

March 30, 2020

## Asirvad Microfinance Limited: Rating withdrawn

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible Debenture Programme	19.99	19.99	[ICRA]A(Positive); withdrawn
<b>Total*</b>	<b>19.99</b>	<b>19.99</b>	

\* Instrument details are provided in Annexure-1

### Rationale

ICRA has withdrawn the rating of [ICRA]A(Positive), which was assigned to the Rs. 19.99-crore non-convertible debenture (NCD) programme of Asirvad Microfinance Limited (Asirvad). The rating was withdrawn in accordance with ICRA's policy on the withdrawal and suspension of credit ratings, and as there is no amount outstanding against these instruments.

### Key rating drivers and their description

Not applicable

### Liquidity position

Not applicable

### Rating sensitivities

Not applicable

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">ICRA's Credit Rating Methodology for Non-Banking Finance Companies</a> <a href="#">ICRA Policy on Withdrawal and Suspension of Credit Ratings</a>
Parent/Group Support	NA
Consolidation	Standalone financials of Asirvad

### About the company

Tamil Nadu-based Asirvad Microfinance Limited is a microfinance institution that was set up as an NBFC in December 2007 and started operations in January 2008. It was promoted by Mr. S. V. Raja Vaidyanathan with the aim of replicating the Grameen Bank model of lending to women in the villages of Tamil Nadu. Asirvad primarily caters to economically-backward women and provides microcredit under the joint liability group mechanism for income generation. It received an NBFC-MFI licence in October 2013. In February 2015, Manappuram Finance Limited acquired an 85% stake in the company by acquiring equity shares from some of the existing shareholders and through fresh equity infusion. MAFIL

increased its stake to 90.4% in FY2016 and further to 93.3% in FY2019. As on December 31, 2019, Asirvad had operations in 329 districts across 22 states and Union Territories, with a portfolio size of Rs. 5,012.6 crore (Rs. 3,840.8 crore as on March 31, 2019) and an active member base of 21.4 lakh (18.1 lakh as on March 31, 2019).

### Key financial indicators

	<b>Standalone FY2018 Ind AS</b>	<b>FY2019 Ind AS</b>	<b>9M FY2020 Ind AS</b>
Total Income*	444.6	598.7	528.5
Profit after Tax	-9.3	132.6	174.8
Net Worth	278.7	782.5	957.5
Total Managed Portfolio	2,437.6	3,840.8	5,012.6
Total Managed Assets	2,671.9	4,538.1	5,566.2
Return on Average Managed Assets (%)	-0.4%	3.6%	4.6%
Return on Average Net Worth (%)	-3.6%	25.0%	26.8%
Gross NPA %	1.7%	0.5%	1.3%
Net NPA %	0.0%	0.0%	0.0%
Net NPA / Net Worth	0.0%	0.0%	0.0%
Managed Gearing (reported; times)	8.7	4.8	4.8

*Note: Amount in Rs. crore*

*\*Total income excluding income from securitisation/assignment*

*Source: Asirvad, ICRA research*

### Status of non-cooperation with previous CRA: Not applicable

### Any other information: None

### Rating history for last three years

	Instrument	Current Rating (FY2020)				Rating History for the Past 3 Years		
		Type	Amount Rated	Amount Outstanding	Rating	FY2019	FY2018	FY2017
					30-Mar-20	28-Feb-19	03-Jan-18	08-Sep-16
1	NCDs	Long Term	19.99	19.99	[ICRA]A (Positive); Withdrawn	[ICRA]A (Positive)	[ICRA]A (Stable)	[ICRA]A (Stable)

Amount in Rs. crore

### Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

### Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE516Q08117	NCD	1-Jul-16	12.80%	1-Apr-19	9.99	[ICRA]A (Positive); withdrawn
INE516Q08125	NCD	1-Jul-16	12.80%	1-Jul-19		
INE516Q07077	NCD	13-May-15	14.50%	18-Dec-20	10.00	[ICRA]A (Positive); withdrawn

Source: Asirvad

### Annexure-2: List of entities considered for consolidated analysis – Not applicable

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