

M Power Micro Finance – Grading report

M Power Micro Finance

Grading of Micro Finance Institution (MFI)

Date of Incorporation	November 19, 2009	<div>MFI Grading</div> <div>Rating</div> <div>MFI 1</div> <div>MFI 2+</div> <div>MFI 2</div> <div>MFI 3+</div> <div>MFI 3</div> <div>MFI 4+</div> <div>MFI 4</div> <div>MFI 5</div>
Year of Commencement of MFI Business	2009	
Managing Director	Mr. K M Vishwanathan	
Legal Status	NBFC-MFI	
Lending Model	JLG	
Geographical Area of Operation	3 states	
Branches	53	
Employees	505 as on 30 June 2021	

Care Advisory Research and Training has assigned grading of '**MFI 3+**' (**MFI Three Plus**) to **M Power Micro Finance**. Grading is assigned on an eight-point scale with MFI 1 being the highest and MFI 5 being the lowest. There is no individual definition for each grading. CARE's MFI grading is a measure of overall performance of the MFI on the following broad range of parameters.

TOSS FRAMEWORK

Transparency	
	Above Average
<ul style="list-style-type: none"> Registered as NBFC- MFI. Legal form is subjected to greater regulatory norms and reporting Experienced board with three board members including one independent directors. Board meeting takes places on a quarterly basis. Credit and HR policies are well established, documented and communicated Transparency in lending process is adequate with loan card provided to the borrowers and all disbursements are done directly to bank account of borrowers (i.e. cashless disbursements) Transparency in usage of funds is adequate Overall disclosures are fairly adequate Availability of information about the MFI in public domain is moderate Has separate team of internal audit executives and internal audit is conducted every quarter 	
Operational Setup	
	Strong
<ul style="list-style-type: none"> Professional and experienced management with around a decade of experience in MFI lending Adequate level of decentralization of branches Separate departments and hierarchy with clearly demarcated roles and responsibilities Training systems are adequate Adequate loan appraisal & monitoring systems at current level of operations Adequate system for tracking overdues. Clearly detailed classification of overdues given. There isn't a separate committee for handling overdues. MIS is fairly sufficient to handle the current level of operations. Risk management systems are strong at present level of operations Attrition rate is in the range of 30-35% 	
Scale of Operations	
	Medium
<ul style="list-style-type: none"> Engaged in microfinance for over 10 years. Operates in three states – Gujarat, Rajasthan and Maharashtra with a presence in 3,180 villages as on 30 June 2021. The company had 87,113 active JLGs as on 30 June 2021. In terms of gross loan portfolio, the company's outstanding loan portfolio stood at Rs.131.36 crores as on 30 June 2021. 	
Sustainability	
	Average
<ul style="list-style-type: none"> M Power has a strong second line of leadership by inducting personnel who have earlier worked in private sector banks, insurance companies, other MFIs & in consulting role. At present, the company's ability to bolster its loan book is impaired by lack of adequate capital. Has presence in areas with moderate level of penetration of MFIs, as per data published by 'Status of Microfinance in India – 2020-21' by NABARD in July 2021. Limited product offerings. The company has two loan products – Samruddhi Business Loan for small businesses and Hariyali Cattle Loan for those engaged in animal husbandry. 	

- Has a diverse base for borrowings. The company has raised funds through loans from PSBs, PVBs and NBFCs. The company had also raised debt through NCDs in the past.
- IndiaNivesh Capitals Ltd. is the largest shareholder (non-promoter group) with an ownership of 57.2% as on 30 June 2021. AU Small Finance Bank Ltd. is also one of the equity investors with a 5.5% shareholding in the company
- OSS at 88% and operating expense ratio was at 13.43%
- CAR at 21.45% as on 31 March 2021 as against 15.56% as on 31 March 2020.
- PAR>30 deteriorated from 2.44% to 15.48% from FY20 to FY21. Similarly, PAR>90 days rose from just 1.87% in FY20 to 10.61% in FY21. This deterioration was on account of the coronavirus pandemic-related disruptions caused to M Power's borrowers who are engaged in small businesses.

Organizational profile

Managing Director	Mr. K M Vishwanathan
Date of incorporation	November 19, 2009
Current legal status	NBFC-MFI
Year of commencement of MFI Operations	2009
Lending model	Joint Liability Group (JLG) Model
Geographical areas of operation	3 states, 26 districts
Branches	53
Employees	505 as on 30 June 2021
Registered Office	M Power Micro Finance Pvt. Ltd. B/212, Arjun Centre, Plot No.231, Govandi Station Road, Govandi, Mumbai – 400088.
Head Office	M Power Micro Finance Pvt. Ltd. B/212, Arjun Centre, Plot No.231, Govandi Station Road, Govandi, Mumbai – 400088.
Outstanding ratings	Long-term bank facilities – Rating – CARE BBB- (CWD) dated February 16, 2021
Wilful Defaulters as per CIBIL as on 22-11-2021	NIL (as per suits.cibil.com)
Status of delays	NIL as per No Default Statement shared by the Company
Auditors	G.M Kapadia & Co.
Networth (Rs.Crore)	25.2

GRADING RATIONALE

Brief profile of the organization

M Power Micro Finance Private Limited (M Power) a Non-Banking Finance Company – Micro Finance Institution (NBFC-MFI) headquartered at Mumbai, registered with Reserve Bank of India, incorporated in November 2009 under the provisions of the Companies Act, 1956 by Mr. K.M. Vishwanathan and Mr. K.V. Balaji, who have experience in the banking industry.

M Power Micro Finance Private limited is in line of business of inclusive financing of micro lending to the women borrowers in the semi-urban and rural area under Joint Liability Group (JLG Model) with total presence having 56 branches across 3 states namely Gujarat, Maharashtra, Rajasthan. The model entrusted with group guarantee mechanism which brings great discipline among borrowers and helps mitigate risk to an extent.

As on 30 June 2021, the company had 86,900 individual borrowers.

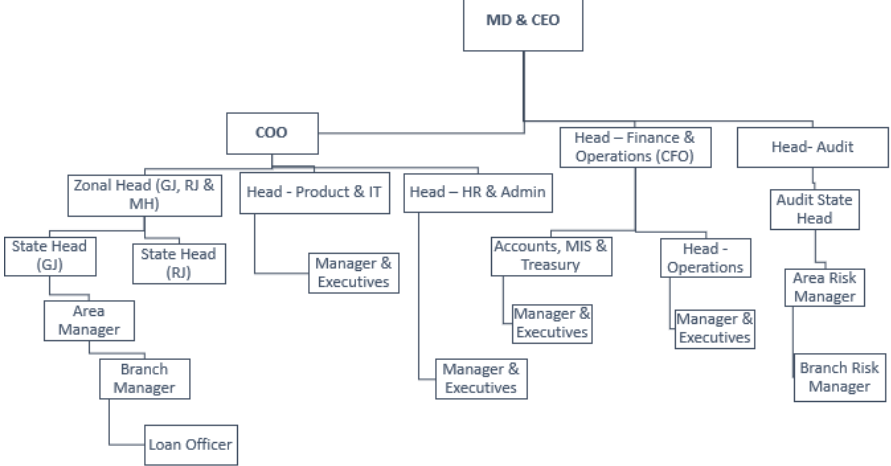
TRANSPARENCY

Governance	<ul style="list-style-type: none"> • M Power is jointly promoted by Mr. K. M. Vishwanathan, CEO, Mr. K. V. Balaji, COO and their friends & family members. M Power is a private limited company incorporated in November 2009 and was registered with the Reserve Bank of India as non-deposit taking non-banking finance company (NBFC) in April 2010 and NBFC-MFI in June 2016. • M Power is governed by experienced board of directors with 1 independent director. • All the directors have more than 20 years of experience. • Independent directors constitute 33% of the Board of directors. • The board meets on a quarterly basis to monitor the progress and discuss the financial and out performance of the organization.
Internal Controls	<ul style="list-style-type: none"> • Audit activities are carried out by a separate internal audit team which reports to the audit head at the HO who in turn reports to the CEO. • There is one area risk manager (ARM) for every 4-5 branches. • ARMs conduct surprise calls in case of delinquencies and also pay surprise visits to branches. Such visits happen as and when a situation arises otherwise they take place on an annual basis. • Every branch has a branch risk manager (BRM) who regularly conducts a general branch audit. It is required for each branch to be audited monthly. • BRMs are crucial from the point of view of diligence during loan disbursement too. Files approved for sanctioning by the branch manager need clearance from BRM too. In case the BRM rejects a case, the branch manager can escalate the matter but s/he cannot overrule it by himself/herself.

Policies	<ul style="list-style-type: none"> M Power has clearly defined and documented credit & HR policies. Credit policies are strictly adhered to for formation of groups, field verification and credit appraisal. The HR policies encompass recruitment and selection, induction and training, performance management and compensation management.
Transparency in lending process	<ul style="list-style-type: none"> M Power informs its lending policies to the borrowers through its training programs conducted at group meetings.
Transparency in utilization of funds	<ul style="list-style-type: none"> M Power submits information as per the requirement of lenders on monthly and quarterly basis. Almost every lender requires portfolio certificates on a monthly basis. Some lenders ask for quarterly CA certified portfolio certificates. The company ensures that it maintains timeliness in terms on reporting to lenders about the utilization of funds.
Overall disclosures	<ul style="list-style-type: none"> The company provides the operational and financial information on its website. Of these, the operational information is up-to-date. The financial information is dated, hence the overall level of disclosures is moderate.
Grievance redressal mechanism	<ul style="list-style-type: none"> M Power has laid down a grievance redressal mechanism (GRM) to ensure that disputes arising out of the decisions are heard and disposed of. Providers will have in place timely and responsive mechanisms for complaints and problem resolution for their clients. Company has started a telephone helpline no. for quick registration of compliant/suggestion.

OPERATIONAL SETUP

Ownership	<ul style="list-style-type: none"> Mr. K M Viswanathan, the Managing Director (MD) is supported by a senior management team. M Power's Board comprises three members having rich experience in banking and financial sector. M Power's board is headed by Mr. K M Viswanathan (Managing Director) having experience of more than 30 years.
Organizational Structure	<ul style="list-style-type: none"> M Power has created separate departments with clearly demarcated roles and responsibilities for handling future growth. The organization structure is logically structured and well defined to meet the requirement of operational functioning.

	 <ul style="list-style-type: none"> The above graphical representation showcases the company's organizational structure.
Second line of leadership	<ul style="list-style-type: none"> The second line of leadership includes all the functional heads. The six-member senior management team bring in a rich and varied experience from diverse fields like finance, sales and marketing, development work, research, microfinance and information technology. Majority of the senior members understand the issues involved in day to day functioning and are involved in strategic decision making of the organization. M Power's senior management has varied industry experience and has adequate expertise to manage the current & growing scale of operations.
Human resources management:	<ul style="list-style-type: none"> Total staff strength of 518 as on 31 March 2021. Center Managers are mostly higher secondary pass but also include persons with graduate degrees. Experience amongst the CM varies but notable portion of the total strength have more than one year- two experience M Power has a standardized and well-structured process for recruitment of field staff. Recruitment is done by M Power through references from internal staff, website posting, placement consultants and advertisement in the newspaper based on the vacancy of specific post along-with the nature of job. Recruitment procedure contains three stages [written test, public speaking test in vernacular language / English knowledge test and two interviews (related function and HR)]. M Power has a standard training module and training manual for induction training. New recruits undergo induction training for 13 days (1 day of HR session, 2 day for branch documentation training, 3 days for classroom training and 7 days for field exposure). A dedicated trainer has been appointed for the same. Training to existing employees is also provided occasionally by internal and external trainer on various processes and skills. A clear salary grade has been established with other allowances provided to the employees. There is also a well-defined incentive structure for various grades which is based on number of active loan clients served, number of new clients added and recovery rate.
Operational methodology	<ul style="list-style-type: none"> M Power has adopted JLG model in the rural and urban areas. Loan is provided only to women in the age group of 21 to 57, who are a part of a

	<p>center. Each center consists of 3 to 5 groups and each group consists of 5 members.</p> <ul style="list-style-type: none"> • A group is formed after submission of KYC documents and de-duplication process to verify whether the applicant already has a loan from M Power or any other MFI which she has not informed. Home verification is also done by CM and then verified by BM after which the group is assigned to a center. • After being organized in a center, 3 days of compulsory group training (CGT) is provided to newly formed groups to train them on the objective, rules, regulations, procedures and products of the credit programme. • During the 2nd and 3rd day of CGT, loan application form is filled up along-with mandatory documents. After completion of CGT, group recognition test (GRT) is done by BM or higher rank officer. It is done to check the eligibility of the group and its members and the quality of client training during CGT. • Also, a compulsory audit is done after the GRT for each center to check the eligibility of the members and the effectiveness of various processes such as CGT before the disbursement. Audit team directly reports to CAH.
Appraisal and Disbursement process	<ul style="list-style-type: none"> • CM carries Tab/hand handled devise with him and approach the customers. He does center creation / customer enrolment in the Tab. • Capture the image of KYC of customers like ID proof, residence proof, age proof, etc. and also takes photograph of customer with guarantor. After collecting KYC, the CM send the same for credit bureau verification. • Once the customer becomes eligible for loan, the BM creates the center in the system for particular group of customers. • Post creation of center, CM does house verification (HV-1). • ABM/BM also does house verification (HV-2). • CM conduct CGT. • BM/ABM does GRT. • Auditor conduct pre-disbursement audit. • Post confirmation/approval of auditor, the branch approves/sanctions the loan. • HO/RO does loan account opening in the system. • BM/BOM does printing of all the documents of customers captured in the Tab including loan application form, CGT Form, GRT form, HV forms etc. The customer needs to carry original copies of their KYCs to branch at the time of disbursement for the purpose of OSV. • Presence of all the members of the group is compulsory for the disbursement process. BM gets the disbursement register signed by the members, gives the loan card to the members. • The loan proceeds are disbursed directly into customer's account. The processing fees and insurance premium are deducted from loan amt.
Loan collection process	<ul style="list-style-type: none"> • After completion of collection of all the centers (collection details center wise, with, cash denomination) CM would hand over the cash to BOM/BM . • After receiving the cash, from all CM's the BOM/BM would prepare a consolidated cash receipt voucher with pooled cash denomination. • After that, BOM/BM pass the collection entries in the system. • BM/BOM CM will go to bank for depositing the collection amount. • Reconciliation of Cash deposited by accounts dept.

Overdue management process	<ul style="list-style-type: none"> • If delinquency arises in a center, CM is not allowed to collect the payment of the rest of the members until all the members or other members are ready to pay on behalf of the delinquent member. • In case center members do not agree to pay on behalf of delinquent member, BM steps in and makes efforts for recovery. • In case of non-recovery of loan by evening by the BM, Area Manager and COO step in at the subsequent stages and make efforts for recovery. • Follow-up is done on regular basis on all overdue loans by CM, BM and AM to recover the payment. Reports are made to state the reason of delinquency and the action plan. An end-to-end computerized collection and overdue management system helps generate reports for early indication of delinquency.
Management Information Systems	<ul style="list-style-type: none"> • M Power uses a software called Shakti from 2018 onwards. • The Shakti software is managed by Chennai based Qbrik Information Technologies Pvt. Ltd. The branches are connected to the head office through internet and data transfer happens through File Transfer Protocol (FTP). • The company has significantly invested in establishing its Information Technology network including its core management system and implementation of mobile based technology providing for online real time sourcing of business and updation of the collection receipt through mobile application by all the field officers.
Cash management systems	<ul style="list-style-type: none"> • M Power has reasonable cash management system in place at all branches. After the collection amount is handed over to BM, updates of the collection in the system are done by CM and the cash is deposited in bank on the collection day itself. • Once the accounts department receives the collection demand receipt sent by the branch, entry of both the principal and interest collection is done in Shakti software. • Any non-deposition of collection funds on any day due to delayed collection is brought to the notice of COO and verification of such cash lying at the branch is done at frequent intervals.
Insurance	<ul style="list-style-type: none"> • Insurance for cash in transit and for borrowers is present.

SCALE OF OPERATIONS

Key Factors	As on 31.3.2021	As on 30.06.2021
Client base (Number)	No of Individual Members – 97,431	86,900
Assets under management (including BC)	Rs.159.2 crores	Rs.131.4 crores

Key Factors	As on 31.3.2021	As on 30.06.2021
Assets under management (excluding BC)	Rs. 109.9 crore	Rs. 88.2 crore
Geographical diversification	3 states	3 states
Total income	Rs. 39.1 crores	Rs. 6.0 crores

SUSTAINABILITY

Particulars	Unit	FY19	FY20	FY21
		(A)	(A)	(A)
Net worth	Rs. Lakhs	2,680.8	2,978.4	2,523.2
Total income	Rs. Lakhs	5,018.5	5,111.6	3,905.2
Total operating expenses	Rs. Lakhs	1,969.6	2,226.3	2,065.6
Financial Cost	Rs. Lakhs	2,589.3	2,451.5	1,841.2
Depreciation	Rs. Lakhs	82.1	56.0	42.1
Provisions & write off	Rs. Lakhs	178.5	303.1	490.1
Profit/(Loss) after tax	Rs. Lakhs	49.9	179.0	-457.4
Loan outstanding – Own	Rs. Lakhs	15,710.0	15,055.61	9,686.2
Loan outstanding – Managed	Rs. Lakhs	6,680.0	4,714.39	1,307.7
Key ratios				
Yield on loan portfolio	%	21.3%	18.3%	21.6%
Other income to average portfolio	%	1.6%	0.3%	0.3%
Total income % total assets	%	25.4%	27.9%	26.1%
Other income % of total assets	%	1.7%	0.3%	0.3%
Operating expenses % of total average aum (OCR)	%	9.9%	12.1%	13.8%
Operational Self- Sufficiency	%	104%	101%	88%
Financial Cost ratio on AUM	%	12.6%	11.6%	12%
Interest costs % of total assets	%	13.1%	13.4%	12.3%
Provisions % of total assets	%	0.9%	1.7%	3.3%
ROTA	%	0.3%	1.0%	-3.8%

Particulars	Unit	FY19	FY20	FY21
		(A)	(A)	(A)
Capital adequacy ratio (Reported)	%	16.8%	15.6%	21.5%
PAR > 30 days	%	1.6%	2.4%	15.5%
PAR > 90 days	%	1.4%	1.9%	10.6%
Gross NPA/ Gross Advances	%	0.99%	2.8%	9.5%
Net NPA / Net Advances	%	-0.01%	0.4%	3.4%
Cost of Borrowing	%	16.4%	17.3%	16.9%
Net worth	Rs. Crore	26.8	29.8	25.2

Financial Sustainability	
Profitability	<p>Yield on Loan portfolio improved from 18.3% in FY20 to 21.6% in FY21.</p> <p>Interest income contracted by a sharp 14% in FY21 over FY20 on account of issues resulted by the Covid-19 pandemic.</p> <p>NIM stood at 10% for FY21 as against 7% in FY20.</p> <p>ROTA contracted to -3.83% in FY21 as against a 1% in FY20 on account of a fall in the top-line and an increase in provisions which contributed to Rs.4.6 crore of net loss.</p>
Operating Expense Ratio	Operating cost ratio increased from 12.2% in FY20 to 13.8% in FY21.
Asset quality	<p>Gross NPA ratio witnessed a sharp growth from 2.75% to 9.49% within just a year. Similarly, Net NPA ratio increased from 0.43% to 3.45%. This was on account of deterioration in asset quality, particularly from borrowers in Maharashtra, during the Covid year. According to the company's management, the Covid-19 pandemic impacted collections from customers.</p>
Self Sufficiency Ratio	<p>Operational Self Sufficiency ratio deteriorated from 101% to 88% due to a fall in total income amid steady expenses.</p> <p>Financial Self Sufficiency Ratio came down from 109% pre-Covid to 100% during FY21.</p>
Capital adequacy ratio	CAR improved from 15.56% to 21.45% from FY20 to FY21 on account of a contraction in loan portfolio and infusion in the form of OCPS of Rs.2.5 crore by promoters/friends.
Industry Outlook and Competition	<ul style="list-style-type: none"> As per RBI's September Bulletin, COVID-19 could be the biggest tail-risk event in a long time for the microfinance industry. Owing to the disruptions in supply chain and business operations, the likelihood of

	<p>loss of livelihoods and consequent drop in household incomes is high. NBFC-MFIs, being specialised institutions extending collateral-free loans to low-income groups, are particularly exposed to credit risks in this scenario,</p> <ul style="list-style-type: none"> • Going forward, building capital buffers and managing liquidity would be crucial for MFIs in fortifying their balance sheets against COVID-19 led disruptions. • Even as Covid-19 is expected to afflict the microfinance sector with financial risks in near term, it may also incentivize digitization in this market segment. Efforts to migrate loan collections to digital platforms may greatly improve operational efficiency and help minimize event-based disruptions.
Loan Products	<ul style="list-style-type: none"> • Samruddhi Business Loan: To boost an entrepreneurial spirit in the backward region, Business loan is to be provided to the women borrower which is engaging in an economy activity with desire to expand their small businesses like imitation jewellery, making vegetable /fruit shop, Street Hawkers etc. • Hariyali Cattle Loan: The dairy and animal husbandry segment forms large chunk of the agrarian segment of rural economy. The Loan is provided to the women borrower who is engaged in the purchase of Cattle, milk business, and other agriculture activity.
Access to funds and ability to raise funds	<ul style="list-style-type: none"> • M power has been successful in accessing funds from various private sector banks, financial institutions and NBFCs for onward lending to the individual borrowers under the groups.
Vision	<ul style="list-style-type: none"> • The company plans on increasing its presence in Gujarat and Rajasthan while aiming at expanding to Central India and the North in the future.
Efforts to increase outreach and coverage	<ul style="list-style-type: none"> ▪ At present, the company is awaiting the infusion of fresh funds through a change in its shareholder pattern. Once additional capital is secured, the company will focus on ramping up its presence across geographies.

ANNEXURES

Annexure 1: Profile of governing body members of M Power

Name	Age	Qualification	Brief Profile	Total years of experience	Years of experience in Microfinance sector
K.M Vishwanathan	55	MBA, CAIIB	He has more than 30 years of experience in Banking and financial services and has vast exposure to branch banking, commercial lending, Lease & hire purchase business and credit risk for SME segment. He was associated with HDFC Bank, Chola mandalam and Karnataka Bank at senior management level.	30+	11
K V Balaji	50	P.G. (Economics) & PG (Diploma-Marketing Management)	He has more than 25 years of experience in commercial lending and has expertise in sales strategy, team management and human resource. He was associated with HDFC Bank, Chola mandalam and Centurion Bank of Punjab Ltd.	25+	11
Desh Raj Dogra		MBA	Mr. Dogra has 39+ years of rich experience in the financial sector in the areas of banking and credit ratings. Mr. Dogra has closely worked with government of India, Especially Government of Maharashtra besides other ministries. He has been awarded the	39+	

Name	Age	Qualification	Brief Profile	Total years of experience	Years of experience in Microfinance sector
			prestigious IPE (The Institute of Public Enterprise, Hyderabad) Corporate excellence award for contribution to this field in 2013 and has also received IPE BFSI leader award. A public speaker at important seminars held by CII, ASSOCHAM and FICCI and also delivers lectures in various management colleges.		

Annexure 2: Projected Financial Statements (Rs.crores)

M Power Micro Finance Private Limited	Ind-AS	IGAAP	IGAAP	IGAAP	IGAAP	IGAAP
Profit & Loss	Aud.	Est.	Est.	Est.	Est.	Est.
Particular	FY21	FY22	FY23	FY24	FY25	FY26
Interest Income	32.26	20.93	74.02	162.49	284.20	404.14
Processing Fees	-	1.42	5.70	10.50	15.78	19.50
Servicer Fees (BC Portfolio)	3.98	4.34	3.44	-	-	-
Gain on managed POS	0.90	-	-	-	-	-
Income from Operation	37.14	26.69	83.16	172.99	299.97	423.64
Commission Income - Life Insurance	0.06	0.55	1.62	2.99	4.49	5.55
Commission Income - Hospircare	0.35	0.98	3.05	5.62	8.45	10.45
Interest on Security Deposit	1.00	0.63	1.32	3.08	5.79	9.23
Bad Debt Recovery	0.13	6.88	-	-	-	-
Other Income	0.38	0.19	0.25	0.25	0.25	0.25
Other Income	1.91	9.23	6.24	11.94	18.98	25.48
Total Income	39.05	35.92	89.40	184.94	318.95	449.12
Financial Expenses	18.51	11.00	37.70	82.33	144.48	207.36
Personnel Expenses	15.75	15.16	25.41	45.38	70.98	94.43
Admin Expenses	4.81	3.29	5.41	9.44	14.59	19.33
Total Operating Expense (Operating Income - Operating Expense)	39.07	29.45	68.52	137.15	230.05	321.12
Operating Profit	-1.92	6.47	14.64	35.85	69.93	102.52
Depreciation	0.42	0.75	0.95	3.94	4.87	3.15
Bad Debt Provisions & Write Off	4.90	5.00	6.84	3.60	12.84	13.52
Total Expense	44.39	35.20	76.31	144.69	247.76	337.80

M Power Micro Finance Private Limited	Ind-AS	IGAAP	IGAAP	IGAAP	IGAAP	IGAAP
Profit & Loss	Aud.	Est.	Est.	Est.	Est.	Est.
Particular	FY21	FY22	FY23	FY24	FY25	FY26
Profit before Tax	-5.34	0.73	13.10	40.24	71.19	111.32
<u>Income Tax</u>	-0.76	-	3.27	10.06	17.80	27.83
Profit after Tax	-4.57	0.73	9.82	30.18	53.39	83.49

M Power Micro Finance Private Limited	Ind-AS	IGAAP	IGAAP	IGAAP	IGAAP	IGAAP
BALANCE SHEET	Aud.	Est.	Est.	Est.	Est.	Est.
Liabilities	FY21	FY22	FY23	FY24	FY25	FY26
Equity Share capital	19.2	91.2	91.2	191.2	241.2	241.2
Preference Share	5.0	3.0	3.0	-	-	-
Reserves & Surplus	6.0	6.7	15.4	45.6	99.0	182.5
Net Worth	30.2	101.0	109.6	236.8	340.2	423.7
Borrowings	80.4	75.0	483.9	970.8	1569.9	2019.1
Current Liabilities	8.8	11.0	30.3	58.5	92.1	115.3
Provisions on Loan Receivables	5.9	6.0	10.9	10.5	16.6	20.8
Total Outside liabilities	95.1	92.0	525.2	1039.7	1678.6	2155.2
Total liabilities & equity	125.3	193.0	634.8	1276.5	2018.8	2578.9
Leverage	2.7	0.7	4.4	4.1	4.6	4.8
Assets						

M Power Micro Finance Private Limited	Ind-AS	IGAAP	IGAAP	IGAAP	IGAAP	IGAAP
BALANCE SHEET	Aud.	Est.	Est.	Est.	Est.	Est.
Liabilities	FY21	FY22	FY23	FY24	FY25	FY26
Total fixed assets	0.2	1.7	2.8	5.8	7.0	4.8
AUM	159.0	198.7	546.7	1053.4	1659.3	2077.5
Less: DA / Securitised	12.8	-	-	-	-	-
Less: BC	49.3	50.1	17.5	-	-	-
Net on BS portfolio	96.9	148.5	529.2	1,053.4	1,659.3	2,077.5
Other Current Assets	28.2	42.8	102.9	217.3	352.5	496.6
Cash & Bank Balance	7.9	21.6	35.9	78.9	131.1	200.7
Security Deposits	11.1	9.5	34.9	76.5	123.9	173.9
Other Current Assets	9.3	11.7	32.1	61.9	97.5	122.0
Total Assets	125.3	193.0	634.8	1,276.5	2,018.8	2,578.9

Annexure 3: Details on donations/grants

Name of the organization	Purpose	Period of Use	Total Amount Received
NIL	NIL	NIL	NIL

Annexure 4: Borrowing Details

Sr No	Bank / FI Name	Date of Sanction	Sanctioned Amt	Tenure	Date of Availment	Availed Amt	O/S as on 30.06.2021 (Amt in Lakhs)	Book Debts	Cash Collateral	Interest Rate	Loan Closure Date	Repayment Terms	PF %
(A) PSU - Banks													
1	Canara Bank TL- 2	19/Sep/19	500.00	36	25/Sep/19	500.00	300.95	110%	10.0%	11.25%	29/Apr/23	36 EMIs	1.00 %
2	Bank of Maharashtra TL - 2	10/Jun/20	500.00	36	24/Jun/20	500.00	361.34	110%	10.0%	11.75%	20/Sep/23	36 EMIs after 3 mths of Moratorium	1.10 %
Total PSU - Banks (A)			1,000.00			1,000.00	662.28						
(B) Pvt - Banks													
3	Axis Bank TL-1	30/Mar/19	500.00	24	29/Jun/19	500.00	41.67	105%	0.0%	14.25%	29/Aug/21	24 EMI	0.64 %
4	IDFC First Bank TL- 1	25/Jul/19	1,000.00	36	8/Aug/19	500.00	172.64	110%	0.0%	14.00%	8/Jan/22	10 Qtrly EMIs after 6 months of Moratorium	0.00 %
5	Suryoday Small Finance Bank TL -2	22/Jun/20	354.28	24	30/Jun/20	354.28	166.67	110%	5.0%	14.00%	5/Jun/22	24 EMIs after 2 mths of Moratorium	1.00 %
6	DCB Bank TL 5	29/Jun/21	200.00	24	22/Feb/21	100.00	82.22	100%	10.0%	11.25%	31/Jun/23	22 EMIs after 2 mths of	1.00 %

Sr No	Bank / FI Name	Date of Sanction	Sanctioned Amt	Tenure	Date of Availment	Availed Amt	O/S as on 30.06.2021 (Amt in Lakhs)	Book Debts	Cash Collateral	Interest Rate	Loan Closure Date	Repayment Terms	PF %
												Moratorium	
Total PVT - Banks (B)			2,054.28			1,454.28	463.20						
(C) NBFCs / FIs													
1	MAS TL - 32	22/Jun/19	500.00	24	29/Jun/19	500.00	83.33	100%	3.75%	14.25%	22/Oct/22	24 EMI	1.00 %
2	MAS TL - 33	21/Sep/19	500.00	24	30/Sep/19	500.00	166.65	100%	7.50%	14.25%	25/Feb/22	24 EMI	0.75 %
3	MAS TL - 34	24/Oct/19	150.00	24	1/Nov/19	150.00	50.00	100%	3.33%	14.00%	25/Feb/22	24 EMI	0.75 %
4	MAS TL - 35	18/Dec/19	300.00	24	23/Dec/19	300.00	125.00	100%	3.33%	14.00%	25/Apr/22	24 EMI	0.75 %
5	MAS TL - 36	18/Feb/20	400.00	24	20/Feb/20	400.00	200.10	100%	3.33%	14.00%	20/Jun/22	24 EMI	0.75 %
6	MAS TL - 37	18/Feb/20	400.00	24	20/Feb/20	400.00	200.10	100%	3.33%	14.00%	20/Jun/22	24 EMI	0.75 %
7	MAS TL - 38	3/Dec/20	300.00	24	7/Dec/20	300.00	212.50	100%	3.33%	14.00%	10/Nov/22	24 EMI	0.75 %
8	MAS TL - 39	31/Mar/21	300.00	24	1/Apr/21	300.00	262.50	100%	3.35%	14.00%	4/Mar/23	24 EMI	0.20 %
9	MAS TL - 40	29/Jun/21	125.00	24	30/Jun/21	125.00	119.79	100%	3.35%	14.00%	25/May/23	24 EMI	0.20 %
10	Muthoot Capital Services Ltd. TL-1	19/Jun/18	750.00	36	31/Jun/18	750.00	0.01	105%	0.0%	14.00%	30/Jun/21	24 EMI	1.00 %
11	Muthoot Capital Services Ltd. TL-2	27/Jun/19	500.00	24	29/Jun/19	500.00	125.43	115%	0.0%	14.75%	29/Dec/21	24 EMI	1.00 %

Sr No	Bank / FI Name	Date of Sanction	Sanctioned Amt	Tenure	Date of Availment	Availed Amt	O/S as on 30.06.2021 (Amt in Lakhs)	Book Debts	Cash Collateral	Interest Rate	Loan Closure Date	Repayment Terms	PF %
12	Northern Arc Cap. Ltd. TL - 4	7/Mar/19	500.00	24	8/Mar/19	500.00	1.62	100%	0.0%	15.50%	25/Jun/21	24 EMI	1.00 %
13	Northern Arc Cap. Ltd. TL - 5	25/Sep/20	200.00	12	29/Sep/20	200.00	70.53	110%	0.0%	14.50%	5/Oct/21	12 EMI	1.00 %
14	Northern Arc Cap. Ltd. TL - 6	29/Mar/21	300.00	12	31/Mar/21	300.00	253.65	110%	0.0%	14.00%	31/Mar/22	12 EMI	1.00 %
15	Hinduja Leyland Finance TL-04	5/Dec/19	500.00	24	6/Dec/19	500.00	218.10	110%	0.0%	13.50%	3/Mar/22	24 EMI	0.50 %
16	Hinduja Leyland Finance TL-05	9/Jun/20	500.00	24	16/Jun/20	500.00	269.83	110%	0.0%	16.00%	16/Jun/22	24 EMI	1.00 %
17	Hinduja Leyland Finance TL-06	29/Sep/20	300.00	24	29/Sep/20	300.00	197.16	110%	0.0%	14.00%	28/Sep/22	24 EMI	0.00 %
18	Hinduja Leyland Finance TL-07	29/Jan/21	300.00	24	2/Feb/21	300.00	255.62	110%	0.0%	14.00%	1/Feb/23	24 EMI	0.00 %
19	Vivriti Capital Private Limited TL - 2B	20/Mar/19		24	24/May/19	200.00	8.71	110%	0.0%	15.00%	24/Jul/21	24 EMI	1.00 %
20	Vivriti Capital Private	19/Aug/19	500.00	24	3/Sep/19	500.00	119.80	110%	0.0%	15.00%	3/Nov/21	24 EMI	0.65 %

Sr No	Bank / FI Name	Date of Sanction	Sanctioned Amt	Tenure	Date of Availment	Availed Amt	O/S as on 30.06.2021 (Amt in Lakhs)	Book Debts	Cash Collateral	Interest Rate	Loan Closure Date	Repayment Terms	PF %
	Limited TL - 3												
21	Vivriti Capital Private Limited TL - 4	29/May/20	500.00	24	30/May/20	500.00	248.23	100%	10.0%	16.00%	30/May/22	24 EMI	1.00 %
22	Vivriti Capital Private Limited TL - 6	9/Jun/20	400.00	18	10/Jun/20	375.00	375.00	100%	10.0%	15.75%	9/Dec/22	18 EMI	0.50 %
23	Annapurna Finance Pvt. Ltd. TL -1	30/Apr/19	1,000.00	24	13/May/19	1,000.00	170.87	105%	5.0%	15.00%	10/Oct/20	24 EMI	1.00 %
24	Annapurna Finance Pvt. Ltd. TL -2	26/Jul/19	300.00	24	31/Jul/19	300.00	76.89	105%	5.0%	15.00%	31/Dec/21	24 EMI	1.00 %
25	Capri Global Capital Ltd. TL - 1B	23/Aug/18		24	19/Mar/19	200.00	8.33	115%	0.0%	16.00%	15/Jul/21	24 EMI	1.00 %
26	Nabkisan Finance Limited TL - 1	23/Jul/19	1,100.00	24	1/Sep/19	1,100.00	274.83	110%	10.0%	14.50%	1/Nov/21	8 Qtrly EMIs	1.00 %
27	Profectus Capital Private Limited	29/Aug/19	300.00	18	31/Aug/19	300.00	24.73	110%	0.0%	15.35%	15/Aug/21	18 EMI	0.00 %
28	Cholamandalam TL -1	17/Dec/19	300.00	24	17/Jan/20	300.00	141.14	110%	10.0%	13.50%	1/Mar/22	24 EMI	0.50 %
29	Mudra Bank	22/Jan/20	200.00	24	17/Feb/20	200.00	91.50	100%	10.0%	6.43%	10/Jun/22	24 EMIs after 3 mths of	1.00 %

Sr No	Bank / FI Name	Date of Sanction	Sanctioned Amt	Tenure	Date of Availment	Availed Amt	O/S as on 30.06.2021 (Amt in Lakhs)	Book Debts	Cash Collateral	Interest Rate	Loan Closure Date	Repayment Terms	PF %
												Moratorium	
Total NBFC / FIs - (C)			11,425.00			11,800.00	4,351.95						
(E) Unsecured / Sub Debt													
1	IDFC First Bank - Unsecured (Sub Debt / Tier-II)	24/Dec/15	500.00	72	25/Jan/16	500.00	500.00	0%	0%	16.00%	24/Jan/22	Bullet Repayment at the end of 6th Year	0.00 %
2	MAS Financial Services Pvt Ltd - (Sub Debt / Tier-II)	27/Mar/18	500.00	72	28/Mar/18	500.00	500.00	0%	0%	17.00%	1/Apr/24	Bullet Repayment at the end of 6th Year	0.00 %
Total - Unsecured / Tier II (E)			1,000.00			1,000.00	1,000.00						
(F) Short Term Loan													
1	AU Small Finance Bank Ltd	10/May/18	100.00			100.00	95.78	100%	-	13.00%		Repayable on Demand	0.50 %
Total - Short term loans (F)			100.00			100.00	95.78						
Grand Total (A+B+C+D+E+F)			15,579.28			15,354.28	6,573.22						
(G) Car Loan													
1	KBL Car Loan-Creta			84	18/Mar/16	11.50	3.61			10.50%	18/Mar/23	Monthly	0.70 %
						11.50	3.61						
Total (A+B+C+D+E+G)							6,481.05						

Sr No	Bank / FI Name	Date of Sanction	Sanctioned Amt	Tenure	Date of Availment	Availed Amt	O/S as on 30.06.2021 (Amt in Lakhs)	Book Debts	Cash Collateral	Interest Rate	Loan Closure Date	Repayment Terms	PF %
Total (A+B+C+D+E+F+G)								6,576.83					

Annexure 5: Information on capital infusion till date

Year	Name of the Investor	Type	Rs. Crore
March 2017	Indianivesh Capitals Limited	Equity	8.00
March 2018	Indianivesh Capitals Limited	Equity	10.00
October 2019	Aayushman Nuwal (Individual Investor)	OCPS	2.50
March 2021	K M Vishwanathan(MD & CEO) & Other (Family & Friends)	OCPS	2.50

Annexure 6: Information of Securitization/Managed portfolio (Rs. Lakhs)

SI No	Name of Banks/FI	Date	Nature of facility	Pool Rating	Amount Securitised / Assigned	O/S as on 30.06.2021	ROI	Closure Date
1	Belstar BO – 1	31/Dec/18	Assignment	NA	996.67	9.95	15.00 %	1/Aug/20
2	Belstar BO – 2	31/Jan/19	Assignment	NA	911.06	27.61	15.00 %	30/Sep/20
3	Belstar BO – 3	29/Jun/19	Assignment	NA	976.25	26.02	14.50 %	17/Mar/21
4	Belstar BO – 4	11/Mar/20	Assignment	NA	1,100.34	338.26	14.50 %	17/Nov/21

SI No	Name of Banks/FI	Date	Nature of facility	Pool Rating	Amount Securitised / Assigned	O/S as on 30.06.2021	ROI	Closure Date
5	Annapurna DA-01	29/Mar/19	Assignment	NA	808.62	20.92	14.50 %	15/Nov/20
6	Annapurna DA-02	27/Nov/19	Assignment	NA	1,174.99	162.08	14.50 %	17/Jul/21
7	Annapurna DA-03	28/Feb/20	Assignment	NA	628.66	183.29	14.50 %	17/Nov/21
8	IDFC First Bank DA-01	22/May/19	Assignment	NA	746.16	13.37	15.00 %	1/Nov/20
9	IDFC First Bank DA-02	25/Jun/19	Assignment	NA	909.77	27.18	15.00 %	7/Feb/21
10	Muthoot Capital Services Limited	29/Sep/18	Assignment	NA	839.13	5.16	14.25 %	30/Jun/20
11	Madura DA – 01	28/Feb/19	Assignment	NA	1,800.34	20.07	14.85 %	10/Sep/20
12	Jana Small Finance Bank	23/Oct/19	Assignment	NA	1,009.24	84.83	12.50 %	17/Jun/21
13	IndusInd bank - Mosec Girard	31/Dec/19	Securitization	CARE A- (SO) & CARE BBB- (SO)	1,136.72	101.36	11.25 %	22/Sep/21
	Total				13,037.94	1,020.11		

Annexure 7: Information on loan products

Name of the loan product	Hariyali	Samriddhi
Loan term	24 Months	24 Months
Loan size	Rs. 15,000 to Rs. 50,000	Rs. 15,000 to Rs. 50,000
Interest rate as on Nov 2021	21.86% basis RBI norms	21.86% basis RBI norms
Repayment policy	1-2 years	1-2 years
Loan processing fees	1% + GST	1% + GST
Any other fees	-	-
Penalty if any	-	-
Type of Interest rate (Flat or Reducing)	Reducing	Reducing

Annexure 8: Information on other products**NIL****Annexure 9: Purpose wise loan outstanding (Rs.crore)**

Purpose	FY19	FY20	FY21
Agri and Allied Activities	146.9	146.1	61.8
Small Businesses	77	51.6	27.5
Total excluding Managed/BC	223.9	197.7	89.3

Purpose	FY19	FY20	FY21
Managed/ BC	6.7	64.1	69.9
AUM	230.6	261.8	159.2

Annexure 10: Ticket size wise loan distribution (Rs.crore)

Ticket size	FY19	FY20	FY21
Upto 20K	6.92	2.6	0.9
20K-50K	216.98	195.09	88.37
Above 50K	-	-	-
Managed/BC portfolio	6.7	64.11	69.9

Annexure 11: Loan Cycle wise loan outstanding (Rs.crore)

Loan cycle	FY19	FY20	FY21
1st cycle	120.6	97.3	32.7
2nd cycle	76.9	58.9	32.3
3rd cycle	18.8	29.2	18.5
> 3rd cycle	7.7	12.3	5.7
Total excluding Managed/BC	224	197.7	89.2

Loan cycle	FY19	FY20	FY21
Managed/ BC portfolio	6.7	64.1	69.9
Total	230.6	261.8	159.2

Annexure 12: State wise loan outstanding (Rs.crore)

State	FY19	FY20	FY21
Gujarat	99.8	95.7	40.4
Maharashtra	69.7	38.2	24.0
Rajasthan	54.4	63.9	24.9
Total excluding Managed/BC	223.9	197.7	89.3
Managed/BC	6.7	64.1	49.3
Total	230.6	261.8	159.2

Annexure 13: Product wise loan outstanding (Rs.crore)

Name of the product	FY19	FY20	FY21
Hariyali	130.1	136.4	56.5
Samriddhi	93.9	93.0	32.8
Total excluding Managed/BC	223.9	229.4	89.3
Managed/ BC Portfolio	6.7	32.5	69.9
AUM	230.6	261.8	159.2

Annexure 14: Interest Rate wise loan distribution (Rs.crore)

Interest rate	FY19	FY20	FY21	Q1 FY 22
	Amount	Amount	Amount	Amount
20.01-23%	-	-	5.35	8.91
23.01-25%	-	-	104.59	9.99
25.01-26%	148.64	197.69	-	69.25
26.01-27%	73.84	-	-	-
27.01-28%	0.46	-	-	-
28.01-30%	0.96	-	-	-
Total portfolio (excl. BC)	223.90	197.69	109.94	88.15

Annexure 15: Asset Quality (Rs.crore)

Particulars	FY21
Opening Gross NPA	2.89
Add: Additions during the year	8.54
Less: Recoveries	2.24
Closing Gross NPAs (a)	9.20
Gross loan portfolio (b)	96.86
Provision on Standard Asset (c)	0.97
Provision on NPA (d)	5.85
Net Advances (b-c-d)	87.67
Net NPA (e = a-d)	3.34
Gross NPA/ Gross Advances (%) (a / b)	9.49%
Net NPA/ Gross Advances (%) (e / b)	3.45%

Annexure 16: Ageing - Portfolio day-wise (Rs.lakhs)

As on 31 st March 2021	Own	Managed	BC	AUM
Total loan outstanding that are (Amount in Lakhs)	Value of Portfolio	Value of Portfolio	Value of Portfolio	Value of Portfolio
On time	7,347.41	1,609.30	2,945.79	11,902.50
1-30 days	270.96	64.69	468.70	804.35

As on 31 st March 2021	Own	Managed	BC	AUM
31-60 days	225.57	51.72	330.91	608.20
31-90 days	209.74	48.11	250.43	508.29
91-180 days	549.43	134.01	573.49	1,256.92
180 and above	323.59	159.38	358.53	841.50
Total Portfolio	8,926.70	2,067.21	4,927.85	15,921.76

As on 31 st March 2021	Own	Managed	BC	AUM
Total loan outstanding that are	No of loans	No of loans	No of loans	No of loans
On time	37259	21705	15733	74697
1-30 days	1502	787	2367	4656
31-60 days	1151	644	1538	3333
31-90 days	1356	607	1106	3069
91-180 days	2673	1883	2246	6802
180 and above	2197	1700	1265	5162
Total Portfolio	46138	27326	24255	97719

As on June 30,2021	Own	Managed	BC	AUM
Total loan outstanding that are (Amount in Lakhs)	Value of Portfolio	Value of Portfolio	Value of Portfolio	Value of Portfolio
On time	5,793.83	439.23	1,383.70	7,616.75
1-30 days	612.72	121.73	657.28	1,391.73
31-60 days	425.61	48.62	564.94	1,039.16
31-90 days	252.59	43.67	358.36	654.62
91-180 days	38.39	31.41	516.39	586.19
180 and above	761.98	245.71	840.20	1,847.88
Total Portfolio	7,885.11	930.36	4,320.86	13,136.33

As on June 30 ,2021	Own	Managed	BC	AUM
Total loan outstanding that are	No of loans	No of loans	No of loans	No of loans
On time	32781	10417	9075	52273
1-30 days	4489	1826	4312	10627
31-60 days	2567	1177	3175	6919
31-90 days	1542	558	1790	3890
91-180 days	271	303	2246	2820
180 and above	4373	3044	3167	10584

As on June 30 ,2021	Own	Managed	BC	AUM
Total Portfolio	46023	17325	23765	87113

Annexure 17: Demand Collection for the past three years (Rs.crore)

Year (Amount in Crores)	Demand	Collection	CE%age
FY19	197.2	193.2	98%
FY20	227.6	222.2	98%
FY21	143.7	123.1	86%

Annexure 18: ALM (Rs.crore)[illegible]

Particulars	Upto 1 month	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Investments	2.06	0.62	-	0.82	5.13	3.51			12.14
B. Total	16.82	8.43	7.15	17.91	21.12	18.66	-	-	85.18
C. Mismatch (B - A)	10.07	1.65	2.27	1.36	8.48	3.59	-	-	22.52
D. Cumulative mismatch	10.07	11.72	14.00	15.35	23.83	27.42	27.42	27.42	
E. C as percentage to Total Outflows	149.05	24.42	46.60	8.19	67.14	23.82			35.94

Annexure 19: Disbursement and repayment for the past three years


NA

Annexure 20: Repayment schedule from March 2021 to March 2022 (Rs.crore)

Repayment	Closing balance as on Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Total
Total Repayment	66.73	5.77	7.55	5.84	5.11	5.98	4.11	4.59	4.99	3.36	8.04	2.87	2.39	60.60

CARE's Grading Scale/Symbols:

MFI's operational & financial capability to undertake and sustain the targeted level of operation is graded on an eight point scale as below:

Grading Symbol*	Definition
MFI 1	Highest
MFI 2+	
MFI 2	
MFI 3+	
MFI 3	
MFI 4+	
MFI 4	
MFI 5	Lowest

* There is no individual definition for each grading

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