



MANAPPURAM[®] FINANCE LIMITED

Make Life Easy

Ref: Sec/SE/292/2021-22
November 13,2020

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 Scrip Code: 531213	National Stock Exchange of India Limited 5th Floor, Exchange Plaza Bandra (East) Mumbai – 400 051 Scrip Code: MANAPPURAM
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Dear Madam/Sir

Sub: Asset Cover under Regulation 54(2) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“SEBI (LODR)”)

We hereby attach the asset cover comprising of the extent and nature of security created and maintained with respect to our secured listed non-convertible debt securities.

We request you to please take the same on your record.

Thanking You.

For Manappuram Finance Limited

Manoj Kumar V R
Company Secretary
Ph:+91 9946239999

India's First Listed and Highest Credit Rated Gold Loan Company

Registered & Corporate Office : (CIN-L65910KL1992PLC006623) IV/470A (old) W638A(New), Manappuram House, Valapad, Thrissur, Kerala - 680 567, India
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To,
The Board of Directors,
Manappuram Finance Limited

Independent Auditor's Report on maintenance of asset cover including compliance with all the financial covenants in respect of non-convertible debt securities and other borrowings issued by Manappuram Finance Limited for the half year ended September 30, 2021.

1. This report is issued in accordance with the terms of our Engagement Letter as Statutory Auditors of Manappuram Finance Limited (the "Company") dated October 16, 2021 and Mandate Letter dated October 19, 2021.
2. The accompanying Statement on value of book debts placed as a security for compliance with the 'Asset Cover as per the terms of offer document/ Information Memorandum and/ or Debenture Trust Deed including compliance with all the financial Covenants for listed Non-Convertible Debentures (NCD's) issued by the Company which were outstanding as at September 30, 2021 (the "statement"), is prepared by the Company for the purpose of submission to Various Trustee ("the Debenture Trustee"), pursuant to the Mandate Letter we are required to report on the maintenance of hundred percent asset cover or asset cover as per the terms of the offer document/ Information memorandum and/ or Debenture Trust Deed (the "asset cover"), including compliance with all the financial covenants, in respect of NCD's issued by the Company for the half year ended September 30, 2021, in accordance with terms of SEBI Circular No. SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230 dated November 12, 2020 (hereinafter referred as the "Circular") and in accordance with terms of regulation 56(1)(d) of the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred as the "SEBI Regulation").

Management's Responsibility

3. The Management of the Company is responsible for the maintenance of the asset cover and compliance with the covenants of debt securities, including the preparation and maintenance of all accounting and other records supporting such compliance. This responsibility includes the design, implementation, and maintenance of internal control relevant to such compliance with the SEBI Regulation and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
4. The Management is also responsible for ensuring that the Company complies with the requirements of the Companies Act, 2013, Securities and Exchange Board of India Act, 1992 (the "SEBI") and other relevant circulars, guidelines, and regulations as applicable to the Company and for providing all relevant information to the SEBI.

Auditor's Responsibility

5. Pursuant to the requirements of the Regulation 56(1)(d) of SEBI Regulations, it is our responsibility to provide a limited assurance and form an opinion as to whether, based on our examination of the books and records of the Company as at and for the half year ended September 30, 2021, the Company is in compliance with maintenance of the asset cover including the compliance with all the financial covenants as mentioned in the Information Memorandum.
6. We have planned and performed the following procedures in relation to the Statement for the half year ended September 30, 2021:
 - a) Obtained the Asset Cover computation for Secured and Unsecured Borrowings from the Management and ensured the same is in compliance with the requirements of the SEBI Regulations;
 - b) Traced and agreed the principal amount of the listed NCDs and other secured and unsecured Borrowings outstanding as on September 30, 2021, to the unaudited/reviewed financial statements of the Company;
 - c) Verified the asset cover details as per the Debenture Trust Deed / Information Memorandum and the books and records of the Company;
 - d) Verified the arithmetical accuracy of the Asset Cover computation;
 - e) Verified the financial covenants on test check basis as per the Debenture Trust Deed/ Information Memorandum and the term sheet of NCD's issued by the Company; and
 - f) Obtained written representations from the Management in this regard.
7. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, as mentioned in paragraph 6 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
8. We conducted our examination of the Statement, on a test check basis, in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the ICAI (the "Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

10. Based on our examination as above and procedures performed as mentioned in para 6, and to the best of our knowledge and according to the information, explanations and representation given to us, in our opinion, nothing has come to our attention that causes us to believe that Company has not complied, in all material respects, with the requirements of SEBI regulations for the maintenance of the hundred percent asset cover, including the compliance with all financial covenants, in respect of debt securities for the half year ended September 30, 2021.

Other Matter

11. The Company has considered the asset cover value of the secured non-convertible debentures instead of outstanding balance while computing the asset coverage ratio for the secured debentures.

Restriction on Use

12. This report is addressed to the Board of Directors of the Company, pursuant to our obligations under the Engagement Letter for onward submission of this report to the Debenture Trustee and should not be used by any other person or for any other purpose. MSKA & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment.

13. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration Number : 105047W

Tushar Kurani

Partner

Membership No: 118580

UDIN: 21118580AAAAHP2513

Mumbai

November 13, 2021

b) Asset Cover:

i. The financial information as on 30 September, 2021 has been extracted from the books of account for the year ended 30 September, 2021 and other relevant records of the Company.

ii. The assets of the Company provide coverage of 1.20 times of total secured borrowings of the Company, which is within the limits prescribed under the terms of issue/ debenture trust deed. Refer table - I below for calculation of asset cover ratio for the Secured borrowings. The asset cover ratio has been determined for total secured borrowings considering the fact that the security provided is pari passu for all borrowings.

iii. The net assets available for unsecured borrowings of the Company provide coverage of 3.60 times of the principal outstanding. Refer table - II for calculation of asset coverage ratio available for unsecured borrowings.

Table- I:

Sr. No.	Particulars		Amount (In Rs Cr)
i.	Total assets available for secured borrowings - (secured by pari passu on assets)	A	23,856.12
	Property Plant & Equipment (Fixed assets) - movable/immovable property etc.		-
	Loans /advances given (net of provisions, NPAs and sell down portfolio), Debt Securities, other credit extended etc.		19,591.56
	Investment(s)		-
	Cash and cash equivalents and other current/ Non-current assets		4,264.56
ii.	Total borrowing through issue of secured Debt Securities (secured by either pari passu or exclusive charge on assets)	B	19,867.60
	· Asset cover required for debt securities (Provide details as per table below)		6,364.00
	· Asset cover required for other Secured Borrowings (Refer note below)		13,144.69
	· Interest Accrued but not due on Secured Borrowings		16.84
	· Interest accrued but not due on secured Debt Securities		342.07
iii.	Asset Coverage Ratio	(A/B)	1.20

Note: Asset cover for the other secured borrowings is taken based on the amount withdrawn and outstanding at the end of the year.



P. Srinivasan

ISIN wise details

Sr. No.	ISIN	Facility	Type of Charge	Outstanding Amount As on 30-09-2021 (In Rs Cr)	Cover Required	Assets Required (In Rs Cr)
1	INES22D07AH1	Non-Convertible Debt Securities	Pari-Passu	27.44	1 times	27.44
2	INES22D07A19	Non-Convertible Debt Securities	Pari-Passu	57.42	1 times	57.42
3	INES22D07AK5	Non-Convertible Debt Securities	Pari-Passu	21.75	1 times	21.75
4	INES22D07AL3	Non-Convertible Debt Securities	Pari-Passu	30.00	1 times	30.00
5	INES22D07AN9	Non-Convertible Debt Securities	Pari-Passu	19.39	1 times	19.39
6	INES22D07AO7	Non-Convertible Debt Securities	Pari-Passu	14.80	1 times	14.80
7	INES22D07AP4	Non-Convertible Debt Securities	Pari-Passu	39.77	1 times	39.77
8	INES22D07AU4	Non-Convertible Debt Securities	Pari-Passu	15.31	1 times	15.31
9	INES22D07AW0	Non-Convertible Debt Securities	Pari-Passu	16.60	1 times	16.60
10	INES22D07AX8	Non-Convertible Debt Securities	Pari-Passu	20.54	1 times	20.54
11	INES22D07AZ3	Non-Convertible Debt Securities	Pari-Passu	8.99	1 times	8.99
12	INES22D07BA4	Non-Convertible Debt Securities	Pari-Passu	20.48	1 times	20.48
13	INES22D07AV2	Non-Convertible Debt Securities	Pari-Passu	28.50	1 times	28.50
14	INES22D07AY6	Non-Convertible Debt Securities	Pari-Passu	17.47	1 times	17.47
15	INES22D07552	Non-Convertible Debt Securities	Pari-Passu	3.00	1.1 times	3.30
16	INES22D07B17	Non-Convertible Debt Securities	Pari-Passu	100.00	1 times	100.00
17	INES22D07BC0	Non-Convertible Debt Securities	Pari-Passu	250.00	1 times	250.00
18	INES22D07BD8	Non-Convertible Debt Securities	Pari-Passu	200.00	1 times	200.00
19	INES22D07BE0	Non-Convertible Debt Securities	Pari-Passu	350.00	1 times	350.00
20	INES22D07BF3	Non-Convertible Debt Securities	Pari-Passu	425.00	1 times	425.00
21	INES22D07BG1	Non-Convertible Debt Securities	Pari-Passu	725.00	1 times	725.00
22	INES22D07BH9	Non-Convertible Debt Securities	Pari-Passu	200.00	1 times	200.00
23	INES22D07BJ5	Non-Convertible Debt Securities	Pari-Passu	500.00	1.25 times	625.00
24	INES22D07BK3	Non-Convertible Debt Securities	Pari-Passu	250.00	1 times	250.00
25	INES22D07BL1	Non-Convertible Debt Securities	Pari-Passu	150.00	1 times	150.00
26	INES22D07BM9	Non-Convertible Debt Securities	Pari-Passu	225.00	1 times	225.00
27	INES22D07BN7	Non-Convertible Debt Securities	Pari-Passu	125.00	1 times	125.00
28	INES22D07BO5	Non-Convertible Debt Securities	Pari-Passu	248.00	1 times	248.00
29	INES22D07BP2	Non-Convertible Debt Securities	Pari-Passu	250.00	1 times	250.00
30	INES22D07BO0	Non-Convertible Debt Securities	Pari-Passu	335.00	1 times	335.00
31	INES22D07BS6	Non-Convertible Debt Securities	Pari-Passu	100.00	1.1 times	110.00
32	INES22D07BT4	Non-Convertible Debt Securities	Pari-Passu	150.00	1 times	150.00
33	INES22D07BU2	Non-Convertible Debt Securities	Pari-Passu	100.00	1 times	100.00
34	INES22D07BV0	Non-Convertible Debt Securities	Pari-Passu	50.00	1 times	50.00
35	INES22D07BW8	Non-Convertible Debt Securities	Pari-Passu	400.00	1 times	400.00
36	INES22D07BX6	Non-Convertible Debt Securities	Pari-Passu	600.00	1.25 times	750.00
37	INES22D07AQ2	Non-Convertible Debt Securities	Pari-Passu	0.54	1 times	0.54
38	INES22D07AR0	Non-Convertible Debt Securities	Pari-Passu	1.60	1 times	1.60
39	INES22D07AS8	Non-Convertible Debt Securities	Pari-Passu	0.76	1 times	0.76
40	INES22D07AT6	Non-Convertible Debt Securities	Pari-Passu	1.33	1 times	1.33
	Total			6,078.70		6,364.00



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Table- II:

Sr. No.	Particulars		Amount
i.	Net assets of the Company available for unsecured lenders (Property Plant & Equipment (excluding intangible assets and prepaid expenses) + Investments + Cash & Bank Balances + Other current/ Non-current assets excluding deferred tax assets (-) Total assets available for secured lenders/creditors on pari passu/exclusive charge basis under the above heads (-) unsecured current/ non-current liabilities (-) interest accrued/payable on unsecured borrowings)	A	4,912.04
ii.	Total Borrowings (unsecured)	B	1,365.18
	• Term loan		-
	• Non-convertible Debt Securities along with interest Accrued		-
	• CC/ OD Limits		-
	• Other Borrowings		1,365.18
	• IND - AS adjustment for effective Interest rate on unsecured Borrowings		-
iii.	Assets Coverage Ratio (100% or higher as per the terms of Offer Document/Information Memorandum/ Debenture Trust Deed)	(A/B)	3.60



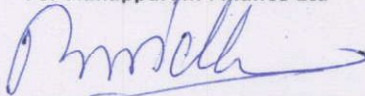
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c) Compliance of all the Financial covenants/terms of the issue in respect of listed debt securities of the listed entity

SI No	Financial Covenant	As at 30-September-21	Status
1	Capital Adequacy Ratio not to fall below statutory requirement of 15%	31.84%	Complied
2	Gross Non Performing assets in issuer, classified as per RBI norms should be less than 4% of total loans and advances of issuer	1.60%	Complied
3	(Gross NPA of Issuer + Gross NPA of the Asirvad Microfinance Limited plus Gross NPA of Manappuram Home Finance Limited) to (Loans and Advances of Issuer + Loans and Advances of Asirvad Microfinance Limited + Loans and Advances of Manappuram Home Finance Limited) shall be less than 4%	1.55%	Complied
4	Consolidated Gross Debt to Tangible Network should be less than 5 times	3.13	Complied
5	Standalone Gross Debt to Tangible Network of the issuer should be less than 5 times	2.38	Complied
6	Consolidated Return on Total Operating Assets (ROTOA) shall be higher than 2% p.a.	5.32%	Complied
7	Standalone Return on Total Operating Assets (ROTOA) of the issuer shall be higher than 2% p.a.	6.35%	Complied
7	Aggregate shareholding of Promoters in the issuer as on any date not to fall below 26%.	34.52%	Complied
8	Credit Rating of the Instrument not to fall to A+ or below by CRISIL or any other rating agency since 30th Aug,2019 onwards	AA	Complied

Note: Non-performing asset considered for NPA ratio does not include assets restructured pursuant to RBI circular DOR.No.BP.BC/3/21.04.048/2020-21 & DOR.No.BP.BC/4/21.04.048/2020-21 dated 06th Aug 2020 which allows assets to be continued to be classified as Standard Assets post restructuring.

For Manappuram Finance Ltd



Bindu A.L.
EVP - CFO
November 13, 2021, Valapad

