

No. CTL/DEB/20-21/Noting Certificate/983

July 01, 2020

To Whomsoever It May Concern,

## **CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION**

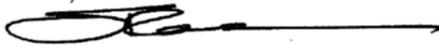
[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Catalyst Trusteeship Limited (“**Debenture Trustee**”) hereby confirm that we have received and noted the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“**Regulations**”), provided to us by **S.M.I.L.E Microfinance Ltd** (“**the Company**”) for the Half year ended March 31, 2020.

This Certificate is being issued pursuant to the requirements of regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

**For Catalyst Trusteeship Limited**

For CATALYST TRUSTEESHIP LIMITED

  
\_\_\_\_\_  
Authorised Signatory

**Authorised Signatory**

*Encl: Results submitted by Company*





# S.M.I.L.E. MICROFINANCE LIMITED

**Date: 1<sup>st</sup> July 2020**

**To,**

**Catalyst Trusteeship Ltd**

**Mumbai,**

**Dear Sir/Madam,**

This is with reference regulation 52(5) of SEBI LODR in relation to the statutory compliance report for the year ended 31st March, 2020, please find attached the following documents and provide the certificate of debenture trustee as required under regulation 52(5) of SEBI LODR.

1. Audited financial results along with the Audited report to be submitted to BSE Ltd.(Annexure. 1)
2. Disclosure pursuant to Regulations 52(4) of the SEBI Listing Obligations and Disclosure Requirements Regulations 2015(Annexure. 2)
3. Statement with respect to material deviation in use of proceeds of issue of Non-Convertible Debt Security for the year ended 31<sup>st</sup> March 2020 (Annexure. 3)
4. Certificate from chartered accountant for security cover. (Annexure.4)

Kindly acknowledge receipt and update the same in your records.

Thanking You.

Yours faithfully,

**For S.M.I.L.E. MICROFINANCE LIMITED**

**R VENKATASUBRAMANIAN**  
**COMPANY SECRETARY**



**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
S.M.I.L.E. MICROFINANCE LIMITED**

**Opinion**

We have audited the Financial Results for the year ended Month 31, 2020 included in the accompanying "Statement of Audited Financial Results for the six months and Year Ended March 31, 2020" of **S.M.I.L.E. MICROFINANCE LIMITED** ("the Company"), ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Financial Results for the year ended March 31, 2020:

- (i) is presented in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

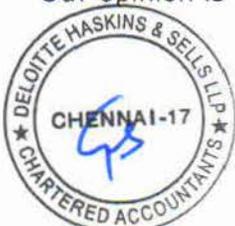
**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in Auditor's Responsibilities for audit of the Annual Financial Results section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Results for the year ended March 31, 2020 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

**Emphasis of Matter**

We draw attention to Note 4 of the Statement, in which the Company describes that the potential impact of the COVID-19 pandemic on the Company's financial performance and financial position are dependent on future developments, which are uncertain.

Our opinion is not modified in respect of this matter.



# Deloitte Haskins & Sells LLP

## Management's Responsibilities for the Statement

This Statement, which includes the Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Statement has been compiled from the related audited financial statements for the year ended March 31, 2020. This responsibility includes the preparation and presentation of the Financial Results for the year ended March 31, 2020 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

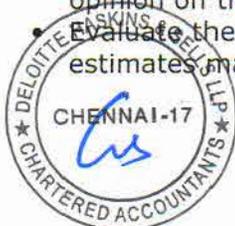
The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

## Auditor's Responsibilities for audit of Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the Financial Results for the year ended March 31, 2020 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.



# Deloitte Haskins & Sells LLP

- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 52 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Financial Results, including the disclosures, and whether the Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Financial Results of the Company to express an opinion on the Annual Financial Results.

Materiality is the magnitude of misstatements in the Annual Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

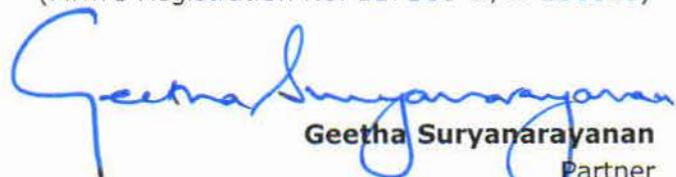
## Other Matter

The Statement includes the results for the half ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the half year of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366 W/W-100018)



**Geetha Suryanarayanan**

Partner

(Membership No. 29519)

UDIN: 20029519AAAABZ2005

Place: Chennai

Date: June 30, 2020





# S.M.I.L.E. MICROFINANCE LIMITED

S.M.I.L.E. MICROFINANCE LIMITED

CIN: U67190TN1995PLC030604

Regd Office: Old No.14, New No.25, Chakrapani Street, West Mambalam Chennai, Tamil Nadu - 600033

Statement of Audited Financial Results for the Half Year and Year Ended 31 March 2020

(Amount Rs. in Lakhs)

S.No	Particulars	Six months Ended		Year Ended	
		31 March 2020 (Unaudited)	31 March 2019 (Unaudited)	31 March 2020 (Audited)	31 March 2019 (Audited)
(I)	Revenue from Operations	6,542.98	5,682.69	12,710.23	11,737.30
(II)	Other income	129.94	85.34	201.59	155.31
	<b>Total Revenue (I+II)</b>	<b>6,672.92</b>	<b>5,768.03</b>	<b>12,911.82</b>	<b>11,892.61</b>
(III)	<b>Expenses</b>				
	(a) Finance costs	3,172.09	3,013.74	6,146.59	6,016.47
	(b) Employee benefits expense	1,270.38	1,046.91	2,492.88	1,964.99
	(c) Depreciation and amortization expense	57.98	16.21	87.00	27.20
	(d) Provision and Other Losses	340.22	129.58	337.98	182.74
	(e) Other expenses	687.62	457.06	1,299.84	887.05
	<b>Total Expenses</b>	<b>5,528.29</b>	<b>4,663.50</b>	<b>10,364.29</b>	<b>9,078.45</b>
(IV)	<b>Profit before tax and Exceptional Item (I + II - III)</b>	<b>1,144.63</b>	<b>1,104.53</b>	<b>2,547.53</b>	<b>2,814.16</b>
(V)	Exceptional item(Also Refer Note 5)	550.00	-	550.00	-
(VI)	<b>Profit before tax (IV - V)</b>	<b>594.63</b>	<b>1,104.53</b>	<b>1,997.53</b>	<b>2,814.16</b>
(VII)	<b>Tax Expense</b>				
	(a) Current tax	370.44	420.00	770.00	1,030.00
	(b) (Excess)/short provision relating to prior periods	2.73	-	(1.19)	(178.02)
	(c) Deferred tax	(78.72)	(95.12)	(15.38)	(184.27)
	<b>Total tax expense</b>	<b>294.45</b>	<b>324.88</b>	<b>753.43</b>	<b>667.71</b>
(VIII)	<b>Profit after tax (VI - VII)</b>	<b>300.18</b>	<b>779.65</b>	<b>1,244.10</b>	<b>2,146.45</b>
(IX)	<b>Other Comprehensive Income</b>				
	(i) Items that will not be reclassified to profit or loss:				
	Remeasurement gains and (losses) on defined benefit obligations (net)	(3.94)	10.92	(85.36)	(25.42)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.99	(3.18)	21.48	7.40
	<b>Total Other Comprehensive Income (i+ii)</b>	<b>(2.95)</b>	<b>7.74</b>	<b>(63.88)</b>	<b>(18.02)</b>
(X)	<b>Total Comprehensive Income for the period/year (VIII + IX)</b>	<b>297.23</b>	<b>787.39</b>	<b>1,180.22</b>	<b>2,128.43</b>
(XI)	Paid-up equity share capital	1,733.96	1,733.96	1,733.96	1,733.96
(XII)	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	Not Applicable	Not Applicable	12,694.21	11,513.99
(XIII)	Earnings per Share of Rs. 10 each (not annualised for six months)				
	- Basic (Rs.)	1.73	4.50	7.17	12.38
	- Diluted (Rs.)	1.73	4.50	7.17	12.38

For and on behalf of the Board of Directors

Place : London  
Date : 30th June 2020



P. Murali Srinivas  
Managing Director and CEO  
DIN - 00554309



REGD OFF: 14/25, CHAKRAPANI STREET, WEST MAMBALAM, CHENNAI, INDIA 600033

WWW.SMILELTD.IN, +91-44-24831588, +91-44-42910100, INFO@SMILELTD.IN

CIN : U67190TN1995PLC030604



# S.M.I.L.E. MICROFINANCE LIMITED

S.M.I.L.E. MICROFINANCE LIMITED

CIN: U67190TN1995PLC030604

Regd Office: Old No.14, New No.25, Chakrapani Street, West Mambalam Chennai, Tamil Nadu - 600033

## Statement of Audited Financial Results for the Half Year and Year Ended 31 March 2020

Notes:

1) STATEMENT OF ASSETS AND LIABILITIES

(Amount Rs. in Lakhs.)

S.No	Particulars	As at 31 March 2020	As at 31 March 2019
<b>I</b>	<b>ASSETS</b>		
<b>1</b>	<b>Financial Assets</b>		
	(a) Cash and cash equivalents	3,860.50	6,639.19
	(b) Bank Balance other than (a) above	4,330.03	4,355.80
	(c) Loans	59,002.59	50,582.44
	(d) Loans given to staff- at amortised cost	37.32	22.93
	(e) Other Financial assets	488.86	510.52
<b>2</b>	<b>Non-financial Assets</b>		
	(a) Current tax assets (net)	75.82	74.22
	(b) Deferred tax assets (net)	387.54	350.68
	(c) Property, Plant and Equipment	155.23	72.56
	(d) Intangible assets	92.61	14.22
	(e) Other non-financial assets	103.59	32.92
	<b>TOTAL ASSETS</b>	<b>68,534.09</b>	<b>62,655.48</b>
<b>II</b>	<b>LIABILITIES AND EQUITY</b>		
<b>1</b>	<b>Financial Liabilities</b>		
	(a) Payables		
	Trade Payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	0.13
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	141.99	115.58
	(b) Debt Securities	12,701.62	13,182.25
	(c) Borrowings (Other than Debt Securities)	39,464.39	35,646.87
	(d) Other Financial liabilities	1,130.68	138.66
<b>2</b>	<b>Non-Financial Liabilities</b>		
	(a) Provisions	325.45	219.20
	(b) Other non-financial liabilities	341.79	104.84
<b>3</b>	<b>EQUITY</b>		
	(a) Equity share capital	1,733.96	1,733.96
	(b) Other equity	12,694.21	11,513.99
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>68,534.09</b>	<b>62,655.48</b>

For and on behalf of the Board of Directors

Place : London  
Date : 30th June 2020

P. Murali Srinivas  
Managing Director and CEO  
DIN - 00554309





# S.M.I.L.E. MICROFINANCE LIMITED

2. The above Statement of Audited Financial Results for the Half Year and Year Ended 31 March 2020 have been reviewed by the Audit Committee and upon their recommendation, approved by the Board of Directors in their meeting held on 30th June 2020. The Statutory Auditors of the Company have issued an unmodified Audit opinion on the Audited Financial Results for the year ended 31 March 2020.
3. a. The Company has adopted Indian Accounting Standards ("Ind AS") with effect from 1 April 2019 and the effective date of transition being 1 April 2018. Accordingly, the above financial results have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India mainly considering the Master Directions issued by the Reserve Bank of India ('RBI') as applicable to Non-Banking Finance Companies – Microfinance Institutions (NBFC MFIs). The figures have been presented in accordance with the format prescribed for financial statements for Non-Banking Financial Company (NBFC) whose financial statements are drawn up in compliance of Companies (Indian Accounting Standards) Rules, 2015, in Division III of Notification No.GSR. 1022(E) dated October 11, 2018, issued by Ministry of Corporate Affairs, Government of India.
- b. The figures of the previous period/ year have been restated to comply with Ind AS to make them comparable with the current period. Further, figures of the previous periods have been regrouped/ reclassified, wherever necessary, to conform to current period's classification.
- c. As required by paragraph 32 of Ind AS 101, net profit reconciliation between the figures reported under the previous Indian GAAP and the Ind AS is as under:

Particulars	For the six months ended 31 March 2019	For the year ended 31 March 2019
	(Amount Rs. in Lakhs)	(Amount Rs. in Lakhs)
Net Profit after tax as reported under Previous Indian GAAP	989.75	2,597.21
<b>Ind AS adjustments increasing/(decreasing) net profit as reported under Previous GAAP :</b>		
(i) Adoption of Effective Interest Rate (EIR) for amortisation of Processing Fee Income	(74.01)	(42.65)
(ii) Adoption of EIR for amortisation of expenses - financial liabilities at amortised cost	(236.41)	(533.20)
(iii) Application of Expected Credit Loss	(30.36)	(72.23)
(iv) Remeasurement of Defined Benefit Obligation recognised in Other Comprehensive Income under Ind AS (net of tax)	(18.32)	18.02
(v) Deferred Tax impact on above adjustments	149.00	179.30
<b>Net Profit after tax for the period under Ind AS</b>	<b>779.65</b>	<b>2,146.45</b>
Other Comprehensive Loss: Remeasurement gains and (losses) on defined benefit obligations (net of tax)	7.74	(18.02)
<b>Total Comprehensive Income as reported under Ind AS</b>	<b>787.39</b>	<b>2,128.43</b>





# S.M.I.L.E. MICROFINANCE LIMITED

d. As required by paragraph 32 of Ind AS 101, total equity reconciliation between the figures reported under the previous Indian GAAP and the Ind AS is as under:

Particulars	As at 31 March 2019
	(Amount Rs. in Lakhs)
Total Equity as reported under Previous Indian GAAP	13,518.87
<b>Add/ (Less): Ind AS adjustments:</b>	
(i) Adoption of Effective Interest Rate (EIR) for amortisation of Processing Fee Income	(513.45)
(ii) Adoption of EIR for amortisation of expenses - financial liabilities at amortised cost	249.77
(iii) Application of Expected Credit Loss	(120.22)
(iv) Deferred Tax impact on above adjustments	112.98
<b>Total Equity as per Ind AS</b>	<b>13,247.95</b>

4. 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 granted a moratorium period on the payment of all principal instalments and/ or interest, as applicable, falling due from 24 March 2020 and 31 May 2020 to all eligible borrowers. Subsequently, RBI has announced an additional moratorium for a period of 3 months from 1 June 2020 and the Company has granted the option to avail the moratorium to its members.

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 statement.

The Company is actively monitoring the impact of the global health pandemic on its financial condition, liquidity, operations, borrowers and industry. The Company has used the principles of prudence in applying judgments, estimates and assumptions based on the current estimates. In assessing the recoverability of assets such as receivables, loans, investments, financial assets and other assets, based on current indicators of future economic conditions, the Company expects to recover the carrying amounts of its assets.

The extent to which COVID-19 pandemic will impact the Company's financial 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 financial position and the Company will continue to closely monitor any material changes to future economic conditions.





# S.M.I.L.E. MICROFINANCE LIMITED

financial results and financial position and the Company will continue to closely monitor any material changes to future economic conditions.

5. The Company has entered in to a non-solicitation agreement dated 20th March, 2020 with Mahasemam Trust, an entity from which the Company acquired the employee pool and client base, in order to restrict Mahasemam Trust from poaching the employees and to mitigate the consequential risk of losing the clients and business. On the basis of valuation from a SEBI approved valuer, the consideration agreed in the agreement is Rs.550 lakhs, of which Rs. 25 lakhs has been paid in the current financial year on signing the agreement. The balance shall be paid in tranches on achieving milestones as per the agreement.
6. The company elected to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by Taxation Laws (Amendment) Ordinance 2019, Accordingly the Company has recognized Provision for Income Tax for the Half year and Year ended 31 March 2020 and recognized its Deferred Tax Assets and Liabilities based on the rates prescribed in the aforesaid section. The impact of this change has been recognized in the Statement of Profit and Loss for the half year and year ended 31 March 2020.
7. Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases" with effect from 01 April 2019, which resulted in recognition of Right of Use Assets (ROU) and equivalent Lease Liability for qualifying agreements at Rs. 83.88 lakhs. In view of this, the rent expenses which was hitherto accounted under 'Other expenses' has now been accounted as depreciation and finance cost. The effect of this adoption is insignificant on the profit for the period/ year.
8. 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.
9. Figures for the half year ended 31 March 2020 and 31 March 2019 are balancing figures between audited figures in respect of full financial year and the published year to date figures upto the half year ended 30 September 2019 and 30 September 2018, respectively.

For and on behalf of the Board of Directors

Place : London  
Date : 30th June 2020

  
P. Murali Srinivas  
Managing Director and CEO  
DIN - 00554309





# S.M.I.L.E. MICROFINANCE LIMITED

## Disclosure pursuant to Regulations 52(4) of the SEBI Listing Obligations and Disclosure Requirements Regulations 2015

Particulars	Year ended March 31, 2020
a) Credit rating	CARE BBB; Stable
b) Asset cover available, in case of non-convertible debt	1.10 times
c) debt-equity ratio	3.62 : 1.00
d) previous due date for the payment of interest/ dividend for non-convertible redeemable preference shares/ repayment of principal of non-convertible preference shares /non-convertible debt securities and whether the same has been paid or not; and,	<b>Annexure – A</b>
e) next due date for the payment of interest/ dividend of non-convertible preference shares /principal along with the amount of interest/ dividend of non-convertible preference shares payable and the redemption amount	<b>Annexure – B</b>
f) debt service coverage ratio	Not applicable for NBFCs
g) interest service coverage ratio	Not applicable for NBFCs
h) outstanding redeemable debentures (quantity and value);	<b>Annexure – C</b>
i) capital redemption reserve/debenture redemption reserve;	Not applicable for Privately placed debentures
j) net worth;	In Lakh 14,428.17
k) net profit after tax;	In Lakh 1,244.10
l) earnings per share:	In Rs. 7.17





# S.M.I.L.E. MICROFINANCE LIMITED

## Consent Letters (CL) issued by Catalyst Trusteeship Ltd.

Consent Letter / Tranche Reference No.	Consent / Tranche Date	ISIN	Series Name	Issue Size (Rs. Crore)
CL/MUM/17-18/DEB/185	16-Aug-17	INE786V07043	-	25.80
CL/MUM/17-18/DEB/186	16-Aug-17	INE786V07050	-	38.70

## ANNEXURE - A

### Details of redemption & payment of interest during last half-year ending March 31, 2020:

Consent Letter / Tranche Reference No.	Series / Tranche	ISIN	Type (Principal / Interest)	Due date of payment	Amount (Rs.)	Actual date of payment
CL/MUM/17-18/DEB/186	-	INE786V07050	Interest	08-10-2019	25146306	03-10-2019
CL/MUM/17-18/DEB/185	-	INE786V07043	Interest	16-03-2020	16654074	16-03-2020

## ANNEXURE - B

### Details of redemption & interest due in the next half-year i.e. 01.4.2020 to 30.9.2020:

Consent Letter / Tranche Reference No.	Series / Tranche	ISIN	Type (Principal / Interest)	Due date of payment	Amount (Rs.)
CL/MUM/17-18/DEB/186	-	INE786V07050	Interest	05-04-2020	24975855
CL/MUM/17-18/DEB/185	-	INE786V07043	Interest	15-09-2020	16809757

Company does not expect default in payment of principal / interest due in next half year

## ANNEXURE - C

### Details of Outstanding redeemable Non-Convertible Debentures (Quantity and face value)

S.No	ISIN	Issue date	Quantity (No. of Debentures)	Face Value	Amount outstanding (in Rs.)
1	INE786V07050	05-10-2017	387	Rs.10,00,000	38,70,00,000/-
2	INE786V07043	15-09-2017	258	Rs.10,00,000	25,80,00,000/-





# S.M.I.L.E. MICROFINANCE LIMITED

SMILE/BSE/DEBT/2020/57

1st July 2020

To,  
The General Manager  
BSE Limited,  
1st Floor P J Towers,  
Dalal Street,  
Mumbai - 400001,  
India

Dear Sir/ Madam,

Ref. No:- Scrip ID: 11625

Scrip Code: 956942 & 957071

Sub: Statement with respect to material deviation in use of proceeds of issue of Non-Convertible Debt Security for the year ended 31st March, 2020.

Pursuant to Regulation 52(7) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015, the Company hereby confirms that there were no deviations in use of proceeds of issue of Non-Convertible Debt Security from the objects stated in respective offer document for the year ended 31<sup>st</sup> March, 2020.

Kindly update the same in your records.

Thanking You.

Yours Faithfully,

For S.M.I.L.E. MICROFINANCE LIMITED

R. VENKATASUBRAMANIAN  
COMPANY SECRETARY





Jagadeesh & Keerthy  
Chartered Accountants

CATALYST Trusteeship Limited  
Office No. 83 – 87, 8th floor,  
'Mittal Tower', 'B' Wing,  
Nariman Point, Mumbai – 400021

**Book Debts Certificate**

This is to certify that S.M.I.L.E. MICROFINANCE LIMITED having its registered office at No.14/25, Chakrapani Street, West Mambalam, Chennai – 600 033 has appointed us to verify the pool of receivables/Book Debts of Rs.283,273,000 hypothecated by them in favour of CATALYST Trusteeship Limited as on 31<sup>st</sup> March 2020 in connection with their issue of Non-convertible debentures ("NCD") aggregating to Rs.258,000,000.

On the basis of information and explanation given to us and other records and documents produced before us for verification with respect to the loan contracts, we hereby certify that the said receivables of Rs. 283,273,000 forming the security are standard performing assets and the value of the assets charged to the Debenture Trustee is adequate to cover the outstanding amount of debentures and the same is within the agreed security margin.

The Details of Receivables statements are as follows:

1. No. Of Loan Accounts Hypothecated : 21,152
2. Receivables from Hypothecated Loan Accounts : Rs. 283,273,000
3. Outstanding Debentures : Rs. 258,000,000
4. Security cover available as on date 31-Mar-20 : 110%

We further certify that:

- The underlying receivables are created out of finance or loan given to customers which qualify as advances
- The loans hypothecated are standard and no arrear has occurred till date in relation to the loans hypothecated

For JAGADEESH & KEERTHY  
CHARTERED ACCOUNTANTS  
FRN. 013761S

KEERTHY S  
PARTNER  
M.NO: 228621



UDIN: 20228621AAAAJG6869

Prestige Bella Vista, Flat No.4091, Tower 4A, 8th Floor, No.4,  
Mount Poonamallee Road, Ayyappanthangal, Chennai - 600056.

# 98845 75950 96770 83943 contact us iks@gmail.com Web : www.caiandk.com



CATALYST Trusteeship Limited  
Office No. 83 – 87, 8th floor,  
'Mittal Tower', 'B' Wing,  
Nariman Point, Mumbai – 400021

**Book Debts Certificate**

This is to certify that S.M.I.L.E. MICROFINANCE LIMITED having its registered office at No.14/25, Chakrapani Street, West Mambalam, Chennai – 600 033 has appointed us to verify the pool of receivables/Book Debts of Rs.425,720,100 hypothecated by them in favour of CATALYST Trusteeship Limited as on 31<sup>st</sup> March 2020 in connection with their issue of Non-convertible debentures("NCD") aggregating to Rs.387,000,000.

On the basis of information and explanation given to us and other records and documents produced before us for verification with respect to the loan contracts, we hereby certify that the said receivables of Rs.425,720,100 forming the security are standard performing assets and the value of the assets charged to the Debenture Trustee is adequate to cover the outstanding amount of debentures and the same is within the agreed security margin.

The Details of Receivables statements are as follows:

1. No. Of Loan Accounts Hypothecated : 32,770
2. Receivables from Hypothecated Loan Accounts : Rs. 425,720,100
3. Outstanding Debentures : Rs. 387,000,000
4. Security cover available as on date 31-Mar-20 : 110%

We further certify that:

- The underlying receivables are created out of finance or loan given to customers which qualify as advances
- The loans hypothecated are standard and no arrear has occurred till date in relation to the loans hypothecated

For JAGADEESH & KEERTHY  
CHARTERED ACCOUNTANTS  
FRN. 013761S

KEERTHY S  
PARTNER  
M.NO: 228621



UDIN: 20228621AAAAJF8620



Date: 1<sup>st</sup> July 2020

To,

Catalyst Trusteeship Ltd

Mumbai,

Dear Sir/Madam,

This is with reference regulation 52(4) of SEBI LODR in relation to disclosure to debenture trustees regarding change in credit rating, we wish to bring to your notice that CARE Ratings agency vide their letter dated 8<sup>th</sup> May, 2020 has reaffirmed the credit rating for NCDs from CARE BBB; Stable (Triple B; Outlook: Stable) to CARE BBB; Negative (Triple B; Outlook: Negative). Herewith we have enclosed the rating letter for your kind reference.

Kindly acknowledge receipt and update the same in your records.

Thanking You.

Yours faithfully,

**For S.M.I.L.E. MICROFINANCE LIMITED**

  
**R VENKATASUBRAMANIAN**  
**COMPANY SECRETARY**

**No. CARE/CRO/RL/2020-21/1061**

**Mr. Prabhakaran**  
**Chief Financial Officer**  
**S.M.I.L.E. Microfinance Limited**  
No.14/25, Chakrapani Street,  
West Mambalam,  
Chennai,  
Tamil Nadu 600033

May 08, 2020

**Confidential**

Dear Sir,

**Credit rating for outstanding Non-Convertible Debenture issues**

On the basis of recent developments including operational and financial performance of your company for FY19 (audited) and FY20 (provisional), our Rating Committee has reviewed the following ratings:

<b>Instrument</b>	<b>Amount (Rs. crore)</b>	<b>Rating<sup>1</sup></b>	<b>Rating Action</b>
Non-Convertible Debenture issues	84.50 <b>(Rs. Eighty Four crore and Fifty lakh only)</b>	<b>CARE BBB; Negative (Triple B; Outlook: Negative)</b>	<b>Reaffirmed; Outlook revised from Stable to Negative</b>

2. Refer **Annexure I** for details of rated instruments
3. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as Annexure. We request you to peruse the annexed document and

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

**CARE Ratings Ltd.**

offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by May 11, 2020, we will proceed on the basis that you have no any comments to offer.

4. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
5. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the bank facilities, CARE shall carry out the review on the basis of best available information throughout the life time of such bank facilities. In such cases the credit rating symbol shall be accompanied by “ISSUER NOT COOPERATING”. CARE shall also be entitled to publicize/disseminate all the aforementioned rating actions in any manner considered appropriate by it, without reference to you.
6. CARE’s ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
7. Users of this rating may kindly refer our website [www.careratings.com](http://www.careratings.com) for latest update on the outstanding rating.
8. CARE ratings are **not** recommendations to sanction, renew, disburse or recall any bank facilities.

CARE Ratings Ltd.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,



**Hareesh H**

Analyst

[hareesh.h@careratings.com](mailto:hareesh.h@careratings.com)



**Ravi Shankar R**

Manager

[ravi.s@careratings.com](mailto:ravi.s@careratings.com)

Encl.: As above

**Disclaimer**

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating. CARE's ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

**CARE Ratings Ltd.**

## Annexure-1

### Details of rated instruments

Name of the Instrument	Date of issuance	ISIN No	Coupon Rate	Maturity Date	Size of the issue (Rs. Crore)
NCD-I	October 05, 2017	INE786V07050	12.96%	October 05, 2022	38.70
NCD-II	September 15, 2017	INE786V07043	12.96%	September 15, 2022	25.80
NCD-III	December 18, 2017	INE786V07068	13.00%	December 18, 2020	20.00

CARE Ratings Ltd.