible Assets Under Development

13 Other non financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Goods & service tax credit (input) receivable	150.72	21.41
(b) Prepaid expenses	410.94	465.27
(c) Capital advances	306.82	-
(d) Opex advances	200.82	289.55
(e) Others*	68.53	-
	1,137.83	776.23

* (Also, refer note no 54 for ageing of trade receivables)

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

14 Derivative financial instruments (Also, refer note 42.15)

Particulars	As at March 31, 2022	As at March 31, 2021
Currency derivatives		
Interest rate swap	(274.10)	135.30
	(274.10)	135.30

15 Other payables

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Total outstanding dues of micro enterprises and small enterprises (Also, refer note 40)	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises (Also, refer note no 55 for trade payables ageing)	2,688.28	2,447.22
	2,688.28	2,447.22

There are no dues payable as at March 31, 2022 and March 31, 2021 to Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. The information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

16 Debt securities (At amortised cost)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Redeemable non-convertible debentures		
- Secured	83,293.44	91,065.73
- Unsecured	55,250.00	30,839.72
(b) Commercial papers (Unsecured) (Refer Note 17.3)	-	-
	1,38,543.44	1,21,905.45
(i) Debt securities in India	1,38,543.44	1,21,905.45
(ii) Debt securities outside India	-	-
	1,38,543.44	1,21,905.45

Also, refer note 17.4

17 Borrowings (other than debt securities) (At amortised cost)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Secured		
- Term loan from banks	3,19,349.65	2,70,635.86
- Term loan from NBFCs	27,354.63	12,528.50
- Other financial institutions	35,108.06	24,285.51
	3,81,812.34	3,07,449.87
(b) Unsecured		
- Term loan from NBFCs	3,600.00	5,038.80

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
(c) Borrowings under securitisation arrangement	-	6,845.87
	3,85,412.34	3,19,334.54
Borrowings in India	3,53,255.72	3,06,361.89
Borrowings outside India	32,156.63	12,972.65
	3,85,412.34	3,19,334.54

17.1 Security on term loans from banks and others (Also, refer note 6)

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

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Deposits with Banks & Others	12,392.06	18,721.99
(b) Deposits with NBFCs	-	-
	12,392.06	18,721.99

17.2 Details of cash credit from bank - Secured

- (a) The cash credit facility is secured by hypothecation of Microfinance Loans
- (b) The Company has not defaulted in the repayment of dues to Banks and NBFC's.
- (c) The details of interest rate, tenor, repayment terms of the Short Term Borrowings are as follows:

Repayment Terms	Interest Rate	March 31, 2022	March 31, 2021
Repayable on Demand	0.00%	-	-

17.3 Details of commercial paper - Unsecured

Particulars	Tenor (Days)	Interest Rate	March 31, 2022	March 31, 2021
-	-	-	-	-

(i) Details of commercial paper issued/repaid during the current year ended March 31, 2022

Particulars	Tenor (Days)	Discount rate (per annum)	Date of Transaction	Date of Transaction
-	-	-	-	-

(ii) Details of commercial paper issued/repaid during the current year ended March 31, 2021

Particulars	Tenor (Days)	Discount rate (per annum)	Date of Transaction	Date of Transaction
CP-Anand Rathi Global Finance Ltd (Re-paid)	365	10.30%	25-Feb-20	25-Feb-20

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

17.4 Details of terms of repayment- Debentures and subordinated liabilities

ISIN No	Party	Type of NCD	No. of Debentures As at		Face value	Interest rate	Due date of redemption	Closing balance As at	
			March 31, 2022	March 31, 2021				March 31, 2022	March 31, 2021
INE516Q08166	IFMR Capital	Sub Debt	500	500	10,00,000.00	13.00%	30-Jun-22	5,000.00	5,138.69
INE516Q08158	Royal Sundaram	Sub Debt	150	150	10,00,000.00	12.42%	28-Jun-23	1,500.00	1,495.66
INE516Q08182	Reliance Nippon	Sub Debt	350	350	10,00,000.00	13.00%	15-Jul-22	3,500.00	3,510.77
INE516Q08174	Reliance Nippon	Sub Debt	150	150	10,00,000.00	13.00%	15-Jul-22	1,500.00	1,503.53
INE516Q08331	A K Capital	Sub Debt	10,000	10,000	1,00,000,000.00	11.90%	26-Jun-26	10,000.00	9,828.28
INE516Q08372	Northern Arc Capital	Sub Debt	500	-	10,00,000.00	13.50%	31-Dec-27	5,000.00	-
INE516Q08380	Vivriti Capital	Sub Debt	550	-	10,00,000.00	13.50%	31-May-27	5,500.00	-
INE516Q07119	Blue Orchard	Other Than Sub Debt	-	330	10,00,000.00	13.25%	19-May-21	-	3,429.59
INE516Q07226	UTI International	Other Than Sub Debt	1,000	50	10,00,000.00	12.30%	09-Aug-23	500.00	505.69
INE516Q08281	Karvy	Other Than Sub Debt	50,000	50,000	10,00,000.00	11.63%	30-May-24	5,000.00	4,887.79
INE516Q08273	Credit Suisse Securities (India) Pvt Ltd	Other Than Sub Debt	-	100	10,00,000.00	11.00%	21-May-21	-	1,011.73
INE516Q07267	IFMR Capital	Other Than Sub Debt	250	250	10,00,000.00	12.00%	27-Jun-22	2,500.00	2,498.51
INE516Q07275	Blue Orchard	Other Than Sub Debt	700	700	10,00,000.00	12.48%	09-Mar-25	7,000.00	7,053.01
INE516Q07283	Bank of India	Other Than Sub Debt	750	750	10,00,000.00	10.50%	28-Apr-23	7,500.00	8,101.73
INE516Q07291	Canara Bank	Other Than Sub Debt	450	450	10,00,000.00	11.00%	29-May-23	4,500.00	4,894.33
INE516Q07309	Bandhan Bank	Other Than Sub Debt	500	417	10,00,000.00	11.25%	21-Apr-23	2,500.00	4,162.22
INE516Q07317	Union Bank	Other Than Sub Debt	850	850	10,00,000.00	11.00%	26-Jun-23	8,500.00	9,174.28
INE516Q07325	State Bank of India	Other Than Sub Debt	-	1,000	10,00,000.00	9.50%	05-Feb-22	-	10,590.39
INE516Q07333	Union Bank	Other Than Sub Debt	-	500	10,00,000.00	9.00%	08-Mar-22	-	5,231.89
INE516Q07341	Bank of Baroda	Other Than Sub Debt	1,500	1,500	10,00,000.00	8.60%	19-May-22	3,750.00	15,066.25
INE516Q07358	State Bank of India	Other Than Sub Debt	1,000	1,000	10,00,000.00	9.00%	14-Jun-22	10,000.00	10,243.25
INE516Q07366	Bank of India	Other Than Sub Debt	750	750	10,00,000.00	8.40%	30-Jun-22	7,500.00	7,630.02
INE516Q08307	A K Capital	Other Than Sub Debt	7,500	7,500	1,00,000,000.00	11.10%	05-Feb-23	3,750.00	7,508.85
INE516Q08315	Northern Arc	Other Than Sub Debt	-	1,000	10,00,000.00	10.50%	03-Mar-23	-	9,955.00
INE516Q08323	Anand Rathi and Others	Other Than Sub Debt	500	500	10,00,000.00	10.50%	08-Mar-23	5,000.00	4,976.18
INE516Q07382	GDC	Other Than Sub Debt	500	500	10,00,000.00	9.22%	30-May-25	4,700.00	4,984.73
INE516Q08356	Vivriti Capital	Other Than Sub Debt	500	-	7,00,000.00	11.40%	31-Dec-24	3,500.00	-
INE516Q07390	Navi Finserv and AK Capital	Other Than Sub Debt	1,000	-	6,28,000.00	9.65%	13-Jul-23	6,280.00	-
INE516Q07408	Vivriti Capital	Other Than Sub Debt	2,500	-	7,78,400.00	9.71%	29-Jan-24	19,460.00	-
INE516Q07416	Blue Orchard MEF	Other Than Sub Debt	730	-	10,00,000.00	11.05%	27-Feb-25	7,300.00	-
INE516Q08364	Northern Arc Capital	Other Than Sub Debt	450	-	7,77,777.78	10.00%	23-Feb-24	3,500.00	-
INE516Q07424	Blue Orchard	Other Than Sub Debt	1,450	-	10,00,000.00	10.45%	15-Sep-26	14,500.00	-
INE516Q07432	Northern Arc	Other Than Sub Debt	750	-	10,00,000.00	9.70%	09-May-24	7,500.00	-
								1,66,740.00	1,43,382.37

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

17.5 Details of terms of repayment- term loans from banks and others As at March 31, 2022

Tenure	Repayment	Interest Range	Due within 1 year		Due within 1-2 years		Due within 2-3 years		Due within 3-4 years		Due within 4-5 years		Over 5 years	
			No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount
	Bullet	10%-11%	8.00	800.00	6.00	13,820.00	2.00	2,000.00	-	-	-	-	-	-
		8%-9%	2.00	7,500.00	-	-	-	-	-	-	-	-	-	-
		9%-10%	2.00	-	1.00	8,625.00	-	-	-	-	-	-	-	-
	Half Yearly	10%-11%	1.00	6,250.00	-	-	-	-	-	-	-	-	-	-
		9%-10%	2.00	-	-	-	-	-	-	-	-	-	-	-
1yr-3yrs		10%-11%	51.00	13,383.38	28.00	3,600.00	8.00	1,356.67	-	-	-	-	-	-
		7%-8%	41.00	5,794.09	31.00	4,295.45	10.00	-	-	-	-	-	-	-
		8%-9%	184.00	42,619.82	72.00	17,610.72	24.00	6,886.86	-	-	-	-	-	-
		9%-10%	245.00	77,017.12	86.00	22,791.03	13.00	2,021.00	-	-	-	-	-	-
		10%-11%	2.00	333.33	-	-	-	-	-	-	-	-	-	-
		11%-12%	2.00	327.27	-	-	-	-	-	-	-	-	-	-
Quarterly		7%-8%	4.00	3,636.36	4.00	3,636.36	1.00	909.09	-	-	-	-	-	-
		8%-9%	12.00	4,545.45	4.00	3,636.36	4.00	3,636.36	-	-	-	-	-	-
Yearly		9%-10%	28.00	19,093.79	11.00	8,129.37	-	-	-	-	-	-	-	-
		11%-12%	1.00	946.65	1.00	946.65	1.00	946.70	-	-	-	-	-	-
Half Yearly		10%-11%	4.00	700.00	-	-	-	-	-	-	-	-	-	-
		11%-12%	8.00	7,244.00	8.00	7,319.00	4.00	4,225.00	-	-	-	-	-	-
3yrs		10%-11%	14.00	1,078.29	12.00	1,032.66	5.00	467.96	-	-	-	-	-	-
		9%-10%	15.00	5,888.89	16.00	-	4.00	-	-	-	-	-	-	-
Above		10%-11%	4.00	-	4.00	2,223.00	4.00	2,223.00	4.00	2,223.00	4.00	2,223.00	4.00	2,223.00
		9%-10%	18.00	19,267.92	16.00	18,466.67	15.00	14,050.00	12.00	4,800.00	4.00	3,200.00	-	-

As at March 31, 2021

Tenure	Repayment	Interest Range	Due within 1 year		Due within 1-2 years		Due within 2-3 years		Due within 3-4 years		Due within 4-5 years		Over 5 years	
			No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount	No. of Instalments	Amount
	Bullet	7%-8%	3.00	1,250.00	-	-	-	-	-	-	-	-	-	-
		8%-9%	24.00	5,500.00	23.00	5,250.00	-	-	-	-	-	-	-	-
Monthly		9%-10%	193.00	42,020.56	120.00	28,371.50	2.00	416.67	-	-	-	-	-	-
		10%-11%	48.00	8,543.06	-	-	-	-	-	-	-	-	-	-
Quarterly		11%-12%	70.00	20,313.72	19.00	8,783.27	1.00	666.67	-	-	-	-	-	-
		9%-10%	34.00	16,198.86	17.00	9,471.59	6.00	5,318.18	1.00	272.73	-	-	-	-
1yr-3yrs		10%-11%	29.00	25,199.62	15.00	10,567.52	-	-	-	-	-	-	-	-
		11%-12%	8.00	1,321.21	4.00	660.61	-	-	-	-	-	-	-	-
Half Yearly		7%-8%	2.00	12,500.00	1.00	6,250.00	-	-	-	-	-	-	-	-
		9%-10%	1.00	1,666.00	2.00	3,334.00	-	-	-	-	-	-	-	-
Bullet		8%-9%	2.00	12,500.00	-	-	-	-	-	-	-	-	-	-
		9%-10%	-	-	-	-	1.00	8,625.00	-	-	-	-	-	-
		10%-11%	1.00	5,000.00	-	-	2.00	13,020.00	-	-	-	-	-	
Monthly		9%-10%	21.00	2,625.00	14.00	1,166.67	11.00	763.89	4.00	277.78	-	-	-	-
		9%-10%	12.00	7,122.98	9.00	5,984.59	6.00	4,200.00	8.00	2,600.00	8.00	1,600.00	2.00	400.00
3yrs		10%-11%	6.00	900.00	4.00	700.00	-	-	-	-	-	-	-	-
		11%-12%	10.00	8,967.00	8.00	7,244.00	8.00	7,319.00	4.00	4,225.00	-	-	-	-
Above		10%-11%	-	-	-	-	2.00	1,893.30	1.00	946.70	-	-	-	-
		10%-11%	-	-	-	-	2.00	1,893.30	1.00	946.70	-	-	-	-

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

17.6 Reconciliation of liabilities arising from financing activities

Particulars	Debt securities (including subordinated liabilities)	Borrowings (other than debt)	Commercial Paper	Total
April 01, 2020	66,225.65	3,81,549.11	2,290.21	4,50,064.98
Proceeds	1,11,500.00	1,92,545.00	-	3,04,045.00
Repayment	(35,575.00)	(2,54,759.27)	(2,266.55)	(2,92,600.82)
Interest expense	10,365.51	34,620.96	209.79	45,196.26
Interest paid	(9,133.79)	(34,421.01)	(233.45)	(43,788.25)
Fair Value Changes		(200.25)		(200.25)
March 31, 2021	1,43,382.37	3,19,334.54	-	4,62,716.92
Proceeds	89,300.00	3,38,167.00		4,27,467.00
Repayment	(59,315.59)	(2,80,608.95)		(3,39,924.54)
Interest expense	17,937.43	37,893.16		55,830.59
Interest paid	(16,829.10)	(33,824.45)		(50,653.56)
Fair Value Changes		(290.44)		(290.44)
March 31, 2022	1,74,475.11	3,80,670.85	-	5,55,145.96

18 Subordinated liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Redeemable Non-Convertible Debentures (Unsecured) - Subordinated Debt (At Amortised Cost)	31,920.38	21,476.92
	31,920.38	21,476.92

19 Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Interest payable on assets assigned	3,189.01	2,076.98
(b) Lease liabilities (Also, refer note 34)	7,626.96	1,035.56
(c) Other payables	1,863.72	2,930.87
	12,679.69	6,043.41

20 (a) Current tax liabilities (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for taxation (net)	-	725.91
	-	725.91

20 (b) Provisions (Also, refer note 35)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Provision for compensated absences	850.75	1,189.94
(b) Provision for gratuity	646.82	316.81
	1,497.57	1,506.75

21 Other non financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Statutory dues payable	837.14	526.51
(b) Other payables	583.72	790.04
(c) Advance from customers	-	2,123.84
	1,420.86	3,440.39

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

22 Equity share capital

For each class of equity share capital:		No of equity share	Amount (Equity share)	Remarks
(a)	the number and amount of shares authorised;	9,00,00,000.00	9,000.00	1,000,000 Cumulative redeemable non-convertible preference shares of ₹ 100/- each
(b)	the number of shares issued, subscribed and fully paid, and subscribed but not fully paid;	5,33,11,887.00	5,331.19	-
(c)	par value per share;	10.00	-	-
(d)	a reconciliation of the number of shares outstanding at the beginning and at the end of the period;	Details given in Note 1	-	-
(e)	the rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital;	NA		<p>There are only one class as Equity share.</p> <p>The Company has only one class of equity shares having a par value of ₹ 10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Dividend proposed by the Board of Directors, if any is subject to the approval of the shareholders at the Annual General Meeting, except in the case of interim dividend.</p>
(f)	shares in respect of each class in the Company held by its holding Company or its ultimate holding Company including shares held by or by subsidiaries or associates of the holding Company or the ultimate holding Company in aggregate;	5,19,85,856.00	5,198.59	As on March 31, 2022 Holding Company Manappuram Finance Limited (Details given as Note 2)
(g)	shares in the Company held by each shareholder holding more than five percent shares specifying the number of shares held;	5,19,85,856.00	5,198.59	As on March 31, 2022 Holding Company Manappuram Finance Limited hold (97.51%) (Details given as Note 2)

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

For each class of equity share capital:	No of equity share	Amount (Equity share)	Remarks
(h) shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment, including the terms and amounts;	NA	-	-
(i) For the period of five years immediately preceding the date at which the Balance Sheet is prepared:		-	-
• Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash;	NA	-	-
• Aggregate number and class of shares allotted as fully paid up by way of bonus shares; and	NA	-	-
• Aggregate number and class of shares bought back;	NA	-	-
(j) terms of any securities convertible into equity shares issued along with the earliest date of conversion in descending order starting from the farthest such date;	NA	-	-
(k) calls unpaid (showing aggregate value of calls unpaid by Directors and officers);	NA	-	-
(l) forfeited shares (amount originally paid up)	NA	-	-
(m) An NBFC shall disclose information that enables users of its financial statements to evaluate the NBFC's objectives, policies and processes for managing capital.	NA	-	-
(n) A Company shall disclose Shareholding of Promoters* as below:		-	-
Shares held by promoters at the end of the year		-	-
Promoter name	No. of Shares**	%of total shares	% Change during the year***
S V Raja Vaidyanathan	10,24,415	1.92%	-2.67
Manappuram Finance Limited	5,19,85,856	97.51%	2.72

*Promoter here means promoter as defined in the Companies Act, 2013.

** Details shall be given separately for each class of shares

*** percentage change shall be computed with respect to the number at the beginning of the year or if issued during the year for the first time then with respect to the date of issue.

Note 1

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

Equity Shares	As at March 31, 2022		As at March 31, 2021	
	No. of shares*	Amount	No. of shares*	Amount
At the beginning of the period/year	5,33,11,887	5,331.19	5,33,11,887	5,331.19
Issued during the year (Refer Note 22.1 below)	-	-	-	-
Outstanding at the end of the period/year	5,33,11,887	5,331.19	5,33,11,887	5,331.19

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

Note 2

Class of shares / Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	No of shares held*	% holding in the class of shares	No of shares held*	% holding in the class of shares
Equity Shares of ₹ 10 each	5,19,85,856	97.51%	5,05,33,878	94.79%
Manappuram Finance Limited (the Holding Company)				

* No. of shares are in absolute numbers

Note 3

Terms / Rights attached to equity shares:

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

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

(ii) Employees Stock Option Scheme (ESOS) (Also, refer note 52) :

During the year ended March 31, 2020, the Company introduced Employee Stock Option Scheme to eligible employees of the Company w.e.f from July 01, 2019 ("Relevant Date"). Accordingly 8,30,000 options were issued with a graded vesting period and 2,42,500 options are outstanding as at March 31, 2022.

23 Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Capital redemption reserve	500.00	500.00
(b) ESOS Contribution from Holding Company	-	15.30
(c) Statutory reserve	10,025.56	9,756.91
(d) Securities premium account	55,810.89	55,810.89
(e) General reserve	35.93	35.93
(f) Surplus in statement of profit and loss	35,237.31	34,162.72
(g) Remeasurement Gain/Loss On Defined Benefit Obligation	6.68	(149.08)
(h) OCI(Effective portion of cash flow hedge)	355.39	64.95
(i) OCI(Tax related to items that will not be reclassified)	(97.62)	14.68
	1,01,874.14	1,00,212.30

(a) Capital redemption reserve

In accordance with Section 69 of the Companies Act, 2013, the Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve

(b) ESOS Contribution from Holding Company

Under Ind AS 102, fair value of the options granted is required to be accounted as expense over the life of the vesting period as employee compensation costs, reflecting the period of receipt of service.

(c) Statutory reserve

Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

(d) Securities Premium Account

Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

(e) General reserve

General reserve represents an appropriation of profits by the Company.

(f) Surplus in statement of profit and loss

Surplus in statement of profit and loss represents the surplus in Profit and Loss Account and appropriations.

(g) Other comprehensive income (OCI) - Remeasurement Gain/ Loss On Defined Benefit Obligation

Represents remeasurement of defined benefit liability which comprises of actuarial gains and losses excluding amounts included in net interest on the net defined benefit liability.

(h) Other comprehensive income (OCI) - Effective Portion of cash flow hedge

Represents remeasurement of cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI

(i) Other comprehensive income (OCI) - Tax Related to item that will not be reclassified

Represents tax related to items that will not be reclassified.

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Capital redemption reserve		
Opening balance	500.00	500.00
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	500.00	500.00
(b) ESOS Contribution from Holding Company		
Opening balance	15.30	22.54
Add : (Reversal)/Contribution during the year	(15.30)	(7.24)
Less : Utilised during the year	-	-
Closing balance	-	15.30
(c) Statutory reserve		
Opening balance	9,756.91	9,419.28
Add: Additions during the year (Also, refer note no 50)	268.65	337.63
Less: Utilised / transferred during the year	-	-
Closing balance	10,025.56	9,756.91
(d) Securities premium account		
Opening balance	55,810.89	55,810.89
Add : Premium on shares issued during the year	-	-
Less : Utilised during the year	-	-
Closing balance	55,810.89	55,810.89
(e) General reserve		
Opening balance	35.93	35.93
Add: Transferred from surplus in statement of profit and loss	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	35.93	35.93

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
(f) Surplus in statement of profit and loss		
Opening balance	34,162.72	32,812.21
Add: Profit for the year	1,343.24	1,688.14
Less: Impact of Ind AS 116	-	-
Less: Transfer to Statutory Reserve	(268.65)	(337.63)
Closing balance	35,237.31	34,162.72
(g) Remeasurement Gain/Loss On Defined Benefit Obligation		
Opening balance	(149.08)	(149.08)
Less: Effect for the year	155.76	-
Closing balance	6.68	(149.08)
(h) OCI (Effective portion of cash flow hedge)		
Opening balance	64.95	64.95
Less: Effect for the year	290.44	-
Closing balance	355.39	64.95
(i) OCI (Tax related to items that will not be reclassified)		
Opening balance	14.68	14.68
Less: Effect for the year	(112.30)	-
Closing balance	(97.62)	14.68
Total	1,01,874.14	1,00,212.30

24 (a) Interest income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(i) Interest income from loan:		
- Interest on loan- microfinance loans	1,13,166.37	92,397.93
- Interest on loan- MSME loans	2,992.08	590.00
(ii) Interest on deposits with banks and financial institutions	1,925.67	2,774.95
(iii) Other interest income	-	-
	1,18,084.12	95,762.88

24 (b) Net gain on derecognition of financial instruments under amortised cost category

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net gain on derecognition of financial instruments under amortised cost category	11,697.22	7,147.98
	11,697.22	7,147.98

24 (c) Dividend income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Dividend income from mutual funds	1,118.80	1,286.86
	1,118.80	1,286.86

25 Other operating income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Loss assets recovered	4,669.82	1,099.17
	4,669.82	1,099.17

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

26 Other income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Referral fees	4,261.80	2,271.21
(b) Miscellaneous income	138.21	150.26
	4,400.01	2,421.47

27 Finance cost

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Interest on borrowings		
- Term Loans from banks	32,055.21	27,719.75
- Term Loans from NBFCs	2,157.28	2,018.45
- Borrowings under securitisation arrangement	84.88	3,378.55
- Other financial institutions	3,595.78	1,504.21
- Commercial paper	-	209.79
- Overdraft	-	-
(b) Interest on debt securities		
- Debentures & subordinated liabilities	17,937.43	10,365.51
(c) Other interest expense		
- Interest on finance lease obligations	586.91	93.37
(d) Other Borrowing Costs		
- Loan processing fees	136.89	76.31
- Bank charges	582.18	388.20
	57,136.57	45,754.14

28 Impairment of financial instruments

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Loans (Also, refer note 7.3)	39,707.04	29,980.94
	39,707.04	29,980.94
Less : Exceptional item	-	-
	39,707.04	29,980.94

29 Employee benefit expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Salaries and wages	23,801.27	17,092.54
(b) Contributions to provident and other funds	629.02	1,442.23
(c) Gratuity expenses (Also, refer note 35)	640.54	272.72
(d) Staff welfare expenses	1,798.08	45.45
	26,868.91	18,852.94

30 Depreciation and amortisation expense (Also, refer note 12)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Depreciation of tangible assets	2,176.95	927.08
(b) Amortisation of other intangible assets	395.07	143.31
(c) Amortisation of right of use asset	951.41	113.33
	3,523.43	1,183.72

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

31 Other expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Electricity	170.34	128.29
(b) Rent (Also, refer note 36)	884.65	1,237.85
(c) Repairs and maintenance	79.30	65.56
(d) Insurance	495.41	292.49
(e) Rates and taxes	132.06	65.21
(f) Communication expenses	644.96	316.55
(g) Travel and conveyance	3,190.83	2,654.35
(h) Printing and stationery	350.49	237.97
(i) Directors' sitting fees	55.10	28.93
(j) Business promotion	204.52	5.76
(k) CSR expenses (Also, refer note 48)	365.53	344.54
(l) Legal and professional fees	688.54	502.00
(m) Provision for insurance claim receivable	339.47	301.70
(n) Subscription charges	247.07	79.61
(o) Software costs (Also, refer note 36)	1,759.41	2,045.16
(p) Security charges	10.80	6.94
(q) House keeping expenses	338.23	146.57
(r) Office expenses	89.78	62.71
(s) Directors commission (Also, refer note 36)	138.00	67.86
(t) Loss on sale of property, plant & equipment	-	0.06
(u) Payments to statutory auditors' (net of input tax credit)		
- Statutory audit	16.00	16.00
- Tax audit	1.50	2.00
- Other services (Limited Review, Interim Audit and Certification)	9.50	6.50
- Out of pocket expenses	2.43	2.73
(v) Miscellaneous expenses	658.73	261.26
	10,872.65	8,878.60

32 Segment reporting

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

33 Earnings per share

Basic and Diluted earnings per share:

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Net Profit attributable to Equity Shareholders - ₹ in lakhs (Basic and Diluted)	1,343.24	1,688.14
(b) Weighted average number of equity shares in calculating basic Earnings Per Share (Nos.)	5,33,11,887	5,33,11,887
(c) Earnings per share - Basic and Diluted - ₹ (Per equity share, face value ₹ 10/- each)	2.52	3.17

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

34 Leases

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Details of Income/Expense recognised in the statement of Profit and Loss:		
Depreciation expense on right-of-use assets	951.41	113.33
Interest expense on lease liabilities	586.91	93.37
Total cash outflow for leases	1,113.84	169.94
Lease expense on Low Value Assets / Short term assets	884.65	1,237.85
	3,536.81	1,614.49

Maturity analysis of Lease Liabilities (valued on undiscounted basis):

Particulars	As at March 31, 2022	As at March 31, 2021
Year 1	1,866.00	649.29
Year 2	1,896.00	514.47
Year 3	1,188.00	493.72
Year 4	1,015.00	465.09
Year 5	1,010.00	325.82

35 Employee benefits

35.1 Defined contribution plan

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(b) Expenses recognised		
Included under 'Contributions to Provident and Other Funds' (Refer Note 29)		
Contributions to provident and pension funds	76.79	1,077.12
Contributions to Employee State Insurance	552.23	365.11
	629.02	1,442.23

35.2 Compensated absences

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Expenses recognised		
Included under salaries and wages (Refer Note 29)	277.73	324.68
	277.73	324.68

Particulars	As at March 31, 2022	As at March 31, 2021
Current portion	192.72	209.14
Non - current portion	139.92	980.80
Net liability recognised in the balance sheet	332.64	1,189.94

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

The key assumptions used in the computation of provision for compensated absences are as given below:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount Rate (% p.a)	6.27%	6.59%
Future Salary Increase (% p.a)	10.00%	10.00%
Attrition Rate	24.00%	16.00%

35.3 Defined benefit plans:

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

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Amounts recognised in statement of profit & loss		
Service cost		
- Current service cost	464.39	276.32
- Past service cost	-	-
- Net interest expense	21.38	(3.60)
Components of defined benefit costs recognised in statement of profit or loss (A)	485.77	272.72
Amounts recognised in statement of other comprehensive income		
Actuarial (gain)/loss on Plan Obligations	(333.59)	170.64
Difference between actual return and interest income on plan assets- (gain)/loss	177.83	13.64
Components of defined benefit costs recognised in other comprehensive income (B)	(155.76)	184.28
Total	330.01	457.00

- The current service cost and interest expense for the year are included in the Note 29 - Employee benefit expenses in the statement of profit & loss under the line contribution to provident and other funds.
- The remeasurement of the net defined benefit liability is included in other comprehensive income.
- The present value of the defined benefit obligation, and the related current service cost and paid service cost, were measured using the projected unit credit method.

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

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation	1,424.66	1,215.92
Fair value of plan assets	777.83	899.11
Net (Liability) recognised in the balance sheet	(646.83)	(316.81)
Current portion of the above	-	-
Non current portion of the above	(646.83)	(316.81)
	(646.83)	(316.81)

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

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

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation at the beginning of the year	1,215.92	599.24
Expenses recognised in profit and loss account		
- Current Service cost	464.39	276.32
- Interest expense (income)	76.67	38.44
Remeasurement gains / (losses)		
- Effect of Changes in Demographic assumptions	(254.24)	-
- Effect of Changes in financial assumptions	25.62	(14.40)
- Effect of experience adjustments	(104.97)	185.04
Benefit payments	(159.89)	(29.88)
Effect of transfer of employees from Holding Company	161.16	161.16
Present value of defined benefit obligation at the end of the year	1,424.66	1,215.92

- (i) The weighted average duration of the benefit obligation at March 31, 2022 is 6.233 years (As at March 31, 2021 is 10.523 years).

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

Particulars	As at March 31, 2022	As at March 31, 2021
Fair value of plan assets at the beginning of the year	899.11	568.40
expenses recognised in profit and loss account		
- Expected return on plan assets	55.29	42.04
Remeasurement gains / (losses)		
- Actuarial gains/(loss) arising form changes in financial assumptions	(177.83)	(13.64)
Contributions by employer (including benefit payments recoverable)	-	171.03
Benefit payments	(159.89)	(29.88)
Effect of transfer of employees from holding Company	161.16	161.16
Fair value of plan assets at the end of the year	777.83	899.11

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

Particulars	As at March 31, 2022	As at March 31, 2021
Investment funds with insurance Company (Life Insurance Corporation of India)	777.83	899.11

- (i) The plan assets comprise insurer managed funds. None of the assets carry a quoted market price in active market or represent the entity's own transferable financial instruments or property occupied by the entity.
- (ii) The actual return on plan asset for the year ended March 31, 2022 was ₹ 177.83 Lakhs (For the year ended March 31, 2021: ₹ 13.64 Lakhs).

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

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	6.53%	6.75%
Expected rate of salary increase	10.00%	10.00%
Withdrawal Rate	24.00%	16.00%
Mortality		
Pre Retirement Mortality Rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Post Retirement Mortality Rate	LIC Ann (1996-98)	LIC Ann (1996-98)

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

1. The discount rate is based on the prevailing market yields of Indian Government securities as at balance sheet date for the estimated term of the obligation.
2. The estimates of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors.
3. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are maintained with an insurer managed fund (maintained by the Life Insurance Corporation ("LIC")) and is well diversified.

Risks associated with plan provisions

Investment risk:

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

Interest risk:

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

Longevity risk:

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

Salary risk:

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

Sensitivity analysis:

The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability.

Particulars	As at	As at
	March 31, 2022	March 31, 2021
(a) Discount rate		
- Increase by 50 bps	(31.96)	(40.64)
- Decrease by 50 bps	33.39	43.27
(b) Salary growth rate		
- Increase by 50 bps	31.92	41.29
- Decrease by 50 bps	(30.90)	(39.32)
(c) Withdrawal rate		
- Increase by 50 bps	(28.73)	(23.07)
- Decrease by 50 bps	30.59	24.55
(d) Mortality rate		
- Increase by 50 bps	(0.02)	(0.10)
- Decrease by 50 bps	0.02	0.10

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

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

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

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

(g) Effect of plan on entity's future cash flows

- The Company expects to make a contribution of ₹ 199.85 lakhs during the next financial year.
- The weighted average duration of the benefit obligation at March 31, 2022 is 6.233 years (As at March 31, 2021 is 10.523 years).
- Maturity profile of defined benefit obligation:

Expected cash flows over the next (valued on undiscounted basis):

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Within 1 year	199.85	103.03
1 to 5 years	833.91	536.85
More than 5 years	603.44	588.59

Experience Adjustments

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018
Defined benefit obligation	1,424.66	1,215.92	599.24	385.30	265.25
Fair value of plan assets	777.83	899.11	568.40	399.30	291.61
Surplus/(deficit)	(646.83)	(316.81)	(30.84)	14.00	26.36
Experience adjustment on plan liabilities [(Gain)/Loss]	333.59	(170.64)	(17.04)	(35.36)	(58.09)
Experience adjustment on plan assets [Gain/(Loss)]	(177.83)	(13.64)	(14.02)	(2.65)	(24.53)

36 Related party transactions

36.1 Names of related parties and nature of relationship

Nature of relationship	Name of the party
Key Management Personnel (KMP) of the Company	Name of the party
	Mr. BN Raveendra Babu - Managing Director
	Mr. Yogesh Ratnakar Udhoji - Chief Financial Officer
	Mr. V P Nandakumar - Chairman
	Mr. A Ramanathan - Independent Director
	Mr. Abhijit Sen - Independent Director
	Mr. Desh Raj Dogra - Independent Director
	Mr. Gautam Rathindranath Saigal - Non Independent Director
	Ms. Pushya Sitaraman - Independent Director
	Mr. Subrata Kumar Atindra Mitra - Independent Director
	Mr. T. Balakrishnan - Independent Director
	Mr. T.M. Manoharan - Independent Director
	Mr. Harshan Kollara - Independent Director
	Mr. S V Raja Vaidyanathan - Non Independent Director
Mrs. Aparna Menon - Company Secretary	
Holding Company	Manappuram Finance Limited
Entity over which KMP has significant Influence	Adlux Medcity And Convention Centre P Ltd
	Proficient investment and financial consultancy Private Limited
Group companies	Manappuram Comptech and Consultants Limited
	Manappuram Health care Limited
	Manappuram Foundation

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

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

36.2 Transactions with the related parties

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

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

36.3 Balance as at year end

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

Note:

- 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 March 31, 2022 and March 31, 2021 there are no further amounts payable to / receivable from them, other than as disclosed above.
- 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.
- The transactions during the period are inclusive of GST.

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Amount Outstanding	Maximum Amount Outstanding during the year	Amount Outstanding	Maximum Amount Outstanding during the year
Loans and advances in the nature of loans				
From Holding Company	-	-	-	-
To Fellow Subsidiaries	-	-	-	-
To Associates	-	-	-	-
Where there is				
No Repayment Schedule	-	-	-	-
Repayment Schedule beyond 7 years	-	-	-	-
No Interest	-	-	-	-
Interest below the rate as specified in section 186 of the Companies Act, 2013	-	-	-	-
To Firms / Companies in which directors are interested (Other than (a) and (b) above)	-	-	-	-
Investments by the Loanee in the Shares of Parent Company and Subsidiary Company	-	-	-	-

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37 Capital Management

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

Gearing ratio :

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Borrowings	5,55,876.16	4,62,716.91
Cash and bank balance	(79,430.46)	(64,846.87)
Net debt (A)	4,76,445.70	3,97,870.04
Equity share capital	5,331.19	5,331.19
Other equity	1,01,874.14	1,00,212.30
Total equity (B)	1,07,205.33	1,05,543.49
Net debt to equity ratio (A/B)	4.44	3.77

38 Categories of financial instruments

38.1 The carrying value and fair value of the financial instruments by categories are as follows:

Particulars	Carrying Value		Fair Value	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
(a) Financial assets:				
Measured at amortised cost				
- Loans	5,42,611.52	4,79,519.17	5,42,611.52	4,79,519.17
- Cash and cash equivalents	79,430.46	64,846.87	79,430.46	64,846.87
- Bank balance other than above	12,392.06	18,721.99	12,392.06	18,721.99
- Other financial assets	10,891.38	6,566.94	10,891.38	6,566.94
- Loan given to staff	5.14	76.52	5.14	76.52
Measured at fair value through OCI				
- Investments	10,713.50	5.00	10,713.50	5.00
Hedge accounting				
- Derivative financial instruments	274.10	-	274.10	-
Total	6,56,318.16	5,69,736.49	6,56,318.16	5,69,736.49
(b) Financial liabilities:				
Measured at amortised cost				
- Debt securities	1,38,543.44	1,21,905.45	1,38,543.44	1,21,905.45
- Borrowings (other than debt security)	3,85,412.34	3,19,334.54	3,85,412.34	3,19,334.54
- Subordinated liabilities	31,920.38	21,476.92	31,920.38	21,476.92
- Trade payables	2,688.28	2,447.22	2,688.28	2,447.22
- Derivative financial instruments	-	-	-	-
- Other financial liabilities	12,679.69	6,043.41	12,679.69	6,043.41
Hedge accounting				
- Derivative financial instruments	-	135.30	-	135.30
Total	5,71,244.13	4,71,342.84	5,71,244.13	4,71,342.84

The management assessed that fair value of loans, cash and cash equivalents, bank balances, other financial assets, borrowings, trade payables, derivative financial instrument and other financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

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

39 Financial Risk Management Framework

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

(a) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, other bank balances, investments, loan assets and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

(i) Credit risk management

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

The Company provides for expected credit loss based on the following:

Assets covered	Nature	Basis of expected credit loss
Cash and cash equivalents (excluding cash on hand), other bank balances, investments, loans and other financial assets	Low credit risk	Life time expected credit loss
Loans	Moderate credit risk	Life time expected credit loss
Loans	High credit risk	Life time expected credit loss

Financial assets that expose the entity to credit risk

Particulars	Nature	As at	
		March 31, 2022	March 31, 2021
Cash and cash equivalents (excluding cash on hand)	Low credit risk	77,161.82	64,622.15
Bank balance other than above	Low credit risk	12,392.06	18,721.99
Loans	Low credit risk	4,95,380.44	4,60,895.64
Loans	Moderate credit risk	45,520.00	18,605.43
Loans	High credit risk	1,711.09	18.10
Loan given to staff	Low credit risk	5.14	76.52
Investments	Low credit risk	10,713.50	5.00
Other financial assets	Low credit risk	10,891.38	6,566.94

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents (excluding cash on hand) and bank deposits is managed by only accepting highly rated deposits from banks and financial institutions across the country

Notes Forming Part of the Financial Statements

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Other financial assets

Other financial assets measured at amortised cost includes security deposits, receivable on assignment, advances recoverable on behalf of business correspondence arrangements, insurance claim receivables and other receivables. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Loans

The Company closely monitors the credit-worthiness of the borrower's through internal systems and appraisal process to assess the credit risk and define credit limits of borrower, thereby, limiting the credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures. The Company assesses increase in credit risk on an ongoing basis for amounts loan receivables that become past due and default is considered to have occurred when amounts receivable become 90 days past due.

The major guidelines for selection of the client includes:

1. The client's income and indebtedness levels must be within the prescribed guidelines of Reserve Bank of India;
2. The client must possess the required KYC documents
3. The client's household must be engaged in some form of economic activity which ensures regular and assured income;
4. Client must agree to follow the rules and regulations of the organisation and
5. Credit bureau check – In order to deal with the problem of over extension of credit and indebtedness of the client, the organisation undertakes credit bureau checks compulsorily for every client. The credit bureau check helps the organisation in identifying clients with poor repayment histories and multiple loans.

(II) Credit risk exposure

(i) Expected credit losses for financial assets other than loans

The Company have not made expected credit losses for financial assets other than loans as the maturity is within twelve months from the balance sheet date.

Particulars	Cash and cash equivalents	Other bank balance	Loan given to staff	Investments	Other financial assets
As at March 31, 2022					
Estimated gross carrying amount	79,430.46	12,392.06	5.14	10,713.50	10,891.38
Less: Expected credit losses	-	-	-	-	-
Net carrying amount	79,430.46	12,392.06	5.14	10,713.50	10,891.38
As at March 31, 2021					
Estimated gross carrying amount	64,846.87	18,721.99	76.52	5.00	6,566.94
Less: Expected credit losses	-	-	-	-	-
Net carrying amount	64,846.87	18,721.99	76.52	5.00	6,566.94

(ii) Movement of carrying amount and expected credit loss for loans

Definition of default:

The Company considers default in all cases when the borrower becomes 90 days past due on its contractual payments. The Expected Credit Loss (ECL) is measured at lifetime ECL for Stage 1, Stage 2 and Stage 3 loan assets. ECL is the product of the Probability of Default, Exposure at Default and Loss Given Default.

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Particulars	Stage 1	Stage 2	Stage 3
Gross carrying amount as at April 01, 2020	4,42,384.73	1,842.76	8,610.13
Assets originated*	3,32,228.88	1,368.66	71.24
<i>Net transfer between stages</i>			
Transfer to stage 1	7.00	(5.26)	(1.74)
Transfer to stage 2	(32,552.26)	32,553.06	(0.79)
Transfer to stage 3	(13,785.84)	(1,576.68)	15,362.52
Assets derecognised or collected (excluding write offs)	(2,57,786.34)	(101.43)	(608.42)
Write - offs (including death cases)	-	-	(14,346.16)
Gross carrying amount as at March 31, 2021	4,70,496.16	34,081.12	9,086.78
Assets originated*	92,754.08	38,124.93	40,091.03
<i>Net transfer between stages</i>			
Transfer to stage 1	-	(3,112.68)	(73.70)
Transfer to stage 2	(48,552.61)	-	(43.34)
Transfer to stage 3	(11,923.70)	(4,464.60)	-
Assets derecognised or collected (excluding write offs)			
Write - offs (including death cases)	-	-	(39,452.81)
Gross carrying amount as at March 31, 2022	5,02,773.92	64,628.77	9,607.96

*Assets originated during the year has been presented on net basis i.e. the collections towards fresh loans has been netted off.

(iii) Reconciliation of loss allowance provision from beginning to end of reporting period:

Particulars	Stage 1	Stage 2	Stage 3
Loss allowance as at April 01, 2020	9,860.06	39.92	8,610.13
Increase of provision due to assets originated during the year	6,791.45	624.28	71.10
<i>Net transfer between stages</i>			
Transfer to stage 1	0.14	(2.40)	(1.74)
Transfer to stage 2	(665.44)	15,584.87	(0.79)
Transfer to stage 3	(281.81)	(719.16)	15,331.91
Assets derecognised or collected	(6,103.88)	(51.81)	(595.78)
Impact of ECL on exposures transferred between stages during the year	-	-	-
Write - offs (including death cases)	-	-	(14,346.16)
Gross carrying amount as at March 31, 2021	9,600.52	15,475.70	9,068.67
Increase of provision due to assets originated during the year	(7,329.79)	320.26	(1,282.22)
<i>Net transfer between stages</i>			
Transfer to stage 1	-	1,337.07	70.92
Transfer to stage 2	4,710.42	-	39.50
Transfer to stage 3	412.31	1,975.77	-
Assets derecognised or collected	-	-	-
Impact of ECL on exposures transferred between stages during the year			
Write - offs (including death cases)			
Gross carrying amount as at March 31, 2022 (#)	7,393.46	19,108.80	7,896.87

(#) If the probability of default increases or decrease by 10 basis point the expected credit loss will increase or decrease by ₹ 254.40 lakhs respectively. Similarly if the loss given default increases or decrease by 100 basis point the expected credit loss will increase or decrease by ₹ 93.39 lakhs respectively.

Notes Forming Part of the Financial Statements

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(III) Concentration of loans (*)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Micro finance loans	5,42,080.79	5,09,303.14
Micro, small and medium enterprise (MSME)	4,872.91	4,107.54
Gold loans	30,056.95	253.38
Total	5,77,010.65	5,13,664.06

(*) The above figures represents the gross loan value along with interest accrued

(b) Liquidity Risk Management :

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

Refer Note 42.22 which details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(c) Market Risk

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

Interest Rate Risk

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

The Company is subject to interest rate risk, principally because the Company lend to customers at fixed interest rates and for periods that may differ from our funding sources, while the borrowings are at both fixed and variable interest rates for different periods. The Company assess and manage the interest rate risk by managing the assets and liabilities. The Asset Liability Management Committee ensures that all significant mismatches, if any, are being managed appropriately.

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

Sensitivity

The sensitivity of the statement of profit and loss is the effect of the changes in market interest rates on bank and other borrowings. Below is the sensitivity of profit and loss in interest rates.

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
Interest sensitivity*		
Interest rates – increase by 0.50%	1,110.09	851.85
Interest rates – decrease by 0.50%	(1,110.09)	(851.85)

* Holding all other variables constant

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(All amounts in ₹ lakhs unless otherwise stated)

Price Risk

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

Foreign currency risk

The Company is exposed to foreign currency fluctuation risk for its External Commercial Borrowings (ECB). The Company's borrowings in foreign currency are governed by RBI guidelines (RBI master direction RBI/FED/2018-19/67 dated 26 March 2019 and updated from time to time) which requires entities raising ECB for an average maturity of less than 5 years to hedge minimum 70% of the its ECB exposure (Principal and Coupon). The Company hedges its entire ECB exposure for the full tenure of the ECB as per Board approved Interest Rate risk, Currency risk hedging policy.

The Company for its ECB, evaluates the foreign currency exchange rates, tenure of ECB and its fully hedged costs. The Company manages its currency risks by entering into derivatives contracts as hedge positions and the same are being governed through the Board approved Interest rate risk, Currency risk hedging policy.

The Company's exposure of foreign currency risk (Euros) at the end of the reporting period expressed in ₹ are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Hedged		
ECB	(32,760.00)	(21,645.00)
Derivative financial instrument*	32,760.00	21,645.00
Unhedged	-	-

* represents the notional amount of the derivative financial instrument

Hedging policy

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

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

Based on and to the extent of information received by the Company from the suppliers during the year regarding their status under the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars for the years ended March 31, 2022 and March 31, 2021 are furnished below:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(d) The amount of interest due and payable for the year	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	-	-

Notes Forming Part of the Financial Statements

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(All amounts in ₹ lakhs unless otherwise stated)

Note:

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

41 Contingent Liabilities and commitments

Particulars	As at March 31, 2022	As at March 31, 2021
A. Contingent liabilities:		
(a) Claims against the Company not acknowledged as debt;	-	-
(b) Guarantees excluding financial guarantees; and	-	-
(c) Other money for which the Company is contingently liable {refer (i) below}	4,624.78	4,624.78
(i) Income Tax		
- Income Tax (A.Y. 2015-16)	1,124.50	1,124.50
- Income Tax (A.Y. 2016-17)	1,978.91	1,978.91
- Income Tax (A.Y. 2017-18)	1,521.37	1,521.37
	4,624.78	4,624.78
B. Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
- Other Intangible Assets	160.00	382.00
(b) Uncalled liability on shares and other investments partly paid;	-	-
(c) Other commitments (specify nature).	-	-
	160.00	382.00

A) Income Tax

Income Tax (A.Y. 2015-16)

During the FY 2017-18, the Company has received an Assessment order under Section 143(3) for the AY 2015-16 with a demand of ₹ 1,124.50 by taxing the receipt of share premium amount received by the Company as unexplained cash credits, expense claimed towards employee stock option scheme and disallowance of depreciation under Section 32 of the Income Tax Act, 1961.

The Company has filed appeals against the above with the Commissioner of Income Tax - Appeals. Based on professional advice, the Company strongly believe that case will be decided in their favour and hence no provision has been considered. However In the FY 2017-18 the Company has paid an amount of ₹ 224.90 Lakhs being 20% of the total demand and the same has been disclosed as part of Deposit under protest.

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

Income Tax (A.Y. 2016-17)

During the FY 2018-19, the Company has received an Assessment order under Section 143(3) for the AY 2016-17 with a demand of ₹ 1,978.91 Lakhs by taxing the receipt of share premium amount received by the Company as unexplained cash credits under Section 56(2)(viib) of the Income Tax Act, 1961.

The Company has filed appeals against the above with the Commissioner of Income Tax - Appeals. Based on professional advice, the Company strongly believe that case will be decided in their favour and hence no provision has been considered. However In the FY 2017-18 the Company has paid an amount of ₹ 395.78 Lakhs being 20% of the total demand and the same has been disclosed as part of Deposit under protest

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

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 be received for AY 2106-17 also. Further, outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals.

Income Tax (A.Y. 2017-18)

The accounting for securitisation transaction is governed by guidelines issued by the Reserve Bank of India vide its Master Direction on Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016. Accordingly Company has recorded securitisation and assignment transactions during the year. At the time of regular assessment, Assessing Officer disallowed finance cost on above securitisation and assignment transactions and added the same to our total income on the ground that Company had made true sale of the securitised assets by derecognising the assets from its financials and therefore there cannot be any loan or associated financial cost and raised demand of ₹ 1,424.27 Lakhs in this regard. Company had received advice from tax counsel to contest the above demand as the Company's accounting of transactions is in line with RBI's extant guidelines. Assessing officer disallowed Demonetised currencies deposited to bank account subsequent to November 8, 2016 and added the same under Income from Other Sources as unexplained money u/s 69A of Income Tax Act on the ground that it is in contravention of SBN Cessation of Liabilities Act 2018 and SC judgement in earlier cases regarding the source of cash and had raised demand of ₹ 97.09 Lakhs in this regard. Company is advised by Tax Counsel to contest this demand on the ground that there is no specific provision in the Income Tax Act to tax the amounts received as demonetised currencies.

The Company had filed appeals against both the above demands with the Commissioner of Income Tax-Appeals. Based on professional advice, the Company strongly believes that the case will be decided in their favour and hence no provision has been considered. However, in the FY 2019-20, the Company had paid an amount of ₹ 304.27 Lakhs, being 20% of the above total demands and the same has been disclosed as part of Deposit under Protest. Further, outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals.

42. Disclosure Pursuant to Reserve Bank of India Notification DNBR (PD) CC No. 002/03.10.001/2014-15 dt. November 10, 2014

42.1 Customer complaints

Particulars	As at	As at
	March 31, 2022	March 31, 2021
No. of complaints pending as at beginning of the year	340	29
No. of complaints received during the year	3,435	1,176
No. of complaints redressed during the year	2,631	865
No. of complaints pending as at end of the year	1,144	340

42.2 Details of registration with financial regulators

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

42.3 Disclosure of penalties imposed by RBI and other regulators

There are no penalty imposed by Reserve Bank of India and other regulators during the financial year

42.4 Related party transactions

Details of all material related party transactions are disclosed in Note 36.

42.5 Remuneration of directors (other than Managing Director)

Details of commission payable to directors (other than managing director) are disclosed in Note 36.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

42.6 Concentration of advances, exposures and NPAs

The Company operates in the business of microfinance providing collateral free loans for fixed amounts ranging from ₹ 10,000 to ₹ 80,000 to women engaged in various income generating activities. As at March 31, 2022, the Company has provided loans to more than 25.4 lakhs women and hence, the disclosure relating to concentration to advances, exposures and NPA's are not applicable to the Company.

42.7 Ratings assigned by credit rating agencies

Particulars	As at March 31, 2022	As at March 31, 2021
Commercial paper	CRISIL AA-/Stable	A1+ (CRISIL)
Long Term Bank Facilities	CRISIL AA-/Stable BWR AA-/STABLE CARE A+; STABLE	AA-/Stable (CRISIL)
Long term Non-Convertible Debentures	CARE MFI-1	AA-/Stable (CRISIL) AA-/stable (Bric Works) A+/Stable(CARE)
MFI Grading	CRISIL AA-/STABLE	MFI 1(CARE)
Subordinated Debt	C1- SMERA	AA-/Stable (CRISIL)
COCA report	CRISIL PP-MLD AA-r/Stable	
Market Linked Debentures		AA-r /Stable (CRISIL)

42.8 Sector-wise NPAs:

Particulars	As at March 31, 2022	As at March 31, 2021
Agriculture & allied activities	0.88%	2.32%
MSME	10.38%	3.08%
Corporate borrowers	NA	NA
Services	NA	NA
Unsecured personal loans	NA	NA
Auto loans (commercial vehicles)	NA	NA
Other loans	NA	NA

42.9 Provisions and Contingencies (shown under the head Expenditure in Statement of Profit and Loss)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Provision for income tax (excluding deferred tax)	1,664.62	6,618.90
Provision towards standard assets	1,426.03	15,176.24
Provision towards non performing assets	38,281.01	14,804.70
Provision and contingencies on gratuity	640.54	272.72
Provision towards compensated absences	(260.19)	324.68
Provision for insurance claim receivable	339.47	301.70
	42,091.48	37,498.94

42.10 Movement of NPAs

Particulars	As at March 31, 2022	As at March 31, 2021
Net NPAs to net advances (%)	0.00%	0.00%
Movement of NPAs (Gross)		
(a) Opening balance	9,086.78	8,610.13
(b) Additions during the year	39,973.99	14,822.81
(c) Reductions during the year	(39,452.81)	(14,346.16)
(d) Closing balance	9,607.96	9,086.78

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Movement of Net NPAs		
(a) Opening balance	18.10	-
(b) Additions during the year	1,695.77	18.10
(c) Reductions during the year	(2.78)	-
(d) Closing balance	1,711.09	18.10
Movement of provisions for receivables under financing activities		
(a) Opening balance	34,144.89	18,510.11
(b) Provisions made during the year	39,707.04	29,980.94
(c) Write-off / write-back of excess provisions	(39,452.81)	(14,346.16)
(d) Closing balance	34,399.12	34,144.89

42.11 Overseas assets (for those with Joint ventures and Subsidiaries abroad)

The Company did not have any overseas assets during the current and previous year.

42.12 Off-balance sheet SPVs sponsored

The Company did not sponsor any SPVs during the current and previous year.

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

42.14 Investments

Particulars	As at March 31, 2022	As at March 31, 2021
Value of Investments		
(i) Gross Value of Investments		
(a) In India	10,713.50	5.00
(b) Outside India,	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India,	-	-
(iii) Net Value of Investments		
(a) In India	10,713.50	5.00
(b) Outside India.	-	-
Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off / write-back of excess	-	-
(iv) Closing balance	-	-

42.15 Derivatives:

Forward Rate Agreement / Interest Rate Swap

Particulars	As at March 31, 2022	As at March 31, 2021
The notional principal of swap agreements	32,760.00	21,645.00
(Gains)/losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	274.10	(135.30)
Collateral required by the NBFC upon entering into swaps	-	-
Concentration of credit risk arising from the swaps	-	-
The fair value of the swap book	274.10	(135.30)

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

Quantitative disclosures

Particulars	As at March 31, 2022	As at March 31, 2021
Derivatives (notional principal amount)		
For hedging	32,760.00	-
Marked to market positions		
a) Asset (+)	274.10	-
b) Liability (-)	-	-
Credit exposure	-	-
Unhedged exposure	-	-

Qualitative disclosure

During the year ended March 31, 2022 the Company has an existing derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held by the Company are Cross Currency Interest Rate Swaps (CCIRS). Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain/loss is recognised in the Statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of profit and loss depends on the nature of the hedge relationship. During the year ended March 31, 2022 the Company has designated derivatives as cash flow hedges of a recognised liability and has no fair value hedges. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Hedge accounting

The Company makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk Management objective and strategy for undertaking the hedge. The documentation includes the Company's risk Management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

During the year ended March 31, 2022 hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows:

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect profit or loss. For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as finance cost in the Statement of Profit and Loss. When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

42.16 Capital Adequacy Ratio

Particulars	As at March 31, 2022			As at March 31, 2021		
	Numerator	Denominator	Ratio	Numerator	Denominator	Ratio
(a) Capital to risk-weighted assets ratio (CRAR)	1,23,847.61	5,95,093.53	20.81%	1,13,767.72	4,87,752.64	23.32%
(b) Tier I CRAR	97,608.94	5,95,093.53	16.40%	95,776.00	4,87,752.64	19.64%
(c) Tier II CRAR	26,238.67	5,95,093.53	4.41%	17,991.72	4,87,752.64	3.69%
(d) Liquidity Coverage Ratio	79,430.46	9,085.80	874.23%	16,911.39	-7,183.71	-235.41%

42.17 Exposure to Real Estate Sector

Category

a) Direct exposure

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	4,872.91	4,107.54
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure shall also include non-fund based limits	-	-
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
Total Exposure to Real Estate Sector	4,872.91	4,107.54

42.18 Exposure to capital market

The Company does not have any exposure to Capital market as at March 31, 2022 and March 31, 2021.

42.19 Details of financing of parent Company products

The Company does not finance any parent Company's products and accordingly disclosures is not required.

42.20 Details of Single Borrower Limit (SBL)/Group Borrower Limit (GBL) exceeded by the NBFC

There are no instances of exceeding the single and group borrowing limit by the Company during the current and previous year.

42.21 Unsecured Advances

Refer note 7(a)

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

42.22 Asset Liability Management

(a) Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2022:

Particulars	1 to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & upto 6 month	Over 6 month & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years	Total
Liabilities											
Borrowings from Banks & NBFCs	680.0	4,868.2	12,986.27	17,349.38	41,441.18	46,773.40	87,555.19	1,54,843.39	18,236.68	4,446.00	3,89,179.71
Market Borrowings	-	-	-	4,687.50	31,333.33	1,587.50	19,804.98	88,826.68	10,000.00	10,500.00	1,66,740.00
Securitisation	-	-	-	-	-	-	-	-	-	-	-
Total	680.04	4,868.17	12,986.27	22,036.88	72,774.52	48,360.90	1,07,360.18	2,43,670.07	28,236.68	14,946.00	5,55,919.71
Assets											
Advances (Micro Finance Loans)	8,761.72	8,761.72	25,812.89	33,724.59	26,078.96	97,270.10	1,58,547.41	1,84,064.93	589.96	2.20	5,43,614.50
Investments	-	-	-	-	-	-	-	-	-	10,713.50	10,713.50
Total	8,761.72	8,761.72	25,812.89	33,724.59	26,078.96	97,270.10	1,58,547.41	1,84,064.93	589.96	10,715.70	5,54,328.00

(b) Maturity Pattern of certain items of Assets and Liabilities as at March 31, 2021:

Particulars	1 to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 month & upto 6 month	Over 6 month & upto 1 year	Over 1 year & upto 3 years	Over 3 year & upto 5 years	Over 5 years	Total
Liabilities											
Borrowings from Banks & NBFCs	1,242.31	2,371.03	14,063.16	12,800.72	12,133.13	45,172.06	83,845.42	1,30,006.45	9,922.21	400.00	3,11,956.48
Market Borrowings	416.67	-	-	5,654.17	416.67	6,920.83	27,858.33	73,450.00	15,750.00	10,000.00	1,40,466.67
Securitisation	-	429.28	2,644.91	1,547.12	1,143.84	1,080.72	-	-	-	-	6,845.87
Total	1,658.98	2,800.31	16,708.07	20,002.00	13,693.64	53,173.61	1,11,703.75	2,03,456.45	25,672.21	10,400.00	4,59,269.02
Assets											
Advances (Micro Finance Loans)	5,944.85	14,487.96	14,749.93	26,144.55	27,917.24	82,393.87	1,43,717.42	1,93,305.01	2,738.43	-	5,11,399.26
Investments	-	-	-	-	-	-	-	-	-	5.00	5.00
Total	5,944.85	14,487.96	14,749.93	26,144.55	27,917.24	82,393.87	1,43,717.42	1,93,305.01	2,738.43	5.00	5,11,404.26

43 Additional disclosure pursuant to paragraph 53 of Resolution Framework for COVID-19-related Stress-RBI/2020-21/16- DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 read with Resolution framework 2.0 - RBI/2021-22/31 DOR.STR.RCEC.11/21.04.048/2021-22 dated May 05, 2021

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Others	10,20,164	1,31,739.00	-	-	2,970.69

The Company, being NBFC, has complied with Ind-AS and its Expected Credit Loss policy duly approved by the Board for the purpose of provision on such restructured accounts.

Column E denotes total provision held on such accounts as at March 31, 2022.

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44 Disclosures in terms of RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019:

As at March 31, 2022

(i) Funding concentration based on significant counterparty (both deposits and borrowings):

Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
2	1,36,162.39	Not Applicable	23.71%

As at March 31, 2021

Number of Significant Counterparties	Amount	% of Total Deposits	% of Total Liabilities
2	1,19,833.28	Not Applicable	25.12%

Notes:

A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines.

(ii) Top 20 large deposits (amount in lakhs and % of total deposits) - Not applicable

(iii) Top 10 borrowings

Particulars	As at March 31, 2022		As at March 31, 2021	
	Amount	% of Total borrowings	Amount	% of Total borrowings
Top 10 borrowings	3,86,749.23	67.36%	2,64,439.15	57.15%

(iv) Funding concentration based on significant instrument / product

Name of the instrument/product	As at March 31, 2022		As at March 31, 2021	
	Amount	% of total liabilities	Amount	% of total liabilities
Borrowings (other than debt securities)	3,85,412.34	67.13%	3,19,334.54	66.94%
Debt securities	1,38,543.44	24.13%	1,21,905.45	25.56%
Subordinated liabilities	31,920.38	5.56%	21,476.92	4.50%

Notes:

A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

Total Liabilities has been computed as Total Assets less Equity share capital less Reserve & Surplus and computed basis extant regulatory ALM guidelines

(v) Stock Ratio

Particulars	March 31, 2022	March 31, 2021
Commercial papers as a % of total liabilities	0.00%	0.00%
Commercial papers as a % of total assets	0.00%	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	0.00%	0.00%
Non-convertible debentures (original maturity of less than one year) as a % of total assets	0.00%	0.00%
Other short-term liabilities as a % of total liabilities	2.92%	2.92%
Other short-term liabilities as a % of total assets	2.46%	2.46%

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

(vi) Institutional set-up for Liquidity Risk Management

The Board of Directors of the Company has an overall responsibility and oversight for the management of all the risks, including liquidity risk, to which the Company is exposed to in the course of conducting its business. The Board approves the governance structure, policies, strategy and the risk limits for the management of liquidity risk. The Board of Directors approves the constitution of the Risk Management Committee (RMC) for the effective supervision, evaluation, monitoring and review of various aspects and types of risks, including liquidity risk, faced by the Company. The meetings of RMC are held at quarterly interval. Further, the Board of Directors also approves constitution of Asset Liability Committee (ALCO), which functions as the strategic decision making body for the asset-liability management of the Company from risk-return perspective and within the risk appetite and guard-rails approved by the Board. The main objective of ALCO is to assist the Board and RMC in effective discharge of the responsibilities of asset liability management, market risk management, liquidity and interest rate risk management and also to ensure adherence to risk tolerance/limits set up by the Board. ALCO provides guidance and directions in terms of interest rate, liquidity, funding sources, and investment of surplus funds. ALCO meetings are held once in a month or more frequently as warranted from time to time. The minutes of ALCO meetings are placed before the RMC and the Board of Directors in its next meeting for its perusal/ approval/ ratification.

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

S. No.	Particulars	As at March 31, 2022		As at March 31, 2021	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
	Liabilities:				
1	Loans and Advances availed by the NBFC inclusive of interest accrued thereon but not paid:				
(a)	Debentures				
-	Secured	83,293.44	-	91,065.73	-
-	Unsecured	87,170.38	-	52,316.64	-
	(other than falling within the meaning of public deposits)				
(b)	Deferred credits		-	-	-
(c)	Term loans				
-	Secured	3,81,812.34	-	3,07,449.87	-
-	Unsecured	3,600.00	-	5,038.80	-
(d)	Inter-corporate loans and borrowings		-	-	-
(e)	Commercial paper		-	-	-
(f)	Finance lease obligations		-	-	-
(g)	Associated liabilities in respect of securitisation transactions		-	6,845.87	-
(h)	Cash credits		-	-	-

S. No.	Particulars	Amount Outstanding	
		As at March 31, 2022	As at March 31, 2021
	Assets:		
2	Break-up of Loans and Advances including Bills Receivables [other than those included in (3) below] :		
(a)	Secured	34,929.86	4,360.92
(b)	Unsecured	5,42,080.79	5,09,303.14

Notes Forming Part of the Financial Statements

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(All amounts in ₹ lakhs unless otherwise stated)

S. No.	Particulars	Amount Outstanding	
		As at March 31, 2022	As at March 31, 2021
3	Break up of Leased Assets and Stock on Hire and Other Assets counting towards AFC activities		
(i)	Lease assets including lease rentals accrued and due:		
(a)	Financial lease	-	-
(b)	Operating lease	-	-
(ii)	Stock on Hire including Hire Charges under Sundry Debtors:		
(a)	Assets on hire	-	-
(b)	Repossessed assets	-	-
(iii)	Other loans counting towards AFC activities		
(a)	Loans where assets have been repossessed	-	-
(b)	Loans other than (a) above	-	-
4	Break-up of Investments		
	Current Investments		
I	Quoted:		
(i)	Shares:	-	-
(a)	Equity	-	-
(b)	Preference	-	-
(ii)	Debentures and bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government securities	-	-
II	Unquoted:		
(i)	Shares:	-	-
(a)	Equity	-	-
(b)	Preference	-	-
(ii)	Debentures and bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government securities	-	-
	Long Term Investments		
I	Quoted:		
(i)	Shares:	-	-
(a)	Equity	-	-
(b)	Preference	-	-
(ii)	Debentures and bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government securities	10,708.50	-
II	Unquoted:		
(i)	Shares:		
(a)	Equity	5.00	5.00
(b)	Preference	-	-
(ii)	Debentures and bonds	-	-
(iii)	Units of mutual funds	-	-
(iv)	Government securities	-	-

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for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

5 Borrower Group-wise Classification of Assets Financed as in (2) and (3) above

S. No.	Category	As at March 31, 2022 (Net of Provisions)			As at March 31, 2021 (Net of Provisions)		
		Secured	Unsecured	Total	Secured	Unsecured	Total
1	Related parties						
	(a) Subsidiaries		-	-	-	-	-
	(b) Companies in the same group		-	-	-	-	-
	(c) Other related parties		-	-	-	-	-
2	Other than related parties	34,707.92	5,07,903.60	5,42,611.52	4,256.09	4,75,263.08	4,79,519.17
		34,707.92	5,07,903.60	5,42,611.52	4,256.09	4,75,263.08	4,79,519.17

Note: The amount of Assets financed represents the net owned portfolio outstanding after adjusting the provisions for standard, substandard and doubtful assets.

6 Investor Group-wise Classification of all Investments (Current and Long Term) in Shares and Securities (both Quoted and Unquoted) :

S. No	Category	As at March 31, 2022		As at March 31, 2021	
		Market Value / Break up Value or Fair Value or Net Asset Value	Book Value	Market Value / Break up Value or Fair Value or Net Asset Value	Book Value
1	Related parties				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
2	Other than related parties	10,713.50	10,713.50	5.00	5.00
		10,713.50	10,713.50	5.00	5.00

7 Other Information

S. No	Category	As at March 31, 2022		As at March 31, 2021	
		Related Parties	Other than Related Parties	Related Parties	Other than Related Parties
(i)	Gross non-performing assets		9,607.96	-	9,068.68
(ii)	Net non-performing assets		1,711.09	-	18.10
(iii)	Assets acquired in satisfaction of debt		-	-	-

46 High Quality Liquid Assets disclosure pursuant to RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019

Particulars	As at June 30, 2021*		As at September 30, 2021*		As at December 31, 2021*		As at March 31, 2022	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	High Quality Liquid Assets							
Cash and bank balances	13,405.47	13,405.47	20,891.86	20,891.86	16,534.33	16,534.33	26,129.16	26,129.16
Unencumbered fixed deposits	41,926.18	41,926.18	1,34,727.66	1,34,727.66	377.06	377.06	53,301.30	53,301.30
	55,331.65	55,331.65	1,55,619.52	1,55,619.52	16,911.39	16,911.39	79,430.46	79,430.46

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	As at June 30, 2021*		As at September 30, 2021*		As at December 31, 2021*		As at March 31, 2022	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
	Cash Outflows							
Unsecured wholesale funding							-	-
Secured wholesale funding							-	-
Additional requirements, of which							-	-
Outflows related to derivative exposures and other collateral requirements							-	-
Outflows related to loss of funding of debt products							-	-
Credit and liquidity facilities							-	-
Other contractual funding obligations	46,985.75	54,033.61	45,352.44	52,155.31	25,188.77	28,967.08	31,602.79	36,343.21
Other contingent funding obligations							-	-
	46,985.75	54,033.61	45,352.44	52,155.31	25,188.77	28,967.08	31,602.79	36,343.21
Cash Inflows								
Secured lending							-	-
Inflows from fully performing exposures							-	-
Other cash inflows	56,551.58	42,413.69	66,058.84	49,544.13	48,201.05	36,150.79	45,676.03	45,338.32
	56,551.58	42,413.69	66,058.84	49,544.13	48,201.05	36,150.79	45,676.03	45,338.32

Liquidity coverage ratio

Particulars	As at	As at	As at	As at
	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022
Total high quality liquid assets (a)	55,331.65	1,55,619.52	16,911.39	79,430.46
Total net cash outflows (b)	13,508.40	13,038.83	(7,183.71)	9,085.80
Liquidity coverage ratio (a)/(b)	409.61%	1193.51%	-235.41%	874.23%

* The Inflows and outflows for the quarter ended June 30, 2021, September 30, 2021 and December 31, 2021 have been extracted from the form DNBS4 filed by the Company with the reserve bank of India.

Qualitative disclosures

The Reserve Bank of India has prescribed monitoring of sufficiency of NBFC's liquid assets pursuant to RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019. The Liquidity Coverage Ratio (LCR) is aimed at measuring and promoting short-term resilience of NBFCs to potential liquidity disruptions by ensuring maintenance of sufficient high quality liquid assets (HQLAs) to survive an acute stress scenario lasting for 30 days.

The ratio comprises of high quality liquid assets (HQLAs) as numerator and net cash outflows in 30 days as denominator. Cash outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities by 1.15 times and cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by 0.75 times.

The Company has implemented the LCR framework and has consistently maintained LCR well above the regulatory threshold. The average LCR for the quarter ended March 31, 2022 was 874.23% which is above the regulatory requirement of 50.00%.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

47 RBI/DNBS/2016-17/49 Master Direction DNBS. PPD.01/66.15.001/2016-17 dated on September 29, 2016

(a) Current Year 2021-22

Category	More than ₹ 1 lakh		Less than ₹ 1 lakh	
	Number of Instances	Amount	Number of Instances	Amount
Embezzlement/ misappropriation of cash				
- By Employees	29	124.53	2	1.46
- By Others	2	2.78	14	6.75
Total	31	127.31	16	8.21

(b) Previous Year 2020-21

Category	More than ₹ 1 lakh		Less than ₹ 1 lakh	
	Number of Instances	Amount	Number of Instances	Amount
Embezzlement/ misappropriation of cash				
- By Employees	7	231.34	4	1.69
- By Others	1	2.65	24	9.13
Total	8	233.99	28	10.82

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

47.1 Disclosure as required under DNBS (PD) CC. No. 300 / 03.10.038/2012-13 dated August 3, 2012

Net Interest Margin during the Year:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Average Interest (a)	20.35%	20.34%
Average effective cost for borrowing Interest (b)	10.45%	10.42%
Net Interest Margin (a-b)	9.90%	9.92%

The Average interest represents the effective rate at which loans have been disbursed to the customers for the years ended March 31, 2022 and March 31, 2021.

The Average interest cost of borrowings of the Company for the years ended March 31, 2022 and March 31, 2021 have been computed based on the monthly interest cost divided by the average monthly balances of outstanding borrowings. The Average cost of borrowings include the following :

- Upfront processing fees paid by the Company for availing loans.
- Interest loss on fixed deposits placed as collateral, being difference between rate of interest on fixed deposit and the interest rate on the borrowings.

47.2 Undisclosed income

There are no transactions not recorded in the books of accounts.

48 Corporate Social Responsibility (CSR)

During the year, the Company incurred an aggregate amount of ₹ 51.67 Lakhs (Previous Year - ₹ 344.54 Lakhs) towards corporate social responsibility in compliance of Section 135 of the Companies Act 2013 read with relevant schedule and rules made thereunder. The details of the CSR spend are given below:

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

		(Amount ₹ in Lakhs)
(a)	Amount required to be spent by the Company during the year	363.96
(b)	Amount of expenditure incurred	51.67
(c)	Shortfall at the end of the year	313.85
(d)	Total of previous years shortfall	
(e)	Reason for shortfall	Fund is allocated for ongoing Projects
(f)	CSR activities as specified in Schedule VII of Companies Act, 2013	<ul style="list-style-type: none"> a) Promotion of Quality education b) Rural development projects and measures for reducing inequalities faced by socially and economically backward group c) Promotion of Healthcare/preventive healthcare d) Eradicating hunger, poverty and malnutrition e) Promotion of Health care and Women empowerment
(g)	Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	Manappuram Foundation
	Transferred	100
	CSR Spent till 31.03.2022	51.67
	Surplus generated from CSR fund	1.56
	Unspent Amount Returned	49.89
(h)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	313.85

49 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual currency during the financial years ended March 31, 2022 and March 31, 2021.

50 Statutory Reserve

As per Section 45-IC of the Reserve Bank of India Act, 1934, the Company is required to create a reserve fund at a rate of 20% of the net profit after tax of the Company every year. Considering the Profit after tax for the year ended March 31, 2021, ₹ 268.65 Lakhs is transferred to the statutory reserve as required under Section 45-IC of Reserve Bank of India (RBI) Act, 1934.

51 Impact of hedging activities

a) Disclosure of effects of hedge accounting on financial position:

Type of hedge and risks	Carrying amount of hedging instrument	Maturity date	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness	Line item in Balance Sheet
Cash flow hedge	Liability				
Foreign exchange forward contracts (Cross currency interest rate swaps)	274.10	August 27, 2023, October 13, 2023 and September 29, 2023	409.40	564.54	Borrowings

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

b) Disclosure of effects of hedge accounting on financial performance

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedge reserve to statement of profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Foreign exchange forward contracts (Cross currency interest rate swaps)	973.94	-	564.54	Finance Cost

52 Employee Stock Option Scheme (ESOS), 2019

(a) The details of the Employee Stock Option Scheme 2019 are as under:

Date of share holders' approval	February 02, 19		
Number of options approved	8,30,000		
Date of grant	July 1, 2019		
Number of options granted	25,000		
Method of settlement	Equity		
Graded Vesting	30% after two years from the date of grant i.e. July 1, 2021 and 35% after three years from the date of grant i.e. July 1, 2022 and the balance 35% after four year from the date of grant i.e. July 1, 2023		
Exercisable period	4 years from vesting date		
Vesting conditions	Continuous employment /service as on relevant date of vesting and pre-determined performance parameters, if any		

The Company has adopted the Employee Stock Option Scheme framed in accordance with the Section 62(1)(c) of the Companies Act 2013 read with Rules 12 of the Companies (Share Capital and Debenture) Rules, 2014 made thereunder.

The Company has granted 830,000 options at an exercise price of ₹ 364/- on July 1, 2019 which will vest over a period of four years from the grant date (30% after two years from the date of grant i.e. July 1, 2021 and 35% after three years from the date of grant i.e. July 1, 2022 and the balance 35% after four years from the date of grant i.e. July 1, 2023). The exercise period commences from the date of vesting and will expire not later than four years from the date of vesting.

(b) The summary of the movements in options is given below:

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Options outstanding, beginning of year	5,12,500	6,55,000
Options granted during the year	-	-
Increase on account of Bonus issue	-	-
Lapsed Options restored during the year	-	-
Options lapsed during the year	2,70,000	1,42,500
Options Exercised during the year	-	-
Options unvested and Outstanding at the End of the Year	2,42,500	5,12,500
Options outstanding at the year end comprise of :		
- Options eligible for exercise at year end	-	-
- Options not eligible for exercise at year end	2,42,500	5,12,500
	2,42,500	5,12,500

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

(c) Pro-forma Disclosures for ESOS :

In accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, no compensation cost for ESOS 2019 has been recognised based on the fair value at the date of grant. Hence there is no impact on profit after tax and there is no dilution in earning per share.

(d) The fair value of options estimated at the date of grant using the Black-Scholes method and the assumptions used are as under

Option fair value	80.93
Risk free interest rate	6.88%
Expected Life (in years)	3.00
Expected volatility	50.00%
Share price on the date of grant (face value ₹ 10 per share)	239.37

53 The outbreak of COVID-19 pandemic and the resultant lockdowns have caused disruption to businesses and slowdown in economic activities. The impact of the COVID -19 pandemic on the Company's results, including credit quality and provisions, remain uncertain. The Company's impairment loss allowance estimates are inherently uncertain and, as a result, actual results may differ from these estimates. The Company has factored its risk assessment majorly through its expected credit loss model (ECL). The Company has been duly servicing its debt obligations, maintains a healthy capital adequacy ratio and has adequate capital and financial resources to run its business and meet its committed obligations for the foreseeable future. The Company will continue to closely monitor material changes in markets and future economic conditions with regard to COVID-19 implications.

As at March 31, 2022, the Company has made provision towards impairment loss allowance amounting to ₹ 34,399 Lakhs (As at March 31, 2021 ₹ 34,144.89 Lakhs) which includes potential impact on account of COVID-19 pandemic on the Company's operations. This provision was made based on available information then and given the uncertainty over the potential macro-economic impact and based on the policy approved by the board, to determine the provision for impairment of financial assets.

54 Trade Receivables

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Receivables considered good - Secured		
(b) Receivables considered good - Unsecured;	38.34	45.29
(c) Receivables which have significant increase in Credit Risk		
(d) Receivables - credit impaired		
Gross	38.34	45.29
Less: Allowances for impairment loss on credit impaired trade receivables	-	-
Net	38.34	45.29

Trade receivables ageing

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	38.34	-	-	-	-	38.34
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	45.29	-	-	-	-	45.29
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

The managements expects no default in receipt of trade receivables; also there is no history of default observed by the management. Hence, no ECL has been recognised on trade receivables.

There are no dues from directors or other officers of the Company or any firm or private Company in which any director is a partner, a director or a member. Trade receivables are non-interest bearing and are generally on terms of 30 days.

55 Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	78.23	589.59
Total	78.23	589.59

Ageing as at March 31, 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	78.23	-	-	-	78.23
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Ageing as at March 31, 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	587.83	1.76	-	-	589.59
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

56 Capital Advances and Intangible assets under development ageing as on March 31, 2022

A Particulars	Outstanding for the following periods from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Capital-Work-in Progress (CWIP)	-	-	-	-	-
Intangible assets under development	39.68	54.50	-	-	94.18

B For Capital work in progress and Intangible assets under development, there is no transaction whose completion is overdue or has exceeded its cost compared to its original plan.

57 Details of Benami Property held

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder in the financial years ended March 31, 2022 and March 31, 2021.

58 Wilful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the financial years ended March 31, 2022 and March 31, 2021.

59 Relationship with Struck off Companies

Transactions with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial year ended March 31, 2022 and March 31, 2021 are given below:

Name of the struck off Company	Balance outstanding as at		Relationship with the struck off Company
	March 31, 2022 (₹ In lakhs)	March 31, 2021 (₹ In lakhs)	
Receivables (Loans outstanding)	-	-	-
Payables (Borrowings outstanding)	-	-	-
Payables (Trade Creditors)	-	-	-
- Nutech Solutions	-	0.30	Trade Creditors
Shares held by struck off Company	-	-	-

In the financial year ended March 31, 2022 and March 31, 2021, the Company has conducted transaction of value ₹ 0.43 lakhs and ₹ 2.64 lakhs respectively with the above Trade Creditor, being the Company whose name has been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956. The Company has not allotted any Equity share to the said Company.

60 Registration of charges or satisfaction with Registrar of Companies (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2022 and March 31, 2021. Except for few instances where delay was not beyond 30 days.

61 Compliance with number of layers of companies

Not Applicable

62 Utilisation of Borrowed funds and share premium

During the financial year ended March 31, 2022, other than the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines as applicable.

Notes Forming Part of the Financial Statements

for the year ended March 31, 2022

(All amounts in ₹ lakhs unless otherwise stated)

- (i) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

63 Title deeds of Immovable Properties not held in name of the Company

The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company during the financial year ended March 31, 2022 and March 31, 2021.

64 Previous year figures

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

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date

For M.P. CHITALE & Co

Chartered Accountants
ICAI Firm Registration Number: 101851W

Sanat Ulhas Chitale

Partner
ICAI Membership Number: 143700

Date: May 16, 2022
Place: Pune

For and on behalf of the Board of Directors of
Asirvad Micro Finance Limited

V P Nandakumar

Chairman
(DIN No. 00044512)

Yogesh Ratnakar Udhoji

Chief Financial Officer

Date: May 16, 2022
Place: Chennai

B N Raveendra Babu

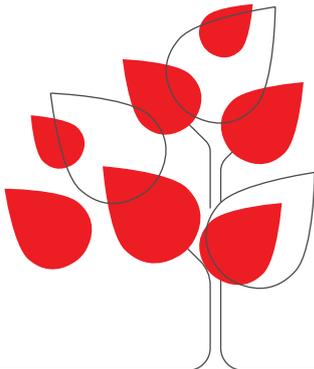
Managing Director
(DIN No. 00043622)

Aparna Menon

Company Secretary



Small Loans... Big Dreams..



Concept, Content & Design
WYATTPrism
COMMUNICATIONS (info@wyatt.co.in)