

Asirvad Microfinance Limited
(Subsidiary of Manappuram Finance Limited)

CIN: U65923TN2007PLC064550

Regd Office: 1st Floor, Desabandhu Plaza, 47, Whites Road, Chennai - 600014

Statement of Unaudited Financial Results for the nine months ended 31 December 2020

(in ₹ lakhs, except for Earnings Per Share)

S.No	Particulars	Quarter Ended			Nine months ended		Year Ended
		31 December 2020 (Unaudited)	30 September 2020 (Unaudited)	31 December 2019 (Unaudited & Restated) (Refer note 3)	31 December 2020 (Unaudited)	31 December 2019 (Unaudited & Restated) (Refer note 3)	31 March 2020 (Audited)
(I)	Revenue from Operations						
	(a) Interest income	22,672.21	24,696.43	23,219.27	70,800.46	68,015.21	91,338.06
	(b) Dividend Income	280.32	336.14	220.24	1,146.78	718.14	947.06
	(c) Net gain on derecognition of financial instruments under amortised cost category	2,469.65	416.04	4,154.10	5,232.07	8,024.72	12,590.98
	(d) Other operating income	166.20	56.85	143.66	248.38	485.72	629.84
	Total Revenue from Operations	25,588.38	25,505.46	27,737.27	77,427.69	77,243.79	1,05,505.94
(II)	Other income	1,455.47	175.64	1,318.23	1,912.82	3,568.81	4,638.46
	Total Revenue (I+II)	27,043.85	25,681.10	29,055.50	79,340.51	80,812.60	1,10,144.40
(III)	Expenses						
	(a) Finance cost	10,960.91	11,804.12	10,357.23	35,149.85	30,130.75	40,943.86
	(b) Employee benefit expenses	5,200.81	4,808.29	3,637.54	13,656.03	10,564.44	15,015.83
	(c) Depreciation, amortization and impairment	351.17	222.53	263.46	772.56	395.09	714.45
	(d) Impairment of financial instruments	4,841.22	6,588.63	3,290.02	20,494.42	6,166.61	14,737.61
	(e) Other expenses	2,472.40	2,549.52	1,917.40	6,759.94	5,720.61	7,702.60
	Total Expenses	23,826.51	25,973.09	19,465.65	76,832.80	52,977.50	79,114.35
(IV)	Profit before tax and Exceptional Item (I + II - III)	3,217.34	(291.99)	9,589.85	2,507.71	27,835.10	31,030.05
(V)	Exceptional item	-	-	-	-	-	-
(VI)	Profit before tax (IV - V)	3,217.34	(291.99)	9,589.85	2,507.71	27,835.10	31,030.05
(VII)	Tax Expense	1,439.83	(49.72)	2,468.69	1,231.96	7,164.66	7,497.25
(VIII)	Profit after tax (VI - VII)	1,777.51	(242.27)	7,121.16	1,275.75	20,670.44	23,532.80
(IX)	Other Comprehensive Income						
	(i) Items that will not be classified to profit or loss						
	a. Remeasurement gains and (losses) on defined benefit obligations (net)	-	-	10.20	(7.77)	28.59	(31.06)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	(2.57)	1.96	(7.20)	7.82
	Total Other Comprehensive Income (i+ii)	-	-	7.63	(5.81)	21.39	(23.24)
(X)	Total Comprehensive Income for the period/year (VIII + IX)	1,777.51	(242.27)	7,128.79	1,269.93	20,691.83	23,509.56
(XI)	Paid-up equity share capital	5,331.19	5,331.19	5,331.19	5,331.19	5,331.19	5,331.19
(XII)	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	98,620.69
(XIII)	Earnings per Share of Rs.10 each						
	- Basic	3.33	(0.45)	13.36	2.39	38.77	44.14
	- Diluted	3.33	(0.45)	13.36	2.39	38.77	44.14
		(not annualised)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(annualised)



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Statement of Unaudited Financial Results for the nine months ended 31 December 2020

1) The above statement of unaudited financial results were reviewed by the audit committee and upon their recommendation, approved by the Board of Directors at their meetings held on 23 January 2021 and 25 January 2021 respectively.

2) The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated 27 March 2020 and 17 April 2020 and in accordance therewith, the Company has proposed a moratorium on the payment of all principal instalments and/ or interest, as applicable, falling due between 1 March 2020 and 31 August 2020 to all eligible borrowers who have no overdue as on 29 February 2020. For all such accounts where the moratorium was granted, the asset classification will remain at a standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the Company's policy). The collection received during moratorium period has been adjusted towards moratorium interest first and then towards principal. Revised repayment schedule has been drawn as at 1st September, 2020 and future collection will be adjusted towards current interest, moratorium interest and principal till the moratorium interest is fully recovered and thereafter towards current interest and principal and accordingly the collections received for the month of September has been adjusted as per the revised repayment schedule.

Further, the Company has, based on current available information and based on the policy approved by the board, determined the provision for impairment of financial assets. Given the uncertainty over the potential macro-economic impact, the Company's management has considered internal and external information including credit reports and economic forecasts upto the date of approval of these financial results.

The extent to which the COVID-19 pandemic will impact the Company's results will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

3) During the half year ended 31 March 2020, pursuant to the regulatory update on Ind AS issued by RBI dated 13 March 2020 to promote consistent Ind AS implementation among NBFCs, the Company had changed its policy on accounting for securitized assets and direct assignment transactions. The securitized assets which were hitherto, de-recognised in the books based on 'True Sale Criteria' prescribed by RBI, have now been re-recognised in the books along with interest income using effective interest rate as the Company had not transferred substantially all the risks and rewards in accordance with the provisions of Indian Accounting Standard No.109. Similarly, the gain on sale of assets arising from direct assignment transactions, have been recognised on de-recognition as interest only strip. Pursuant to the impact of this change in accounting policy, the Company has restated the comparative financial information for the quarter ended 31 December 2019, in accordance with the requirements of Ind AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors'.

The impact of the restatement are as follows:-

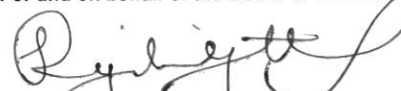
<i>(in ₹ lakhs, except for Earnings Per Share)</i>	
Financial line item	For the period ended 31 December 2019 (increase / (decrease))
Interest Income	2,966.05
Net Gain on derecognition of financial instruments	8,024.72
Other income	(75.00)
Finance Cost	7,106.53
Provision and Other Losses	(365.32)
Other Expenses	(89.12)
Tax Expense	1,073.17
Profit after Tax for the period	3,190.51
Impact on Earnings per Share of Rs.10 each	
- Basic (not annualised)	5.98
- Diluted (not annualised)	5.98

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

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

Place: Chennai
Date: 25 January 2021

For and on behalf of the Board of Directors



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

