

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in lakh)

Sr. No	Particulars	Half Year Ended		Year Ended	
		31-03-2021 Unaudited	31-03-2020 Unaudited	31-03-2021 Audited	31-03-2020 Audited
(1)	Revenue from operations				
(a)	Interest income	4,327.47	4,951.98	9,686.54	8,149.92
(b)	Fees and commission income	13.16	34.28	20.26	44.80
(c)	Net gain on fair value changes	13.64	40.93	15.04	86.70
(d)	Net gain on derecognition of financial instruments under amortised cost category	319.71	305.00	319.71	305.00
(e)	Other operating revenue	3.28	2.49	4.20	2.49
	Total revenue from operations (a)+(b)+(c)+(d)+(e)	4,677.26	5,334.68	10,045.75	8,588.91
(2)	Other income	48.75	172.65	48.75	228.49
(3)	Total income (3) = (1) + (2)	4,726.01	5,507.33	10,094.50	8,817.40
(4)	Expenses				
(a)	Finance costs	2,767.83	2,975.76	5,814.61	4,800.96
(b)	Impairment on financial instruments (Refer note 5,7,10 & 11)	110.75	63.01	563.93	149.12
(c)	Employee benefits expenses	1,299.32	1,293.50	2,565.06	2,143.94
(d)	Depreciation, amortisation and impairment	41.92	67.03	82.36	115.40
(e)	Other expenses	519.69	562.78	938.46	974.14
	Total expenses (a)+(b)+(c)+(d)+(e)	4,739.51	4,962.08	9,964.42	8,183.56
(5)	Profit/(loss) before exceptional items and tax (3) - (4)	(13.50)	545.25	130.08	633.84
(6)	Exceptional Items	-	-	-	-
(7)	Profit/(loss) before tax (5) - (6)	(13.50)	545.25	130.08	633.84
(8)	Income tax expense:				
(a)	- Current tax	(43.15)	(26.01)	60.31	-
(b)	- Deferred tax	42.46	92.63	(21.93)	94.15
(c)	- MAT credit entitlement	-	26.01	-	-
	Total tax expense (a)+(b)+(c)	(0.69)	92.63	38.38	94.15
(9)	Profit/(loss) for the period (7) - (8)	(12.81)	452.62	91.70	539.69
(10)	Other comprehensive income				
(a)	Items that will not be reclassified to profit or loss				
	- Remeasurements of post-employment benefit obligations	16.84	4.01	11.94	(0.31)
	- Income tax relating to these items	(4.23)	(1.12)	(3.00)	0.08
(b)	Items that will be reclassified to profit or loss	-	-	-	-
	Other comprehensive income for the period (a)+(b)	12.61	2.89	8.94	(0.23)
(11)	Total comprehensive income for the period (9) + (10)	(0.20)	455.51	100.64	539.46
	Paid up Equity Share Capital (Face Value ₹10 per share)			7,052.83	7,052.83
	Other Equity			778.99	277.39
(12)	Earnings per equity share (Not annualised)				
	- Basic (INR)	(0.02)	0.75	0.13	0.92
	- Diluted (INR) *	(0.02)	0.75	0.13	0.92

*Since the potential equity shares are anti-dilutive, the effect of the same has been ignored while calculating diluted earnings per share. Note that the impact of compulsorily convertible debentures have not been considered while calculating diluted EPS where the rate of conversion would be known only at a future date and hence currently the same is unascertainable.



Notes

1. Statement of Assets and Liabilities as on 31 March 2021

Particulars	As at 31-Mar-21	As at 31-Mar-20
	₹ in lakh	₹ in lakh
	Audited	Audited
ASSETS		
Financial assets		
Cash and cash equivalents	3,037.31	1,844.03
Bank balance other than cash and cash equivalents above	2,107.04	2,249.77
Receivables	-	-
(I) Trade receivables	9.53	14.97
(II) Other receivables	-	-
Loans	42,693.51	44,319.58
Other financial assets	184.06	241.81
TOTAL	48,031.45	48,670.16
Non-financial assets		
Current tax assets (net)	154.21	108.68
Property, plant and equipment	94.00	147.27
Right of Use - Premises	21.16	19.89
Goodwill	2,501.35	2,501.35
Other Intangible assets	8.40	11.76
Other non-financial assets	75.72	64.77
TOTAL	2,854.84	2,853.72
TOTAL ASSETS	50,886.29	51,523.88
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Payables		
(I) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	5.14	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	123.83	103.03
(II) Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Debt securities	14,634.60	13,091.22
Borrowings (other than debt securities)	24,693.92	29,300.94
Subordinated Liabilities	1,501.18	1,005.38
Other financial liabilities	1,884.18	420.55
TOTAL	42,842.85	43,921.12
Non-financial Liabilities		
Provisions	12.25	33.71
Deferred tax liabilities (net)	121.90	140.83
Other non-financial liabilities	77.47	98.00
TOTAL	211.62	272.54
EQUITY		
Equity share capital	7,052.83	7,052.83
Other equity	778.99	277.39
TOTAL	7,831.82	7,330.22
TOTAL LIABILITIES AND EQUITY	50,886.29	51,523.88



Notes

2. The above results of Centrum Microcredit Limited ("the Company") have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 03, 2021. These financial results are available on the website of the Company viz www.centrummicrocredit.com and on the website of BSE limited (www.bseindia.com). Further, the financial results for the year ended March 31, 2021 have been audited by the Statutory Auditors.

3. The figures for the half year ended March 31, 2021 and half year ended March 31, 2020 are the balancing figures between audited figures in respect of the full financial year March 31, 2021 and March 31, 2020 and the unpublished figures for the half year ended September 30, 2020 and September 30, 2019 respectively which was subject to limited review by the statutory auditors.

4. The Company is primarily engaged in the business of financing and there are no separate reportable segments identified as per the Ind AS 108 - Segment Reporting.

5. The Company has granted moratorium on the payment of instalments falling due from March 01, 2020 till August 31, 2020 to all eligible borrowers based on the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020 and May 23, 2020 relating to 'COVID-19 - Regulatory Package' and RBI guidelines on EMI moratorium dated April 17, 2020. The said moratorium was reviewed and granted on a monthly basis. Further, period for which moratorium was granted had not been considered for computing days past due (DPD) as on March 31, 2021. Extension of such moratorium benefit to borrowers as per the COVID-19 Regulatory package of the RBI and DPD freeze for such period by itself is not considered to result in significant increase in credit risk as per Ind AS 109 for staging of accounts. The Company continued to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria.

The COVID -19 pandemic has significantly affected various sectors of the Indian economy. The prolonged lockdown imposed by the government due to Covid-19 pandemic has affected the Company's business operations. The sector has experienced one of the fastest recovery from any major crisis because of the support extended by RBI. The collection efficiency for the half year ended March 31, 2021 has improved significantly as compared to half year ended September 30, 2020 as the business has resumed its normalcy post lockdown. The Company has also resumed its disbursements from August 2020 onwards. In view of the same the Company has maintained a management overlay of ₹ 324.83 lakh as on March 31, 2021 with respect to its inactive clients who have not made any repayments from April 01, 2020 onwards. The management overlay on account of COVID - 19 is based on the Company's historical experience and other emerging forward looking factors on account of the pandemic. Further, the management estimates that all other assets of the Company are recoverable. However, the actual impact may vary due to prevailing uncertainty caused by the pandemic. The Company's management is continuously monitoring the situation and the economic factors affecting the operations of the Company.

6. The Company acquired the micro finance business of Altura Financial Services Limited on November 01, 2019. Therefore, figures for the half year and year ended March 31, 2021 are not comparable with the corresponding figures for the half year and year ended March 31, 2020 respectively.

7. During the year ended March 31, 2021, the Company has invoked resolution plans to relieve COVID-19 pandemic related stress to eligible borrowers. The resolution plans are based on the parameters laid down in the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on August 6, 2020. The staging of accounts and provisioning for the eligible accounts where the resolution plans are invoked and implemented is in accordance with the Board Approved Policy in this regard. Disclosure pursuant to RBI notification RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 06 August 2020

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 (₹ in lakh)	(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 (₹ in lakh)	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans** Corporate persons* Of which, MSMEs Others Total	27,153	5,319.28		1082.37	Refer note (a) below

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

**It represents micro business loans given to JLG borrowers.

(a) Since the Company is an Ind AS following NBFC, hence the provisioning in the financial statements on portfolio under the above resolution plan are made as per the ECL norms in accordance with the Board of Directors approved policy in this regard. Further, the provisioning as required under the COVID Resolution Framework for COVID-19 related stress circular dated 06 August, 2020 of RBI has been computed for the purpose of provisioning under IRAC norms to comply with the RBI circular dated March 13, 2020.

8. During the year, the Company issued 1,500 debentures having face value of ₹ 1 lakh per debenture amounting to ₹ 1,500 lakh and the same have been listed on the Bombay Stock Exchange on January 6, 2021. pursuant to this, the Company has published its financial results for the first time for the half year and year ended March 31, 2021.

9. In accordance with the instructions in the RBI circular dated 07 April 2021, all lending institutions shall refund/adjust 'interest on interest' to all borrowers including those who had availed working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed, pursuant to these instructions, the Indian Banks Association (IBA) in consultation with other industry participants/bodies published the methodology for calculation of the amount of such 'interest on interest'. The Company does not have any borrowers who are eligible for the benefit under the RBI circular and IBA advisory mentioned above.



10. Hon'ble Supreme Court, in a public interest litigation (Gajendra Sharma vs. Union of India & Anr). vide an interim order dated September 3, 2020, has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. However, such accounts had been classified as stage 3 in accordance with Note No. 5 above and provision had been made accordingly.

The interim order stood vacated on March 23, 2021 vide the judgement of the Hon'ble Supreme Court in the matter of Small Scale Industrial manufacturers Association v/s UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular no. RBI/2021-22/17 DOR. STR. REC. 4/ 21.04.048/ 2021-22, dated April 07, 2021 issued in this connection. Since, the Company was already classifying the NPA accounts as Stage 3 and provision was made accordingly, without considering the above mentioned asset classification benefit for accounting purpose, therefore there is no change in asset classification on account of the interim order dated March 23, 2021.

11. Disclosure as required under RBI notification no. RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated 17 April 2020 on COVID-19 Regulatory Package - Asset Classification and Provisioning.

Particulars	₹ (in lakh)
(i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended*	3.04
(ii) Respective amount where asset classification benefits is extended**	NIL
(iii) Provisions made during the Q4FY2020 and Q1FY2021	1.24
In respect of accounts in default but standard where moratorium is granted, and asset classification benefit is extended, the Company has made general provisions of not less than 10 per cent of the total outstanding of such accounts as applicable as at 30 September 2020	NIL
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions	

*The Company has extended moratorium to eligible borrowers in terms of COVID 19 RBI Regulatory package mentioned above on monthly basis. However, for above disclosure the outstanding amount as on March 31, 2021 of the accounts which were classified as standard but overdue as on February 29, 2020 to whom moratorium was granted in the month of March 2020 have been considered and provision was required to be made in Q4 FY2020 and Q1 FY2021 as per RBI circular no. RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020.

** There are nil accounts as on March 31, 2021 where the asset classification benefit is extended for cases which were entitled to a moratorium until August 31, 2020, as the asset classification is based on the actual performance of the account post moratorium period is over.

12 The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards Provident Fund and Gratuity. The effective date from which changes are applicable is yet to be notified and the rules thereunder are yet to be announced. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.

13. The figures for previous period have been regrouped/rearranged wherever necessary to conform to the current period presentation.



Mumbai
May 03, 2021

For and on behalf of Board of Directors
Centrum Microcredit Limited


Prashant Thakker
Executive Director & CEO
DIN 07405451

