CreditAccess™ Grameen

2019-20
ANNUAL REPORT

IndiaFightsCorona

with

CreditAccess™ Grameen

CreditAccess Grameen salutes commitment, dedication and bravery of doctors, nurses, paramedics, health workers and police personnel in this challenging time. The Company has pledged Rs. 5 crores under CSR for several support and relief initiatives for Corona Warriors. In addition to the Company`s initiatives, the employees of CreditAccess Grameen have collectively donated Rs. 56 Lakh towards PM CARES Fund.

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The Wind beneath their Wings

From earning nothing to earning 2 lakh a year – that in a gist is Anita Kachhi's success story. The 43-year-old mother of two from Panagar village in Jabalpur, Madhya Pradesh, is a symbol of the grit and entrepreneurial spirit so common in rural India. But spirit means little or nothing unless it is empowered and allowed to manifest. That is what CreditAccess Grameen does best. To understand the power of microfinance, let's go back to Anita's story, which in fact, is the story of a large segment of rural women.

As a young girl, she learnt to sew and embroider. Little did she know it would alter the course of her life one day. After marriage and children, her desire to contribute to the household income kept getting stronger. She had a skill that she was good at. She had the determination. She had a market. She had family support. In fact, everything she needed except for one thing – money. Imagine having every ingredient and still not being able to cook because you don't have a stove. Imagine being able to taste the dish but not being able to actually eat it. This is what having grit, passion and determination means without access to capital. And it's the story of untapped potential for hundreds of thousands of men and women in rural India.

Two years ago, Anita became a CreditAccess Grameen customer. It entitled her to a loan with which she bought her first sewing machine. And then there was no looking back. “I started off with small orders from the neighbourhood for blouses and embroidery, and slowly local factories started giving me orders. That is how my business has grown,” says a proud Anita who has now outsourced some of the work to other women in the village. This is the real power of microfinance – that it can empower one to empower many.

With a quiet but unmistakable pride, Anita says, “I am so happy now, I am able to contribute to my family's finances. I don't have any worries and I have given my daughter also an opportunity to grow.” And of course, she has inspired several women in her community.

Much more than access to capital itself, what really matters most to these women, is what such access does to them. The comfort of a belonging to a group, the confidence that entrepreneurship brings, the possibility of imagining better future for their children and above all an aspirational striving backed by institutional support and encouragement. It's enough to make them tenured customers.

Like Asha Paunikar. She's been with CreditAccess Grameen for 10 years. She and her husband manufacture industrial gloves in Bilaspur, Chhattisgarh. She recalls how much it meant to them when CreditAccess Grameen encouraged their expansion plans in the early days. “The team was incredibly supportive. We started a manufacturing unit of gloves for industrial use 10 years ago. We started with one small machine, but we were not able to meet the demand. We decided to upgrade our machine.” That's when they approached CreditAccess Grameen for a loan to buy an upgraded machine.

"Our first loan of Rs. 25,000 helped us procure a large machine. After successful repayment, we took a loan of Rs. 10,000 and later Rs. 40,000. We now have two machines and have been able to invest in raw material like leather and threads." It's natural to aspire for more, bigger, better when you've just proved to yourself what you can do. Anita and her husband plan to grow their business further. "We want to increase our production capacity to about 4000–5000 gloves a month. Then, we will be able to supply our industrial gloves to other parts of Chhattisgarh," she says and adds that they would also like to generate employment opportunities for the community. They hope their journey to success will inspire more people to embrace entrepreneurship.

"We hope to leave a legacy for our daughter Kanak and teach her the nuances of running our business so that she can make a mark in the industry." A dream that she knows she can turn into reality. "We hope to continue our relationship with CreditAccess Grameen in taking our venture to newer heights," she concludes.

From industrial gloves to traditional weaves, CreditAccess Grameen's enterprising customers' myriad livelihoods are contributing significantly to India's rural economy. India, as Mahatma Gandhi famously said, lives in her villages. Because, this is where largely, India's culture lives. In many ways, microfinance is playing a significant role in keeping this culture alive.

Kautika from Waraseoni in Madhya Pradesh will testify to this. She and her husband are among the few families who have strived to preserve the ancient Chanderi weave. The paucity of working capital forces many such artisans to work as daily wage labourers on looms earning a meagre Rs. 250 per day. "It was so difficult for us to make ends meet," Kautika says. They always felt they could earn more if they could purchase raw material in bulk and sold finished products.

When she heard about CreditAccess Grameen's Income Generation Loan, Kautika knew she had found her answer. The collateral-free, easy to access, low-cost microloan allowed her to work independently. She began to buy raw material in bulk and sell finished products in the market directly, fetching better profits. "We make 10-15 Chanderi sarees every month, earning a profit of 10,000 to 18,000 rupees after expenses," says a thrilled Kautika adding that she's doubly delighted because CreditAccess Grameen's loan helped her not just with capital access but with market access as well, eliminating the contractor and pushing up their profit margin.

It's not just tradition that microfinance keeps alive. In a country where medical infrastructure is far from ideal in rural areas, many people are forced to virtually sell everything they own for medical care. It is microfinance that can quite literally give them a fresh lease of life. As Rajamani and her husband Swami Nayak discovered, rather painfully. A few years ago, Rajamani became a CreditAccess Grameen customer, got a loan and set up a small convenience store – something she had always dreamed of doing. She took business expansion loans, ramped up her enterprise and life was good, when without warning, disaster struck. Both she and her husband fell ill at the same time and had to undergo major surgeries. During this time, they had to shut down the convenience store, which was very disheartening for them. After she recovered, Rajamani was determined to get back on her feet. Only one thought came to mind - CreditAccess Grameen. And she was not disappointed. She got loans to revive and expand her now successful store.

"From the time of not owning anything to owning everything; facing a setback to again getting back up on my feet, I owe this to CreditAccess Grameen," says a clearly overwhelmed Rajamani. She and her family say CreditAccess Grameen supported them not just with money. "We got psychological support and social standing as well. There is nothing stopping me from achieving my dreams," an inspired Rajamani declares. And what's her dream? To venture into dairy farming and expand her store.

These remarkable women haven't allowed lack of resources to determine their destiny. With sheer focus, determination and hard work, they have created successful enterprises and have become torchbearers of a new India and for them, CreditAccess Grameen will always consider it a privilege to be the wind beneath their wings.

"It is the women who are the leaders in change and without their participation poverty can never be removed."

Ela Bhatt

Message from

Our Chairman

Paolo Brichetti

Chairman

Dear all,

The end of the financial year 19-20 has been marked by COVID-19 crisis. The virus has suddenly invaded our life, with severe implications for all. In few days, COVID-19 evolved from a "Chinese virus" or an "Italian problem" into, possibly, the most severe global crisis of last decade.

Since then, social distancing has been taking over the personal touch which has always characterized our business and culture. Many companies have closed their offices until further notice, many people have been working from home, the informal businesses of our clients have been impacted too, even if possibly less than all businesses in the main urban areas.

But it is in these defining moments that we see the strength of our family and the culture that differentiates us... and the CreditAccess Family, across the Netherlands, Italy, India, Indonesia, Philippines and Thailand has been united, more than ever.

At the same time, the financial year 19-20 has been by far the best and most exciting one:

We have been expanding our business both organically and inorganically via the acquisition of Madura Microfinance, up by 67.6% YoY, bringing the total loan portfolio close to Rs 12000 Cr.... and serving more than 40 lakh active customers.

We achieved record annual profit, have strengthened our branch network close to 1400 (consolidated), employee count crossing 12,000 including Madura staff. We have been awarded the 'Best NBFC'; the 'Best financing for Water & Sanitation'; the 'Best MFI of the Year'; the 'Best Company empowering Rural India' and the Great Place to Work certification as India's best workplaces in BFSI 2020 (in the top 25 overall).

But ...what about our future?

During the COVID-19 crisis we have been keeping momentum and even accelerating, wherever possible, on some of the most important projects aimed at digitalizing our operations and designing new products/businesses which will be piloted during the current financial year 20-21, to go on improving our total customer centricity.

Besides the continuous communication with our customers we approved a Rs. 7 crores post-COVID and health education plans targeted at our customers and their families. Our customers and our employees are our most important assets and we are all focused to ensure their health and safety.

We keep on working to bring back all our business, our people and customers to the post-COVID "new normal". We have to adjust to new risks, changed behaviours, different market dynamics ... but we feel confident to be able to handle these changes and be back in business even stronger than before.

Thank you for your continuous support and stay safe!

- Paolo Brichetti

Message from

Our Managing Director & CEO

Udaya Kumar Hebbar

Managing Director & CEO

We are all in a time of unprecedented crisis with the worldwide pandemic of COVID-19, however, remembering our societal value and role, and remaining focused on our clients and communities we serve, will be paramount at this point of time. We must take this as an opportunity to deal with the crisis and look at new possibilities to make our business model more resilient. In this challenging time, the Company has undertaken several support, relief and awareness initiatives. Our Board of Directors have immediately approved to earmark Rs. 5 Crore for such initiatives so that we continue to do our bit to fight against this pandemic.

The Financial Year 2020 has been significant in many ways for CreditAccess Grameen. We have expanded our footprint in five new states - Gujarat, Rajasthan, Uttar Pradesh, Bihar and Jharkhand. We have added 259 new branches, the highest ever in any Financial Year, reached over 29 Lakh customers, crossed 10,000 employees and touched Rs. 9896 crores in AUM at a standalone level.

The Company is now GREAT PLACES TO WORK–CERTIFIED® and ranked among 'India's Best Workplaces in BFSI 2020'– Top 25. It's my firm belief that building a resilient and customer centric business will be possible through a strong employee centric culture and this certification is a reiteration of our culture.

The Company has achieved a major milestone by successfully completing the first step of the acquisition of Madura Micro Finance Limited ('MMFL') with the purchase of a 76.08% stake in March 2020. This acquisition will further strengthen our Company's leadership position as the largest NBFC-MFI in India.

This year, CreditAccess Grameen has received many prestigious awards including 'Best NBFC at FE Best Banks awards', 'Micro Finance Organization of the Year Award 2019', 'CNBC-AWAAZ CEO Awards 2019' and 'Water. org and Sa-dhan Awards' for water and Sanitation Credit Financing. These recognitions would not have been possible without the strong and continuous support from our customers and employees, especially those who serve at the field every day. These significant achievements and the awards are dedicated to our employees and customers.

Resilience is in our organizational DNA. Time and again, CreditAccess Grameen has proved its ability to demonstrate swifter recovery after disturbances. We have displayed robust performance even during demonetization, when we recorded higher recoveries & lower write-offs compared to industry, and displayed healthy profitability in the subsequent financial year. With our customer centric approach, robust operating model focussed on rural markets, sound business fundamentals, robust system and processes, strong management team and experienced manpower, we will tide over challenges posed by the current pandemic as well. We always believe in the opportunities in any adverse circumstances, and the team CreditAccess Grameen has proved this many a times in the past. I am sure our employees will show courage, passion in overcoming the challenges posed by COVID-19 pandemic with utmost empathy with our customers.

We would like to thank our entire team at CreditAccess Grameen, our employees, customers, lenders, investors, shareholders, and all our well-wishers. Our Governing Board has been our biggest strength in our achievements. We reiterate our utmost responsibility towards our customers, employees, community and the environment where we operate. We shall overcome this situation and achieve newer heights for CreditAccess Grameen.

- Udaya Kumar Hebbar

About CreditAccess Grameen

CreditAccess Grameen Limited then known as 'Grameen Koota' was founded in May 1999 as a project under the T. Muniswamappa Trust (TMT), an NGO in South Bangalore to cater to the evolving financial needs of low-income households in India. Mrs. Vinatha M Reddy first visualized the Company in December 1996, and she was herself inspired by Alex Counts' book 'Give Us Credit'. The book detailed the inspiring stories of Bangladesh's poor who came out of poverty with micro credit.

CreditAccess Grameen Limited, a publicly listed company on the NSE and BSE, is also the largest microfinance institution in India. As of March 31, 2020, the Company on a standalone basis, has a borrower base of over 2.9 million, predominantly in rural areas in 13 states and 1 union territory with a strong network of 929 branches. And with a highly efficient workforce of over 10,000 staff proudly fulfilling the mission of financial inclusion.

Our wide range of lending products address income generation, individual loans, family welfare, home improvement and emergency loans. Each of these products has been designed based on customer needs and requests. The Company has integrated many social programs such as Water, Sanitation & Hygiene (WASH) programs, Client Awareness Programs, Social Awareness Campaigns, Health Awareness Campaigns into our core business activities which we believe are essential to achieve the development goals of poor and low-income households.

We heavily invested in technological innovations and streamlining business processes. Focus on robust customer selection, risk management policies, and in-house designed audit system have resulted in healthy asset quality and lower credit costs. We have maintained a strong track record of financial performance and operating efficiency over the years. Our efforts have been endorsed with industry standard ratings, certifications, and many prestigious awards.

CreditAccess Grameen has always adopted a customer-centric business model throughout its growth and expansion. Its mission continues to be guided by its philosophy of balancing economic growth with social responsibility to effect lasting and meaningful change in the lives of its customers from the weaker sections of society.

II

OVERVIEW

Empowering Indian Households

Vision

To be the preferred business partner of Indian households lacking access to credit, enriching their lives by providing convenient and reliable solutions, matching their evolving needs.

Our Mission

- To be the preferred business partner of 10 million low-income households lacking access to credit, by the year 2025.
- To be a responsible, sustainable and trusted provider of need-based financial and developmental services with benchmark efficiency, using technology and innovation to achieve the most affordable pricing.

Mission Explained

Primarily driven by a sense of social responsibility and rural empowerment, CA Grameen's philosophy is

- To be a preferred and trusted financial partner for all the growing needs of Indian low-income households.
- To enable a widespread economic and social change with diverse need-based financial products and services.
- To create a benchmark of efficiencies in operation expenses, customer retentions and credit portfolio quality.
- To adopt relevant technology and innovative solutions develop and deliver convenient financial products.

Our Value Statement

With the vision to enrich and enhance low-income households' well-being by providing need-based microfinance, CA Grameen aims to create equal opportunities for both urban and rural poor.

Offering a multitude of both financial and non-financial products to cater to the needs of the weaker sections of the society, CA Grameen's products are conceived and updated based on customer and staff inputs.

In an effort to enable economic and social change with our financial products and development services, we rely on our overarching principles that can be epitomised by **CREATE -**

Committed

We shall honour all our commitments. We are committed to our mission.

Reliable

We shall not deviate from any of the policies and procedures.

Empathetic

We shall be sensitive to the situations and circumstances of the people with whom we are dealing and provide them support to the best of our abilities.

Accountable

We shall be accountable for all our deeds, actions and words.

Transparent

We shall provide full disclosures to all our clients, in terms of the services and fees. We shall make our financial statements, reports and accounts as clear and as comprehensive as possible.

Efficient

We shall be punctual, disciplined in all transactions with our stakeholders, strive towards reducing operational costs and thereby provide services to our customers in a cost-effective manner.

Our Financial Products

In an effort to serve the unserved and underserved, CA Grameen offers a variety of financial and non-financial services at competitive rates. CA Grameen's products and services have been designed keeping in mind the evolving needs of the low-income households - such as festival celebration assistance, healthcare, education, home improvement, water, and sanitation. The financial products of CA Grameen have come as a blessing for our customers who want to set up new businesses and require working capital to address cash flow gaps, family welfare loans and emergency loans.

Group Lending

Income Generation Loans

The Income generation loan (IGL) is a type of loan to support business enterprises and income enhancement activities like purchasing fixed assets such as additional machinery. This loan also acts as additional working capital. Customers can avail up to Rs 80,000 with an Interest of 19.75% per annum on a declining balance. The tenure for IGL is a minimum of 52 weeks and a maximum of 104 weeks, depending on the loan amount.

Home Improvement Loans

CA Grameen offers home improvement loans to help customers with water connections, toilet construction, or for home extension projects such as repairs or replacement of roof, walls, floors, and monsoon waterproofing. Customers can avail loans ranging up to Rs 50,000 at 19.75 percent per annum interest on a declining balance. The tenure for home improvement loans is a minimum of 52 weeks and a maximum of 208 weeks, depending on the loan amount.

Emergency Loans

Customers can benefit from short-term loans to address their emergencies and short-term cash flow constraints. Customers can avail up to Rs 1,000 to handle a crisis at 19.75 percent per annum interest on a declining balance. The tenure for emergency loans is a maximum of 3 months.

Family Welfare Loans

CA Grameen customers can avail loans ranging from Rs 1,000 up to Rs 15,000 under the category of family welfare loans, depending on the purpose for which it is required. They can get the loan at 19.75 percent per annum interest on the declining balance. The tenure for such loans is between 24 weeks and 52 weeks, depending on the loan amount.

Retail Finance

Grameen Udyog Loan

As the flagship product under retail finance, the Grameen Udyog loan is targeted at someone who requires a higher loan amount to meet their capital requirements, to expand their business or to purchase machinery or keep inventories. Customers can avail loan up to Rs 1,50,000 at 22 percent per annum on reducing balance for a tenure of 24 months.

Grameen Savaari Loan

Grameen Savaari loan is offered to customers who wish to purchase a new vehicle (two-wheelers). Customers can avail up to Rs 70,000 at 22 percent per annum on reducing balance for a tenure of 24 months.

Grameen Vikas Loan

As a higher ticket asset-backed loan, Grameen Vikas loan is offered to customers who have higher credit requirement for business expansion. Customers can avail up to Rs 5,00,000 at 22 percent per annum on reducing balance for a minimum tenure of 24 months to maximum 60 months depending on the loan amount.

Grameen Suvidha Loan

As an intermediary loan, Grameen Suvidha is offered to customers to meet their additional needs such as upkeep of assets or business inventory. Customers can avail up to 15% of sanctioned amount of main loan in the range of between Rs. 5000 to Rs. 25000 at 22% per annum on reducing balance for a tenure of 6 or 12 months .

Distributor Products

Insurance

CreditAccess Grameen has tied up with several insurance service providers including, Shriram Life Insurance Company Limited, ICICI Prudential Life, HDFC Life and Kotak Life to provide insurance coverage to customers and spouse/co-borrowers (applicable for Retail Finance).

- Maximum cover for up to Rs. 2,00,000 is provided for products covered under Individual term life (GST exempted).
- Maximum cover for up to Rs. 2,00,000 is provided for products covered under Joint term life (GST exempted).
- Maximum cover for up to Rs. 5,00,000 is provided for products covered under Joint Credit life (with GST).

National Pension Scheme - Swavalamban

As an aggregator of the National Pension Scheme (NPS), CA Grameen collects the contribution amount from our customers during the weekly centre/Kendra meetings. This initiative saves time and money for our clients, who would otherwise have had to travel to the nearest NPS aggregators. The scheme does not require any mandatory monthly/yearly deposits. Continued investment in the scheme will help our customers earn a decent pension in the future. To ensure that they understand the product and its benefits completely before they decide to enrol, CA Grameen has designed training sessions for them.

Awards, Recognition and Accolades

Winner in the Best NBFC category

CreditAccess Grameen has been adjudged as the winner in the Best NBFC category at one of India's most prestigious financial sector awards - FE Best Banks awards 2017-18. Mr. Udaya Kumar Hebbar, MD & CEO, CreditAccess Grameen, and Mr. Diwakar BR, CFO, CreditAccess Grameen received the award from Smt. Nirmala Sitharaman, Minister of Finance & Corporate Affairs.

The winners were chosen by a high-powered jury chaired by S Ramadorai, former Chairman, Tata Consultancy Services (TCS), and a team comprising R. Sankar Raman, director & CFO, Larsen & Toubro, Leo Puri, former managing director, UTI Asset Management, Biswamohan Mahapatra, former executive director, Reserve Bank of India, and Sharad Sharma, founder, Ispirt.

'Water.org and Sa-dhan Awards' for water and Sanitation Credit Financing

The Company has achieved yet another milestone. CreditAccess Grameen Limited awarded with 'Water.org and Sa-dhan Awards' for water and Sanitation Credit Financing – 2019 under 'Large NBFC-MFI category'. The recognition was provided by recognizing the outstanding contribution for Water and Sanitation lending during FY 2018-19. The event was held on 16th September 2019, at the Sa-Dhan National Conference 2019, at India Habitat Centre, New Delhi. On behalf of all CreditAccess Grameen`s employees and the Board members, Mr. Gururaj Rao, Chief Audit Officer, Mr. Sundar Arumugam, Head-New Business and Innovation and Mr. Gopal Reddy, VP-Operations received the award.

Awards, Recognition and Accolades

Micro Finance Organization of the Year Award 2019

Credit Access Grameen has achieved yet another feat by receiving the Micro Finance Organization of the Year Award 2019 at the Inclusive Finance India Awards 2019 held in New Delhi. This award is an initiative of ACCESS, institutionalized in partnership with HSBC India.

Mr. Udaya Kumar Hebbar, who received the award on behalf of Credit Access Grameen family, said: "The brand Grameen Koota is built with the trust of over 26 lakh women borrowers from low-income households and the dedicated services of over 9000 employees from rural India." "This award rightfully goes to all our borrowers and employees," he added.

CNBC-AWAAZ CEO Awards 2019

CreditAccess Grameen has been awarded as the "Outstanding contribution to Rural Entrepreneurship and Empowerment" at the second edition of CNBC-AWAAZ CEO Awards. This award is constituted by CNBC-AWAAZ, a leading Hindi business news channel, in association with the Government of Chhattisgarh to celebrate the spirit of entrepreneurship and recognise the achievements and contributions of corporate leaders and companies. The award was given away by Mr Bhupesh Baghel, the Chief Minister of Chhattisgarh and was received by Mr Udaya Kumar Hebbar, MD & CEO and Mr Gopal Reddy, Business Head- Group Lending, on behalf of the Company on February 7, 2020 at a function held at Raipur.

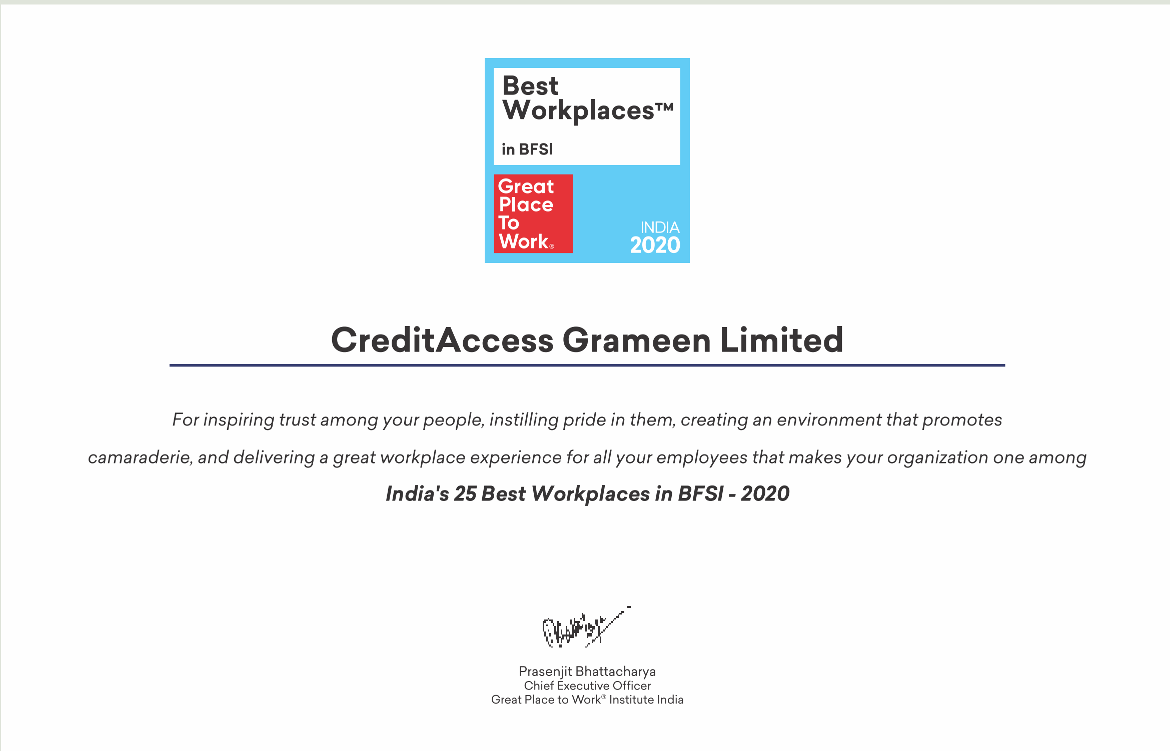
Awards, Recognition and Accolades

GPW Certified and ranked among India's Best Workplaces in BFSI 2020

It is with great delight that we announce that CreditAccess Grameen is GREAT PLACES TO WORK–CERTIFIED® (Feb 2020-Jan 2021). It has also been ranked among 'India's Best Workplaces in BFSI 2020'–Top 25. This year, 83 organizations in the BFSI sector undertook this assessment. Based on a rigorous evaluation by GREAT PLACES TO WORK has identified the Top 25 organizations among India's Best Workplaces in BFSI 2020. According to the GPW, "these organizations excel both on people practices that they have designed for their employees and the feedback on creating a High Trust Culture from their employees."

Mr Udaya Kumar, MD and CEO said, "since we started this business 20 years ago, we have grown stronger over time by means of developing a culture around employees and customers. Building a resilient and customer centric business will be easy through a strong employee centric culture." He further opined that "This certification is a strong reiteration of our culture and has enhanced our confidence in ourselves, and for our stakeholders, that we have not diluted any of our core values and strengths as we grew to be a larger organisation to achieve greater heights."

Great Place To Work® Certified FEB 2020JAN 2021 INDIA


Best Workplaces™ in BFSI
Great Place To Work®
INDIA 2020

CreditAccess Grameen Limited

For inspiring trust among your people, instilling pride in them, creating an environment that promotes camaraderie, and delivering a great workplace experience for all your employees that makes your organization one among

India's 25 Best Workplaces in BFSI - 2020

Prasenjit Bhattacharya
Chief Executive Officer
Great Place to Work® Institute India

CA Grameen Updates

CA Grameen sponsored a charity based musical show

HeartBeats Music Studio organized "Jaadu Teri Nazar - a charity based musical show in aid of Building Blocks - Schools for the underprivileged. CreditAccess Grameen was one of the sponsors of this event. All proceeds from the show went to charity.

At this event, the singers performed chartbuster numbers of Padmashree Udit Narayan. The show was conducted on Sunday, September 8, 2019, at Bharatiya Vidya Bhavan Auditorium Race Course Road, Bangalore.

ICSI invited CA Grameen's MD & CEO as a Guest of Honour

The Institute of Company Secretaries of India had invited Mr. Udaya Kumar Hebbar, MD & CEO, as the Guest of Honour for the 20th National Conference of Practising Company Secretaries. This event was organized on the 5th and 6th of July 2019 at Bengaluru, Karnataka.

Strategy & Innovation Workshop

We conducted a "Strategy & Innovation Workshop" on 16th and 17th of April 2019. The overall theme of the workshop was "Let's Learn, Let's Decide, Let's Act". The workshop was attended by all the management team at CreditAccess Grameen, 3 of the board members and a few external experts from the sector. There was intense brainstorming across various key topics of latest trends in the segment, ecosystem changes, evolving customer needs, new business models and delivery models that could potentially impact our segment and customers. We also had an insightful presentation on Artificial Intelligence and how could it impact the future ecosystem from one of the experts. The deliberations later were translated to key focus areas which then would be distilled to initiatives or projects to be explored by Strategy, Innovation or other functional teams.

Yoga Workshop to celebrate International Yoga Day 2019

CA Grameen organised a 'Yoga Workshop' on 21st June 2019 to mark the celebration of International Yoga Day 2019 at the Head Office. The workshop was conducted by Mr Lokesh, an employee with CA Grameen. In 2015, the United Nations General Assembly unanimously declared June 21 as the International Day of Yoga.

20th Foundation Day Celebration

On 31st May 2019, CA Grameen celebrated its 20th foundation day with enthusiasm, fun and frolic. Head Office employees got together and put up entertaining acts and musicals. Mr Udaya Kumar, MD and CEO along with the top management team graced the occasion and took part in the celebrations. The company also felicitated 68 employees who completed 10 years of service with CA Grameen on this occasion

Mr Udaya Kumar Hebbar, MD and CEO participated in a panel discussion on "Driving business and change in today's disruptive times" organised by Executive Access.

Blood Donation Camp

CA Grameen organized a Blood Donation Camp on the occasion of foundation day on 31st May 2019 at its corporate office at Bangalore. The Blood Donation Camp was arranged in in association with Rotary TTK Blood Bank. Medical Team of Doctors and Paramedical staff from Bangalore Medical Services Trust managed the blood donation camp. 50 employees participated in this noble cause. The camp was held under the guidance and active participation of Human Resource and Administration Department of CA Grameen.

IRDAI appointed Mr Udaya Kumar Hebbar a member of the committee for micro-insurance

Insurance Regulatory Authority of India (IRDA) has set up a 13 members committee to review the existing regulatory framework on Microinsurance in India to suggest improvements in the Indian framework. Mr Udaya Kumar Hebbar, Managing Director and CEO has been appointed as one of the members of this committee.

The committee will recommend/suggest on how to increase Microinsurance penetration, product designs with customer-friendly underwriting, changes required in the distribution structure including mobile based and technology driven solutions and a framework for creating effective awareness programmes.

Credit Access Grameen participates in Grameen Foundation India`s Jobs Conference 2019

Grameen Foundation India, a social impact organization, providing technical assistance to development institutions in India, has conducted a first-ever conference dedicated to the theme of jobs, self-employment, and entrepreneurship on December 9th-10th,2019, in New Delhi. It deliberated on the issues affecting employment in India. Mr. Sundar Arumugam, Head of Strategy and Innovation of Credit Access Grameen, participated on the panel, "Jobs in Financial Services Sector." CreditAccess Grameen was also one of the sponsors of the event.

Visits

Noel Quinn, Group Managing Director and Chief Executive of HSBC's Global Commercial Banking visited CA Grameen's headquarter on 6th June 2019.

Mr. Robert Burgess, Consul General of the United States of America in Chennai, paid a visit to Credit Access Grameen on 20th November 2019 to familiarize himself with the company's microfinance operations and its social initiatives.

Dr Aruna Sharma, MFIN Board Member visited CA Grameen's headquarter and interacted with the management team in the month of June 2019.

A group of students from ESADE Business School, Barcelona, visited CreditAccess Grameen's HO on January 30th, 2020 and participated in an interactive session with Mr Udaya Kumar Hebbar and team.

State Bank of India`s Managing Director (Retail & Digital Banking), Mr. Praveen Kumar Gupta, along with his Karnataka Circle team, has paid a visit to the company Head Office in Bengaluru on 19th October 2019.

Board of Directors
As on March 31, 2020

Paolo Brichetti
Chairman and Nominee Director

Udaya Kumar Hebbar
Managing Director & Chief Executive Officer

Diwakar B R
Director - Finance & CFO

Manoj Kumar
Additional & Independent Director

Massimo Vita
Nominee Director of our Promoter, CAI

Sucharita Mukherjee
Independent Director

Prabha Raveendranathan
Independent Director

Anal Kumar Jain
Independent Director

George Joseph
Independent Director

Sumit Kumar
Nominee Director of our Promoter, CAI

Management Team

Udaya Kumar Hebbar
Managing Director &
Chief Executive Officer

Diwakar B R
Director – Finance & CFO

Ganesh Narayanan
Chief Business Officer

Gururaj K S Rao
Chief Audit Officer

Anshul Sharan
Chief Risk Officer

Gopal Reddy
Business Head
Group Lending

Arun Kumar B
Head
Information Technology

Sundar Arumugam
Head
Strategy and Innovation

Srivatsa H N
Business Head
Group Lending

Nagananda Kumar K N
Head - Centralized Operations

Vishwanath Bhat
Head – Retail Finance

M J Mahadev Prakash
Head – Compliance, Legal &
Company Secretary

Thrishuli B
Head – Human Resource

Nilesh Dalvi
Head - Investor Relations

Haridarshini A
Head – Operational Excellence

III

REPORTS

SOCIAL PERFORMANCE MANAGEMENT REPORT

SOCIAL PERFORMANCE MANAGEMENT REPORT - FY19-20

A. INTRODUCTION

CreditAccess Grameen Limited (CAGL) serves around 2.91 million women borrowers in 929 branches across 13 states and one union territory with 10,824 employees. Client Protection Principles, Responsible Financing, Social Values continue to reflect in CAGL's positioning in the industry with relevant products and processes.

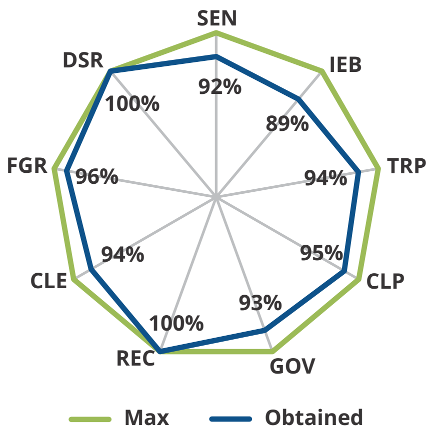
B. SOCIAL PERFORMANCE MILESTONES

I. Comprehensive MFI Grading (COCA + Company Grading)

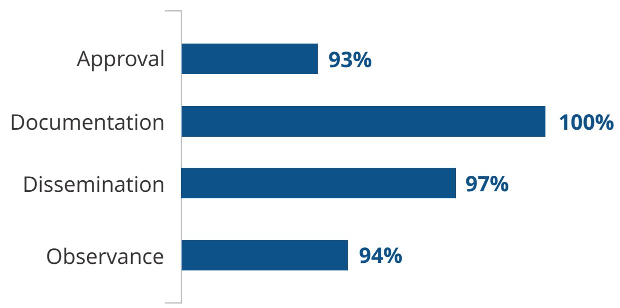
The credit rating agency CRISIL has re-affirmed 'M1C1' to CAGL, the industry's top MFI grading. According to CRISIL, this signifies 'Highest-capacity' of the Institution to manage its operations in a sustainable manner and 'Excellent' performance on the Code of Conduct dimensions. This is a comprehensive rating that combines Microfinance Capacity Assessment Grade and Code of Conduct Assessment Grade (COCA) for the evaluation.

According to "Rating Rationale", as mentioned in the report, the MFI (CAGL) obtains "M1" as its performance grade, which signifies "Highest" capacity to manage their microfinance operations in a sustainable manner. The organisation is an apex MFI with a significant market share. Its systems and processes remain robust in relation to its peers. The MFI (CAGL) obtains "C1" as its Code of Conduct. Assessment Grade, which signifies 'Excellent' performance on COCA dimensions. The organisation has complied with stipulated regulatory guidelines and Code of Conduct principles. A board-approved fair practices code is in place.

COCA Dimension Scores



ADDO Scores



SEN: Sensitive indicators; IEB: Integrity and Ethical behaviour; TRP: Transparency; CLP: Client Protection; GOV: Governance; REC: Recruitment; CLE: Client Education; FGR: Feedback and Grievance Redressal; DSR: Data Security

II. Standard Comprehensive Social Rating

Standard Comprehensive social rating of CAGL has been re-affirmed as ∑α, with a 'Positive' outlook. A 'Positive' outlook suggests that the institution is expected to improve its rating in one-year period to one higher notch. Rating was done by MCril - a microfinance rating agency that has been certified by the Rating Initiative, Luxembourg.

Social Rating blends the key principles of social performance as defined by leading global level initiatives to provide an MFI with a comprehensive assessment of its social performance. The assessment covers context, mission clarity and alignment of systems, performance on client protection principles, portfolio analysis, client profiling and client feedback regarding MFIs' products and services. The process uses the MFI's internal reports, internal and external studies, as well as field level data available with the MFI.

III. Social Audit – SPI4 Assessment

The social audit of CAGL was conducted using SPI4. SPI4 is a comprehensive social audit tool that allows MFIs to evaluate their level of implementation of the Universal Standards of Social Performance (Universal Standards). The SPI4 assesses a MFI's strengths and weaknesses on both Social Performance Management (SPM) and on client protection, with the goal of using this information to help the MFI improve its management systems and practices over time. The audit was conducted by MCril - a microfinance rating agency that has been certified by the Rating Initiative, Luxembourg

IV. Client Protection Certification by Smart Campaign

CAGL has been evaluated as per the standards of the Client Protection Certification Program since 2015 and found to have taken adequate care to implement Client Protection Principles as promoted by Smart Campaign. This certification has been reviewed every alternative year, and next review will be during FY 2020-21

Smart Campaign is a global effort to unite financial leaders around a common goal: to keep customers as the driving force of the industry. Responsible financial inclusion protects clients, businesses, and industry as a whole. Responsible financial inclusion encompasses core Client Protection Principles to help financial service providers practice good ethics and smart business.

The Client Protection Principles are the minimum standards that clients should expect to receive when doing business with a financial services provider. These principles have been distilled from the path-breaking work by providers, international networks, and national microfinance associations to develop pro-client codes of conduct and practices. There is consensus within the financial inclusion industry that providers of financial services should adhere to these core principles:

- Appropriate product design and delivery
- Prevention of over-indebtedness
- Transparency
- Responsible pricing
- Fair and respectful treatment of clients
- Privacy of client data
- Mechanisms for complaint resolution

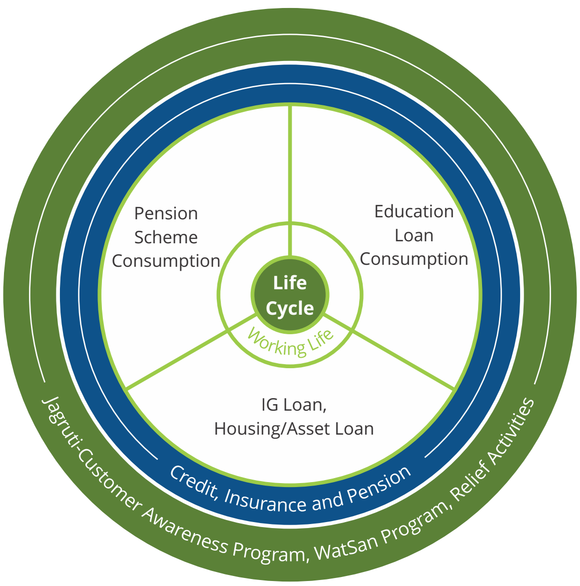
C. SOCIAL PERFORMANCE HIGHLIGHTS

I. Meeting Client Needs and Quality of Service

a) Lifecycle Needs

Products and process are designed by CAGL to cover all the lifecycle needs of our customers. Various loans are provided at different intervals to customers to enable them to have sustained growth in both life and business activities. Income Generation Loans (IGL) are provided for primarily trading and animal husbandry. Other IGL purposes include service sector, production, transportation services and agriculture.

Non-IGL loans are given only to customers who have an active IGL loan. It is provided as an additional loan over and above IGL loans.



In case IGL loan is completed, these loans may still be an outstanding loan. Non-IGL products include Emergency Loans, Festival Loans, Medical Loans, LPG Loans, Water Loans, Sanitation Loans, Grameen Niwas Loans, and Griha Sudhaar Loans.

Customers are provided with financial support to start businesses. The Retail Finance division provides high-ticket loans. Grameen Udyog loan, Grameen Suvidha Loan, Grameen Savaari Loan, Grameen Udyog Vikas Loan and Grameen Vahaan Loan are a few loans provided to CAGL graduated customers.

Number of Loans Disbursed	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Income Generation	1,499,679	1,304,519	1,833,417	2,193,787	2,765,211
Family Welfare	610,594	641,970	586,307	606,043	686,712
Home Improvement	154,095	176,624	420,101	643,521	587,516
Emergency Loan	1,819,119	1,002,159	245,250	364,835	1,111,430
Individual Retail Finance		89	6,704	37,187	43,856
Total	**4,083,487**	**3,125,361**	**3,091,779**	**3,845,373**	**5,194,725**

b) Jagruti

Jagruti is customer education programme conducted to spread awareness among our customers by narrating their experiences through personal stories read out by loan officers during weekly meetings. This is one of the unique programmes designed by CAGL. Topics related to Financial Literacy, Health issues, Sanitation, Personal and Home Hygiene, Disease Prevention and Women's Safety are discussed on a weekly basis.

As of March 31, 2020, the Jagruti programme has touched the lives of 2.70 million customers. Over 426 topics were discussed.

II. Client Feedback

As part of its continuous development process, CAGL has adopted various methods to obtain feedback from customers

a) Level of Awareness

Customers are contacted by Grievance department of the Company through a tele-calling team to understand the levels of awareness on various areas. This survey is conducted on a regular basis to understand their awareness levels. Around 1% of customers were contacted. Below is given the status of awareness calls made:

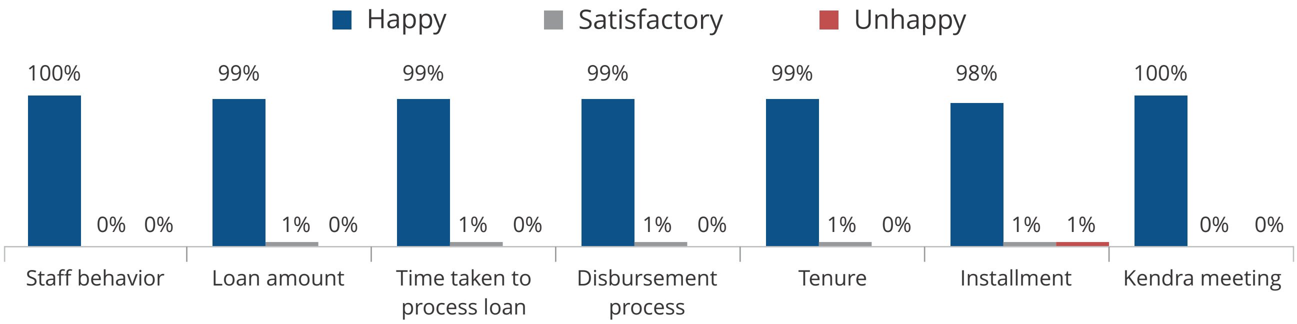
Total awareness calls made – 31,310

Categories	Awareness %
Insurance details	99
Loan products	100
Branch address and contact numbers	100
Loan passbook	99
Bank accounts	98
Credit bureau	94
Interest and Fees	97
Complaint box	87
Toll free Redressals	91

b) Feedback on products and services

Customers are contacted by Grievance department tele-calling team to obtain feedback from customers. Feedback from customers is taken to understand satisfaction levels with regard to our products and services, and in staff interactions. Around 1% of customers have been contacted by this team and awareness levels ascertained. Below is the status of awareness calls made.

Total feedback calls – 31,122

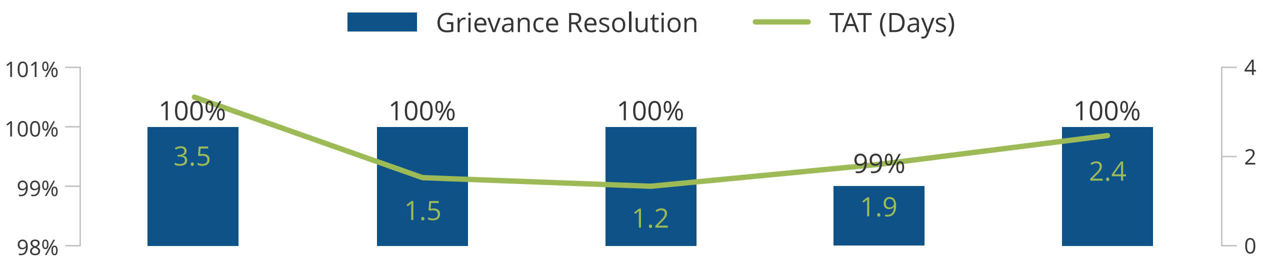


Over 99% of customers contacted have said they were either Happy or Very Happy and the rest were also satisfied with our products, processes and the conduct of the staff.

c) Timely Grievance Resolution

The primary activity of Grievance Redressal Cell is to report and resolve customer grievances by working in coordination with various other departments. The grievances have been categorised as queries and requests from the customers, besides complaints.

The Grievance Redressal cell also handles grievances from the staff. A total of 4,556 customer grievances were received in FY 2019-20 (including grievances received through the branches and unidentified calls) and 4,556 customer grievances were resolved as on March 31, 2020. Out of 4,556 the break-up is as follows: 1,033 were queries, 611 were requests and 2,912 were complaints.



Among the complaints received, 525 were related to insurance and 2,387 were general grievances. The Company was able to resolve 94% of general grievances with a turnaround time of less than 7 days.

Type / Year	Number of Grievances				
	Mar'16	Mar'17	Mar'18	Mar'19	Mar'20
Grievances Received	690	1,271	1,243	613	2,387
Grievances Received – As % of overall borrowers	0.06%	0.09%	0.07%	0.02%	0.08%
Insurance-related Grievances	263	241	423	281	525
Insurance-related Grievances – As % of overall claims	3.20%	1.20%	2.30%	4.70%	1.90%

III. Responsibility to Staff

Being in the business of financial inclusion, we also believe that it is our responsibility to groom and nurture youngsters and enable them to be gainfully employed with us.

Broadly our recruitment processes provide opportunity to young workforce in rural and semi urban areas get opportunities in organised sector. As an organisation, our first preference is to recruit fresh talent from among young family members of our customers. Once we shortlist them with our pre-training programme, we train them to take up existing opportunities with us. Psychometric assessments are used to hire talent and also to identify good performers for internal promotions. There are elaborate post-hiring training programmes too that help candidates develop skills and understand the business. These talents will get priority in internal promotions thereby providing them with career-growth opportunities. We believe this will create synergy with the customer and employees and facilitate smooth business transactions too. The attrition rate of the company continues to be lower than the industry average.

Considering that our business has a vast geographic reach and employees move from branch to branch as part of their career and growth, we are one of the few organisations in the NBFC-MFI industry, that provide staff accommodation and boarding for branch-level staff, which helps them have better net earnings and stay focused on contributing to the business and customers.

We are an equal opportunity employer. However, we also look at the interests and needs of employees to provide with suitable opportunities. Though not many women employees prefer field jobs, we encourage them to take up supporting roles apart from trying to motivate them to take up field assignments.

Apart from the above, benefits provided include a five-day work week, extended break from work for women with infants, life insurance cover and insurance benefits which we believe makes us an organisation that cares and takes responsibility for its staff.

Free Health Check-up camp for CAGL employees
A free Health Check Up Camp was organised for all CAGL employees in phased manner through the year, in association with Medi-Assist. This medical check-up is a new initiative taken up by the Company as part of its employee benefit measures. In the first stage of the program, we have been able to complete the health check of 65% employees at different branches. Tests have been organised at the branch locations itself for ease of use of the facility.

Facilities provided were:
- Blood tests
- ECG
- BMI

The main objective for conducting these health check-ups is to help employees stay healthy. The tests may capture potentially serious health issues early on and employees can then receive treatment. The Company believes that healthy employees can make effective contributions to the Company's objectives and growth.

Blood Donation: Blood donation camps were organised at Head office and a few other branches as a social giving back during our Foundation day celebrations on May 31, 2019.

Road Safety: Training and educating our employees on safe road manners and safety while using two wheelers and cars, use of helmets and seat belt is encouraged.

IV. Change in customer Lives

With its products and services, CAGL has impacted the lives of customers and their families. The table below provides the details of the outreach of CAGL's products and services since inception.

Non-financial Services	Year of Introduction of program	Cumulative Beneficiaries as on March 31, 2020
Customer awareness through Jagruti	2011	2,696,271
No. of customers supported with education loans	2012	1,953,295
Customers supported with sanitation loans	2010	1,109,037
Customers supported for safe water connections	2010	308,465
Customers supported for home renovation	2013	853,469

DIRECTORS’ REPORT

DIRECTORS' REPORT

To
The Members
CreditAccess Grameen Limited

The Directors have pleasure in presenting the 29th Board's Report of CreditAccess Grameen Limited (the "Company") together with the Audited Financial Statements for the year ended March 31, 2020.

Unless otherwise specifically mentioned, all the numbers provided herein are standalone figures.

1. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements of the Company for the year ended March 31, 2020 have been prepared in accordance with Ind AS and Schedule III to the Companies Act, 2013 (the "Act").

The audited consolidated financial statements have been prepared in compliance with the Act, Ind AS 110 'Consolidated financial statements' and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

A separate statement containing the salient features of its subsidiaries in the prescribed Form AOC–1 is attached to this report.

Financial Results - Standalone (Rs in million)

Particulars	FY2020	FY2019	% change over FY 2019
Total income	16,843.64	12,833.26	31.25%
Finance cost	5,726.72	4,167.54	37.41%
Net income	**11,116.92**	**8,665.72**	28.29%
Total operating expenses	4,218.22	2,939.73	43.49%
Pre-provisioning operating profit	**6,898.70**	**5,725.98**	20.48%
Impairment on financial instruments	2,389.82	748.55	219.26%
Profit before tax	**4,508.88**	**4,977.43**	-9.41%
Profit after tax	**3,275.03**	**3,217.56**	1.78%
Other comprehensive income	(273.23)	(99.26)	175.37%
Total comprehensive income	**3,001.70**	**3,118.35**	-3.74%
Basic Earnings Per Share (EPS) (in rupees)	22.78	23.37	-2.52%
Diluted Earnings Per Share (DPS) (in rupees)	22.59	23.14	-2.38%

Financial Results - Consolidated (Rs in million)

Particulars	FY2020	FY2019	% change over FY 2019
Total income	17,054.80	-	-
Finance cost	5,799.80	-	-
Net income	**11,255.00**	**-**	-
Total operating expenses	4,266.30	-	-
Pre-provisioning operating profit	**6,988.70**	**-**	-
Impairment on financial instruments	2,372.67	-	-
Profit before tax	**4,616.03**	**-**	-
Profit after tax	**3,354.92**	**-**	-
Other comprehensive income	(273.64)	-	-
Total comprehensive income	**3,081.28**	**-**	-
Basic Earnings Per Share (EPS) (in rupees)	23.20	-	-
Diluted Earnings Per Share (DPS) (in rupees)	23.00	-	-

Due to rounding off, numbers presented in above table may not add up precisely to the totals provided.

Summary of financial performance of subsidiary viz; Madura Micro Finance Limited is given below:

SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES

A. MADURA MICRO FINANCE LIMITED

The Company acquired 75.64% of the shareholding of Madura Micro Finance Limited ("MMFL) from its existing shareholders on March 18, 2020 and additionally acquired 0.44% of the share capital of MMFL on March 31, 2020. Upon receipt of regulatory approvals, the Scheme of Amalgamation shall be filed with the relevant National Company Law Tribunals.

The Amalgamation would create value to various stakeholders including shareholders, creditors, customers, and employees as the combined business would benefit from increased scale, wider product diversification, focused growth, stronger balance sheet and the ability to drive synergies across revenue opportunities, operating efficiencies and cost savings through economies of scale amongst others

For the period from March 18, 2020 up to March 31, 2020, MMFL was a subsidiary of the Company, but not a Material Subsidiary.

The Company does not have any associate or joint venture companies.

Madura Micro Finance Limited's Financial Performance (Rs in million)

Particulars	FY2020	FY2019	% change over FY 2019
Total income	4,759.04	3,867.73	23.04%
Finance cost	1,954.95	1,499.15	30.40%
Total net income	**2,804.09**	**2,368.57**	**18.39%**
Total operating expenses	1,168.57	797.36	46.55%
Impairment on financial instruments	571.42	350.42	63.07%
Profit before exceptional items	**1,064.10**	**1,220.79**	**-12.84%**
Exceptional items	-	-	-
Profit before tax	**1,064.10**	**1,220.79**	**-12.84%**
Profit after tax	**796.72**	**854.70**	**-6.78%**
Other comprehensive income	(2.16)	(0.03)	-
Total comprehensive income	**794.55**	**854.67**	**-7.03%**

Due to rounding off, numbers presented in above table may not add up precisely to the totals provided.

B. Madura Micro Education Private Limited

Madura Micro Education Private Limited is a wholly owned subsidiary of Madura Micro Finance Limited.

Madura Micro Education Private Limited's financial performance (Rs in million)

Particulars	FY2020	FY2019	% change over FY 2019
Total income	8.35	10.62	-21.37%
Finance cost	1.03	1.47	-29.93%
Total net income	**7.32**	**9.15**	**-20.00%**
Total operating expenses	5.14	7.52	-31.65%
Impairment on financial instruments	0.00	0.00	0.00%
Profit before exceptional items	**2.18**	**1.63**	**33.74%**
Exceptional items	0	0	-
Profit before tax	**2.18**	**1.63**	**33.74%**
Profit after tax	**2.18**	**1.63**	**33.74%**
Other comprehensive income	-0.03	-0.10	-70.00%
Total comprehensive income	**2.15**	**1.53**	**40.52%**

a. Business Growth

The Company witnessed all-round growth during the year, opened more branches, acquired significant numbers of customers and served them through 929 branches across 230 districts in 14 States / Union Territories. The Company was able to raise the necessary resources all through the year to match the business and operational requirements, leveraging its relationships with banks and financial institutions, as well as forming new lender relationships.

The Company's overall performance during the year was robust resulting in improvement in all operational and financial parameters.

Your Company's organizational highlights for Financial Year ("FY") 2020 are as follows:

Year Ended	2020	2019
Branches	929	670
States/Union Territories	14	9
Districts	230	157
Kendras	196,012	172,173
Borrowers	2,905,036	2,469,837
Loans Disbursed (Rs in million)	103,892.21	82,211.63
Gross AUM (Rs in million)	98,964.14	71,593.30

b. Profitability

The total income of the Company increased from Rs 12,833.26 million to Rs 16,843.64 million in FY2020. The total expenditure for the FY2020 increased from Rs 7,855.82 million to Rs 12,334.76 million. The Company recorded profit after tax (PAT) of Rs 3,275.03 million for FY2020 compared to Rs 3,217.61 million in FY2019. Considering that the unprecedented situation at the end of the year with COVID-19 pandemic, the company has decided to provide additional Rs 828.6 million as provision against impairment as on March 31, 2020. Further, the company also accounted the expenses of Rs 152.17 million on account of merger of MMFL This proactive provisioning has resulted into lower profitability for the year.

2. DIVIDEND

The Board of Directors aim to grow the business lines of the Company and enhance the rate of return on investments of the shareholders. With a view to financing the long-term growth plans of the Company that requires substantial resources, the Board of Directors did not recommend a dividend for the year under review.

In line with Clause 43A of the Listing Regulations, the Board of Directors adopted a Dividend Distribution Policy which sets out the parameters in determining the payment / distribution of dividend. The details of Dividend Distribution Policy is placed on the Company's website at www.creditaccessgrameen.com.

3. AMOUNT PROPOSED TO BE CARRIED TO RESERVES

The Company has transferred Rs 655.01 million to reserves out of the net profit of FY2020 and an amount of Rs. 7,795.20 million is the accumulated balance in Retained Earnings Account (Profit and Loss account and comprehensive income).

4. SHARE CAPITAL

The paid-up Equity Share Capital as at March 31, 2020 stood at Rs 1,439.85 million. During the year under review, the Company has issued 433,198 shares to the employees who exercised their stock options granted under GKFSPL Employee Stock Option Plan - 2011. As on March 31, 2020, except as mentioned below, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

As on March 31, 2020, 362,500 stock options are held by Mr. Udaya Kumar Hebbar, MD & CEO and 66,000 stock options are held by Mr. B.R Diwakar, Director – Finance & CFO, which are convertible into equity shares upon exercise of the same.

5. DIRECTORS

As on March 31, 2020, the Board of your Company consists of Ten Directors. Their details are as follows:

Category	Name of Directors
Non-Executive Nominee Directors	Mr. Paolo Brichetti Mr. Massimo Vita Mr. Sumit Kumar
Non-Executive Independent Directors	Mr. Prabha Raveendranathan Mr. Anal Kumar Jain Mr. George Joseph Mr. Manoj Kumar Ms. Sucharita Mukherjee
Executive Directors	Mr. B. R Diwakar, Director – Finance & CFO Mr. Udaya Kumar Hebbar, Managing Director & CEO

The composition of the Board is in line with the requirements of the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). All the Directors have vast knowledge and experience in their relevant fields and the Company had benefitted immensely by their presence on the Board.

The skills/ expertise / competence of the Board of directors identified by the Board as required in the context of business of the Company is mentioned in the Corporate Governance Report.

a. Changes in Directors and Key Managerial Personnel (KMP) during the Fy2020

During the year under review, following were the changes in the Directors and KMPs of the Company.

Name	Date of Appointment/ Resignation/ Re-designation	Reason
Mr. Diwakar B. R.	June 14, 2019	Appointed as Director Finance & CFO
Mr. M.N. Gopinath	October 29, 2019	Resigned as Chairman and Independent Director
Mr. Manoj Kumar	October 30, 2019	Appointed as Additional and Independent Director
Mr. Syam Kumar R	January 22, 2020	Resigned as Company Secretary and Compliance Officer
Mr. M. J. Mahadev Prakash	January 22, 2020	Appointed as Head – Compliance, Legal & Company Secretary

Mr. Udaya Kumar Hebbar, Managing Director & CEO, Mr. B. R. Diwakar, Director – Finance & CFO and Mr. M. J. Mahadev Prakash, Head – Compliance, Legal & Company Secretary are the KMPs of the Company, as on March 31, 2020.

b. Woman Director

In terms of the provisions of Section 149 of the Companies Act, 2013, and Regulation 17(1)(a) of Listing Regulations, the Company needs to have at least one woman director on the Board. The Company has Ms. Sucharita Mukherjee, as Independent Woman Director on the Board.

c. Director retiring by Rotation

Mr. Massimo Vita, Nominee Director (DIN: 07863194) is liable to retire by rotation in terms of provisions of the Companies Act, 2013, at the ensuing Annual General Meeting of the Company and being eligible, offers himself for reappointment. The Board recommends his reappointment.

As stipulated under Reg 36 (3) of the Listing Regulations, a brief resume of Mr. Massimo Vita, proposed to be reappointed, is given in the notice of the 29th AGM of the Company.

d. Declaration by Independent Director(s) and Re-appointment, if any

The Company has five Independent Directors on the Board. The Company has received declaration from each Independent Director of the Company under section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013, and subsequently the same was placed at the Board Meeting held on May 06, 2020.

A declaration by Managing Director & CEO confirming the receipt of this declaration from Independent Directors is annexed to this report as **Annexure I.**

During the year under review, Mr. M.N. Gopinath resigned as the Chairman and Independent Director and Mr. Manoj Kumar was appointed as Additional and Independent Director. The Board is of the opinion that Mr. Manoj Kumar possesses relevant expertise and experience to contribute for the growth and betterment of the Company.

e. Policy on Board Diversity

The Policy on Board Diversity approved and adopted by the Company is as follows:

1. Diversity is ensured through consideration of a number of factors, including but not limited to skills, industry experience, background and other qualities.
2. The Company takes into account factors based on its own business model and specific needs from time to time.
3. The Nomination & Remuneration Committee leads the process of identifying and nominating candidates for appointment as Directors on the Board.
4. The benefits of diversity continue to influence succession planning and to be the key criteria for the search and nomination of Directors to the Board.
5. Board appointments are based on merit and candidates are evaluated against objective criteria, having due regard to the benefits of diversity on the Board, including that of gender.

f. Policy on Nomination & Remuneration of Directors, KMPs and Senior Management

The Policy on Nomination and Remuneration sets out the criteria for determining qualifications, positive attributes and independence of Directors. It also lays down criteria for determining qualifications, positive attributes of KMPs and senior management and other matters provided under Section 178(3) of the Companies Act, 2013 and Regulation 19 of Listing Regulations.

The Policy on Nomination and Remuneration of the Company as approved and adopted by the Board is available on the website of the Company at www.creditaccessgrameen.com.

g. Evaluation of Board, its Committees and Individual directors

The Board has carried out an annual evaluation of its own performance, its Committees, Chairman and individual Directors.

A note on the annual Board evaluation process undertaken in compliance with the provisions of the Companies Act, 2013 and Listing Regulations is given in the Report on Corporate Governance, which forms a part of this Report.

h. Meetings of the Board

The Board met 06 (Six) times during the financial year. Details of the meetings of the Board during FY2020 is provided in the Report on Corporate Governance which forms a part of this Report.

i. Committees of the Board

The details of the Committees of the Board namely the Audit Committee, CSR Committee, Risk Management Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, ALM Committee and IT Strategy Committee, their composition, terms of reference and the activities during the year under review are elaborated in the Report on Corporate Governance which forms a part of this Report. Further, there are no instances where the Board has not accepted recommendations of Audit Committee.

6. AUDIT & AUDITORS

a. Statutory Auditors

M/s S. R. Batliboi & Co LLP (FRN: 301003E/E300005) 12th Floor, The Ruby, 29, Senapati Bapat Marg Dadar (West), Mumbai – 400 028 were appointed as the Statutory Auditors of the Company at the AGM held on June 29, 2016, for four financial years, commencing from 2017 up to 2020.

The existing Statutory Auditors would complete their term of 10 consecutive years in the Company as prescribed under the Companies Act, 2013 and will hold their position up to the ensuing AGM of the Company. In their place, M/s. Deloitte Haskins & Sells, Chennai , Chartered Accountants (Firm Reg. No. 008072S) having their office at ASV N Ramana Tower, 52, Venkatnarayana Road, T. Nagar, Chennai-600 017, have been recommended by the Board of Directors as the Statutory Auditors of the Company whose appointment will be subject to the approval of shareholders at the ensuing AGM of the Company.

The Board has duly examined the Statutory Auditors' Report to the Annual Accounts FY2020, which is self-explanatory. Clarifications, wherever necessary, have been included in the Notes to Accounts. Further, the Directors confirm that there are no qualifications, reservations, adverse remarks or disclaimers in the Independent Auditor's Report provided by Statutory Auditors for the FY2020.

b. Secretarial Auditors

Pursuant to the provisions of section 204 of the Act, the Board has re-appointed Mr. C. Dwarakanath, Company Secretary in Practice (FCS 7723 and CP 4847), to undertake secretarial audit of the Company.

A report from the secretarial auditor in the prescribed Form MR-3 is annexed to this Report as Annexure II.

The observations made in the Secretarial Audit Report pertains to delay in filing of certain charge documents with the Registrar of Companies which was caused mainly due to delay in signing the forms by the concerned lenders.

c. Cost Auditors

The provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 relating to Cost Audit and maintaining cost audit records is not applicable to the Company.

7. CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review, there was no change in the nature of business of the Company.

8. CREDIT RATING

The Credit Rating of different instruments of the Company as on March 31, 2020 is mentioned under note 39 (m) of the Financial Statements under RBI disclosures.

Comprehensive Microfinance Grading by CRISIL as on March 31, 2020 is 'M1C1'. CRISIL's Comprehensive Microfinance Capacity signifies highest capacity of the MFI to manage its operations in a sustainable manner and Excellent performance on Code of Conduct dimensions. The grading is assigned on an eight-point scale with respect to Microfinance Capacity Assessment Grading, with 'M1' being the highest grading, and 'M8', the lowest and on a five-point scale with respect to Code of Conduct Assessment, with 'C1' being excellent performance, and 'C5', the weakest.

9. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

There were no significant and material orders passed by any regulators, courts, or tribunals that impacted the going concern status and the Company's operations in future.

10. INTERNAL AUDIT

At the beginning of each financial year, an audit plan is rolled out after the same has been approved by Audit Committee. The audit plan is aimed at evaluation of the efficacy and adequacy of internal control systems and compliance thereof, robustness of internal processes, policies and accounting procedures, compliance with laws and regulations. Based on the reports of internal audit function process owners undertake corrective action in their respective areas. Significant audit observations and corrective actions, if any, are presented to the Audit Committee of Board.

11. INTERNAL FINANCIAL CONTROLS

The internal financial controls of the Company are commensurate with its size, scale and complexity of operations. The Company has robust policies and procedures which, inter alia, ensure integrity in conducting business, timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors.
The internal financial controls with reference to the financial statements were adequate and operating effectively.

12. RISK MANAGEMENT POLICY

The Board of Directors have adopted a risk management policy for the Company which provides for identification, assessment and control of risks which in the opinion of the Board may threaten the existence of the Company. The Management identifies and controls risks through a properly defined framework in terms of the aforesaid policy.

13. CORPORATE SOCIAL RESPONSIBILITY

In pursuance of the provisions of Section 135 read with Schedule VII of the Companies Act, 2013, the Company has a CSR Committee of the Board which reviews and recommends (a) the policy on Corporate Social Responsibility (CSR) including changes thereto, and (b) Oversees implementation of the CSR Projects or Programmes to be undertaken by the Company as per its CSR Policy. The CSR policy of the Company is available on the website of the Company – www.creditaccessgrameen.com.

The Annual Report on CSR activities of the Company is enclosed herewith as **Annexure – III.**

14. WHISTLE BLOWER POLICY OR VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The Company has established a whistle blower mechanism for the Directors and employees to report any genuine concerns through vigil@grameenkoota.org. Employees are encouraged to report any unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy including Insider Trading or any other illegal activity occurring in the organisation. In exceptional cases, directors or employees can raise their concerns directly to the Chairman of the Audit Committee by sending an e-mail to' vigil@grameenkoota.org'. The cases reported will be investigated and resolved within strict timelines. The identity of the whistleblower will be kept confidential and protection from retaliatory actions is also provided for in the policy. Quarterly reports in this regard are reviewed by the Audit Committee.

15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company, being a non-banking financial company registered with the RBI and engaged in the business of giving loans, is exempt from complying with the provisions of section 186 of the Act in respect of loans and guarantees. Accordingly, the disclosure of the loans given as required under the aforesaid section have not been made in this Report.

16. RELATED PARTY TRANSACTIONS

During FY2020, the transaction with related parties was entered with the approval of the Audit Committee in line with provisions of the Act and Listing Regulations. The Audit Committee reviews the said transactions on a quarterly basis.

The related party transaction entered during the period under review was on arm's length basis and in the ordinary course of business under the Act and not material under the Listing Regulations. The transaction did not require members' prior approval under the Act or the Listing Regulations. During the FY 2019-20, there were no related party transactions requiring disclosure under section 134 of the Act.

The Company has in place a Board approved Related Party Transaction Policy which is available on the website of the Company at www.creditaccessgrameen.com.

17. HUMAN RESOURCE MANAGEMENT & EMPLOYEE RELATIONS

The role of human capital in any organization is of utmost importance. More so in an organization like ours where a majority of employees are customer-facing to facilitate a smooth delivery of our financial services.

There is a fine balance between customer service and achievement of performance targets. The Company aims to provide a suitable work environment that encourages a positive attitude and superior performance.

Policies relating to Human Resources are employee friendly and support an environment of accomplishment and satisfaction. The Company aims to provide the best of training inputs and seamless growth opportunities ensuring that the culture of the organization is translated into business performance.

The Company also facilitates performance-linked incentives that will help the motivational levels of the workforce thereby sustaining growth and achieve targets.

18. PARTICULARS OF EMPLOYEES

The ratio of the remuneration of the Executive Directors to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, have been attached as **Annexure – IV** to the Directors' Report.

The details of employee remuneration as required under provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and second proviso to Sec 136 of the Companies Act, 2013, are available electronically for inspection without any fee, for a period of 21 days before the Annual General Meeting and shall be made available to any shareholder on request. The shareholders seeking to inspect these documents can write to the Company at csinvestors@creditaccessgrameen.com. None of these employees is a relative of any Director of the Company.

Further, the Independent Directors were eligible for commission aggregating to Rs. 28.78 million for FY2020 based on the Shareholders' approval by way of a special resolution dated November 21, 2018. Apart from the above, none of the directors including the Managing Director & CEO is in receipt of any commission from either the Company or its Holding Company during the year under review.

19. MATERIAL CHANGES AND COMMITMENTS

At the end of March 2020, the lockdown declared in the entire country due to COVID-19 which continued beyond May 2020, had a significant impact on the business environment in the country as well as for the Company. Collections and disbursements of loans were to be halted with immediate effect of lockdown. As per the RBI issued Policy guidelines on Loan Moratorium on March 27, 2020, the Company extended the option of loan Moratorium to all the existing borrowers until May 31, 2020. During this period, the Company also requested for a similar moratorium benefit from the lenders and accordingly many banks have supported by extending moratorium to the company. However, the company has taken decision to honour all the interest payment to the lenders and requested moratorium only for principal repayments with the lenders. The Company also has taken sufficient steps to mitigate any liquidity risks by approaching fresh credit from lenders and is in a better position to manage its liquidity situation. Company was able to raise further funds during these periods and there are sufficient funds in pipeline on account of various policy steps in terms of special window and TLTRO Scheme of RBI.

Further on May 23, 2020, RBI policy enabled to extend the moratorium by another 3 months till August 31, 2020. The Company reviewed its portfolio and based on positive economic developments in the non-urban areas and particularly in its borrowers' segment, decided to extend moratorium only on case to case basis on the request of the borrowers. Similarly, the Company has decided to request the lenders to extend moratorium for its borrowings. Company has reviewed various scenarios and made plans including raising fresh funds to mitigate any liquidity risks in this situation.

20. CORPORATE GOVERNANCE REPORT

Pursuant to the Listing Regulations, a separate section titled 'Corporate Governance' has been included in this Annual Report, along with the Report on 'Management Discussion and Analysis'.

All Board members and Senior Management personnel have affirmed compliance with the code of conduct for FY2020. A declaration to this effect signed by the Managing Director of the Company is included in this Annual Report.

The Managing Director and the Chief Financial Officer have certified to the Board with regard to the financial statements and other matters as specified in the Listing Regulations.

A certificate from the Secretarial Auditor of the Company regarding compliance of conditions of corporate governance is attached as **Annexure - V,** to the Directors' Report.

21. BUSINESS RESPONSIBITLITY REPORT

The Business Responsibility Report for the year under review has been annexed as **Annexure - VI** to the Directors' Report.

22. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has 858 women employees in various cadres as on March 31, 2020. The Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace and an Internal Complaints Committee in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder for reporting and conducting inquiry into the complaints made by the victim on the harassments at the workplace. The functioning of the Committees was carried out as per letter and spirit of the provisions of the Act.

During FY2020, the Company received one complaint of sexual harassment. The matter was referred to Prevention of Sexual Harassment Committee and based on the review and decision of the Committee, the case has been disposed off. There are no complaints pending for redressal as on March 31, 2020.

23. FAIR PRACTICE CODE

The Company has in place a Fair Practice Code (FPC) approved by the Board in compliance with the guidelines issued by RBI, to ensure better service and provide necessary information to customers to take informed decisions. The FPC is available on the website of the Company at www.creditaccessgrameen.com.

The Board also reviews the FPC every year to ensure levels of adequacy and appropriateness.

24. CUSTOMER GRIEVANCE

The Company has a dedicated Customer Grievance Cell for receiving and handling customer complaints/grievances and ensuring that the customers are treated fairly and without any bias at all times. All issues raised by the customers are dealt with courteously and redressed expeditiously.

25. EXTRACT OF ANNUAL RETURN

Pursuant to sub-section (3)(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return as at March 31, 2020 is available at www.creditaccessgrameen.com

26. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

a. Information Relating to Conservation of Energy, Technology Absorption

Sl. No.	Particulars	Remarks
A	**Conservation of energy** (i) the steps taken or impact on conservation of energy; (ii) the steps taken for utilising alternate sources of energy; (iii) the capital investment on energy conservation equipment;	The provisions of Section 134(3) (m) of the Companies Act, 2013 relating to conservation of energy and technology absorption do not apply to the Company. The Company has, however, used information technology extensively in its operations and continuously invests in energy-efficient office equipment at all office locations.
B	**Technology absorption** (i) the efforts made towards technology absorption; (ii) the benefits derived like product improvement, cost reduction, product development or import substitution; (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- a. the details of technology imported; b. the year of import; c. whether the technology been fully absorbed; d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and (iv) the expenditure incurred on Research and Development.	

b. Foreign Exchange Earnings and Outgo

During the year, the foreign exchange outflow was equivalent to Rs 153.04 million towards term loan interest payments and procurement of a software license.

27. DEPOSITS

The Company is a non-deposit taking Non-Banking Financial Company – Micro Finance Institution (NBFC-MFI) and has not accepted any deposit as defined by the Companies Act, 2013.

28. EMPLOYEE STOCK OPTION PLAN (ESOP)

During FY2020, the clause pertaining to treatment of options in case of cessation of the option holder was amended. Apart from the said modification, there has been no other change in the GKFSPL Employee Stock Option Plan - 2011 (the 'ESOP scheme') of the Company. The ESOP Scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (the 'SBEB Regulations').

Disclosures pertaining to the ESOP scheme pursuant to the SBEB Regulations are placed on the Company's website www.creditaccessgrameen.com/investor-relations/general-meetings/agm-egm/. Grant wise details of options vested, exercised and cancelled are provided in the notes to the standalone financial statements.

The Company has not provided any financial assistance to its employees for purchase or subscription of shares in the Company or in its holding company.

The Company has not issued any sweat equity shares or equity shares with differential rights during the year.

29. OTHER DISCLOSURES

a. During the year under review, the Company has not allotted any equity shares with differential voting rights.

b. No frauds were reported by the auditors under sub-section(12) of section 143 of the Companies Act, 2013.

c. The Company has complied with applicable Secretarial Standards for Board and General Meetings held during the year under review.

d. The Company has not revised Financial Statements as mentioned under Section 131 of the Companies Act, 2013.

30. DIRECTORS' RESPONSIBILITY STATEMENT

In pursuance of Section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the profit and loss of the Company for that year;

c. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the directors have prepared the annual accounts on a going concern basis;

e. the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

31. ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation and sincerely acknowledge the contribution and support from shareholders, customers, debenture holders, debenture trustees, Central and State Governments, Bankers, Reserve Bank of India, Registrar of Companies, Securities and Exchange Board of India, Insurance Regulatory and Development Authority of India, BSE Limited, National Stock Exchange of India Limited, Registrar & Share Transfer Agents, Credit Rating Agencies and other Statutory and Regulatory Authorities for the kind cooperation and assistance provided to the Company. The Directors also extend their special appreciation to the employees for their continuing support and unstinting efforts in ensuring an excellent all-round operational performance and also for their continued commitment, dedication and cooperation.

For and on behalf of the Board of Directors

Place: Bengaluru
Date: June 16, 2020

Paolo Brichetti
Chairman
DIN: 01908040

ANNEXURE I

DECLARATION REGARDING RECEIPT OF CERTIFICATE OF INDEPENDENCE FROM ALL INDEPENDENT DIRECTORS

I hereby confirm that the Company has received from all the Independent Directors namely Mr. Anal Kumar Jain, Mr. Prabha Raveendranathan, Mr. George Joseph, Mr. Manoj Kumar and Ms. Sucharita Mukherjee, a certificate stating their independence as required under Section 149 (6) of the Companies Act, 2013.

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

ANNEXURE II

FORM MR-3
SECRETARIAL AUDIT REPORT

For the financial year ended 31st March 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
CREDITACCESS GRAMEEN LIMITED,
(CIN U51216KA1991PLC053425),
New No.49 (Old No.725), 46th Cross, 8th Block,
Jayanagar (Next to Rajalakshmi Kalyana Mantap),
Bangalore – 560071.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CREDITACCESS GRAMEEN LIMITED ("Company").** Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2020 **("Audit Period"),** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for Audit Period, according to the provisions of:

i. The Companies Act, 2013 and the rules made thereunder **("Act");**

ii. The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;

iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder **("FEMA")** to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 **("SEBI Act")** to the extent applicable to the Company:
   a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015;
   b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - **Not Applicable during the audit period;**
   c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not Applicable during the audit period;**

g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not Applicable during the audit period;**

i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable during the audit period;** and

vi. Other laws informed by the management of the Company as applicable to the Company and enclosed as **Annexure-1** hereto.

Further, I have also examined compliance with the applicable clauses of the following:

a. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

b. The Listing Agreements entered by the Company with National Stock Exchange of India Limited and Bombay Stock Exchange Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 .

I further report that during the Audit period, the Company has complied with the provisions of the Act, rules, secretarial standards except for very few instances where the Company has filed forms beyond the due date, with additional fees.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance (and by complying with prescribed procedure where the meetings are called with less than seven days' notice), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at the Board Meetings and Committee Meetings are carried out unanimously, as recorded in the minutes.
- The Compliance of applicable financial laws, like direct and indirect tax laws, have not been reviewed in this Audit since the same have been subject to review by the statutory financial audit and other designated professionals.

I further report that:

- there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- the Company during the Audit period did not have any material unlisted subsidiaries incorporated in India and therefore there is no requirement to undertake Secretarial Audit.

Place: Bengaluru
Date: May 29, 2020

C. Dwarakanath
Company Secretary in Practice
FCS No: 7723; CP No: 4847

Note: This report is to be read with my letter of even date which is annexed as **Annexure-2** hereto and forms an integral part of this report.

ANNEXURE-1

LIST OF OTHER LAWS APPLICABLE

A. Corporate laws

1. The Depositories Act, 1996 and regulation and bye-laws thereunder

B. Labour laws

1. Shops & Commercial Establishments Act of applicable states;
2. Child Labour (Prohibition and Regulation) Act, 1986;
3. Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
4. The Contract Labour (Regulation and Abolition) Act, 1970;
5. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952;
6. The Employees' State Insurance Act, 1948;
7. The Employees Compensation Act, 1923;
8. The Equal Remuneration Act, 1976;
9. The Industrial Disputes Act, 1947;
10. The Industrial Employment (Standing Orders) Act, 1946;
11. The Maternity Benefit Act, 1961;
12. The Minimum Wages Act, 1948;
13. The Payment of Bonus Act, 1965;
14. The Payment of Gratuity Act, 1972;
15. The Payment of Wages Act, 1936; and
16. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959.

C. Taxation laws

1. The Income Tax Act, 1961;
2. The Customs Act, 1961;
3. The Tax on Professions, Trades, Callings and Employment Acts of applicable states; and
4. Goods & Service Tax Act, 2017

D. Intellectual property laws

1. The Patents Act, 1970; and
2. The Trade Marks Act, 1999

F. Laws & policies applicable to Non-Banking Finance Company (NBFC)

1. Reserve Bank of India Act, 1934
2. Foreign Trade Policy 2015-2020;
3. Service Export from India Scheme;
4. Master Directors and Circulars issued by Reserve Bank of India with respect to NBFC from time to time to the extent applicable.

G. Miscellaneous laws

1. The Prevention of Money Laundering Act, 2002;
2. The Competition Act, 2002

Place: Bengaluru
Date: May 29, 2020

C. Dwarakanath
Company Secretary in Practice
FCS No: 7723; CP No: 4847

ANNEXURE-2

To
The Members,
CREDITACCESS GRAMEEN LIMITED,
(CIN U51216KA1991PLC053425),
New No.49 (Old No.725), 46th Cross, 8th Block,
Jayanagar (Next to Rajalakshmi Kalyana Mantap),
Bangalore – 560071.

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on the audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on random test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards etc is the responsibility of the management of the Company. My examination was limited to the verification of procedures on random test basis.

5. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

6. The list of laws applicable to the Company enclosed as Annexure-1 to the Secretarial Audit Report is as confirmed by the management of the Company. The Secretarial Audit Report is neither an assurance nor a confirmation that the list is exhaustive.

7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Bengaluru
Date: May 29, 2020

C. Dwarakanath
Company Secretary in Practice
FCS No: 7723; CP No: 4847

ANNEXURE III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. BRIEF OUTLINE OF THE COMPANY'S CSR POLICY

The Company has chosen Navya Disha Trust to implement its CSR activities. Navya Disha Trust is registered as a non-profit organisation having a tax exemption status under 80G & 12A of Income Tax department. Since 2007, Navya Disha has been successfully been working with the Company in implementing various non-financial activities in the areas of healthcare, special education for children, water, sanitation, indoor air pollution, financial literacy training for women, entrepreneurship, vocational training for rural youth etc., across operational areas of the Company. Navya Disha has raised grants from various national and international donor agencies apart from receiving financial contributions from the Company. Apart from assigning activities to Navya Disha Trust, Company undertook various CSR activities towards communities.

The CSR Policy of the Company as approved and adopted by the Board is available on the website of the Company at www.creditaccessgrameen.com

2. THE COMPOSITION OF THE CSR COMMITTEE

Name	Designation	Position in the Committee
Mr Prabha Raveendranathan	Independent Director	Chairman
Mr Anal Kumar Jain	Independent Director	Member
Mr. Manoj Kumar	Additional Director & Independent Director	Member
Mr Massimo Vita	Nominee Director	Member
Mr Udaya Kumar Hebbar	Managing Director & CEO	Member

3. AVERAGE NET PROFIT OF THE COMPANY FOR THE LAST THREE FINANCIAL YEARS

Rs. 2,690.52 million

4. PRESCRIBED CSR EXPENDITURE (2% OF THE ABOVE)

Approved Budget for the FY2020 - **Rs. 53.81 million**

5. DETAILS OF CSR SPEND FOR THE FINANCIAL YEAR

a. Total amount spent by Navya Disha (implementation agency) for the FY2020 - **Rs. 52.55 million**

b. Amount unspent by Navya Disha - **Rs. 1.26 million**

c. Manner in which the amount spent:

S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs- Specify the state/Union Territory where the project/ Program was undertaken	Projects or programmes-specify the district where projects or programmes where undertaken	Amount outlay (Budget) Project or Programs (in Rs.)	Amount spent on the projects or programs (in Rs.)	Expenditure on Administrative overheads	Cumulative expenditure up to the reporting period
1	WASH	Safe Water, Sanitation, Hygiene	Karnataka, Maharashtra, Tamil Nadu, Madhya Pradesh	Tumkur, Davanagere, Chitradurga, Hassan, Dharwad, Gadag, Belgaum, Yadgir, Gulbarga, Bidar, Bijapur, Raichur, UttaraKannada, Chikkaballapur, Kolar, Mandya, Chamarajanagar, Mysore, Ramanagara, Seoni, Balaghat, Mandla, Dhar, Barwani, WestNimar, Shajapur, Sehore, Dewas, Harda, East Nimar, Neemuch, Mandsaur, Ratlam, Ujjain, Jhabua, Rajgarh, Jabalpur, Katni, Dindori, Umaria, Panna, Damoh, Shahdol, Anuppur, Satna, Aurangabad, Buldhana, Ahmednagar, Washim, Dhule, Jalgaon, Nashik, Solapur, Pune, Nagpur, Yavatmal, Amravati, Bhandara, Gadchiroli, Wardha, Tiruppur, Erode, Salem, Perambalur, Ariyalur, Tiruchirappalli, Cuddalore, Coimbatore, Viluppuram, Tiruvannamalai, Dharmapuri, Krishnagiri	30.70	29.40	0.00	29.40
2	Sushikshana	Children's education	Karnataka, Maharashtra, Tamil Nadu, Madhya Pradesh		5.06	4.08	0.00	4.08
3	Sugrama	Education, Health, Environment	Karnataka	Belgaum, Tumkur	3.00	3.57	0.00	3.57
4	New Initiatives	Health, Financial Literacy, Sanitation	Karnataka	Tumkur	1.45	0.73	0.00	0.73
5	Flood Relief	Support during flood relief	Odisha, Karnataka, Maharashtra, Tamil Nadu, Madhya Pradesh	East Nimar, Kolhapur, Sangli, Chikkamagalore, Hassan, Mysore, Kodagu, Chamarajanagar	3.62	4.12	0.00	4.12
6	Children Education	Education support for slum children	Karnataka	Bangalore	0.10	0.10	0.00	0.10
Administrative Expenses					9.36	0.00	10.07	10.07
Capital Expenditure					0.52	0.00	0.47	0.47
Total					**53.81**	**42.01**	**10.54**	**52.55**

Most of the CSR amount was spent through Navya Disha Trust, implementing agency.

6. REASONS FOR NOT SPENDING THE PRESCRIBED 2 PERCENT AMOUNT: DUE TO COVID-19, A FEW ACTIVITIES HAVE BEEN DEFERRED AND WILL BE EXECUTED DURING FY 20-21

DECLARATION

The implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

R Prabha
Chairman, CSR Committee
DIN: 01828812

ANNEXURE IV

Statement of Disclosure of Remuneration under Section 197 (12) of Companies Act, 2013 read with Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

I. The ratio of remuneration of Managing Director & CEO to the median remuneration of the employees of the Company for the FY2020: 65.20 times

ii. The ratio of remuneration of Director – Finance & CFO to the median remuneration of the employees of the Company for the FY2020: 42.30 times

iii. The percentage of increase in remuneration of Managing Director, Chief Financial Officer and Company Secretary during the Fy2020:

(Rs. in million)

Sl. No.	Name of Director/KMP	Designation	Gross Salary including performance bonus during FY2020	Perquisites on account ESOP exercise	% increase in Remuneration during FY2020
1	Mr Udaya Kumar Hebbar	Managing Director & CEO	19.71	51.40	20%
2	Mr B. R. Diwakar	Director – Finance & CFO	13.01	24.82	20%
3	Mr Syam Kumar R.	Company Secretary & Compliance Officer	3.53	0	12%
4	Mr. M. J. Mahadev Prakash	Head – Compliance, Legal & CS	1.29	0	NA

*Mr. Syam Kumar R., resigned as Company Secretary and Compliance Officer w.e.f. January 22, 2020 and Mr. M. J. Mahadev Prakash, was appointed as Head-Compliance, Legal & Company Secretary.

iv. **The percentage increase in the median remuneration of the employees in the FY2020:** There has been an increase of 13.27% in the median remuneration of the employees of the Company in FY2020 as compared to FY2019.

v. **The number of permanent employees on the rolls of the Company as on March 31, 2020:** There were 10824 permanent employees on the rolls of the Company.

vi. **Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average increase in the remuneration of employees other than KMPs during FY2020 was 14.27%, and the average increase in the remuneration of KMPs was 17.33%.

Justification for Increase: The increase is in line with industry standards and salary benchmarking exercise with the external marker, and the Company's performance.

vii. **Affirmation:** It is hereby affirmed that the remuneration paid to KMPs and other employees is as per the approvals by the Nomination and Remuneration Committee of the Company.

ANNEXURE V

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L51216KA1991PLC053425
2	Name of the Company	CreditAccess Grameen Limited
3	Registered address	New No. 49 (Old No725), 46th Cross, 8th Block, Jayanagar, (Next to Rajalakshmi Kalayana Mantap) Bengaluru KA-560071
4	Website	www.creditaccessgrameen.com
5	E-mail id	info@creditaccessgrameen.com
6	Financial Year reported	2019-20
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Financial Services (Microfinance)
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Microfinance Services i.e., providing loans for income generation activities to economically weaker sections.
9	Total number of locations where business activity is undertaken by the Company	
	i. Number of International Locations (Provide details of major 5)	Nil
	ii. Number of National Locations	Branches: 929 Registered Office: 01 Regional / Divisional Offices: 14
10	Markets served by the Company – Local/ State/ National/ International	National

SECTION B: FINANCIAL DETAILS OF THE COMPANY (STANDALONE)

1	Paid up Capital (Rs in million)	1,439.85
2	Total Turnover (Rs in million)	16,834.86
3	Total profit after taxes (Rs in million)	3,275.03
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.65%
5	List of activities in which expenditure in 4 above has been incurred	Refer Report on CSR activities forming part of Directors' Report

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Yes
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a.	Details of the Director/Director responsible for implementation of the BR policy/policies	
	DIN Number Name Designation	07235226 Udaya Kumar Hebbar Managing Director and CEO
b.	Details of the BR head	
	DIN Number Name Designation Telephone number E-mail id	07235226 Udaya Kumar Hebbar Managing Director and CEO +91.80.22637300 udaya@grameenkoota.org

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle.
P3	Businesses should promote the wellbeing of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
P5	Businesses should respect and promote human rights.
P6	Business should respect, protect, and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sl. No.	Questions	Business Ethics P 1	Product Responsibility P 2	Wellbeing of employees P 3	Stakeholders engagement P 4	Human rights P 5	Environment P 6	Public Policy P 7	CSR P 8	Customer Relations P 9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y	Y	Y	Y	N	N	N	Y	Y
	The spirit and intent of the Company's Code of Conduct, Fair Practices Code and other Codes/Policies are prepared in compliance with applicable laws /rules /guidelines. In addition, they reflect the vision and mission of the Company of providing financial services to the economically weaker sections that create a commercially viable and socially relevant microfinance model that delivers high value to our customers.									
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online	www.creditaccessgrameen.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have an in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have grievance redressal mechanisms related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Governance related to BR

1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	Quarterly
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	No. There is no separate BR or a Sustainability Report. However, the Business Plan constitutes the Company's Sustainability Report which is reflected in the Quarterly / Annual Report of the Company. It is available at www.creditaccessgrameen.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs / Others?	Yes
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	Please refer to Report on Social Performance Management for details.

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	Microfinance Services i.e. providing loans for Income Generation activities to economically weaker section.
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): i. Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain? ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not applicable
3	Does the company have procedures in place for sustainable sourcing (including transportation)? i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so	Not applicable

4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps were taken to improve their capacity and capability of local and small vendors?	Yes.
5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.	Yes, wherever possible.

Principle 3 - Businesses should promote the well-being of all employees

1	Please indicate the Total number of employees	10,788
2	Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.	NIL
3	Please indicate the Number of permanent women employees	850
4	Please indicate the Number of permanent employees with disabilities.	1
5	Do you have an employee association that is recognised by management?	NO
6	What percentage of your permanent employees is members of this recognised employee association?	NA
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year - 01	
8	What percentage of your undermentioned employees were given safety and skills upgradation training in the last year? - Permanent Employees - Permanent Women Employees - Casual/Temporary/Contractual Employees - Employees with Disabilities	All permanent employees

S. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child Labour/ forced labour/ involuntary labour	--	--
2	Sexual harassment	01	Nil
3	Discriminatory employment	--	--

Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1	Has the company mapped its internal and external stakeholders? Yes/ No	Yes
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders	Yes
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.	The Company is engaged in providing financial services to low income households in rural India for their lifecycle needs. In addition, the Company conducts social awareness initiatives and Programmes to educate the customers.

Principle 5 - Businesses should respect and promote human rights

1	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	The Company's policy on Codes of Conduct apply to staff, borrowers and vendors.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Please refer to Report on Social Performance Management for details.

Principle 6 - Business should respect, protect, and make efforts to restore the environment

1	Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.	Not applicable
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Not applicable
3	Does the company identify and assess potential environmental risks? Y/N	Not applicable
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	Not applicable
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Not applicable
6	Are the Emissions/ Waste generated by the company within the permissible limits given by CPCB/ SPCB for the financial year being reported?	Not applicable
7	Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as at the end of Financial Year.	Not applicable

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	The Company is a member of the following associations: 1. Microfinance Institutions Network (MFIN) 2. Sa-Dhan 3. Association of Karnataka Microfinance Institutions 4. Federation of Karnataka Chamber of Commerce and Industry
2	Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	MFIN and Sa-Dhan carry out MFI industry advocacy and are part of policy making related to MFI Industry.

Principle 8 - Businesses should support inclusive growth and equitable development

1	Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.	The Company supports low-income households in rural areas to undertake economic activities through financial support. The company provides employment opportunity to the freshers from rural areas and family members of our customers.
2	Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organisation?	All CSR activities implemented in collaboration with Navya Disha, an NGO.
3	Have you done any impact assessment of your initiative?	Yes
4	What is your company's direct contribution to community development projects- Amount in Rs. and the details of the projects undertaken.	Please refer to Report on CSR Activities for details.
5	Have you taken steps to ensure that this community development initiative is successfully adopted? Please explain in 50 words, or so	Please refer to Report on CSR Activities for details.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

1	What percentage of customer complaints/ consumer cases are pending as at the end of financial year.	Please refer to Report on Social Performance for details.
2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)	Yes. As per Fair Practices code, the Company is required to display interest being charged and other practices being adopted by the Company in lending loans to its Borrowers.
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so	During FY17, public interest litigation has been filed against State of Maharashtra & Others (six MFIs, including the Company) before the Hon'ble High Court at Bombay, alleging certain unfair trade practices followed by MFIs such as charging excessive rate of interest and adopting coercive recovery practice against the customers. The case is still pending before the Hon'ble High Court. The Company has been following the best client protection principles and conducting its business activities in compliance with the applicable regulations. The Company is not involved in any of the alleged unfair trade practices and has submitted its response to the Court.
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes. This is done periodically

For and on behalf of the Board of Directors

Place: Bengaluru
Date: June 16, 2020

Paolo Brichetti
Chairman
DIN: 01908040

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures for the year ended March 31, 2020

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details	Details
1.	Name of the subsidiary	Madura Micro Finance Limited	Madura Micro Education Private Ltd
2.	Date since when subsidiary was acquired/ incorporated	18-03-2020	31-03-2016
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA
5.	Share capital	7,19,48,000	1,49,00,00
6.	Reserves & surplus	3,86,03,16,000	(3,63,88,950)
7.	Total assets	21,63,05,17,000	13,92,905
8.	Total Liabilities	21,63,05,17,000	13,92,905
9.	Investments	75,42,25,000	Nil
10.	Turnover	4,38,75,91,000	83,53,628
11.	Profit before taxation	95,14,60,000	21,81,870
12.	Provision for taxation	28,85,47,000	Nil
13.	Profit after taxation	71,26,94,000	21,52,182
14.	Proposed Dividend	NIL	NIL
15.	% of shareholding	76.08%	100%

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: NA

Date: June 16, 2020

Udaya Kumar Hebbar
Managing Director & CEO

CORPORATE SOCIAL RESPONSIBILITY REPORT

CORPORATE SOCIAL RESPONSIBILITY REPORT - FY19-20

INTRODUCTION

At CreditAccess Grameen Limited (CAGL), we have always aligned business priorities with 'Social Commitments', targeting need-based interventions for community welfare in select states of our operating geographies.

The Corporate Social Responsibility (CSR) interventions are focused on enhancing quality of life of the communities that are located in the vicinity of business location by way of creating awareness and providing support.

CSR FRAMEWORK

Our CSR programme is based on the following framework:

a. Creating need-based understanding of selected topics in the area of Water, Sanitation, Hygiene, Health and Financial Literacy
b. Community focused participatory planning for identified programs
c. Monitoring of projects on regular basis
d. Evaluation and social audit

CSR EXECUTION FOR FY 19-20

CSR programs which have been conducted in the FY 2019-20 have been monitored and executed by way of donation and support. Two different approaches have been adopted by the organization. They are,

A. Activities implemented by partnering with Navya Disha (CSR executing partner)
B. Activities directly implemented by the CAGL team

A. CSR activities implemented by partnering with Navya Disha

CSR programs are implemented jointly by Navya Disha (ND) and CAGL staff at selected branches. In FY 2019-20, a total of 220 branches were selected across Karnataka, Maharashtra, Tamil Nadu and Madhya Pradesh for implementing CSR programs. These 220 branches were selected based on two parameters. They are ODF (Open Defecation Free) percentage and poverty index of the location. We have conducted **19,619** activities under three main programs reaching **808,971** (customers and non-customers) beneficiaries,

CSR programs are as below,

1. WASH (Water, Sanitation, Hygiene)
2. Sushikshana - Children education program
3. Sugrama - Community development program
4. New Initiatives

Details of activities implemented by partnering with ND:

1. WASH

To promote hygienic environment through the prevention of open defecation, to reduce the incidence of water and soil borne diseases and to create awareness about safe drinking water are the primary objectives. Various innovative ways are used to reach out to customers and people in villages, right from village level up to district level on ill effects of open defecation which pollutes soil, water and air. Given below are the detailed activities conducted in FY 2019-20;

Activities	Description	Outreach
Area Level Workshop	• Educating and creating awareness for staff on WASH programs (Importance of access to safe and clean drinking water) • Educating CAGL loan officers on various training programs and awareness programs which will be implemented in their branch	50 workshops were conducted by reaching 2,322 employees
Sensitization of Kendra Women	• Awareness on WASH during Kendra meeting to equip and educate customers • The orientation is provided at the end of the Kendra meeting, covering aspects such as safe drinking water, good sanitation practices and benefits of a hygienic life	6,745 focused group meetings were conducted by reaching 83,971 customers
Village Level Training	• A group of 100-150 customers from a few villages are gathered and addressed on the importance of WASH and other various hygiene issues • The activity includes mock triggering, Q&A sessions, videos on the harmful effect of open defecation and display of flowcharts	2,209 trainings were conducted by reaching 94,716 customers
Wall Painting	• A pictorial depiction is to ensure that the correct information on constructing toilets, usage and maintenance is provided as painting • This information ensures that customers and their relatives are not misguided by local masons • Public spaces such as walls of panchayat schools, offices or other prominent places were chosen for these pictorial displays	440 wall paintings have been painted around the community during the financial year
Street Plays	• Street theatre is a form of folk-art play which is an effective way of reaching rural communities in a touchy and entertaining manner on WASH	2,640 street plays were conducted by reaching around 229,167 people
Social Awareness Campaigns (SAC)	• A formal program conducted at the branch headquarters (Taluk/District level) for customers • Customers are provided an opportunity to interact with Govt. officials who will be invited as guest mainly to solve any issues • The activity includes mock triggering, Q&A sessions videos and interaction with local government body officials	220 campaigns were conducted by reaching 59,234 customers

2. Susikshana -Learning that empowers

Government and Aided schools in select villages are approached and children who are studying in 8th, 9th and 10th standard were provided with guidance on overall personality development. The activities include team games, flow charts and live demos. Activities conducted have been listed in the below table,

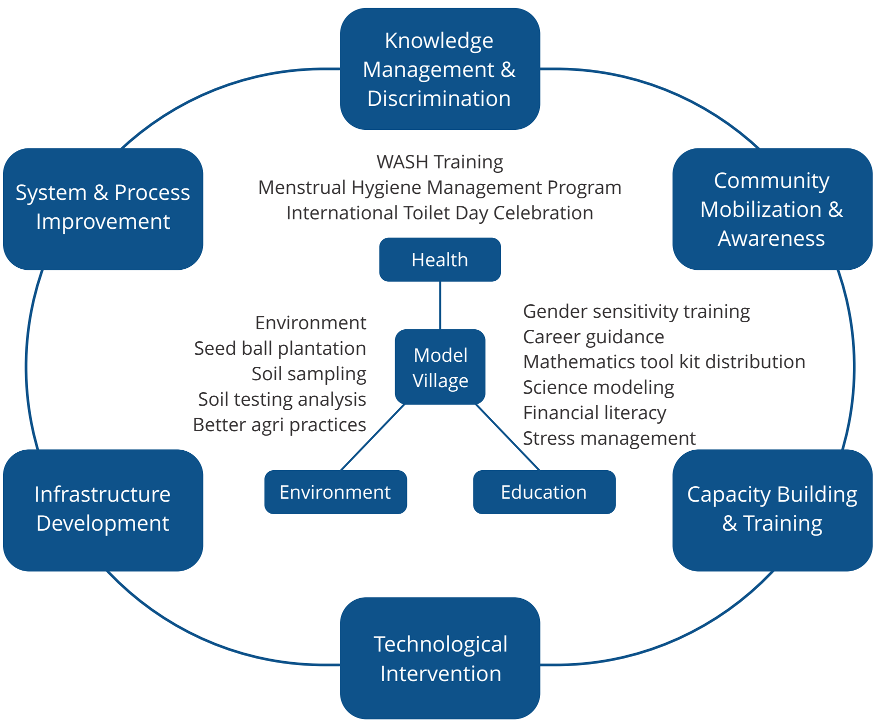
Activities	Description	Outreach
WASH training for 8th standard students	• Demos on the correct way of washing hands • Session on the importance of using toilets • Session on effective usage of water • Information through display of videos	2,260 sessions were conducted for 106,422 students
Financial literacy for 9th standard students	• Practical exposure to students through a finance management game called 'Play Paisa' • Objective of this game is to educate students on - Basics of saving - How to make your money grow - Building an emergency fund - Saving in a wise manner	2,116 sessions were conducted for 108,326 students
Career guidance for 10th standard students	• Self-Introspection session • Information on various higher education options available for students after 10th standard and PUC (12th standard) • Presentations on family values and responsibility • Pictorial booklet on well – known personalities who have been recognized for their achievements	2,074 sessions were conducted for 104,338 students

3. Sugrama

Sugrama is a village adoption program aimed at improving the lives of rural communities through sustainable integrated community development activities. Themes such as sanitation, preventive health, water management and infrastructure in partnership with community (Local government and NGO) has been the primary focus.

The program is implemented by adopting two-gram panchayats covering 26 villages. The details of gram panchayats are provided below:

- Hosa Vantamuri in Belagavi district (10 Villages)
- Urdigere in Tumkur district (16 Villages)



Picture source: Rural community development model for model village

Sugrama activities have been implemented in two different approaches

a. **Regular Sugrama activities:** Activities which have been planned for a duration of 3 years (FY 18-19 to FY 20-21) and being executed on yearly basis
b. **Sandbox activities:** Activities which are executed as a pilot in these villages. These activities will be tested, and then successful activities will be planned as a full-scale program across the geographies where CSR is being implemented

a. Regular activities of Sugrama

i) Personal Hygiene

The objective of the program is to create consciousness among the women and children on Menstrual Hygiene Management (MHM). This training was attended by women, adolescent girls, Anganavadi teachers and ASHA workers

ii) Tree Planting

On the International Environment day trees public and school children were provided awareness on importance of saving trees. Also, tree saplings were planted in an identified location

iii) Sanitation

- **International Toilet Day**
  International toilet day was celebrated along with community. How good health by way of sanitation has been made possible through community-level participation was explained to participants and encouraged to conduct such events
- **Training on WASH**
  Training was provided to school students on importance of Safe water, Sanitation and Hygiene. Sessions using flip chart display, live hand wash demo, video display on importance of constructing toilets, pictorial display of various issues and ill effects of open defecation was conducted
- **Sanitation Competition among children**
  Sanitation competition conducted for students from 5th standard to 10th standard in government schools to create awareness on WASH among the children

iv) Self-management

- **Stress Management**
  The stress management training camp was conducted for 10th standard students in government high schools. This 3-day camp was organized mainly to prepare 10th standard students on how to face the exam. The session was designed by using various approaches and tools such as group study, aims and decision concept, learning skills, stress management, time management, exam preparation and critical thinking
- **Training on Financial Literacy for 9th standard students**
  Practical exposure to Sugrama students through a financial management game called 'Play-Paisa'. Objective of this game is to educate students on basics of saving, making your money grow, building an emergency fund and saving in a wise manner
- **Carrier Guidance training**
  This activity provides 10th standard students with appropriate guidance and direction to pursue higher studies by making the right career decisions. The sessions include information on career options and the medium of information is via videos and pictorial booklet
- **Science Demos**
  To support 10th standard students to learn science easily by instructing innovative method of teaching
- **Gender Sensitivity**
  To create awareness among young adult about basic issues of gender sensitivity and mutual respect. This includes role plays, videos display, group discussion and Q&A sessions
- **Teacher training on Math's made Easy (Vikalp)**
  The purpose of the activities is to assess the teacher knowledge to teach children on the creative teaching techniques on math's made easy

The Sugrama regular activity outreach is provided below,

Program	Activities	Events	Participants
Personal hygiene	Training on MHM to Women	25	732
	Training on MHM to Adolescent high school girls	5	128
	Training on MHM to school students	165	6,195
	Training on MHM to Anganavadi teachers Training	3	164
	Training on MHM to ASHA workers	5	101
Tree planting	International Environment Day	3	1,116
Sanitation	International Toilet Day	2	614
	Training on WASH	30	1,462
	Sanitation Competition for children	4	480
Self-Management	Stress Management	5	208
	Training on Financial Literacy	4	205
	Carrier Guidance training	4	175
	Science Demos	3	252
	Gender Sensitivity	4	100
	Teacher training on Math's made Easy	1	10

b. Sandbox activities

Sandbox activities are planned for the tenure of 3-year. Based on the success of these activities, it will be considered for expansion to a larger scale. Activities planned under sandbox are as follows,

i) Sanitation Program

The objective of this activity is to improve the knowledge and acceptance of sanitation among men and students and also to increase the usage and maintenance of toilet

ii) Self-Management

- **Science Made Easy**
  To support 10th standard students to learn science easily by introducing innovative method of teaching
- **International Women's Day**
  To create awareness to the society on violence against women and importance of role of women in the society

iii) Climate Smart Agriculture

Climate-Smart Agriculture was approached to help the people to manage agricultural systems to respond effectively to climate change. There are 5 activities under Climate Smart Agriculture in FY 2019-20

- Training program on climate smart agriculture for farmers
- Exposure visit was organized to the place where climate smart agriculture is being practiced
- Demonstration on climate smart agriculture
- Entrepreneurial eco system development and farmer group formation

iv) Save Water

To create awareness among students and people on importance of water and using minimal water in day today life. Rainwater harvesting (Roof and Surface) program was conducted in the village of Hosa Vantamuri Gram panchayat

The sandbox activities outreach is provided below,

Program	Activities	Events	Participants
Sanitation	Use and maintenance of toilet for men	10	247
	Basics of personal hygiene for students	35	1,390
	Basics of personal hygiene for people	25	643
Self-Management	Science Made Easy'- Supporting Schools to learn science easily	6	1,369
	International Women's Day - Observation	2	1,163
Climate Smart Agriculture	Trainings	10	287
	Exposure Visits	4	178
	Demonstrations	10	456
	Enterprises	3	35
	Farmers group Formation	5	36
Safe Water	Training for students	12	521
	Trainings for people	15	479
	Roof water harvesting in village of Hosa Vantamuri GP	3	3

4. New Initiatives undertaken in the FY 2019-20

a. Health Awareness Campaign (HAC)

HAC program was conducted at Tumkur-02 branch of Karnataka covering 190 Kendras. Kendras were grouped into 12 different clusters with each cluster consisting of 15-20 Kendras. A comprehensive health package inclusive of general health check-up, oral cancer and breast cancer check-up was provided to CAGL customers in these Kendras. 1,978 customers attended the campaign.

Campaign was conducted by Narayana Health Care group and Niramai. Narayana Health Care group conducted general health check which included hypertension, diabetes, anemia, body mass index and oral cancer. Oral cancer suspect cases were advised to visit nearest doctor.

90% of overall participants agreed to undergo breast cancer screening. Breast cancer screening support was provided by Niramai team. Risk assessment was done by way of basic profiling of the customer mainly to classify the chances of customers getting exposed to cancer. Customers who were recognized with high and medium risk underwent scanning using artificial intelligence technology. Suspected customers were suggested to visit the nearest doctor and suitable guidance was provided.

b. Plant distribution

As part of go green concept CAGL customers and public were educated on afforestation, reforestation and its importance. Also, at the end of the event CAGL distributed plant saplings. This activity was conducted in SAC and Sugrama programs. The respective forest departments of each states and other local nurseries provided their support by way of providing free sapling for distribution. A total of 49,765 saplings were distributed across 220 branches in each of these events.

c. CSR activities directly implemented by the CAGL team

CAGL has taken additional initiatives as part of CSR activities to empower and educate the underprivileged slum children by donating monitory support to an NGO named 'Family Development Services'. Also, it has extended huge amount of support towards flood effected states of Odisha, Madhya Pradesh, Maharashtra and Karnataka. Details of the activities are as follows,

i) **Donation towards underprivileged slum children**

CAGL provided donation of Rs. 100,000 to an NGO 'Family Development Services' towards 'Building Blocks Program'. The donation was provided in reference to the event that was planned for fund raising to help the cause. The event was held at Bhartiya Vidya Bhavan, Racecourse Road, Bangalore on Sep 8, 2019. Around 200 people attended the event. Eminent singer from Kannada film fraternity Mr. Shine Shetty (Singer and Actor) and a few other artists participated in the event.

ii) **Flood Relief Support**

In FY 2019-20, due to infrequent rainfall in the monsoon season many states of India suffered severe flood situation. Floods caused a lot of trouble by raising challenges to people even to avail basic food and livelihood for day to day life. CAGL has donated over Rs. 47 lakhs by various approaches to customer and general public in Odisha, Madhya Pradesh, Maharashtra and Karnataka.

To support our customers and other people who had been affected by the flood situation in the above-mentioned affected states, monitory support was extend. Also, immediate support in the form of food, clothing, drinking water, groceries, temporary roofing materials were provided at several areas of

- Khalwa in Madhya Pradesh
- Kolhapur, Hatkanangale and Sangli in Maharashtra
- Ponnapete, Virjapet, Kushalnagar, Piriyapattana, Nanjangudu, Ballehonniga, Mudigere, Kollegala in Karnataka

The details of the flood relief support are mentioned in the below table.

Type	State	Districts covered	Details
Donation	Odisha		Flood Relief fund to Government of Odisha
Flood Relief	Madhya Pradesh	East Nimar	60 flood impacted families supported
Flood Relief	Maharashtra	Kolhapur, Sangli	1,029 flood impacted families provided with grocery items, blankets and roofing material Over 5,000 people distributed with water bottles and biscuit packets at relief camps
Flood Relief	Karnataka	Chikkamagalore, Hassan, Mysore, Kodagu, Chamarajanagar	5,358 flood impacted families distributed with food items (biscuits, water bottles, glucose, groceries) and clothes

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS – FY 19-20

I. MICROFINANCE INDUSTRY: A BROAD PERSPECTIVE

A. Industry Overview: (Data as of March 31, 2020)

The Indian microfinance industry consists of Non-Banking Financial Companies - Micro Finance Institutions (NBFC-MFIs) (members of 'Microfinance Institutions Network' - MFIN) and other lenders under the category of Banks, Small Finance Banks (SFBs), NBFCs and non-profit MFIs. As of March 31, 2020, the industry's total gross loan portfolio (i.e. loan amount outstanding) was Rs 2,317,880 million. The NBFC-MFI segment accounted for 31.8% of the microfinance lending, with Banks at 39.8%, SFBs at 17.5%, NBFCs at 9.8% and others at 1.1%. The industry consisted of 170 lending institutions – 84 NBFC-MFIs, 12 Banks, 8 SFBs, 45 NBFCs and 21 others.

The NBFC-MFI segment is governed by two self-regulatory organisations (MFIN and Sa-Dhan). MFIN and Sa-Dhan along with FIDC (Finance Industry Development Council) introduced the 'Code for Responsible Lending' (CRL) for the microfinance industry in September 2019. The CRL is entity-agnostic code which allows maximum three lenders to lend to a single borrower and with total lending threshold of Rs 1 lakh per borrower (subsequently revised to Rs 1.25 lakh by RBI). CRL a step in the right direction as it will bring better discipline, increased compliance and transparency, and create level playing field for all lending entities, while safeguarding the interests of low-income borrowers.

B. NBFC- MFI

As of March 31, 2020, NBFC-MFI segment served 32 million customers. The customer base increased by 1.6% over the previous financial year. Gross Loan Portfolio (GLP) of NBFC-MFI segment was Rs 743,710 million, an increase of 9.0% from the previous year. The data shows a lower growth primarily because of the merger of the former largest NBFC-MFI, BFIL (Bharat Financial Inclusion Ltd), with IndusInd Bank during Q1 FY20. The NBFC-MFI segment has 14,275 branches across the country, which provided employment to 116,738 persons. Customers received disbursements of Rs 770,720 million through 27.8 million loans representing a fall of 7.1% over the previous year.

According to MFIN, NBFC-MFI segment has 54 companies, registered with the RBI, operating in this space. These companies have been classified as Large, Medium and Small based on their individual GLP. Companies having GLP more than Rs 5,000 million are classified as Large entities. Companies having GLP between Rs 1,000 million to Rs 5,000 million are classified as Medium entities and companies having GLP less than Rs 1,000 million are classified as Small entities. As per the classification, there are 22 Large, 20 Medium and 12 Small entities. Large entities account for 89.5% of the NBFC-MFI segment GLP.

A profile of NBFC-MFIs is given below:

- Top Ten Large MFIs GLP contribute to 71% of NBFC-MFI segment. As of March 31, 2020, rural portfolio contribution stood at 75%.
- Loans for Agri-Allied activities account for 55.8% of the GLP. Trade/services and manufacturing loans account for 41.4% and household finance loans account for 2.8% of GLP.
- Region wise distribution of portfolio is as provided below
  - South : 27%
  - West : 15%
  - North : 13%
  - Central : 11%
  - East and North East : 34%
- Bihar, Karnataka, Tamil Nadu, Maharashtra, and Odisha account for 49% of GLP. Top 10 States account for 79% of the total industry loan amount outstanding.

The SFB segment, with 8 entities, has a total loan outstanding of Rs 405,560 million with 18.5 million loan accounts. Compared to previous year, the loan outstanding of SFBs increased by 16.9%.

II. COMPETITIVE STRENGTHS AND STRATEGIES

A. Higher rural penetration

As of March 31,2020, borrowers serviced by CreditAccess Grameen Limited (the "Company") in rural areas was 82%. Each branch has been planned to cover the maximum number of villages located within a radius up to 30 Kms from each branch office. The Company has consistently increased its share in rural areas over last five years. Details of the same has been provided in the below table:

Borrowers	As of Mar'16	As of Mar'17	As of Mar'18	As of Mar'19	As of Mar'20
Rural	74%	78%	81%	82%	82%
Urban	26%	22%	19%	18%	18%

B. Market Position

As of March 31, 2020, the Company was the largest MFI in the industry (2nd Position during FY 2018-19). The Company held 13.3% share of total GLP of the NBFC-MFI segment (11% as of March 31, 2019)

C. Customer Interaction

Employees interact with customers at Kendra meetings which are conducted on weekly and bi-weekly basis. At these meetings, apart from completing loan related transactions, customers are provided with information on various topics of interest to them such as financial literacy, hygiene, legal rights etc. Additional programs such as Jagruti, Social Awareness Campaigns and others are also conducted for information dissemination and training at regular intervals. Effective mechanisms have also been designed to constantly obtain customer feedback. This feedback is then used to make improvements in the existing products/processes and also design products and services.

D. Product Design – Customer centric and Sustainable

The Company has adopted a 'Life Cycle Approach' for the design of products and services. These products cater to all customer needs during their life cycle. Customer centricity is the basic tenet in design of products and processes. For instance, customers can choose their repayments frequency; weekly, bi-weekly or four-weekly, based on their cashflow while contracting the loan. This is a unique customer centric feature of CreditAccess Grameen Limited (the "Company") products and is designed to give flexibility to the customers to match their repayment obligations with their cash inflow pattern.

The Company continues to be scalable and financially sustainable with high level of customer satisfaction, lower operating costs, lower credit risk and lower customer attrition primarily due to the customer loyalty generated through customer centric approach.

The Company has steadily groomed a class of financially literate women entrepreneurs who have outgrown the group lending model and who have higher loan requirements, for such borrowers we have started Retail Finance (RF) vertical.

Loans offered under RF range up to Rs. 0.5 million and are given for meeting working capital requirement, purchase of vehicles to support income generation activity and loans for business expansion.

E. Employee Friendly Organisation

Employees are largely recruited from among the rural unemployed youth to service the rural focused business of the Company. For over 90 percent of staff, the Company is their first employer. Several welfare schemes have been implemented to make the Company an employee friendly organization. The Company is one among the few MFIs that has a 5-day week. We are proud to mention there that this year we have been certified as “Great Places to Work” by the Great place to work Institute. We have also qualified as the top 25 best companies to work for under the list of BFSI Companies. An independent agency certifying us is a testament to our best practices and culture in the area of employee engagement and enablement.

F. Efficient and Stable Management Team

The Company has a management team consisting of people who are very experienced and well qualified. The team has always been approachable and innovative in its decision-making process. Since 2012-13, there has been no significant attrition in the management team. This has enabled the Company's growth by the way of quick decision-making and effective implementation of strategies.

III. OPPORTUNITIES AND THREATS

A. Opportunities

The broader macro-economic growth drives upward economic mobility of our customer segment households as well. This in addition to increasing financial and social awareness would create increased need and demand for credit and non-credit offerings. With our distribution network and high touch customer engagement model, the Company is well positioned to serve these evolving needs of our customer households

Digital ecosystem development pushed by the government as well as regulators and other market participants offer opportunities for us to innovate new delivery methods, provide better customer experience and become more efficient.

With the increase in usage of smartphone across various geographies and continuous growth towards data connectivity adoption, the Company foresees a big opportunity to understand customers better and offer more personalized services and offerings in a cost-efficient way.

B. Threats

The Company foresees a couple of market developments that could pose a threat to the business in the long term. A few key points have been noted below:

- Due to the severity of COVID-19 impact on macroeconomic activities, the RBI announced 3-month moratorium from March 1, 2020 to May 31, 2020 and later extended it by another 3 months till August 31, 2020. Historically, micro credit borrowers have shown resilience to external disturbances (like droughts, floods, cyclones, crop failures, demonetisation, etc.) and micro credit industry has been able to maintain the credit discipline. In the current environment with near term uncertainty on economic growth, the extended moratorium might create moral hazards and impact the borrower behaviour and repayment culture. It will be more critical for lenders to closely engage with all the borrowers and manage evolving borrower behavioural patterns.

- Increasing number of competitors, operating under different regulatory guidelines, with diverse lending platforms and innovative financial credit solutions, are entering the micro credit industry. This will offer wider choices to micro credit borrowers and expose them to diverse lending practises followed by various players. In this backdrop, it will be critical to maintain the sanctity of classical group lending model, group credit discipline and customer behaviour.

- Frequent natural disasters in the form of floods and droughts are affecting our customers. Though such events were happening earlier, the frequency and the intensity has increased in the recent years. Given the climate change impacts, we see this threat continuing in the coming years.

IV. NEW INITIATIVES

A. New Product Introduction

This financial year, the company piloted "Wage Loss Protection Scheme" product for our customers. Under this product, customers could claim a pre-determined amount per day as loss of their wages or income due to their hospitalization. The pilot which ran for 6 months, had ~13% adoption within the pilot branches

B. Opening of new RPC Offices

The centralized team has expanded its outreach to two more regions by opening centers at Madurai (Tamil Nadu) and Ranchi (Jharkhand). RPC-Madurai has helped the operations team by enrolling over 50,000 members during FY 19-20.

C. Acquisition of Madura Micro Finance Ltd

The company achieved a major milestone in November 2019 by announcing the acquisition and merger of Madura Micro Finance Ltd ('MMFL'), which is the 11th largest NBFC-MFI in India. The acquisition was expected to provide an opportunity for two high-quality platforms to come together to build a large microfinance franchise. Within stipulated timelines, the company completed the first step of acquiring 76.08% stake in MMFL by paying Rs 6,612 million in March 2020. In the second step, MMFL will be merged into the company through a scheme of arrangement. The company will now be able to consolidate MMFL financials, aiding the overall profitability and return ratios in FY21.

V. THE COMPANY'S OPERATIONS PERSPECTIVE

A. Customers Profile

Customers of the Company come from diverse backgrounds and different age groups, yet they have been functioning together as cohesive groups for years now. The tables below show, the distribution of the borrowers based on their age and vintage with the Company

Borrowers' Age	FY16	FY 17	FY18	FY19	FY 20
18-25 years	9%	7%	7%	6%	6%
26-30 years	16%	16%	15%	15%	14%
31-35 years	19%	19%	19%	18%	19%
36-40 years	17%	17%	18%	18%	18%
41-50 years	29%	30%	30%	30%	30%
>50 years	10%	11%	11%	12%	12%

Borrower Vintage with the company	FY16	FY 17	FY18	FY19	FY20
Less than 1 year	37%	27%	32%	33%	26%
1-3 years	42%	49%	37%	34%	42%
3-6 years	10%	15%	23%	25%	23%
6 years and above	10%	9%	8%	8%	9%

B. Profitability

For the year ended March 31, 2020, the Company's standalone pre-provision operating profit stood at Rs 6,898.70 million as against Rs 5,725.98 million in the previous year, an increase of 20.48%. The Company's profit after tax stood at Rs 3,275.03 million as against Rs 3,217.61 million in the previous year, an increase of 1.78%. The Company had made an additional provision of Rs 828.6 million on account of COVID-19 impact in the year ended March 31, 2020.

Total revenue from operations for the year ended March 31, 2020, was Rs 16,834.86 million as against Rs 12,822.57 million in the previous year, a growth of 31.29%. Total expenses stood at Rs 12,334.76 million as compared to Rs 7,855.82 million in previous year, an increase of 57.01%.

C. Financial Performance

As of March 31, 2020, the portfolio yield was 19.4% as against 20.0% in the previous financial year. Cost to income ratio as of March 31, 2020 was 36.6% as against 33.9% in the previous financial year. Operating Cost to Gross Loan Portfolio ratio as of March 31, 2020 was 4.9%, as against 5.0% in the previous financial year.

D. Funding Trends

The changes in the outstanding borrowings from different sources during FY 2019-20 in comparison to last year can be seen in the below table

All figures in Rs Million	O/s as on Mar-16	O/s as on Mar-17	O/s as on Mar-18	O/s as on Mar-19	O/s as on Mar 20
Public Sector Banks	3,948.01	2,481.66	3,354.75	1,217.06	13,760.43
Private and Foreign Banks	9,633.61	8,450.48	18,812.51	25,460.44	37,397.90
Securitization/ Direct Assignment	734.55	-	-	7,073.30	4,490.46
NCDs (FPIs) and ECBs	4,649.00	5,499.00	7,886.50	7,082.00	8,672.44
NBFCs and Other FIs	4,102.53	8,251.21	5,974.87	13,086.25	18,054.69
CCD	-	2,000.00	-	-	-
Total	**23,067.70**	**26,682.35**	**36,028.62**	**53,919.05**	**82,375.91**

The figures in the above table indicate actual borrowing amounts and will differ from Ind-AS figures provided in the audited standalone financial statement

E. Treasury and Cash management system

The Company has an integrated Treasury and Cash Management system that operates the complete cash/bank operations, handles pooling of excess funds from branches and funding to the branches requiring disbursement, debt repayment, payments to vendors, employees for salaries and investment of surplus funds, if any.

Ratios (Rs. in millions)

Interest Coverage Ratio	Mar-20	Mar-19
PBT	4,508.88	4,977.43
Interest expense	5,726.72	4,167.54
EBIT	**10,235.60**	**9,144.97**
Finance cost	5,726.72	4,167.54
Interest coverage ratio	1.79	2.19

Debt Equity Ratio		
Debt	78,225.52	48,665.70
Equity	26,690.72	23,650.61
Ratio	**2.93**	**2.06**
Interest income	16,171.96	12,183.14
Finance cost	5,726.72	4,167.54
Operating Profit (before other expenses)	**10,445.24**	**8,015.60**
Total Revenue from operations	16,834.86	12,822.57
Operating profit margin (before operating expenses)	62.05%	62.51%
Profit after tax	3,275.03	3,217.61
Net Profit margin	**19.45%**	**25.09%**
Current ratio (Taken from ALM)		
Current assets	59,767.85	51,824.51
Current liabilities	45,805.23	27,270.62
Current ratio	**1.30**	**1.90**
Return on Equity (PAT / Average Total Equity)	**13.01%**	**16.92%**
Return on Equity (PAT / Total Equity)	**12.27%**	**13.60%**

Explanations where difference in Ratios is more than 25%

1. Interest Coverage Ratio: 1.79 vs. 2.19 (-18.4%)

2. Net Profit Margin: 19.45% vs. 25.09% (-22.5%)

3. Debt Equity Ratio: 2.93 vs. 2.06 (-42.3%)
   Total Equity increased by 12.9% driven by increase in retained earnings to the extent of FY19-20 profitability. Total Debt increased by 60.7% driven by 41.2% increase in on-book gross loan portfolio and payment of Rs 6,612 million for acquiring 76.08% stake in MMFL in March 2020.

4. Operating Profit: + 30.3%
   Operating profit increased by 30.3%, driven by 32.7% growth in interest income on the back of 38.2% growth in gross loan portfolio, partially offset by 37.4% increase in finance cost due to higher borrowings.

5. Current Ratio: 1.3 vs. 1.9 (-31.3%)
   Current Assets increased by 15.3% and current liabilities increased by 68.0%

6. Return on Equity: 13.01% vs. 16.92%
   Return on Equity declined in FY19-20 compared to FY18-19, primarily driven by 1.8% increase in PAT to Rs 3,275.03 million. The lower growth in PAT was primarily on account of increase in impairment of financial instruments from Rs 748.55 million in FY18-19 to Rs 2,389.82 million (including additional provision of Rs 828.6 million on account of COVID-19) in FY19-20.

F. Operational Trends

Particulars	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	CAGR* (%)
Branches	298	393	516	670	929	33%
Districts	74	96	132	157	230	33%
Borrowers	1,196,389	1,450,298	1,851,324	2,469,837	2,905,036	25%
Loans disbursed (Rs. Millions)	33,488	34,026	60,817	82,212	103,892	33%
Gross AUM (Rs. Millions)	25,388	30,754	49,747	71,593	98,964	41%
Field Officers	2,736	3,668	4,544	5,768	7,716	30%
Total Staff	3,835	4,952	6,306	8,064	10,824	30%
Repayment Rate	99.94%	96.54%	96.62%	98.81%	98.61%	N/A
PAR (Rs. Millions)	26	4,520	631	579	1,866	N/A
Funds availed during the year (Rs. Millions)	19,270	16,812	26,900	50,931	67,820	37%

*CAGR is calculated for the change during the last 4 years

The Company has consistently maintained borrower retention rate of above 80% for the past 5 years. The retention rate has never reduced to less than 80% since March 31, 2016. Adaptation of life cycle approach while designing products, effective delivery of services and constant social focus approach towards customers has reduced attrition to a very large extent.

	FY16	FY 17	FY18	FY19	FY20
Borrower Retention Rate	86%	86%	84%	87%	85%

G. Gross AUM and Borrower Distribution:

The Company has operational presence in Karnataka, Maharashtra, Tamil Nadu, Chhattisgarh, Madhya Pradesh, Kerala, Odisha, Goa, Puducherry, Jharkhand, Gujarat, Rajasthan, Bihar and Uttar Pradesh. The Company has adopted a contiguous district expansion strategy to expand the operations in new geographies. Below table gives us the details of district wise Gross AUM and borrower penetration for past 5 years.

State wise Gross AUM Distribution

	FY16		FY17		FY18		FY19		FY20	
State	Gross AUM (Rs Millions)	% age	Gross AUM (Rs Millions)	% age	Gross AUM (Rs Millions)	% age	Gross AUM (Rs Millions)	% age	Gross AUM (Rs Millions)	% age
KA	16,073	63.3%	18,303	59.5%	28,892	58.1%	37,624	52.6%	46,973	47.5%
MH	7,540	29.7%	8,760	28.5%	13,296	26.7%	18,451	25.8%	26,761	27.0%
TN	925	3.6%	1,924	6.3%	3,389	6.8%	7,465	10.4%	11,070	11.2%
MP	740	2.9%	1,401	4.6%	3,165	6.4%	5,470	7.6%	9,141	9.2%
CG	109	0.4%	366	1.2%	1,005	2.0%	2,044	2.9%	2,428	2.5%
GA							11	0.0%	19	0.0%
OD							371	0.5%	764	0.8%
PY							53	0.1%	86	0.1%
KL							105	0.1%	439	0.4%
JH									394	0.4%
GJ									167	0.2%
RJ									176	0.2%
BR									474	0.5%
UP									72	0.1%
Total	**25,388**		**30,754**		**49,747**		**71,593**		**98,964**	

State wise Gross AUM Distribution

State	FY16		FY17		FY18		FY19		FY20	
	No. of Borrowers	% age	No. of Borrowers	% age	No. of Borrowers	% age	No. of Borrowers	% age	No. of Borrowers	% age
KA	719,627	60.1%	810,306	55.9%	944,262	51.0%	1,135,440	46.0%	1,210,662	41.7%
MH	371,713	31.1%	435,821	30.1%	524,315	28.3%	691,999	28.0%	805,366	27.7%
TN	46,685	3.9%	90,416	6.2%	162,168	8.8%	274,521	11.1%	366,395	12.6%
MP	51,539	4.3%	91,716	6.3%	168,450	9.1%	256,141	10.4%	323,098	11.1%
CG	6,825	0.6%	22,039	1.5%	52,129	2.8%	91,129	3.7%	100,228	3.5%
GA							382	0.0%	810	0.0%
OD							14,652	0.6%	35,574	1.2%
PY							2,024	0.1%	3,675	0.1%
KL							3,549	0.1%	15,476	0.5%
JH									14,329	0.5%
GJ									6,164	0.2%
RJ									6,182	0.2%
BR									14,315	0.5%
UP									2,762	0.1%
Total	**1,196,389**		**1,450,298**		**1,851,324**		**2,469,837**		**2,905,036**	

Product wise split of Gross AUM

Products	FY16		FY17		FY18		FY19		FY20	
	Gross AUM (Rs Millions)	% age	Gross AUM (Rs Millions)	% age	Gross AUM (Rs Millions)	% age	Gross AUM (Rs Millions)	% age	Gross AUM (Rs Millions)	% age
Income Generation Loans	22,430	88.3%	26,971	87.7%	42,841	86.1%	60,878	85.0%	84,473	85.4%
Family Welfare Loans	664	2.6%	1,190	3.9%	1,172	2.4%	928	1.3%	1,678	1.7%
Home Improvement Loans	2,119	8.3%	2,471	8.0%	5,198	10.4%	6,433	9.0%	7,696	7.8%
Emergency Loans	176	0.7%	116	0.4%	22	0.05%	99	0.1%	125	0.1%
Retail Finance	-	-	6	0.02%	513	1.0%	3,255	4.5%	4,991	5.0%
Total	**25,388**		**30,754**		**49,747**		**71,593**		**98,964**	

State-wise AUM & Borrowers Break-up

% of Overall Gross AUM Distribution FY 15-16

	KA	MH	TN	MP	CG	OD	KL	GA	PY	JH	GJ	RJ	BR	UP	Number of Districts
<0.5%	3	6	6	10	3										28
0.5-1%	6	4	1												11
1-3%	15	12	1												28
3-5%	3	1													4
>5%	3														3

% of Overall Borrowers Distribution FY 15-16

	KA	MH	TN	MP	CG	OD	KL	GA	PY	JH	GJ	RJ	BR	UP	Number of Districts
<0.5%	3	5	6	5	3										22
0.5-1%	6	6	1	5											18
1-3%	15	10	1												26
3-5%	4	2													6
>5%	2														2

% of Overall Gross AUM Distribution FY 16-17

	KA	MH	TN	MP	CG	OD	KL	GA	PY	JH	GJ	RJ	BR	UP	Number of Districts
<0.5%	4	8	5	16	10										43
0.5-1%	5	5	5	3											18
1-3%	16	12	1												29
3-5%	3	1													4
>5%	2														2

% of Overall Borrowers Distribution FY 16-17

	KA	MH	TN	MP	CG	OD	KL	GA	PY	JH	GJ	RJ	BR	UP	Number of Districts
<0.5%	3	8	5	13	10										39
0.5-1%	5	4	4	6											19
1-3%	17	13	2												32
3-5%	5	1													6
>5%															0

% of Overall Gross AUM Distribution FY 17-18

	KA	MH	TN	MP	CG	OD	KL	GA	PY	JH	GJ	RJ	BR	UP	Number of Districts
<0.5%	2	14	19	20	12	5	3	2	1						78
0.5-1%	7	6	5	4											22
1-3%	16	9	1												26
3-5%	4	1													5
>5%	1														1

% of Overall Borrowers Distribution FY 17-18

	KA	MH	TN	MP	CG	OD	KL	GA	PY	JH	GJ	RJ	BR	UP	Number of Districts
<0.5%	2	14	18	14	11	5	3	2	1						70
0.5-1%	7	2	5	10	1										25
1-3%	17	14	2												33
3-5%	4														4
>5%															0

%of Overall Gross AUM Distribution FY 18-19

	KA	MH	TN	MP	CG	OD	KL	GA	PY	JH	GJ	RJ	BR	UP	Number of Districts
<0.5%	3	15	25	26	17	13	3	2	1						105
0.5-1%	6	6	3	4											19
1-3%	17	10	2												29
3-5%	3														3
>5%	1														1

% of Overall Borrowers Distribution FY 18-19

	KA	MH	TN	MP	CG	OD	KL	GA	PY	JH	GJ	RJ	BR	UP	Number of Districts
<0.5%	4	15	23	23	16	13	3	2	1						100
0.5-1%	5	5	7	7	1										25
1-3%	17	11													28
3-5%	4														4
>5%															0

%of Overall Gross AUM Distribution FY 19-20

	KA	MH	TN	MP	CG	OD	KL	GA	PY	JH	GJ	RJ	BR	UP	Number of Districts
<0.5%	5	15	31	32	19	18	5	2	1	14	8	11	11	7	179
0.5-1%	4	6	5	4											19
1-3%	17	11													28
3-5%	4														4
>5%															0

%of Overall Borrowers Distribution FY 19-20

	KA	MH	TN	MP	CG	OD	KL	GA	PY	JH	GJ	RJ	BR	UP	Number of Districts
<0.5%	5	13	31	30	19	18	5	2	1	14	8	11	11	7	175
0.5-1%	4	8	5	5											22
1-3%	18	11		1											30
3-5%	3														3
>5%															0

H. Human Resources (HR)

The Company strongly abides by its Vision to be Committed, Reliable, Empathetic, Accountable, Transparent and Efficient (CREATE). Building an environment of trust and mutual respect is one of the company's constant endeavour. While there is a challenge in attracting the right talent as well as retaining them, the Company was able to build and implement practices which have helped in retaining talent. It is a constant effort to improvise from where the Company stands in terms of benefits, rewards and recognition. The Company also has innovative benefits like gifts on birthdays, weddings, sibling wedding and for children. While the 5-day week schedule of the company is unique for microfinance industry, the Company has been providing other facilities like guest house arrangement for its entire field force. There has also been a systematic approach to increase the efficiency and support to internal stakeholders using technology such as mobile apps and HRIS support systems.

HR Highlights

- 10,824 permanent employees as on March 31, 2020
- Employee attrition rate as of March 31, 2020 was 24.8%
- No pending concerns under labour compliances, sexual harassment and disciplinary issues

In-house Training

The in-house training team manages as well as provides the necessary training for freshers as well as people management trainings and leadership development trainings for mid-level managers. The training programs and talent development has enabled the Company to identify and nurture leaders who can take charge of the organization in the years to come. This is apart from our regular requirements for operational productivities. Specific emphasis has been provided to train and test employees on Code of Conduct, Client Protection Principles and Anti Sexual harassment policy.

Some of the training programs that has been provided to employees are as follows:

- Basic training programs conducted for trainees in field operations
- Refresher training & product level training based on operational requirements
- Induction training for lateral staff hires
- People Management Program for field managers
- Departmental Process training and orientation programmes for new recruits and promoted employees
- Leadership training programmes for all manager-level employees
- Process enhancement workshops for the employees based on requirement

The above training programmes have been designed based on objectives, specific employee requirement and skill sets required for field operations. Given below are details of the number of employees trained in the financial year with various types of training sessions provided:

Staff Training Programs	Duration	No. of staff trained
Basic Trg. - Group Lending	15 or 21 days	8,031
Refresher Trg. - GL branches (Operational Process)	4 hours	14,805
Refresher Trg. - GL mapped branches (RF Product & Process)	4 hours	497
Process Workshop	1 day	4,527
Process Workshop	2 days	181
Process Workshop	3 days	336
Process Workshop for Newly Opened Branches	2 days	708
Rigorous Process Workshop	20 days	116
Parivartan	1 day	3,450
Orientation to Leadership	3 days	107
People Management Program	2 days	26
Gender sensitization	3 hours	6,090
Customer Onboarding Trg.	1 day	2,569
UT Mobile Trg.	1 day	2,185
T24 and Other Portal	1 day	93
NEFT based disbursement	3 hours	443
Efficiency & Productivity	1 day	141
Pre- Approved EL	4 hours	2,026
Code of Conduct - Online	30 min	5,682
Client Protection Principles – Online	30 min	5,586
Induction Program	2 hours	17
Basic Trg. - Retail Finance	9 days	568
Refresher - RF branches (Product & Process)	4 hours	474
RF Refresher – BDO	2 days	338
Role & Responsibilities Of CRO	1 day	77
Operational Process - OE & OM	1 day	38
Collaborative Leadership Program	3 days	360
LEAP	7 days	10
Train The Trainers Certified Program – Bodhidh	5 days	1
Train The Trainers Program - NLP Technique with Neoway Academy	5 days	1
Train The Trainers Program - Revamp content on Leadership - Talent Tree	2 days	10
Train The Trainers Program - Depositors Education and Awareness - MFIN & RBI	2days	12

Learning Portal

The Company has continued to use the open source online E-learning portal for employee training. This has provided a robust platform for delivering effective learning modules to all employees. The portal is a powerful tool to reduce training costs and deliver effective training programmes to a larger audience. Efforts has also been made to reach out to employees through SMS and easy to use google links as learning tools for small and effective information sharing.

I. Internal Controls and its adequacy

The Company believes in maintaining a strong internal control framework and sees such a framework as an essential prerequisite for the growth of business. The Company has well-documented policies, procedures and authorization guidelines in place. Additionally, an efficient independent internal audit system is in place to conduct audit of all branches, regional offices and the Head Office.

Internal Audit in the Company is an independent unit focused on improving and enhancing the operations of the organization. It assists the Company in accomplishing its objectives by bringing in a systematic and disciplined approach to evaluate and improve the effectiveness of Company's internal control, risk management and governance processes.

The internal audit function has free and unrestricted access to all of the Company's records, physical properties and personnel associated with carrying out any engagement. The internal audit activity also has a free and direct access to the Board. The Audit Committee of the Board is updated on significant internal audit observations, compliance with statutes and progress of risk management and effectiveness of control systems every quarter. Internal Audit also interacts with the external auditors. Every branch is audited six times in a year. Based on the extent of compliance and adherence to systems, policies and procedures, the audited branches are assigned compliance scores.

J. Risk Management

The Company has integrated risk management practices into governance and operations. Appropriate systems and tools are in place for identification, measurement, reporting and managing risks. The Risk Management Committee of the Board comprises of professional directors with relevant experience, who understand the risks specific to the Company, and the microfinance sector, in general. The Board oversees the implementation of the risk management plan principally through the Risk Management Committee. The Annual Risk Management Plan covers the major risks that have been identified by management as needing particular focus and close monitoring. The Risk Management Plan forms the basis for implementation of risk management strategies and practices in detail. The risk assessments are carried out regularly at all levels in the Company to ensure appropriate management actions in a timely fashion. Risk reviews addresses credit, operational, IT, financial, political, regulatory and reputational risks. All strategies with respect to managing major risks are monitored by the Management Level Risk Committee and reported to the Risk Management Committee of the Board of Directors.

K. Information Technology

The Information Technology team in the Company has continually focused on implementing a centralized and consolidated Information System to enable smooth and swift flow of information and data across the system. This has enabled the Company to control the cost of operations and provide improved services to customers. The Company has focused its efforts towards embracing state of the art technology solutions to support the Company's growth and enhance the efficiencies of its operations. The company has made significant progress on enhancement of mobile device based data entry for customer onboarding, instant credit checks for new loan applications as well as field collections. All the field officers are provided with tablets for data entry and are enabled with android based apps for entry of loan collections, foreclosures, disbursements as well as for new customer onboarding.

Credit Bureau

The Company works with credit bureaus like Highmark, Equifax, Experian and CIBIL. Credit bureaus help to identify overlapping microfinance borrowers, their overall loan exposure and incidents of default. Every loan given by the Company undergoes a credit check with the credit bureaus. The credit bureau verification process has been integrated into the loan delivery processes and has helped minimize instances of borrower over-indebtedness. The entire process is automated and centralized which enabled high level of controls in this process.

Core Banking System (CBS)

T24 MCB is the CBS offered by Temenos, which is a leading provider of core banking solutions worldwide. T24 MCB has been customized for the Company's business operations. The higher levels of automation, controls and flexibility provided by the system enable the Company to achieve its vision of reaching out to a larger customer base.

Reporting

The Company generates various internal and external reports using the Jasper Reporting Server, which enables the reports to be auto extracted and shared with various stakeholders with a high degree of accuracy and on a timely basis. The Company has also started using Power-BI for internal publishing of dashboards and reports to the management team.

IT Infrastructure Outsourcing

The Company has been working in partnership with IBM on outsourced infrastructure management services. The Data Centre and disaster recovery server infrastructure management is managed by the outsourced provider. The Company has also added another service provider Cloud4C for few of the non-core applications to ensure uninterrupted support along with usage of cloud-based service providers such as Microsoft Azure and Amazon Web Services (AWS) for few of the dynamic application requirements. The Company has entered into partnerships with Bharti Airtel, Sify and Tata Teleservices for network connectivity in all critical locations.

Technology initiatives

The Company continually upgrades its technology architecture and applications to keep pace with changes in the microfinance industry. With initiatives such as field force automation through use of tablets, robust internal communication and knowledge management systems, there are direct benefits in terms of real time information flow between teams, more effective management of operations as well as reduction in processing times. The Company is now using technology capabilities such as cashless disbursements through instant payment mode (IMPS), instant credit eligibility checks, etc. to improve efficiency as well as enhance the quality of customer experience.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

A. CORPORATE GOVERNANCE PHILOSOPHY

CreditAccess Grameen Limited ("the Company") follows the highest standards of governance principles, given the profile of customers that the Company works with. This approach has helped the Company to weather the turbulent times that the MFI industry has faced from time to time. This approach has also demonstrated that the vulnerability to a financial crisis is reduced through acceptance of the Company's approach and practices by other stakeholders in the ecosystem in which the Company operates. It has also ensured sustained access to capital and debt markets on a continuing basis. The Company is committed to strengthen this approach through adoption of 'best in class' philosophy, systems and processes in the realm of governance.

In India, corporate governance standards for listed companies are mandated under the Companies Act, 2013 ("CA 2013") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). In addition to the above, corporate governance standards for Non-Banking Finance Companies are also prescribed by the Reserve Bank of India.

The Company has always believed in implementing corporate governance guidelines and practices that go beyond meeting the letter of the law and has comprehensively adopted practices mandated in the CA 2013 and Listing Regulations to fulfil its responsibility towards the stakeholders. These guidelines ensure that the Board of Directors ("the Board") will have the necessary authority to review and evaluate the operations when required. Further, these guidelines enable the Board to make decisions that are independent of the Management.

B. BOARD OF DIRECTORS

a. Composition

The composition of the Board is in conformity with Regulations 17 of Listing Regulations and , which stipulates that the Board should have an optimum combination of executive and non-executive directors with at least one (1) woman director and at least fifty per cent (50%) of the Board should consist of non-executive directors. It further stipulates that if the Chairperson of the Board is a non-executive and non-promoter director then at least one-third of the board should comprise of independent directors.

As on March 31, 2020, the Company's Board comprised of ten (10) Directors, including five (5) Non-executive Independent Directors as mentioned in the table below. The Chairman of the Board is a Non-Executive and Nominee Director.

Category	Name of Directors
Non-Executive - Nominee Directors	Mr. Paolo Brichetti
	Mr. Massimo Vita
	Mr. Sumit Kumar
Non-Executive - Independent Directors	Mr. George Joseph
	Mr. Anal Kumar Jain
	Mr. R. Prabha
	Ms. Sucharita Mukherjee
	Mr. Manoj Kumar
Executive Directors	Mr. B. R. Diwakar, Director – Finance & CFO
	Mr. Udaya Kumar Hebbar, Managing Director & CEO

The Company has in place a policy on Board Diversity. Diversity is ensured through consideration of a number of factors, including but not limited to skills, regional and industry experience, background and other qualities. The skills/ expertise / competence of Board of directors identified by the Board as required in the context of business of the Company is given below:

Skills/ Expertise / Competence	Paolo Brichetti	Massimo Vita	Sumit Kumar	Anal Kumar Jain	R.Prabha	George Joseph	Manoj Kumar	Sucharita Mukherjee	B.R. Diwakar	Udaya Kumar Hebbar
Banking Operations					✓	✓	✓	✓	✓	✓
Audit & Financial Statements		✓			✓	✓			✓	✓
Financing	✓		✓		✓	✓	✓	✓	✓	✓
Investment	✓		✓	✓			✓	✓		
Risk Management		✓			✓	✓	✓		✓	✓
Entrepreneur -ship	✓			✓			✓	✓		✓
Micro Finance	✓	✓			✓			✓	✓	✓
Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Information Technology				✓			✓	✓		
Human Resource Development				✓						✓

None of the Directors on the Board hold directorships in more than eight listed entities and none of them is a member of more than eight committees or Chairman of more than five committees across all the public companies in which he/she is a Director. All the Directors have disclosed their interest in other companies, directorship and membership of Committees and other positions held by them. The offices held by the directors are in compliance with the Companies Act, 2013 and the Listing Regulations.

All the Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs (IICA) as required under section 150 of the Act and the Rules made thereunder. They are in the process of completion of online proficiency self-assessment test being conducted by IICA.

Detailed profile of the Directors is available at the website of the Company at www.creditaccessgrameen.com

Number of other directorship of Directors and committees in which a director is a member or chairperson

Name of the Director	Designation	Number of Directorship in listed entities)[1]	Number of memberships in Audit/ Stakeholder Relationship Committee(s)[1]	Number of posts of Chairperson in Audit/ Stakeholder Relationship Committee held in listed entities[2]
Mr. Paolo Brichetti	Chairman and Nominee Director	1	1	0
Mr. Massimo Vita	Nominee Director	1	1	0
Mr. Sumit Kumar	Nominee Director	1	0	0
Mr. R. Prabha	Independent Director	1	2	2
Mr. Anal Jain	Independent Director	1	0	0
Mr. George Joseph*	Independent Director	2	4	1
Ms. Sucharita Mukherjee	Independent Director	1	2	0
Mr. Manoj Kumar	Independent Director	1	0	0
Mr. Udaya Kumar Hebbar	Managing Director & CEO	1	1	0
Mr. B. R. Diwakar	Director-Finance & CFO	1	0	0

1 Including Directorship/membership in committees in CreditAccess Grameen Limited and directorships / membership in committees in equity listed entities.
2 Including chairmanship in Board/Committees in CreditAccess Grameen Limited
*Mr. George Joseph is Joint Managing Director in Wonderla Holidays Limited which is a listed Company.

Notes:
- There are no inter-se relationships between the Board members.
- None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all the Companies in which he/she is a Director.
- None of the Independent Directors on the Board is an Independent director in more than seven listed Companies.
- All the directors have disclosed their interest in other companies, directorship and membership of Committees and other positions held by them. The offices held by the directors are in compliance with the Companies Act, 2013 and the listing Regulations.

b. Board Meetings

The Board met 6 (Six) times during the financial year 08/05/2019, 14/06/2019, 31/07/2019, 30/10/2019, 27/11/2019 and 22/01/2020. The time gap between any two of the said meetings had not exceeded one hundred and twenty days.

Board Meetings	Mode of Attending Meetings	Paolo Brichetti	Massimo Vita	Sumit Kumar	R. Prabha	Anal Jain	M.N. Gopinath *	George Joseph	Sucharita Mukherjee	Manoj Kumar	B.R. Diwakar	Udaya Kumar Hebbar
08/05/2019	Physical	✓	✓	✓	✓	✓	LOA	✓	LOA	-	-	✓
	Video											
14/06/2019	Physical				✓	✓	LOA		LOA	-	-	✓
	Video	✓	✓	✓				✓				

31/07/2019	Physical	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	✓
	Video											
30/10/2019	Physical	✓	✓	✓	✓	✓	Resigned	✓		-	✓	✓
	Video								✓			
27/11/2019	Physical	✓		✓	✓		-	✓	LOA	✓	✓	✓
	Video		✓			✓						
22/01/2020	Physical	✓		✓	✓	LOA	-	✓	✓	✓	✓	✓
	Video		✓									

* M N Gopinath, Chairman ceased to be director w.e.f. 29-10-2019

Attendance of each Director at Board Meetings and at the previous Annual General Meeting (AGM)

Annual General Meeting	Mode of Attending Meetings	Paolo Brichetti	Massimo Vita	Sumit Kumar	R.Prabha	Anal Jain	M.N. Gopinath	George Joseph	Sucharita Mukherjee	Udaya Kumar Hebbar	B.R. Diwakar
01/01/2019	Physical				✓	✓	✓	✓		✓	✓
	Video										

Notes:

1. None of the employees of the Company is related to any of the Directors.
2. None of the Directors has any business relationship with the Company.
3. None of the Directors has received any loans or advances from the Company during the year.

c. Change in Board/KMPs

1. Mr. M. N. Gopinath, Chairman and Independent Director has resigned from the Board.
2. Mr. Paolo Brichetti has been appointed as Chairman and Nominee Director on the Board.
3. Appointed Mr. Manoj Kumar as an Additional Director (Independent) on the Board of the Company for a period of 5 years.
4. Mr. Syam Kumar R Company Secretary and Compliance officer of the Company has resigned and Mr. M. J. Mahadev Prakash, has been appointed as Head-Compliance, Legal and Company Secretary.

d. Appointment, criteria and tenure of Independent Directors

Pursuant to Sec 149, 150 and 152 of the Companies Act 2013, the Company has five Independent directors on the Board who in the opinion of the Board fulfill the conditions specified in Listing Regulations and are independent of the management. The independent directors who were appointed at the EGM held on January 13, 2018, were appointed for a fixed tenure of five years from the date of their original appointment / reappointment. The terms and conditions of appointment of Independent directors are available on the website of the Company at www.creditaccessgrameen.com.

Mr. M.N. Gopinath, Chairman & Independent Director resigned from the Board with effect from October 29, 2019. Mr. Gopinath had submitted his resignation citing his disengagement from all corporate activities upon crossing the age of 70 years. The Company has received a written confirmation from him regarding the same.

e. Information provided to the Board of Directors

The Company provides adequate information to the Board/ Committees by circulating the detailed agenda with proper explanatory notes well in advance the date of the Board/Committee meetings, except for the meetings called at a shorter notice, if any.

The Board reviews periodical compliances of all applicable laws, rules and regulations and the statements submitted by the Management. The members of the Board have full freedom to express their opinion in the Board and the decisions are taken after detailed deliberations.

f. Familiarization programme

With a view to familiarize the independent directors as required under the SEBI Listing Regulations, the Company has held familiarization programme for the independent directors relating to the Company, NBFC industry, their roles, rights and responsibilities, major developments and updates etc., during the year.

The details of familiarization program are placed on the Company's website and can be accessed at www.creditaccessgrameen.com

g. Code of conduct for Directors and Senior Management Personnel

In compliance with Regulation 17(5) of Listing Regulations, the Company has put in place a Code of Conduct for Directors and Senior Management. This code is intended to ensure that the Company operates with the highest degree of legal and ethical standards of conduct.

Pursuant to Regulation 26(3) of Listing Regulations, all the members of the Board and Senior Management personnel shall affirm Compliance of the Code on an annual basis. A declaration by the Managing Director & CEO in this regard, pursuant to Reg 34 read with clause D of Schedule V of Listing Regulations, confirming to the adherence to this Code is enclosed herewith as **ANNEXURE 1**

h. Code of Conduct and Fair Disclosure for Prohibition of Insider Trading

The Company has put in place a Code of Conduct and Fair Disclosure for Prohibition of Insider Trading for its designated persons in compliance with SEBI (Prohibition of Insider Trading) Regulations 2015. This Code is to regulate monitor and report the trading in the Company's shares by the designated persons of the Company.

The Code of Conduct and Fair Disclosure for Prohibition of Insider Trading is available on the website of the Company at: www.creditaccessgrameen.com.

i. No. of Shares and convertible instruments held by Non-Executive Director

Details of shares or convertible instruments of the Company held by Non-Executive Director as on March 31, 20120 is given below:

Sl. No.	Director's name	No. of equity shares
1	Mr. Paolo Brichetti*	13
2	Mr. George Joseph	1000
3	Mr. Anal Kumar Jain**	3000

*Mr. Paolo Brichetti holds 13 (thirteen) shares as nominee of CreditAccess India NV.
** Mr. Anal Kumar Jain holds 3000 shares as Karta of HUF

j. Remuneration Policy

Remuneration for the Managing Director & CEO and other senior management consists of fixed and variable components and other benefits as per the policies of the Company. The Nomination and Remuneration Committee conducts an annual appraisal of the performance of the Managing Director and CEO and other senior management personnel based on a performance-related matrix. The annual compensation of the senior management personnel is approved by the Nomination and Remuneration Committee. It also recommends the annual compensation of the Managing Director and CEO, which is approved by the Board subject to shareholders' approval.

k. Remuneration paid to Executive Directors (Rs in million)

Sl. No.	Name	Designation	Gross Salary	Commission	Perquisites on account ESOP exercise	Others	Total Amount
1.	Udaya Kumar Hebbar	Managing Director & CEO	19.71	-	51.40	-	71.11
2	Diwakar B.R.	Director – Finance & CFO	13.01	-	24.82	-	37.83

Other terms of employment of Mr. Udaya Kumar Hebbar, Managing Director and CEO:

1. Term of agreement: Period effective July 15, 2015 to June 25, 2020;
2. Notice period: 60 days written notice for good reason otherwise 120 days written notice.
3. Severance package:

The Company shall within thirty days following termination of employment agreement pay the aggregate of the amount mentioned below:

1. An amount equal to 9 months (nine months) salary calculated on last drawn salary
2. Any other lawful amounts due to Executive;

Other terms of employment of Mr. Diwakar B.R, Director – Finance & CFO:

1. Term of agreement: Period effective June 14, 2019 to June 13, 2022;
2. Notice period: 60 days written notice.

l. Stock Option details

Name of the Director	Options granted	Options exercised, and shares allotted	Options outstanding
Udaya Kumar Hebbar	755,000	392,500	362,500
Diwakar B.R.	310,000	244,000	66,000

m. Remuneration to Non-Executive Directors including Independent Director

The non-executive directors, were paid sitting fees and the Independent Directors were eligible for sitting fee and Commission during the period under review. Details of sitting fee / commission paid is given below:

(Rs in million)

Name of the Director	Sitting fees	Commission
	2019-2020	2018-19**
Mr. M. N. Gopinath*	0.08	0.79
Mr. Paolo Brichetti	0.36	-
Mr. Anal Jain	0.40	0.64
Mr. R. Prabha	0.78	0.76
Mr. George Joseph	0.68	0.71
Ms. Sucharita Mukherjee	0.21	0.48
Mr. Manoj Kumar*	0.24	0.71
Mr. Massimo Vita	0.11	-
Mr. Sumit Kumar	0.23	-
Total	**3.09**	**3.37**

*Mr. M.N. Gopinath resigned from Directorship on October 29, 2019 and Mr. Manoj was appointed as Independent & Additional Director on October 30, 2019

**Commission paid for FY 2018-19 in the FY 2019-20.

The criteria of making payments to non-executive directors is available on the website www.creditaccessgrameen.com

During FY 2020, the Company has not advanced loans to any of its Directors and there were no pecuniary relationship or transactions with the non-executive directors.

n. Appointment/Re-appointment of Directors

On October 30, 2019, the Board of Directors had appointed Mr. Manoj Kumar, as Independent & Additional Director till the conclusion of ensuing Annual General Meeting. The Board recommends his appointment.

C. COMMITTEES OF THE BOARD – COMPOSITIONS AS ON MARCH 31, 2020

The Board has inter-alia constituted the below named committees as required under the CA 2013, Listing Regulations and RBI Guidelines to delegate particular matters that require greater and more focused attention in the affairs of the Company.

a) Audit Committee
b) Stakeholders' Relationship Committee
c) Nomination and Remuneration Committee
d) Corporate Social Responsibility Committee
e) Risk Management Committee
f) Asset Liability Management Committee
g) IT Strategy Committee

The Board takes all decisions pertaining to the constitution of committees, appointment of members and fixing of terms of reference for committee members. Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided below:

a. Audit Committee

The Audit Committee comprises of Five (5) members including three (3) Independent Director.

The composition of the Committee is given in Table A below.

The Audit Committee oversees the financial reporting process and reviews, with the Management, the financial statements to ensure that the same are correct and credible. The Audit Committee has the ultimate authority and responsibility to select and evaluate the Independent Auditors in accordance with the law. The Audit Committee also reviews performance of the Statutory Auditors, the Internal Auditors, adequacy of the internal control system and Whistle-blower mechanism.

During the year under review, the Audit Committee met 6 (six) times 08/05/2019, 14/06/2019, 31/07/2019, 30/10/2019, 27/11/2019, 22/01/2020. During the year of review, there were no instances where the Board of Directors of the Company did not accept the recommendation of the Audit Committee. The details of the attendance of the Directors at the Audit Committee meetings are given below.

Table A
Composition and attendance record of the Audit Committee

Date Audit Committee Meetings	Mode of Attending Meetings	Paolo Brichetti	Massimo Vita	R. Prabha	M.N. Gopinath*	George Joseph	Sucharita Mukherjee
08/05/2019	Physical	✓	✓	✓	LOA	✓	LOA
	Video						
14/06/2019	Physical			✓			
	Video	✓	✓		LOA	✓	LOA
31/07/2019	Physical	✓	✓	✓	✓	✓	✓
	Video						
30/10/2019	Physical	✓	✓	✓	LOA	✓	
	Video						✓

27/11/2019	Physical	✓		✓	-	✓	LOA
	Video		✓				
22/01/2020	Physical	✓		✓	-	✓	✓
	Video		✓				

* M N Gopinath, Chairman ceased to be director w.e.f. 29-10-2019

The Director-Finance & CFO, is responsible for the finance function, the Head of Internal Audit and the representative of the Statutory Auditors, are regularly invited to attend meetings of the Audit Committee. Mr. M. J. Mahadev Prakash Head-Compliance, Legal and Company Secretary, acts as the Secretary to the Audit Committee.

All members of the Audit Committee have accounting and financial management expertise.

b. Stakeholders' Relationship Committee

The grievances of stakeholders and clients were reviewed by Shareholders and Grievance Committee. During the period under review, the name of the said committee was changed to Stakeholders' Relationship Committee.

The Stakeholders' Relationship Committee ("SRC") comprises of four (4) members, including three (3) Independent Directors. Mr. R Prabha is the Chairman of the Committee.

The composition of the Committee is given in Table B below.

The functions and powers of the SRC include review and resolution of grievances of shareholders, debenture holders and other security holders and clients of the Company; dealing with all aspects relating to the issue and allotment of shares, debentures and other securities; approve sub-division, consolidation, transfer and issue of duplicate share/ debenture certificate.

During the year under review, the SRC met 4 (four) times 07/5/2019, 30/07/2019, 29/10/2019, 21/01/2020. Details of the attendance are given below:

Table B
Composition and attendance record of the SRC

SRC Committee Meetings	Mode of Attending Meetings	R.Prabha	George Joseph	Udaya Kumar Hebbar	Sucharita Mukherjee
07/05/2019	Physical	✓	✓	✓	LOA
	Video				
30/07/2019	Physical	✓	✓	✓	LOA
	Video				
29/10/2019	Physical	✓	LOA	✓	LOA
	Video				
21/01/2020	Physical	✓	✓	✓	✓
	Video				

Notes:

1. Mr. M J Mahadev Prakash Head-Compliance, Legal & Company Secretary of the Company. The Shareholders may reach out to him for any queries or grievances.
2. All the grievances received were resolved during the period under review. The Company had received 32 grievance from the Shareholders during the Fy2020

c. Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") currently comprises of four (4) members including three (3) Independent Directors.

The composition of the Committee is given in Table C below.

During the year under review, the NRC met 4 (four) times, 02/07/2018, 29/08/2018, 21/12/2018, 30/01/2019. The details of the attendance of the Directors at the NRC meetings are given below.

Table C
Composition and attendance record of the NRC Committee

Date of Nomination and Remuneration Committee Meetings	Mode of Attending Meetings	Paolo Brichetti	R.Prabha	Anal Jain	M.N. Gopinath*	Sucharita Mukherjee
07/05/2019	Physical	✓	✓	✓	LOA	LOA
	Video					
14/06/2019	Physical		✓	✓	LOA	LOA
	Video	✓				
29/10/2019	Physical	✓	✓	✓	LOA	
	Video					✓
21/01/2020	Physical	✓	✓	LOA	-	LOA
	Video					

* M N Gopinath, Chairman ceased to be director w.e.f. 29-10-2019

Performance evaluation of Board Members

CA 2013 and Listing Regulations stipulates the performance evaluation of the Directors including Chairperson, Board and its Committees. The Company has devised a process and criteria for the performance evaluation which has been recommended by the Nomination and Remuneration Committee (NRC) and approved by the Board.

The evaluations for the Directors and the Board are conducted through separate structured questionnaires, one each for Independent, Non-Executive Directors, Executive Directors, Board as whole and Committees of the Board.

A separate exercise was carried out to evaluate the performance of all Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution; knowledge, skill and understanding of the areas which are relevant to them in their capacity as members of the Board; independence of judgement; adherence to the code of conduct, etc. The performance evaluation of each Independent Director was carried out by the entire Board, excluding the Independent Director concerned. The performance evaluation of the Non-Executive Directors was carried out by the Independent Director.

d. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee ("CSR Committee") comprises of four (4) Members including two (2) Independent Directors.

The composition of the Committee is given in Table D below.

The functions of the CSR Committee include formulation and monitoring of CSR Policy, recommending CSR Projects and budgets thereof, review of CSR initiatives undertaken/ to be undertaken by the Company and to do such other things as directed by the Board and in compliance with the applicable laws.

During the year under review, the CSR Committee met 4 (four) time 07/05/2019, 30/07/2019, 29/10/2019, 21/01/2020. The details of the attendance of the Directors at the CSR Committee meetings are given below:

Table D
Composition and attendance record of the CSR Committee

CSR Committee Meetings	Mode of Attending Meetings	M.N. Gopinath*	R.Prabha	Anal Jain	Udaya Kumar Hebbar	Massimo Vita
07/05/2019	Physical	LOA	✓	✓	✓	✓
	Video					
30/07/2019	Physical	LOA	✓	✓	✓	✓
	Video					
29/10/2019	Physical	LOA	✓	✓	✓	✓
	Video					
21/01/2020	Physical		✓	LOA	✓	
	Video	-				✓

* M N Gopinath, Chairman ceased to be director w.e.f. 29-10-2019

e. Risk Management Committee

The Company follows well-established and detailed risk assessment and minimization procedures. The Company especially focuses on improving its sensitivity to the assessment of risks and improving methods of computation of risk weights. The risk assessment and mitigation procedures are reviewed by the Board periodically. The Company's risk management framework is discussed in detail in the chapter on Management Discussion and Analysis.

The Risk Management Committee ("RMC") comprises of five (5) members including one (1) Independent Director.

The composition of the Committee is given in Table E below.

The functions of the RMC include monitoring and reviewing risk management plan, operational risk, Credit risk, integrity risk, etc., and taking strategic actions in mitigating risk associated with the business.

During the year under review, the RMC met 4 (Four) times, 07/05/2019, 30/07/2019, 29/10/2019, 22/01/2020. The details of the attendance of the Directors at the RMC meetings are given below

Table E
Composition and attendance record of the RMC Committee.

RMC Committee Meetings	Mode of Attending Meetings	George Joseph	Massimo Vita	Paolo Brichetti	Udaya Kumar Hebbar	Sumit Kumar
07/05/2019	Physical	✓	✓	✓	✓	LOA
	Video					

30/07/2019	Physical	✓	✓	✓	✓	✓
	Video					
29/10/2019	Physical	✓	✓	✓	✓	✓
	Video					
22/01/2020	Physical	✓		✓	✓	✓
	Video		✓			

f. Asset and Liability Management Committee

The Asset Liability Management Committee ("ALM Committee") comprises of four (4) Members including one (1) Independent Director

The composition of the Committee is given in Table F below.

The functions of the ALM Committee include addressing concerns regarding asset liability mismatches, interest rate risk exposure, and achieving optimal return on capital employed while maintaining acceptable levels of risk including and relating to liquidity, market and operational aspects and adhering to the relevant policies and regulation.

During the year under review, the ALM Committee met 4 (Four) times, 07/05/2019, 30/07/2019, 29/10/2019, 21/01/2020. The details of the attendance of the Directors at the ALM Committee meetings are given below:

Table F
Composition and attendance record of the ALM Committee.

ALM Committee Meetings	Mode of Attending Meetings	George Joseph	Paolo Brichetti	Udaya Kumar Hebbar	Sumit Kumar
07/05/2019	Physical	✓	✓	✓	LOA
	Video				
30/07/2019	Physical	✓	✓	✓	✓
	Video				
29/10/2019	Physical	✓	✓	✓	✓
	Video				
22/01/2020	Physical	✓	✓	✓	✓
	Video				

g. IT Strategy Committee

The IT Committee comprises of four (4) members, one (1) of whom are Independent Directors. The composition of the IT Committee is given in the Table G

The functions of the IT Committee include approval of IT strategies and policy documents, to ascertain whether the company's management has implemented processes / practices which ensure that IT delivers value to business, that the budgets allocated vis-à-vis IT investments are commensurate, monitor the method adopted to ascertain the IT resources needed to achieve strategic goals of the Company and to provide high-level directions for sourcing and use of IT resources.

During the year under review, the committee met 2(two) times, 30/07/2019, and 29/10/2019, Details of the attendance are given below:

Table G
Composition and attendance record of the IT Committee

IT Committee Meetings	Mode of Attending Meetings	Massimo Vita	Sumit Kumar	Anal Jain	M.N. Gopinath*	Udaya Kumar Hebbar
30/07/2019	Physical	✓	✓	✓	LOA	✓
	Video					
29/10/2019	Physical	✓	✓	✓	LOA	✓
	Video					

* M N Gopinath, Chairman ceased to be director w.e.f. 29-10-2019

Independent Directors' Meeting
In compliance with Schedule IV to the CA 2013, the independent directors held their separate meeting on July 31, 2019 without the attendance of non-independent directors and members of Management, inter alia, to discuss the following:

a) review the performance of non-independent directors and the board of directors as a whole;
b) review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;
c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

D. GENERAL MEETINGS

Details of location and time, where last three Annual General Meetings held are given below:

Financial Year	Category	Location of the Meeting	Date	Time	Number of Special Resolutions passed
2018-2019	AGM	Pai Vista Convention Hall, II floor, GSB Bhavan, # 34, Patalamma Temple Road, Near South End Circle, Basavanagudi, Bangalore-560004	01/08/2019	10.30 am	6
2017-2018	AGM	The Capitol, “Senate”, #3, Rajbhavan Road, Bangalore- 560001	21/11/2018	10.00 am	6
2016-2017	AGM	Registered Office of the Company	28/06/2017	11.00 am	4

Details of location and time, where Extra-Ordinary General Meetings for last three years were held are given below:

Financial Year	Category	Location of the Meeting	Date	Time	Number of Special Resolutions passed
2017-2018	EGM	Registered Office of the Company	27/11/2017 30/10/2017 28/12/2017 02/01/2018 13/01/2018 05/03/2018	04.00 pm 04.00 pm 11.00 am 11.00 am 11.00 am 11.00 am	2 3 3 1 9 1
2016-2017	EGM	Registered Office of the Company	16/06/2016 23/06/2016 25/03/2017	02.00 pm 03.00 pm 05.30 pm	1 1 2

Postal Ballot

No resolutions were passed by the Company through Postal ballot during the period under review.

Whistle-blower mechanism

The Company has adopted the Whistle-blower Policy pursuant to which employees of the Company can raise their concerns relating to malpractices, inappropriate use of funds or any other activity or event which is against the interest of the Company. Further, the mechanism adopted by the Company encourages the employees to report genuine concerns or grievances and provides for adequate safeguards against victimization of employees who avail such a mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. Furthermore, no employee has been denied access to the Chairman of the Audit Committee.

E. REDRESSAL OF INVESTOR GRIEVANCES THROUGH SEBI COMPLAINTS REDRESSAL SYSTEM (SCORES)

SCORES is a centralized web-based grievance redressal system launched by SEBI (https://scores.gov.in). It provides a platform for aggrieved investors, whose grievances, pertaining to securities market, remain unresolved by the listed company concerned or registered intermediary after a direct approach. All the activities starting from lodging of a complaint till its closure by SEBI will be handled in an automated environment and the complainant can view the status of his complaint online.

An investor who is not familiar with SCORES or does not have access to SCORES, can lodge complaints in physical form at any offices of SEBI. Such complaints would be scanned and also uploaded in SCORES for due processing.

F. MEANS OF COMMUNICATION

Financial Results and Notices

The quarterly and the annual unaudited / audited results of the Company are announced within 45 days of the end of respective quarter. The results are published in one English newspaper and one Kannada newspaper and are displayed on the Company's website.

The Company publishes notice of Board Meeting and Annual General Meeting in one English Newspaper and one Kannada Newspaper. It also publishes record date and book closure dates in the said newspaper circulating in the city.

Web Site

The Company's website provides a separate section for investors where relevant shareholders information is available. The Annual Reports, Press releases and Investor Presentations of the Company are available on the website. They are user-friendly and can be downloaded.

Annual Report

The Annual Report is circulated to the members. The Management Discussion and Analysis Report and Corporate Governance Report form part of the Annual Report.

Corporate Filings with Stock Exchanges

The Company is regular in filing of various reports, certificates, intimations, etc. to the BSE Limited and National Stock Exchange of India Limited. This includes filing of audited and unaudited results, shareholding pattern, Corporate Governance Report, intimation of Board Meeting/general meeting and its proceedings.

Investor Service

The Company has appointed KFin Technologies Private Limited (earlier known as Karvy Fintech Pvt. Ltd.) as a Registrar and Transfer Agent and have been authorized to take care of investors' complaints. The secretarial department also assists in resolving various investor complaints. The Company has created a separate e-mail id csinvestors@creditaccessgrameen.com exclusively for the investors to communicate their grievances to the Company.

G.GENERAL SHAREHOLDER INFORMATION:

a. Annual General Meeting

Day and date	Tuesday, August 11, 2020
Time	3:00 pm IST
Venue	The Company is conducting meeting through video conferencing ('VC')/other audio-visual means ('OAVM') pursuant to the MCA & SEBI circulars. For details please refer to the Notice of AGM
E-voting date	August 8, 2020 (9:00 a.m. IST) to August 10, 2020 (5:00 p.m. IST)
Cut-Off date	August 4, 2020
Book closure date	NA

Financial Year: April 1 to March 31

b. Unpaid/Unclaimed Dividend

The Company has not declared dividend in last 7 years and hence the provisions of section 124 of the Companies Act, 2013, is not applicable to the Company.

c. Registrar & Share Transfer Agent

The Company has appointed KFin Technologies Private Limited as its Registrar and Transfer Agent. All share transfers and related operations are conducted by KFin Technologies Private Limited, which is registered with the SEBI

KFin Technologies Private Limited
(Unit: CreditAccess Grameen Limited)
Karvy Selenium Tower B, Plot 31-32,
Gachibowli Financial District, Nanakramguda,
Hyderabad 500 032
Email: einward.ris@karvy.com
Phone No: 040-67162222
Fax No: 040-2300115

d. Share transfer system

The shareholders are free to hold the Company Shares either in physical form or in dematerialised form. However, SEBI vide Notification dated June 8, 2018 had restricted effecting transfer of shares in physical form with effect from December 5, 2018.

e. Plant Locations

Being a financial services company, CreditAccess Grameen Limited has no plant locations.

f. Address for correspondence

Shareholders/ Investors may write to the Company Secretary at the following address

Mr. M.J. Mahadev Prakash
Head – Compliance, Legal & Company Secretary
CreditAccess Grameen Limited
New No. 49 (Old No725), 46th Cross, 8th Block, Jayanagar,
(Next to Rajalakshmi Kalayana Mantap)
Bengaluru – 560070.
Email: csinvestors@grameenkoota.org
Phone no: +91.80.22637300
Fax: +91.80.26643433

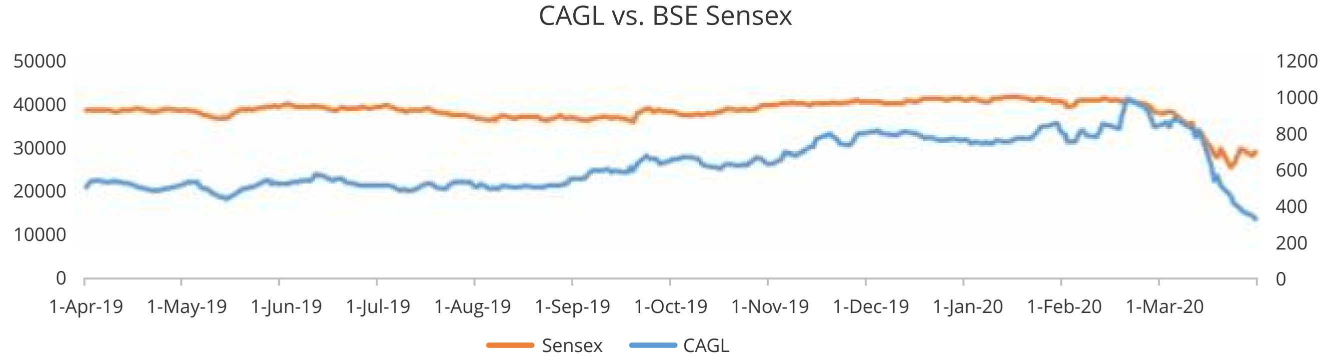
g. Stock Market Data from April 1, 2019 to March 31, 2020

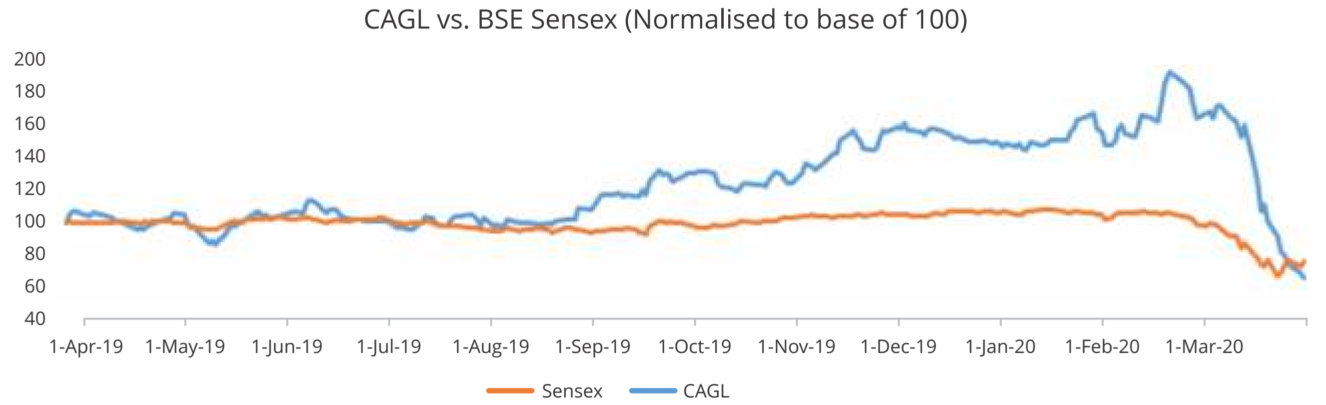
Month	National Stock Exchange		BSE Limited	
	High Price	Low Price	High Price	Low Price
April	567.90	476.20	566.45	482.60
May	559.00	396.20	556.20	398.70
June	599.00	505.05	591.00	509.50
July	547.75	481.10	545.00	483.95
August	586.70	481.85	586.95	483.00
September	689.90	554.15	689.00	554.00
October	685.00	602.25	684.95	610.00
November	849.00	635.00	848.55	635.10
December	837.80	752.00	837.60	755.00
January	882.40	737.00	881.85	735.70
February	1,000.00	746.00	1000.80	749.90
March	903.60	337.35	902.20	338.35

h. Distribution of shareholding as on March 31, 2020

Category	No. of Shares	Percentage
Promoter & Promoter Group	11,51,09,028	79.94%
Mutual Fund	82,58,370	5.74%
Alternative Investment und	41,95,094	2.91%
Foreign Portfolio Investors	80,52,118	5.59%
Financial Institution/Banks/NBFC	13,969	0.01%
Public	49,44,223	3.44%
Others	34,12,657	2.37%
TOTAL	**14,39,85,459**	**100.00%**

I. Movement of Company's shares in comparison with BSE Sensex





j. Registration details

The Company is registered in the State of Karnataka. CIN of the Company is L51216KA1991PLC053425. The Company being a Non-banking financial Company (NBFC – MFI), is registered with Reserve Bank of India (Certificate of Registration Number: B- 02.00252).

k. Listing information

The Company is listed on both the exchange. It is hereby confirmed the Company has paid the listing fee as stipulated by the respective stock exchanges.

Name of the Stock Exchanges	Scrip Code
BSE Limited Floor 25, P J Towers, Dalal Street, Mumbai 400 001	541770
National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051	CREDITACC

The ISIN Number of the Company's Equity share is INE741K01010

H. OTHER DISCLOSURES

a. Related Party Transactions

The Company has entered into related party transactions. Related party transactions were approved by the Audit Committee and the Board. The Company has a policy on materiality and on dealing with related party transactions which has been uploaded on our website at www.creditaccessgrameen.com

b. Policy for determining material subsidiaries

A policy determining material subsidiaries has been uploaded on our website at www.creditaccessgrameen.com.

c. Materially significant related party transaction

No materially significant related party transactions that may have potential conflict with the interests of the Company at large were reported during FY 2020.

d. Details of non-compliance by the Company

There have been no instances of non-compliance by the Company on any matters related to Labour Law, RBI, MCA, Income Tax and GST and other applicable Acts.

e. Adoption of non-mandatory requirement

Although it is not mandatory, the Board has appointed separate persons for the post of Chairman of the Board and Managing Director & CEO; and the Internal Auditor reports directly to the Audit Committee.

f. Credit Rating

The details with respect to Credit Ratings obtained by the Company is given in the Directors' Report.

g. Disclosures in relation to the Sexual Harassment of Women

Details with respect to Sexual Harassment of Women at workplace is given the Directors' Report

h. Dematerialization of shares and liquidity

100% of the shares of the Company are held in demat form.

i. Fees paid to Statutory Auditors

Total fees for all services paid by CreditAccess Grameen Limited and its subsidiary on a consolidated basis to S.R. Batliboi & Co. LLP (statutory auditor of the Company) and other firms in the network entity of which the statutory auditor is a part, as included in the consolidated financial statements of the Company for the year ended March 31, 2020 is as follows:

(Rs in million)

Fees for audit and related services paid to S.R. Batliboi & Co. LLP and to entities of the network of which statutory auditor is a part	9.90
Other fees paid to S.R. Batliboi & Co. LLP and to entities of the network of which statutory auditor is a part	1.90
Total Fees	**11.80**

j. Disclosure under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

i. There are no pecuniary relationships / transactions of Non-Executive Directors vis-à-vis the Company;

ii. Amount of funds raised through Perpetual Debt Instruments (PDIs) during the year and outstanding at the close of FY: Nil

iii. Percentage of amount of PDIs of the amount of its Tier-1 Capital: NA

iv. FY in which interest on PDI has not been paid in accordance with Lock-in-clause of attached regulations: NA

v. Details of auctions conducted during the year including number of loan accounts, outstanding amounts, value fetched and whether any of the sister concerns participated in the auctions: Nil

ANNEXURE I

CEO Certification on Code of Conduct

I, Udaya Kumar Hebbar, Managing Director and CEO of CreditAccess Grameen Limited, hereby certify that all the Board Members and Senior Managerial Personnel (Core Management Team) have affirmed compliance with the Code of Conduct of the Company laid down by the Board of Directors, for the year ended March 31, 2020.

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

ANNEXURE II

CERTIFICATE ON COMPLIANCE WITH THE REGULATIONS OF CORPORATE GOVERNANCE

TO THE SHAREHOLDERS OF CREDITACCESS GRAMEEN LIMITED

1. I, Chennur Dwarakanath, Company Secretary in Practice, the Secretarial Auditor of CREDITACCESS GRAMEEN LIMITED ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2020 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments from time to time (the Listing Regulations).

MANAGEMENT'S RESPONSIBILITY

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

AUDITORS' RESPONSIBILITY

3. My responsibility is limited to examining the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. I have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

OPINION

5. Based on my examination of the relevant records and according to the information and explanations provided to me and the representations provided by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the Listing Regulations during the year ended 31 March 2020.

6. I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

C. Dwarakanath
Company Secretary in Practice
C.P: 4847 FCS: 7723

Place: Bengaluru
Dated: May 29, 2020

CEO / CFO CERTIFICATION

To,
The Board of Directors
CreditAccess Grameen Limited

Subject: Compliance Certificate as required under Regulation 17(8) of Listing Regulations.

We hereby certify that:

A. We have reviewed financial statements and the cash flow statement for the FY 2020 and that to the best of our knowledge and belief:

1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee

1) significant changes in internal control over financial reporting during the year;

2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

	Sd/-	**Sd/-**
Date: May 30, 2020	**Udaya Kumar Hebbar**	**B.R. Diwakar**
Place: Bengaluru	**Managing Director & CEO**	**Director - Finance & CFO**
	DIN: 07235226	**DIN: 02775640**

IV

FINANCIAL REPORTS

Standalone Ind AS Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Members of CreditAccess Grameen Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of CreditAccess Grameen Limited ("the Company"), which comprise the Balance Sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Emphasis of matter

We draw attention to Note 43 to these standalone Ind AS financial statements, which describes the economic and social disruption as a result of COVID-19 pandemic of the Company's business and financial metrics including the Company's estimates of impairment of loans to customers, which are highly dependent on uncertain future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">(a) Impairment of financial assets (expected credit losses)
(as described in note 7 of the standalone Ind AS financial statements)</td></tr>
<tr><td>Ind AS 109 requires the Company to provide for impairment of its loan portfolio (designated at amortised cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances and investments.

In the process, a significant degree of judgement has been applied by the management for:
• Staging of financial assets (i.e. classification in 'significant increase in credit risk' (“SICR”) and 'default' categories);
• Grouping of the loan portfolio under homogenous pools in order to determine probability of default on a collective basis;
• Determining effect of less frequent past events on future probability of default;
• Estimation of management overlay for macro-economic factors which could impact the credit quality of the loans.

Pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020, issued as part of the COVID-19 Regulatory Package (“RBI circular”), allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company has extended moratorium to its borrowers in accordance with its Board approved policy.

In management's view and considering the guidance provided by the Institute of Chartered Accountants of India, providing moratorium to borrowers at a mass scale, based on RBI directives, by itself is not considered to result in a SICR for such borrowers. The Company has recorded a management overlay of around Rs.83 crore as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic. Given the unique nature and scale of the economic impact of this pandemic, and its timing being close to the year-end, the management overlay is based on various uncertain variables, which could result in actual credit loss being different than that being estimated.

In view of the high degree of management's judgement involved in estimation of ECL, accentuated by the COVID-19 pandemic, it is considered as a key audit matter.</td><td>• Read and assessed the Company's accounting policy for impairment of financial assets and its compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020.
• Read and assessed the Company's policy with respect to moratorium pursuant to the RBI circular and tested the implementation of such policy on a sample basis.
• Tested samples for staging of loans based on their past-due status to check compliance with requirements of Ind AS 109.
• Tested the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets for determining the PD and LGD rates. Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records.
• Tested assumptions used by the management in determining the overlay for macro-economic factors (including COVID-19 pandemic).
• Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets.
• Assessed disclosures included in the standalone Ind AS financial statements in respect of expected credit losses including the specific disclosures made with regard to the management's evaluation of the uncertainties arising from COVID-19 and its impact on ECL estimation.</td></tr>
</table>

(b) IT systems and controls	
We identified IT systems and controls over financial reporting as a key audit matter for the Company because its financial accounting and reporting systems are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting. Of particular importance are system calculations, other IT application controls and interfaces between IT systems.	• Tested the design and operating effectiveness of the Company's IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls. • Tested IT general controls which include logical access, changes management and aspects of IT operational controls. • Tested the Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization. • Tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting.

Other Information

The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon. The Company's Board of Directors is responsible for the other information.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole, are 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 these standalone Ind AS financial statements.

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 standalone Ind AS financial statements, 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's 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 Company's ability 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 financial statements 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 33 to the standalone Ind AS financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number: 102102
UDIN: 201021102AAAAF06436

Mumbai
May 30, 2020

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: CreditAccess Grameen Limited

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under clause 3(i)(c) of the Order are not applicable to the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the services of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income-tax, goods and service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of disputed dues	Amount under dispute (Rs. in crore)	Amount paid (Rs. in crore)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1.45	0.29*	FY 2016-17	Commissioner of Income Tax (Appeals)

**paid under protest*

(vi) According to the information and explanation given by the management, the Company has delayed in repayment of loans or borrowings from financial institutions or banks during the year to the extent of Rs. 517,927,349 (the delay in such repayments being for less than 3 days in each individual case) and Rs. 517,927,349 of such dues were in arrears as on the balance sheet date. The lender wise details are tabulated as under:

Bank / Financial institution	Amount (dues delayed) as on the Balance sheet date*	Period of delay since	Remarks
Axis Bank Limited	102,500,000	30-Mar-20	*According to the information and explanation provided to us by the management, the delay represents repayments not made by the Company pending approval from banks or financial institutions in connection with its application for moratorium and consequent re-schedulement of repayment terms pursuant to COVID-19 Regulatory package announced by Reserve Bank of India on March 27, 2020.*
Axis Bank Limited	125,000,000	31-Mar-20	
Bajaj Finance Ltd	60,177,866	31-Mar-20	
Bank of Baroda	10,416,667	31-Mar-20	
DCB Bank Limited	8,333,333	31-Mar-20	
Indian Bank	4,302,536	30-Mar-20	
Kotak Mahindra Bank Limited	37,500,000	30-Mar-20	
Oriental Bank of Commerce	10,416,674	31-Mar-20	
Hongkong and Shanghai Banking Corporation Limited	75,000,000	31-Mar-20	
The Lakshmi Vilas Bank Limited	36,363,623	31-Mar-20	
Woori Bank	47,916,650	31-Mar-20	

**Out of the above:*
a. Rs 373,094,516 - repaid subsequently
b. Rs 130,113,623 – moratorium received subsequently with retrospective effect

The Company has not delayed or defaulted in repayment of dues to debenture holders. The Company did not have any dues of loans or borrowing to government during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer.

Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with directors as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number: 102102
UDIN: 201021102AAAAF06436

Mumbai
May 30, 2020

Annexure 2 referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date

Report on Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of CreditAccess Grameen Limited (the "Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Standalone Ind AS financial statements

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Standalone Ind AS financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number: 102102
UDIN: 201021102AAAAF06436

Mumbai
May 30, 2020

FINANCIAL STATEMENTS

STANDALONE BALANCE SHEET AS AT MARCH 31, 2020

₹ in crores

Sr. No.	Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS				
(1)	**Financial assets**			
(a)	Cash and cash equivalents	4	564.62	573.73
(b)	Bank balance other than cash and cash equivalents	5	15.82	41.82
(c)	Other receivables	6	0.22	0.09
(d)	Loans	7		
	- Loan portfolio (excluding securitised assets)		9,172.64	6,404.18
	- Securitised assets re-recognised on balance sheet		-	198.65
(e)	Investments	8	661.44	0.20
(f)	Other financial assets	9	42.87	46.70
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	29	17.59	13.23
(b)	Deferred tax assets (net)	29	84.27	43.14
(c)	Property, plant and equipment	11 (A)	24.19	18.74
(d)	Right to use assets	11 (A)	52.93	-
(e)	Intangible assets under development	11 (B)	2.84	2.36
(f)	Intangible assets	11 (A)	9.50	6.01
(g)	Other non-financial assets	10	12.73	8.29
Total assets			**10,661.66**	**7,357.14**
LIABILITIES AND EQUITY				
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises		13.27	8.09
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		66.57	95.64
(b)	Borrowings			
	- Debt securities	12	638.16	556.16
	- Borrowings (other than debt securities)	13	7,159.40	4,114.50
	- Subordinated liabilities	14	25.00	37.07
	- Financial liability towards securitisation (re-recognised on balance sheet)	15	-	158.84
(c)	Other financial liabilities	16	60.11	-
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	29	-	-
(b)	Provisions	18	16.02	11.88
(c)	Other non-financial liabilities	17	14.05	9.90
(3)	**Equity**			
(a)	Equity share capital	19	143.99	143.55
(b)	Other equity	20	2,525.09	2,221.51
Total liabilities and equity			**10,661.66**	**7,357.14**

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm's Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No. 102102
Place: Mumbai
Date: May 30, 2020

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO

Diwakar B R
Director-Finance & CFO

M. J. Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Place: Bangalore
Date: May 30, 2020

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

₹ in crores

Sr. No.	Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
I	**Revenue from operations**			
(a)	Interest income	21		
	- Interest on loans		1,588.80	1,156.09
	- Income on securitisation (re-recognised on balance sheet)		22.25	55.24
	- Interest on deposits with banks and financial institutions		6.14	6.99
(b)	Fees and commission	22	4.95	1.34
(c)	Net gain on fair value changes	23	56.15	56.55
(d)	Bad Debt Recovery		5.20	6.05
	Total revenue from operations (I)		**1,683.49**	**1,282.26**
II	**Other income**	24	0.87	1.06
III	**Total income (I+II)**		**1,684.36**	**1,283.32**
IV	**Expenses**			
(a)	Finance costs	25		
	- On borrowings		563.89	398.68
	- On financial liability towards securitisation (re-recognised on balance sheet)		8.78	18.07
(b)	Impairment of financial instruments	26	238.98	74.86
(c)	Employee benefits expenses	27	259.64	186.05
(d)	Depreciation and amortisation expenses	11	19.64	7.79
(e)	Other expenses	28	142.54	100.13
	Total expenses (IV)		**1,233.47**	**785.58**
V	**Profit before tax (III-IV)**		**450.89**	**497.74**
VI	**Tax expense**	29		
	(1) Current tax		159.32	176.35
	(2) Deferred tax		(35.93)	(0.37)
	Total tax expense (VI)		**123.39**	**175.98**
VII	**Profit for the year (V-VI)**		**327.50**	**321.76**
VIII	**Other comprehensive income**			
(a)	(1) Items that will not be reclassified to profit or loss			
	- Remeasurement (losses) and gains on defined benefit obligations (net)		0.05	(1.91)
	(2) Income tax relating to items that will not be reclassified to profit or loss		(0.01)	0.67
	Subtotal (a)		**0.04**	**(1.24)**
(b)	(1) Items that will be reclassified to profit or loss			
	- Net change in fair value of loans measured at fair value through other comprehensive income		(34.83)	(13.36)
	(2) Income tax relating to items that will be reclassified to profit or loss		7.46	4.67
	Subtotal (b)		**(27.37)**	**(8.69)**
	Other comprehensive income (VIII = a+b)		**(27.33)**	**(9.93)**
IX	**Total comprehensive income (VII+VIII) (comprising profit and other comprehensive income for the year)**		**300.17**	**311.83**
X	**Earnings per equity share (face value of ₹10.00 each)**			
	Basic (EPS)		22.78	23.37
	Diluted (DPS)		22.59	23.14

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm's Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No. 102102
Place: Mumbai
Date: May 30, 2020

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO

Diwakar B R
Director-Finance & CFO

M. J. Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Place: Bangalore
Date: May 30, 2020

STATEMENT OF STANDALONE CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

Equity share capital

Equity shares of ₹10 each issued, subscribed and fully paid.

Particulars	No of shares	₹ in crores
At March 31, 2018	128,427,337	128.24
Changes in equity share capital during the year	15,124,924	15.12
At March 31, 2019	143,552,261	143.55
Changes in equity share capital during the year	433,198	0.43
At March 31, 2020	143,985,459	143.99

Other equity

₹ in crores

Particulars	Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	Capital reserve	Securities premium	Stock option outstanding	Retained earnings	Other items of comprehensive income (fair valuation on loan portfolio)	Total
As at March 31, 2018	**73.57**	**49.95**	**883.08**	**5.08**	**297.38**	**(0.01)**	**1,309.05**
Profit for the year	-	-	-	-	321.76	-	321.76
Other comprehensive income	-	-	-	-	(1.24)	(8.69)	(9.93)
Premium on equity shares issued during the year	-	-	615.07	-	-	-	615.07
Premium on exercise of stock options	-	-	1.59	(0.81)	-	-	0.78
Transferred to statutory reserves	64.35	-	-	-	(64.35)	-	(0.00)
Expenses incurred towards initial public offering of equity shares (net of tax)	-	-	(19.74)	-	-	-	(19.74)
Employee stock option compensation for the year	-	-	-	4.52	-	-	4.52
As at March 31, 2019	**137.92**	**49.95**	**1,480.00**	**8.79**	**553.55**	**(8.70)**	**2,221.51**
Profit for the year	-	-	-	-	327.50	-	327.50
Other comprehensive income	-	-	-	-	0.04	(27.37)	(27.33)
Premium on equity shares issued during the year	-	-		-	-	-	-
Premium on exercise of stock options	-	-	5.85	(2.69)	-	-	3.16
Transferred to statutory reserves	65.50	-	-	-	(65.50)	-	-
Effect of tax rate change on the carrying value of deferred tax assets recognised through equity	-	-	(2.26)	-	-	-	(2.26)
Employee stock option compensation for the year	-	-	-	2.51	-	-	2.51
As at March 31, 2020	**203.42**	**49.95**	**1,483.59**	**8.61**	**815.59**	**(36.07)**	**2,525.09**

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm's Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No. 102102
Place: Mumbai
Date: May 30, 2020

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO

Diwakar B R
Director-Finance & CFO

M. J. Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Place: Bangalore
Date: May 30, 2020

STATEMENT OF STANDALONE CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

₹ in crores

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flow from operating activities:		
Profit before tax	450.89	497.74
Adjustments to reconcile profit before tax to net cash flows:		
Interest income on loans	(1,594.60)	(1,154.76)
Income on securitisation (re-recognised on balance sheet)	(22.25)	(55.24)
Depreciation and amortisation expenses	19.64	7.79
Interest expense on borrowings	561.87	394.30
Interest expenses on financial liability towards securitisation (re-recognised on balance sheet)	8.78	18.07
Impairment on financial instruments	244.77	73.52
Net loss on disposal of property, plant and equipment	(0.01)	0.07
Net gain on financial instruments at fair value through profit or loss	(14.82)	(10.55)
Share based payments to employees	2.51	4.53
	(794.11)	**(722.27)**
Operational cash flows from interest:		
Interest received on loans	1,555.27	1,162.03
Interest received on loans securitised (re-recognised on balance sheet)	22.78	54.71
Interest paid on borrowings	(537.37)	(379.08)
Interest on financial liability towards securitisation (re-recognised on balance sheet)	(8.69)	(18.07)
Working capital changes:		
Increase in loans	(3,008.74)	(1,602.82)
Decrease / (increase) in securitised assets re-recognised on balance sheet	198.12	(198.12)
Decrease / (increase) in bank balance other than cash and cash equivalents	25.99	(28.78)
(Increase) / decrease in other receivables	(0.13)	5.38
Decrease / (increase) in other financial assets	3.83	(34.14)
Increase in other non-financial assets	(4.44)	(3.68)
(Decrease) / increase in trade and other payables	(23.89)	68.65
Increase in provisions	4.19	3.45
Increase / (decrease) in other non-financial liabilities	4.12	(1.04)
	(2,800.95)	**(1,791.10)**
Income tax paid	(163.69)	(182.05)
Net cash flows used in operating activities	**(2,275.87)**	**(1,378.09)**
Investing activities		
Purchase of property, plant and equipment	(14.21)	(14.69)
Proceeds from sale of property, plant and equipment	0.12	0.03
Purchase of Intangible assets	(7.44)	(3.03)
Purchase of investments at fair value through profit and loss	(9,125.63)	(7,056.42)
Sale of investments at fair value through profit and loss	9,140.45	7,066.97
Investment in equity shares of subsidiary	(661.24)	-
Net cash flows used in investing activities	**(667.95)**	**(7.14)**
Financing activities		
Debt securities issued / (repaid) (net)	71.81	(223.17)
Borrowings other than debt securities issued (net)	3,029.62	1,339.61
Subordinated liabilities repaid (net)	(11.39)	(47.46)
Financial liability towards securitisation (re-recognised on balance sheet) (repaid) / issued (net)	(158.92)	158.84
Proceeds from issuance of equity share capital including securities premium	3.59	630.97
Expenses incurred towards issuance of equity shares	-	(29.86)
Net Cash flows from financing activities	**2,934.71**	**1,828.93**
Net (increase) / decrease in cash and cash equivalents	**(9.11)**	**443.70**
Cash and cash equivalents as at the beginning of the year (Refer Note 4)	**573.73**	**130.03**
Cash and cash equivalents as at the end of the year (Refer Note 4)	**564.62**	**573.73**

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm's Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No. 102102
Place: Mumbai
Date: May 30, 2020

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO

Diwakar B R
Director-Finance & CFO

M. J. Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Place: Bangalore
Date: May 30, 2020

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. CORPORATE INFORMATION

CreditAccess Grameen Limited (Formerly known as Grameen Koota Financial Services Private Limited) ('the Company') is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is registered as a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ('RBI') and has got classified as a Non-Banking Financial Company – Micro Finance Institution ('NBFC-MFI') with effect from September 5, 2013. The company's shares are listed on BSE Limited ('BSE') and National Stock Exchange of India Ltd ('NSE').The Company being a Non-banking financial Company (NBFC – MFI), is registered with the Reserve Bank of India (Certificate of Registration Number: B-02.00252) located at New No. 49 (Old No. 725), 46th Cross,8th Block, Jayanagar, (Next to Rajalakshmi Kalayana Mantap) Bengaluru 560071, Karnataka, India.

The Company is engaged primarily in providing micro finance services to women who are enrolled as members and organized as Joint Liability Groups ('JLG'). In addition to the core business of providing micro-credit, the Company uses its distribution channel to provide certain other financial products and services to the members.

2. BASIS OF PREPARATION

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and notified under Section 133 of the Companies Act, 2013 ("the Act").

In view of the matters as mentioned in Note 42 and Note 43 , the Company has assessed the impact of the Novel Coronavirus (COVID-19) pandemic on its liquidity and ability to repay its obligations as and when they are due. With the gradual relaxation of lockdown rules, as well as resumption of commercial activities by borrowers in a majority of geographies in which the Company operates, management is confident that collections will resume, albeit likely at a lower level than earlier. In this regard, the Company has 909 out of its 929 branch offices in a state of readiness with optimal workforce to deal with normal business operations, while continuing to comply with regulatory guidelines on businesses, social distancing, etc. The Company has also commenced field visits to meet customers and expects to resume Kendra meetings post the lock down period to re-commence collections. In addition, management has considered various stimulus packages announced by the Government of India which will directly or indirectly benefit NBFC-MFI, current status/outcomes of discussions with the Company's lenders to seek/extend moratorium and various other financial support from other banks, agencies and its parent entity in determining the Company's liquidity position over the next 12 months. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. Accordingly, the standalone financial statements have been prepared on a going concern basis.

The standalone financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments, financial assets held for trading and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crores, except when otherwise indicated.

2.1. Presentation of standalone financial statements

The Company presents its balance sheet in order of liquidity.

The Company generally reports financial assets and financial liabilities on a gross basis in the balance sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically.

2.2. Critical accounting estimates and judgements

The preparation of the Company's standalone financial statements requires Management to make use of estimates and judgements. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management's estimates are based. Accounting estimates and judgements are used in various line items in the standalone financial statements for e.g.:

- Business model assessment (Refer Note 3.14)
- Fair value of financial instruments (Refer Note 3.17)
- Effective interest rate (EIR) (Refer Note 3.1.1)
- Impairment of financial assets (Refer Note 3.15)
- Provisions (Refer Note 3.8)
- Contingent liabilities and assets (Refer Note 3.9)
- Provision for tax expenses (Refer Note 3.11)
- Residual value and useful life of property, plant and equipment (Refer Note 3.6.1)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of this standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1. Revenue recognition

3.1.1. Interest income

Interest income for all financial instruments measured either at amortised cost or at fair value through other comprehensive income, is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

3.1.2. Interest on financial assets at fair value through profit and loss (FVTPL) is recognised in accordance with the contractual terms of the instrument.

3.1.3. The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind

AS 115 'Revenue From Contracts with Customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

(a) Distribution income is earned by selling of services and products of other entities under distribution arrangements. The income so earned is recognised on successful sales on behalf of other entities subject to there being no significant uncertainty of its recovery.

3.1.4. The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

3.2. Finance cost

Borrowing cost on financial liabilities including towards securitisation transactions not derecognised by the Company are recognised by applying the EIR.

3.3. Cash and cash equivalents

Cash and cash equivalents, comprise cash in hand, cash at bank and short-term investments with an original maturity of three months or less, that are readily convertible to insignificant risk of changes in value.

3.4. Property, plant and equipment ('PPE')

Initial Recognition and measurement:

PPE are stated at cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

3.5. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

3.6. Depreciation and amortization

3.6.1. Depreciation

Depreciation on property, plant and equipment is measured using the straight line method as per the useful lives of the assets estimated by the management. The useful life estimated by the management is as under:

Category of Assets	Useful Life (Years)
	Parent Company
Furniture and fittings	10
Office Equipments	05
Vehicles	08
Buildings	30
Electrical equipment	10
Computers (including servers)	03

Leasehold improvement is amortised on a straight line basis over the primary period of lease.

The management has estimated, supported by independent assessment by professionals, the useful life of servers and two-wheeler vehicles as 3 years and 8 years respectively, which are lower than those prescribed under Schedule II to the Act.

3.6.2. Amortisation of intangible assets

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The management has determined its estimate of useful economic life as five years. The useful lives of intangible assets are reviewed at each financial year and adjusted.

3.7. Impairment of non–financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

3.8. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.9. Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable.

3.10. Retirement and other employee benefits

3.10.1. Defined contribution plan

Retirement benefits in the form of provident fund and superannuation are defined contribution schemes. The Company has no obligation, other than the contribution payable to the respective funds. The Company recognises contribution payable to the respective funds as expenditure, when an employee renders the related service.

3.10.2. Defined benefit plan

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each year. Gains or losses through remeasurements of net benefit liabilities/ assets are recognised with corresponding charge/credit to the retained earnings through other comprehensive income in the period in which they occur.

3.10.3. Other employee benefits

The Company treats accumulated leave expected to be carried forward beyond twelve months as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

3.11. Taxes

3.11.1. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside the statement profit or loss is recognised outside the statement profit or loss (either in other comprehensive income or in equity).

3.11.2. Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement profit or loss is recognised outside the statement profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.12. Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.13. Share based payments

Equity-settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based payments transactions are set out in Note 37.

The cost of equity-settled transactions is measured using the fair value method and recognised, together with a corresponding increase in the "Stock options outstanding account" in reserves. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the statement of profit and loss for the year represents the movement in cumulative expense recognised as at the beginning and end of that year and is recognised in employee benefits expense.

3.14. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.14.1. Financial Assets

3.14.1.1. Initial recognition and measurement

Financial assets are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

3.14.1.2. Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Loans at amortised cost
- Loans at fair value through other comprehensive income (FVTOCI)
- Investments in debt instruments and equity instruments at fair value through profit or loss (FVTPL)

3.14.1.3. Loans at amortised costs

Loans are measured at the amortised cost if both the following conditions are met:

(a) Such loan is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

3.14.1.4. Loans at fair value through other comprehensive income (FVTOCI)

Loans are classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Loans included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is recognised as interest income using the EIR method.

3.14.1.5. Investment in debt instruments and equity instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

3.14.2. Financial Liabilities

3.14.2.1. Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments, which are measured at amortised cost.

3.14.2.2. Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. The EIR amortisation is included as finance costs in the statement of profit and loss.

3.14.3. Reclassification of financial assets and liabilities

The Company doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

3.14.4. De-recognition of financial assets and liabilities

3.14.4.1. De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Company also de-recognises the financial asset if it has transferred the financial asset and the transfer qualifies for de-recognition.

The Company has transferred the financial asset if, and only if, either:
- It has transferred its contractual rights to receive cash flows from the financial asset

Or

- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:
- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients. A transfer only qualifies for de-recognition if either:
- The Company has transferred substantially all the risks and rewards of the asset

or

- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit or loss account.

3.14.4.2. De-recognition of financial liabilities

Financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the re-cognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

3.15. Impairment of financial assets

3.15.1. Overview of the Expected Credit Loss (ECL) allowance principles

The Company is recording the allowance for expected credit losses for all loans at amortised cost and FVOCI and other debt financial assets not held at FVTPL.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in Note 3.15.2). The Company's policies for determining if there has been a significant increase in credit risk are set out in Note 41.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on a collective basis for identified homogenous pool of loans. The Company's policy for grouping financial assets measured on a collective basis is explained in Note 41.

Accordingly, the Company groups its loans into Stage 1, Stage 2, Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the company records an allowance for the LTECLs.

Stage 3: Loans considered credit-impaired (as outlined in Note 41). The Company records an allowance for the LTECLs.

For financial assets for which the company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) de-recognition of the financial asset.

3.15.2. The calculation of ECL

The Company calculates ECLs based on a probability-weighted scenarios and historical data to measure the expected cash shortfalls. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

ECL consists of three key components: Probability of Default (PD), Exposure at Default (EAD) and Loss given default (LGD). ECL is calculated by multiplying them. Refer Note 41 for explanation of the relevant terms.

The maximum period for which the credit losses are determined is the expected life of a financial instrument.

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Company recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

3.16. Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to the statement profit and loss account.

3.17. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantegeous market must be accessible by the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured are categorised with fair value hierachy into Level I, Level II and Level III based on level of input.

3.18. Segment information

The Company operates in a single business segment i.e. lending to members, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Company operates in a single geographical segment i.e. domestic.

3.19. Business combinations

A) Business combinations under common control

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The Company accounts for business combinations under common control as per the pooling of interest method. The pooling of interest method involves the following:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

(iii) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

B) Other business combinations

The Company uses the acquisition method of accounting to account for business combinations other than those under common control. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Any goodwill that arises on account of such business combination is tested annually for impairment. Any contingent consideration is measured at fair value at the date of acquisition. A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Company recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Company incurs in connection with a business combination, such as Stamp Duty for title transfer in the name of the Company, finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

3.20. Foreign currency

3.20.1 All transactions in foreign currency are recognised at the exchange rate prevailing on the date of the transaction.

3.20.2. Foreign currency monetary items are reported using the exchange rate prevailing at the close of the period.

3.20.3. Exchange differences arising on the settlement of monetary items or on the restatement of Company's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise.

3.21. Leases (where the Company is the lessee)

Short term leases not covered under Ind AS 116 are classified as operating lease. Lease payments during the year are charged to statement of profit and loss. Future minimum rentals payable under non-cancellable operating leases.

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company has adopted Ind AS 116 - Leases with effect from April 1, 2019 and applied to all lease contracts existing on April 1, 2019 using the Modified Retrospective Approach. In accordance with the transitional provisions, the Company has not restated the comparative figures. The adoption of new standard resulted in recognition of right-of-use asset and a corresponding lease liability of 64.5 crores on April 1, 2019. The effect of this adoption is not material to the profit for the period and earnings per share.

3.22. Investment in subsidiaries

Investment in subsidiaries is recognised at cost and are not adjusted to fair value at the end of each reporting period.Cost of investment represents amount paid for acquisition of the said investment.The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

4. CASH AND CASH EQUIVALENTS

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Cash in hand	1.35	12.34
Balances with Banks in current accounts	163.08	276.24
Bank deposit with maturity of less than 3 months	400.19	285.15
Total	**564.62**	**573.73**

5. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Fixed deposit with bank not considered as cash and cash equivalents*	15.82	41.82
Total	**15.82**	**41.82**

*Balances with banks to the extent held as margin money or security against the borrowings.

6. OTHER RECEIVABLES

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Unsecured, considered good	0.22	0.09
Total	**0.22**	**0.09**

The above does not include the debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms including limited liability partnerships (LLPs), private companies respectively in which any director is a partner or a director or a member.

7. LOANS

₹ in crores

Particulars	March 31,2020			March 31, 2019		
	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total
(A) Term loans:						
Joint liability loans	949.00	7,989.03	8,938.03	789.16	5,363.87	6,153.03
Individual loans	500.36	-	500.36	325.03	-	325.03
Total - Gross	**1,449.36**	**7,989.03**	**9,438.39**	**1,114.19**	**5,363.87**	**6,478.06**
Less: Impairment loss allowance	42.20	223.55	265.75	13.01	60.87	73.88
Total - Net*	**1,407.16**	**7,765.48**	**9,172.64**	**1,101.18**	**5,303.00**	**6,404.18**
(B) (a) Secured	1.67	-	1.67	2.22	-	2.22
(b) Unsecured	1,447.69	7,989.03	9,436.72	1,111.97	5,363.87	6,475.84
Total - Gross	**1,449.36**	**7,989.03**	**9,438.39**	**1,114.19**	**5,363.87**	**6,478.06**
Less: Impairment loss allowance	42.20	223.55	265.75	13.01	60.87	73.88
Total - Net*	**1,407.16**	**7,765.48**	**9,172.64**	**1,101.18**	**5,303.00**	**6,404.18**
(C) (I) Loans in India						
(a) Public sector	-	-	-	-	-	-
(b) Others	1,449.36	7,989.03	9,438.39	1,114.19	5,363.87	6,478.06
Total - Gross	**1,449.36**	**7,989.03**	**9,438.39**	**1,114.19**	**5,363.87**	**6,478.06**
Less: Impairment loss allowance	42.20	223.55	265.75	13.01	60.87	73.88
Total - Net*	**1,407.16**	**7,765.48**	**9,172.64**	**1,101.18**	**5,303.00**	**6,404.18**
(C) (II) Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total - Net*	-	-	-	-	-	-

*Represents fair value of loans designated at FVOCI.

SECURITISED ASSETS RE-RECOGNISED ON BALANCE SHEET

₹ in crores

Particulars	March 31,2020			March 31, 2019		
	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total
(A) Term loans:						
Joint liability loans						
Securitised assets	-	-	-	201.73	-	201.73
Total - Gross	-	-	-	**201.73**	-	**201.73**
Less: Impairment loss allowance	-	-	-	3.08	-	3.08
Total - Net*	-	-	-	**198.65**	-	**198.65**

(B) (a) Secured	-	-	-	-	-	-
(b) Unsecured	-	-	-	201.73	-	201.73
Total - Gross	**-**	**-**	**-**	**201.73**	**-**	**201.73**
Less: Impairment loss allowance	-	-	-	3.08	-	3.08
Total - Net*	**-**	**-**	**-**	**198.65**	**-**	**198.65**
(C) (I) Loans in India						
(a) Public sector	-	-	-	-	-	-
(b) Others	-	-	-	201.73	-	201.73
Total - Gross	**-**	**-**	**-**	**201.73**	**-**	**201.73**
Less: Impairment loss allowance	-	-	-	3.08	-	3.08
Total - Net*	**-**	**-**	**-**	**198.65**	**-**	**198.65**
(C) (II) Loans outside India	**-**	**-**	-	**-**	**-**	-
Less: Impairment loss allowance	**-**	**-**	-	**-**	**-**	-
Total - Net*	**-**	**-**	**-**	**-**	**-**	**-**

*Represents fair value of loans designated at FVOCI.

7(A) GROUP LENDING LOANS

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Group lending loans:

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2019	**6,299.14**	**22.59**	**33.03**	**6,354.76**
New assets originated during the year, netted off for repayments and derecognised portfolio	2,631.08	(3.45)	3.29	2,630.92
Assets written off during the year	-	-	(47.65)	(47.65)
Movement between stages				
Transfer from Stage 1	(147.36)	11.85	135.51	-
Transfer from Stage 2	0.04	(8.27)	8.23	-
Transfer from Stage 3	0.02	0.01	(0.03)	-
Gross carrying value of assets as at 31st March 2020	**8,782.92**	**22.73**	**132.38**	**8,938.03**

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2019	**38.45**	**4.26**	**27.66**	**70.37**
New assets originated during the year, netted off for repayments and derecognised portfolio	18.09	(1.29)	2.38	19.18
Assets written off during the year	-	-	(47.65)	(47.65)
Movement between stages				
Transfer from Stage 1	(1.01)	0.08	0.93	-
Transfer from Stage 2	0.01	(3.09)	3.08	-
Transfer from Stage 3	0.01	0.00	(0.01)	-
Impact on ECL on account of movement between stages / updates to the ECL model	87.57	10.15	111.52	209.24
ECL allowance as at 31st March2020	**143.12**	**10.11**	**97.91**	**251.14**

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2018	4,857.09	12.60	37.45	4,907.14
New assets originated during the year, netted off for repayments and derecognised portfolio	1,512.00	0.34	(4.06)	1,508.28
Assets written off during the year	-	-	(60.66)	(60.66)
Movement between stages				
Transfer from Stage 1	(70.04)	10.20	59.84	-
Transfer from Stage 2	0.08	(0.55)	0.47	-
Transfer from Stage 3	0.01	0.00	(0.01)	-
Gross carrying value of assets as at 31st March 2019	**6,299.14**	**22.59**	**33.03**	**6,354.76**

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2018	**23.18**	**3.08**	**35.83**	**62.09**
New assets originated during the year, netted off for repayments and derecognised portfolio	7.09	0.08	(3.89)	3.28
Assets written off during the year	-	-	(60.66)	(60.66)
Movement between stages				
Transfer from Stage 1	(0.33)	0.05	0.28	-
Transfer from Stage 2	0.02	(0.13)	0.11	-
Transfer from Stage 3	0.01	0.00	(0.01)	-
Impact on ECL on account of movement between stages / updates to the ECL model	8.48	1.18	56.00	65.66
ECL allowance as at 31st March2019	**38.45**	**4.26**	**27.66**	**70.37**

7(B) INDIVIDUAL LENDING

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Individual lending loans:

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2019	323.93	0.61	0.49	325.03
New assets originated during the year netted off for repayments	177.84	0.14	(0.11)	177.87
Assets written off during the year	-	-	(2.54)	(2.54)
Transfer from Stage 1	(16.79)	4.93	11.86	-
Transfer from Stage 2	0.00	(0.02)	0.02	-
Transfer from Stage 3	0.00	-	(0.00)	-
Gross carrying value of assets as at 31st March 2020	**484.98**	**5.66**	**9.72**	**500.36**

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2019	**6.11**	**0.00**	**0.47**	**6.58**
New assets originated during the year netted off for repayments	0.67	0.08	(0.11)	0.64
Assets written off during the year			(2.54)	(2.54)
Transfer from Stage 1	(0.06)	0.02	0.04	-
Transfer from Stage 2	0.00	(0.01)	0.01	-
Transfer from Stage 3	0.00		(0.00)	-
Impact on ECL on account of movement between stages/ updates to the ECL model	(4.92)	2.88	11.97	9.93
ECL allowance as at 31st March2020	**1.80**	**2.97**	**9.84**	**14.61**

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2018	51.11	0.01	0.02	51.14
New assets originated during the year netted off for repayments	273.83	0.02	0.04	273.89
Assets written off during the year	-	-	-	
Transfer from Stage 1	(1.01)	0.59	0.42	-
Transfer from Stage 2	-	(0.01)	0.01	-
Transfer from Stage 3	-	-	-	-
Gross carrying value of assets as at 31st March 2019	**323.93**	**0.61**	**0.49**	**325.03**

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2018	**0.67**	**0.00**	**0.00**	**0.67**
New assets originated during the year netted off for repayments	5.87	0.00	0.04	5.91
Assets written off during the year				
Transfer from Stage 1	(0.43)	0.01	0.42	0.00
Transfer from Stage 2	-	(0.01)	0.01	-
Transfer from Stage 3	-	-	-	-
ECL allowance as at 31st March2019	**6.11**	**0.00**	**0.47**	**6.58**

8. INVESTMENTS (FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Investments		
A) In India		
Equity instruments		
(a) Investment in subsidiary (at cost)		
Madura Micro Finance Limited (MMFL)	661.24	-
(b) Others (at fair value through profit and loss)	0.20	0.20
Total	**661.44**	**-**
B) Outside India	-	-
Total	**661.44**	**0.20**

9. OTHER FINANCIAL ASSETS (AT AMORTISED COST)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Retained interest on assets assigned	27.31	30.12
Security deposits (unsecured, considered good)	9.59	10.10
Loans and advances to employees (unsecured, considered good)	5.87	5.41
Fixed deposit with financial institution	-	1.07
Others	0.10	-
Total	**42.87**	**46.70**

10. OTHER NON-FINANCIAL ASSETS (AT AMORTISED COST)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Prepaid expenses (unsecured, considered good)	5.18	4.76
Other advances		
Unsecured, considered good	7.55	3.53
Unsecured, considered doubtful	1.33	1.53
Less: Provision for doubtful advances	(1.33)	(1.53)
Total	**12.73**	**8.29**

11 (A)

₹ in crores

Particulars	Property, plant and equipment						Total	Right to use assets		Total	Intangible assets	
	Computer	Electrical Equipment	Furniture & Fixtures	Leasehold Improvement	Office equipment	Vehicles		Buildings	Computer		Computer software	Total
Cost:												
At March 31, 2018	6.20	0.37	4.35	4.30	4.16	0.62	20.00	-	-	**-**	12.34	**12.34**
Additions	2.26	0.18	1.48	2.50	8.27	-	14.69	-	-	**-**	1.73	**1.73**
Disposals	(0.35)	(0.01)	(0.05)	-	(0.38)	-	(0.79)	-	-	**-**	-	**-**
At March 31, 2019	**8.11**	**0.54**	**5.78**	**6.80**	**12.05**	**0.62**	**33.90**	**-**	**-**	**-**	**14.07**	**14.07**
At April 1, 2019	-	-	-	-	-	-	-	15.19	33.39	**48.58**	-	**-**
Additions	3.42	0.24	3.59	2.25	4.81	-	14.31	7.35	4.45	**11.80**	6.97	**6.97**
Disposals	(0.16)	(0.02)	(0.06)	-	(0.40)	-	(0.64)	-	-	**-**	(0.01)	**(0.01)**
At March 31, 2020	**11.37**	**0.76**	**9.31**	**9.05**	**16.46**	**0.62**	**47.57**	**22.54**	**37.84**	**60.38**	**21.03**	**21.03**
Depreciation:												
At March 31, 2018	4.14	0.34	2.89	1.32	1.59	0.24	10.52	-	-	**-**	5.66	**5.66**
Depreciation charge for the year	1.50	0.18	1.04	1.08	1.45	0.08	5.33	-	-	**-**	2.40	**2.40**
Disposals	(0.32)	(0.01)	(0.04)	-	(0.32)	-	(0.69)	-	-	**-**	-	**-**
At March 31, 2019	**5.32**	**0.51**	**3.89**	**2.40**	**2.72**	**0.32**	**15.16**	**-**	**-**	**-**	**8.06**	**8.06**
Depreciation charge for the year	2.02	0.22	1.76	1.51	3.14	0.08	8.73	3.79	3.66	**7.45**	3.48	**3.48**
Disposals	(0.15)	(0.02)	(0.05)	-	(0.29)	-	(0.51)	-	-	**-**	(0.01)	**(0.01)**
At March 31, 2020	**7.19**	**0.71**	**5.60**	**3.91**	**5.57**	**0.40**	**23.38**	**3.79**	**3.66**	**7.45**	**11.53**	**11.53**
Net book value:												
At March 31, 2018	**2.06**	**0.03**	**1.46**	**2.98**	**2.57**	**0.38**	**9.48**	**-**	**-**	**-**	**6.68**	**6.68**
At March 31, 2019	**2.79**	**0.03**	**1.89**	**4.40**	**9.33**	**0.30**	**18.74**	**-**	**-**	**-**	**6.01**	**6.01**
At March 31, 2020	**4.18**	**0.05**	**3.71**	**5.14**	**10.89**	**0.22**	**24.19**	**18.75**	**34.18**	**52.93**	**9.50**	**9.50**

11(B) INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Opening	2.36	1.06
Additions during the year	2.96	1.33
Less: Capitalised during the year	(2.48)	(0.03)
Closing	**2.84**	**2.36**

12. DEBT SECURITIES (AT AMORTISED COST)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Debentures (secured)	638.16	556.16
Total	638.16	**556.16**
Debt securities in India	-	-
Debt securities outside India	638.16	556.16
Total	**638.16**	**556.16**

Nature of security

The above debentures are secured by the way of first and exclusive charge over eligible book debts of the Company.

DEBENTURES (SECURED) (AT AMORTISED COST)

Terms of debentures	Number of debentures		Face value	Amount in crores	
	March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019
12.24% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. November 25, 2013. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	250	1,000,000	-	25.53
12.33% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. November 25, 2013. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	250	1,000,000	-	25.53

11.68% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 28, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	195	195	1,000,000	19.49	19.45
11.47% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 28, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	195	195	1,000,000	19.50	19.46
11.11% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Three yearsfrom the date of allotment i.e. February 28, 2020.	800	-	1,000,000	80.16	-
12.10% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. February 26, 2014. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	300	1,000,000	-	30.16
11.80% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. July 25, 2014. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	300	300	1,000,000	30.72	30.21

13.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. October 29, 2015. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	-	1,000,000	-	-
12.30% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 15, 2016. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	1,000	1,000,000	-	100.23
11.60% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. July 31, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	1,000	1,000	1,000,000	101.52	101.44
14.16% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable on May 13, 2018 (25%) and November 13, 2018 (75%) (subject to exercise of option on December 24, 2017 by the lender for redemption on May 13, 2019 (25%) and November 13, 2019 (75%)).	-	-	1,000,000	-	-
11.21% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of forty six months) from the date of allotment i.e. March 31, 2015. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	300	300	1,000,000	29.31	29.23

10.34% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after five years from the date of allotment i.e. May 31, 2017.	1,350	1,350	1,000,000	138.88	138.32
9.50% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Five yearsfrom the date of allotment i.e. November 8, 2019.	2,140	-	1,000,000	218.58	-
Total	**6,280**	**5,140**		**638.16**	**519.56**

COMPULSORILY CONVERTIBLE DEBENTURES (UNSECURED)

13.50% (net of withholding tax as applicable) Unsecured Compulsorily Convertible Debentures of face value of Rs.10,000,000 each convertible into equity shares with an option to exercise at Rs.140, Rs.158, Rs.180 and Rs.204 per equity share at the end of financial years 2017-18, 2018-19, 2019-20 and 2020-21 respectively issued to a related party (Refer Note 36).	-	-	1,000,000	-	-

13. BORROWINGS OTHER THAN DEBT SECURITIES (AT AMORTISED COST)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Term loans (secured)		
Banks	5,088.24	2,667.44
Financials institutions	1,668.89	1,112.69
Non-banking financial companies	160.95	186.40
External commercial borrowings	241.32	147.97
Total	**7,159.40**	**4,114.50**
Borrowings in India	6,918.08	3,966.53
Borrowings outside India	241.32	147.97
Total	**7,159.40**	**4,114.50**

14. SUBORDINATED LIABILITIES (AT AMORTISED COST)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Term Loan	25.00	37.07
Total	**25.00**	**37.07**
Borrowings in India	25.00	24.99
Borrowings outside India	-	12.08
Total	**25.00**	**37.07**

15. FINANCIAL LIABILITY TOWARDS SECURITISATION (RE-RECOGNISED ON BALANCE SHEET)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Borrowings under securitisation arrangement		
- Banks	-	158.84
Total	**-**	**158.84**

Represents securities issued by the Special Purpose Vehicles (SPVs) to the investors pursuant to the securitisation arrangement carrying a rate of interest in the rate of 7% - 9%. Since such arrangements do not fulfil the derecognition criteria under Ind AS 109, the Company has recognised the associated liabilities.

Terms of repayment of borrowings as on March 31, 2020

₹ in crores

Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
		No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Monthly														
1-3 years	8.5%-9%	150	945.99	129	875.55	10	279.24	-	-	-	-	-	-	2,100.78
	9%-9.5%	200	804.31	99	357.71	2	4.17	-	-	-	-	-	-	1,166.19
	9.5%-10%	35	112.99	5	13.04	-	-	-	-	-	-	-	-	126.03
	10%-10.5%	24	53.38	-	-	-	-	-	-	-	-	-	-	53.38
	10.5%-11%	2	4.17	-	-	-	-	-	-	-	-	-	-	4.17
	6%-6.5%	12	108.00	12	108.00	2	16.00	-	-	-	-	-	-	232.00
Above 3 years	9%-9.5%	18	87.50	24	116.67	24	116.67	6	29.17	-	-	-	-	350.01
	10%-10.5%	11	5.06	3	1.29	-	-	-	-	-	-	-	-	6.35
	10.5%-11%	10	6.06	-	-	-	-	-	-	-	-	-	-	6.06
Quarterly														
1-3 years	8%-8.5%	8	120.00	-	-		-	-	-	-	-	-	-	120.00
	8.5%-9%	63	410.61	37	155.79		-	-	-	-	-	-	-	566.40
	9%-9.5%	11	96.88	2	16.25		-	-	-	-	-	-	-	113.13
	9.5%-10%	3	20.33	-	-		-	-	-	-	-	-	-	20.33
Half Yearly														
Above 3 years	9.5%-10%	-	-	-	-	-	-	2	107.00	2	107.00	-	-	214.00
	10.5%-11%	8	28.00	8	15.00	5	9.50	-	-	-	-	-	-	52.50
	11.5%-12%	12	165.00	12	280.00	12	325.00	12	405.00	6	180.00	-	-	1,355.00
Annually														
Above 3 years	10%-10.5%	1	44.55	1	44.55	1	45.90	-	-	-	-	-	-	135.00
Bullet														
1-3 years	8%-8.5%	1	50.00	-	-	-	-	-	-	-	-	-	-	50.00
	8.5%-9%	1	12.50	1	17.50	-	-	-	-	-	-	-	-	30.00
	9%-9.5%	10	344.00	-	-	-	-	-	-	-	-	-	-	344.00
	7%-7.5%	4	200.00	-	-	-	-	-	-	-	-	-	-	200.00
Above 3 years	10%-10.5%	-	-	1	33.80	1	17.00	-	-	-	-	-	-	50.80
	10.5%-11%	-	-	1	95.00	-	-	-	-	-	-	-	-	95.00
	11.00%-11.5%	2	49.50	-	-	2	173.44	-	-	-	-	-	-	222.94
	11.5%-12%	3	149.50	-	-	-	-	-	-	-	-	-	-	149.50
	14.5%-15%	-	-	1	25.00	-	-	-	-	-	-	-	-	25.00
					-		-	-	-	-	-	-	-	-
Grand Total		**589**	**3,818.33**	**336**	**2,155.15**	**59**	**986.92**	**20**	**541.17**	**8**	**287.00**	**-**	**-**	**7,788.57**

This pertains to the principal outstanding only.

As per Reserve Bank of India circular dated March 27, 2020 on COVID-19 Regulatory package, the Company applied to Banks and Financial Institutions for grant of moratorium in respect of only principal repayments due from March 30, 2020 and onwards. Principal repayment of ₹ 51.79 Crore has not been paid as on March 31, 2020, for less than 3 days in each individual case, pending moratorium approval from Banks. The Company's request for moratorium has been approved by Banks/ Financial Institutions subsequently and repayment has been made good in respect of those Banks who has not granted the moratorium. The lender wise details are tabulated as under;

₹ in crores

Bank / financial institution	Amount (dues delayed) as on the Balance sheet date*	Period of delay since
Axis Bank Limited	10.25	30-Mar-20
Axis Bank Limited	12.50	31-Mar-20
Bajaj Finance Ltd	6.02	31-Mar-20
Bank of Baroda	1.04	31-Mar-20
DCB Bank Limited	0.83	31-Mar-20
Indian Bank	0.43	30-Mar-20
Kotak Mahindra Bank Limited	3.75	30-Mar-20
Oriental Bank of Commerce	1.04	31-Mar-20
Hongkong and Shanghai Banking Corporation Limited	7.50	31-Mar-20
The Lakshmi Vilas Bank Limited	3.64	31-Mar-20
Woori Bank	4.79	31-Mar-20
Total	**51.79**	

Terms of repayment of borrowings as on March 31, 2019

₹ in crores

Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
		No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Monthly														
1-3 years	8.5%-9%	67	92.87	12	8.70	1	0.73	-	-	-	-	-	-	102.30
	9%-9.5%	219	673.14	97	351.04	3	2.50	-	-	-	-	-	-	1,026.68
	9.5%-10%	224	432.71	30	90.32	-	-	-	-	-	-	-	-	523.03
	10%-10.5%	72	134.07	8	22.98	-	-	-	-	-	-	-	-	157.05
	10.5%-11%	43	62.20	3	3.12	-	-	-	-	-	-	-	-	65.32
	11.5%-12%	3	3.12	-	-	-	-	-	-	-	-	-	-	3.12
Above 3 years	9.5%-10%	24	16.36	9	5.45	-	-	-	-	-	-	-	-	21.81
	10%-10.5%	12	5.16	12	5.16	-	-	-	-	-	-	-	-	10.32
	10.5%-11%	2	0.01	-	-	-	-	-	-	-	-	-	-	0.01
Quarterly														
1-3 years	8.5%-9%	11	66.88	-	-	-	-	-	-	-	-	-	-	66.88
	9%-9.5%	23	233.21	15	187.05	-	-	-	-	-	-	-	-	420.26
	9.5%-10%	29	133.56	4	24.62	-	-	-	-	-	-	-	-	158.18
	10%-10.5%	5	24.29	-	-	-	-	-	-	-	-	-	-	24.29
Half Yearly														
Above 3 years	10.5%-11%	8	112.50	8	28.00	8	15.00	5	9.50	-	-	-	-	165.00
	11.5%-12%	9	123.33	8	90.00	8	160.00	8	205.00	8	270.00	3	60.00	908.33
Annually														
1-3 years	9%-9.5%	1	12.50	-	-	-	-	-	-	-	-	-	-	12.50
Above 3 years	10%-10.5%	-	-	1	44.55	1	44.55	1	45.90	-	-	-	-	135.00
Bullet														
1-3 years	8%-8.5%	-	-	2	120.00	-	-	-	-	-	-	-	-	120.00
	9%-9.5%	6	213.00	3	112.50	-	-	-	-	-	-	-	-	325.50
	10.5%-11%	-	-	-	-	1	95.00	-	-	-	-	-	-	95.00
	11.00%-11.5%	-	-	1	19.50	-	-	-	-	-	-	-	-	19.50
	11.5%-12%	-	-	2	119.50	-	-	-	-	-	-	-	-	119.50
	12%-12.5%	1	100.00	-	-	-	-	-	-	-	-	-	-	100.00
Above 3 years	10%-10.5%	1	17.00	-	-	1	33.80	-	-	-	-	-	-	50.80
	10.5%-11%	2	37.00	-	-	-	-	-	-	-	-	-	-	37.00
	11.5%-12%	-	-	1	30.00	-	-	-	-	-	-	-	-	30.00
	12%-12.5%	3	80.00	-	-	-	-	-	-	-	-	-	-	80.00
	14.5%-15%	-	-	1	30.00	1	25.00	-	-	-	-	-	-	55.00
	16.5%-17%	1	11.40	-	-	-	-	-	-	-	-	-	-	11.40
Grand Total		**766**	**2,584.31**	**217**	**1,292.49**	**24**	**376.58**	**14**	**260.40**	**8**	**270.00**	**3**	**60.00**	**4,843.78**

This pertains to the principal outstanding only.

16. OTHER FINANCIAL LIABILITIES

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Finance lease obligations	60.11	-
Total	**60.11**	**-**

17. OTHER NON-FINANCIAL LIABILITIES

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Statutory dues payable	9.09	5.89
Others	4.96	4.01
Total	**14.05**	**9.90**

18. PROVISIONS

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Provision for employee benefits:		
Gratuity	3.69	4.14
Leave encashment and availment	12.33	7.74
Total	**16.02**	**11.88**

19. ISSUED CAPITAL

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Authorised		
Equity shares of Rs. 10 each	160.00	160.00
	160.00	**160.00**
	March 31, 2020	**March 31, 2019**
Issued, subscibed and fully paid up		
143,985,459 (March 31, 2019: 143,552,261) equity shares of Rs.10 each fully paid	143.99	143.55

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity shares	31-Mar-20		31-Mar-19	
	No. of Shares	Amount (₹ in crores)	No. of Shares	Amount (₹ in crores)
At the beginning of the year	143,552,261	143.55	128,427,337	128.43
Add: Issued during the year on account of Initial Public Offer	-	-	14,928,909	14.92
Add: Issued during the year on fresh capital infusion from holding company	-	-	-	-
Add: Issued during the year- Employee Stock Option Plan	433,198	0.44	196,015	0.20
Outstanding at the end of the year	**143,985,459**	**143.99**	**143,552,261**	**143.55**

During the previous year, the Company had completed the Initial Public Offer (IPO) comprising a fresh issue of 14,928,909 equity shares having a face value of ₹ 10 each at an offer price of ₹ 422 each aggregating ₹ 630 crores by the Company and an offer for sale of 11,876,485 equity shares by the promoters, CreditAccess Asia N.V aggregating ₹ 501.18 crores. Pursuant to the IPO, the equity shares of the Company have got listed on BSE Limited and NSE India Limited on August 23, 2018.

(b) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. Any dividends proposed by the Board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2020		March 31, 2019	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of Rs. 10 each fully paid				
CreditAccess Asia NV	115,109,028	79.94	115,109,028	80.19

(d) For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company refer Note 37.

(e) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particulars	31-Mar-20 (No. of equity shares)	31-Mar-19 (No. of equity shares)	31-Mar-18 (No. of equity shares)	31-Mar-17 (No. of equity shares)	31-Mar-16 (No. of equity shares)
Equity shares alloted to Equity Share holders and Compulsorily Convertible Debentureholders of MV Microfin Private Limited as a purchase consideration for amalgamation of business with the Company	-	-	4,890,140	-	-
Equity shares alloted to CreditAccess Asia N.V in lieu of conversion of compulsorily convertible debentures	-	-	12,987,012	-	-
Total	**-**	**-**	**17,877,152**	**-**	**-**

20. OTHER EQUITY*

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	203.42	137.92
Capital reserve	49.95	49.95
Securities premium	1,483.59	1,480.00
Stock option outstanding	8.61	8.79
Retained earnings	815.59	553.55
Other comprehensive income	(36.07)	(8.70)
Total	**2,525.09**	**2,221.51**

* For detailed movement of reserves refer statement of changes in equity for the year ended March 31, 2020.

Nature and purpose of reserve

20.1. Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

20.2. Capital reserve

During the year ended 2018, the Company pursuant to the scheme of amalgamation acquired MV Microfin Private Limited with effect from April 1, 2017, per the accounting treatment of the scheme of amalgamation approved by the Honourable High Court of Karnataka the differential amount between the carrying value of investments and net assets acquired from the transferor companies has been accounted as Capital reserve.

20.3. Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)

Statutory reserve represents the accumulation of amount transferred from surplus year on year based on the fixed percentage of profit for the year, as per section 45-IC of Reserve Bank of India Act 1934.

20.4. Stock option outstanding

The stock option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.

20.5. Other comprehensive income

Re-measurement of the net defined benefit liability/(asset) comprises actuarial gain and losses and return on plan assets (excluding interest income). And net fair valuation gain/(loss) on financial assets measured at fair value through other comprehensive income.

₹ in crores

Movement of other comprehensive income for the year	March 31, 2020	March 31, 2019
Opening balance	(8.70)	(0.01)
(+) Fair value change during the year	(229.94)	(16.01)
(-) Impairment allowance transferred to statement of profit and loss	202.58	7.32
Closing balance	**(36.07)**	**(8.70)**

21. INTEREST INCOME

₹ in crores

Particulars	For the year ended March 31, 2020			For the year ended March 31, 2019		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total
Interest on loans	1,358.58	230.22	**1,588.80**	975.80	180.29	**1,156.09**
Income from securitisation	-	22.25	**22.25**	-	55.24	**55.24**
Interest on deposits with banks and financial institutions	-	6.14	**6.14**	-	6.99	**6.99**
Total	**1,358.58**	**258.61**	**1,617.19**	**975.80**	**242.52**	**1,218.32**

22. FEES AND COMMISSION

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Service fees for management of assigned portfolio of loans	0.26	0.41
Service and administration charges	3.77	0.93
Distribution Income	0.92	-
Total	**4.95**	**1.34**

23. NET GAIN / (LOSS) ON FAIR VALUE CHANGES *

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
(A) Net gain / (loss) on fair value instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	14.82	10.55
(B) Others		
(i) Gain on derecognition of loans designated at FVTOCI	41.33	46.00
Total Net gain / (loss) on fairvalue changes (C)	**56.15**	**56.55**
Fair Value changes:		
- Realised	56.15	56.55
- Unrealised	-	-
Total Net gain / (loss) on fair value changes (D) to tally with (C)	**56.15**	**56.55**

24. OTHER INCOME

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Net gain / (loss) on derecognition of property, plant and equipment	0.00	(0.07)
Net gain / (loss) on foreign currency transaction and translation (other than considered as finance cost)	(0.03)	(0.05)
Others	0.90	1.18
Total	**0.87**	**1.06**

25. FINANCE COSTS (MEASURED AT AMORTISED COST)

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
(A) On borrowings		
Interest on debt securities	63.69	79.81
Interest on borrowings other than debt securities	488.65	304.68
Interest on subordinated liabilities	3.89	9.81
Other finance costs	2.01	4.38
Total (A)	**558.24**	**398.68**
(B) On financial liability towards securitisation (re-recognised on balance sheet)	**8.78**	**18.07**
(C) On finance lease obligations	**5.65**	**-**

26. IMPAIRMENT OF FINANCIAL INSTRUMENTS

₹ in crores

Particulars	For the year ended March 31, 2020			For the year ended March 31, 2019		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total
Joint liability loans	202.58	25.83	228.41	7.32	61.62	68.94
Individual loans	-	10.57	10.57	-	5.92	5.92
Total	**202.58**	**36.40**	**238.98**	**7.32**	**67.54**	**74.86**

27. EMPLOYEE BENEFIT EXPENSES

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Salaries and wages	231.48	164.41
Contribution to provident and other funds	22.23	14.13
Share based payments to employees	2.51	4.53
Staff welfare expenses	3.42	2.98
Total	**259.64**	**186.05**

28. OTHER EXPENSES

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Rental charges payable under operating leases (Refer Note 35)	12.89	12.68
Bank charges	3.79	0.47
Rates and taxes	4.69	4.17
Insurance	0.86	0.31
Repairs and maintenance	6.97	4.79
Electricity	2.81	1.96
Travelling and conveyance	46.57	36.88
Postage and telecommunication	9.64	10.24
Printing and stationery	6.34	4.75
Professional and consultancy charges	23.49	5.79
Remuneration to directors	0.58	1.06
Auditors remuneration (refer Note below)		
Audit fees	0.94	0.76
Certification fee	0.19	-
Out of pocket fees	0.06	0.07
Training expenses	6.82	4.72
Donations	0.95	0.84
Corporate Social Responsibility expenses	5.42	2.93
Miscellaneous expenses	9.21	6.99
Provision for other assets	0.32	0.72
Total	**142.54**	**100.13**

Auditors remuneration

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
As auditor		
Audit fee	0.65	0.42
Limited review	0.28	0.16
Others	-	0.17
In other capacity		
Certification services	0.19	-
Taxation matter	-	-
Reimbursement of expenses	0.06	0.07
Total	**1.18**	**0.82**

Acquisition-related costs

Acquisition-related costs of ₹ 15.22 crores that were not directly attributable to the issue of shares are included in other expenses in the statement of profit and loss and in operating cash flows in the statement of cash flows.

Details of CSR expenditure

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
a) Gross amount required to be spent by the Company during the year	5.42	2.93
b) Amount spent during the year (in cash)		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	5.42	2.93

29(A) INCOME TAX

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Current tax	159.32	176.35
Deferred tax	(35.93)	(0.37)
Total tax charge	**123.39**	**175.98**

29(B) RECONCILIATION OF TAX EXPENSE AND ACCOUNTING PROFIT MULTIPLIED BY INDIA'S DOMESTIC TAX RATE

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Profit before tax	**450.89**	**497.74**
At India's statutory income tax rate of 25.17% (2019: 34.94%) *	113.49	173.93
(a) Non deductible expenses	1.43	2.37
Penalties	-	-
Interest u/s 234		
Others	1.43	2.24
Donations @50%	0.47	0.42
CSR @50%	2.71	1.47
Employe stock option cost	2.51	4.53
(b) Change in tax rate	8.47	-
(c) Additional allowance of certain expenditure	-	(0.32)
(d) Income not subject to tax	-	-
Income tax expense reported in statement of profit and loss (a)+(b)+(c)+(d)	**123.39**	**175.98**

* From the current financial year, the Company has opted for reduced rate of 25.17% for computation of income tax as per newly inserted Section 115BAA of the Income Tax Act, 1961.

29(C) MOVEMENT IN DEFERRED TAX BALANCES FOR THE YEAR ENDED MARCH 31, 2020

₹ in crores

Particulars	Net balance April 1, 2019	(Charge)/credit in profit and loss	Recognised in OCI	Recognised in other equity	Net balance March 31, 2020	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Impact of difference between tax depreciation/ amortisation	1.76	0.52	-	-	2.28	2.28	-
Remeasurement gain / (loss) on defined benefit plan	2.74	0.40	-	-	3.14	3.14	-
Provision for donation	0.70	(0.08)	-	-	0.62	0.62	-
Impairment allowance for loans	24.40	33.65	-	-	58.05	58.05	-
Expenses incurred on Initial Public Offering	8.10	(1.46)	-	(2.26)	4.38	4.38	-
Other items	5.44	2.89	7.46	-	15.79	15.79	-
Net Deferred tax assets / (liabilities)	**43.14**	**35.93**	**7.46**	**(2.26)**	**84.27**	**84.27**	**-**

29(D) MOVEMENT IN DEFERRED TAX BALANCES FOR THE YEAR ENDED MARCH 31, 2019

₹ in crores

Particulars	Net balance April 1, 2018	(Charge)/credit in profit and loss	Recognised in OCI	Recognised in other equity	Net balance March 31, 2019	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Impact of difference between tax depreciation/ amortisation	0.92	0.84	-	-	1.76	1.76	-
Remeasurement gain / (loss) on defined benefit plan	1.69	1.05	-	-	2.74	2.74	-
Provision for donation	0.92	(0.22)	-	-	0.70	0.70	-
Impairment allowance for loans	19.90	4.50	-	-	24.40	24.40	-
Expenses incurred on Initial Public Offering	-	-	-	8.10	8.10	8.10	-
Other items	6.57	(5.80)	4.67	-	5.44	5.44	-
Net Deferred tax assets / (liabilities)	**30.00**	**0.37**	**4.67**	**8.10**	**43.14**	**43.14**	**-**

29(E) The following tables provides the details of income tax assets and income tax liabilities as at:

CURRENT TAX ASSETS (NET)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Income tax assets	492.70	328.54
Income tax liabilities	475.11	315.31
Total	**17.59**	**13.23**

CURRENT TAX LIABILITIES (NET)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Income tax assets	-	-
Income tax liabilities	-	-
Total	**-**	**-**

30. TRANSFER OF FINANCIAL ASSETS

Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for de-recognition, together with the associated liabilities:

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Securitisations		
Carrying amount of transferred assets measured at fair value through other comprehensive income	-	199.94
Carrying amount of associated liabilities (debt securities - measured at amortised cost)	-	-
Fair value of assets	-	199.94
Fair value of associated liabilities	-	159.48
Net position at fair value	**-**	**40.46**

There are no securitisation transactions outstanding as at March 31, 2020.

31. DEFINED BENEFIT PLAN

31.1. Reconciliation of net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability / assets and its components:

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	10.35	6.37
Current service cost	3.61	2.61
Interest cost	0.61	0.48
Past service cost		-
Benefits settled	(0.38)	(0.26)
Actuarial (gains)/ losses recognised in other comprehensive income		-
- Changes in experience adjustments	(1.21)	0.78
- Changes in demographic assumptions	(0.69)	0.71
- Changes in financial assumptions	1.97	(0.34)
Obligation at the end of the year	**14.26**	**10.35**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	6.21	4.60
Interest income on plan assets	0.49	0.41
Re-measurement- actuarial gain	0.12	(0.31)
Return on plan assets recognised in other comprehensive income		-
Contributions	4.13	1.77
Benefits settled	(0.38)	(0.26)
Plan assets at the end of the year, at fair value	**10.57**	**6.21**
Net defined benefit liability	**3.69**	**4.14**

31.2. Expenses recognised in statement of profit or loss

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Current service cost	3.61	2.61
Interest cost	0.12	0.07
Net gratuity cost	**3.73**	**2.68**

31.3. Re-measurement recognised in other comprehensive income

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Re-measurement of the net defined benefit liability		
- Changes in experience adjustments	(1.21)	1.80
- Changes in demographic assumptions	(0.69)	0.43
- Changes in financial assumptions	1.97	(0.59)
Re-measurement of the net defined benefit asset		
Return on plan assets (greater)/ less than discount rate	(0.12)	0.27
Total Actuarial (gain)/ loss included in OCI	**(0.05)**	**1.91**

31.4. Plan assets

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Funds managed by insurer	100%	100%

31.5. Defined benefit obligation - Actuarial assumptions

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Discount rate	6.03%	7.62%
Future salary growth	10.00%	10.00%
Attrition rate	24.80%	22.38%
Average term of liabilty (in years)	9.05	11.65

31.6. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

₹ in crores

Particulars	March 31, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.13)	1.34	(0.80)	0.94
Future salary growth (1% movement)	1.13	(0.99)	0.80	(0.70)
Attrition rate (1% movement)	(0.41)	0.47	(0.24)	0.27

31.7. Expected contribution to the plan for the next annual reporting period is ₹ 5.19 crores.

32. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

(A) Maturity analysis of assets and liabilities as at March 31, 2020

₹ in crores

Sl. No.	Particulars	Within 12 months	After 12 months	Total
ASSETS				
(1)	**Financial assets**			
(a)	Cash and cash equivalents	564.62	-	**564.62**
(b)	Bank balance other than cash and cash equivalents	2.77	13.05	**15.82**
(c)	Other receivables	0.22	-	**0.22**
(d)	Loans			
	- Loan portfolio (excluding securitised assets)	5,349.99	3,822.65	**9,172.64**
	- Securitised assets re-recognised on balance sheet	-	-	**-**
(e)	Investments	-	661.44	**661.44**
(f)	Other financial assets	31.89	10.98	**42.87**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	17.59	**17.59**
(b)	Deferred tax assets (net)	-	84.27	**84.27**
(c)	Property, plant and equipment	7.46	16.73	**24.19**
(d)	Right to use assets	7.80	45.13	**52.93**
(e)	Intangible assets under development	-	2.84	**2.84**
(f)	Intangible assets	3.16	6.34	**9.50**
(g)	Other non-financial assets	8.88	3.85	**12.73**
Total assets		**5,976.79**	**4,684.87**	**10,661.66**
LIABILITIES AND EQUITY				
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	13.27	-	**13.27**
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	66.54	0.03	**66.57**
(b)	Borrowings			
	- Debt securities	298.26	339.90	**638.16**
	- Borrowings (other than debt securities)	4,167.75	2,991.65	**7,159.40**
	- Subordinated liabilities	-	25.00	**25.00**
	- Financial liability towards securitisation (re-recognised on balance sheet)	-	-	**-**
(c)	Other financial liabilities	9.25	50.86	**60.11**
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	-	-	**-**
(b)	Provisions	11.40	4.62	**16.02**
(c)	Other non-financial liabilities	14.05	-	**14.05**
(3)	**Equity**			
(a)	Equity share capital	-	143.99	**143.99**
(b)	Other equity	-	2,525.09	**2,525.09**
Total liabilities and equity		**4,580.52**	**6,081.14**	**10,661.66**

(B) Maturity analysis of assets and liabilities as at March 31, 2019

₹ in crores

Sl. No.	Particulars	Within 12 months	After 12 months	Total
ASSETS				
(1)	**Financial assets**			
(a)	Cash and cash equivalents	573.73	-	**573.73**
(b)	Bank balance other than cash and cash equivalents	38.93	2.89	**41.82**
(c)	Other receivables	0.09	-	**0.09**
(d)	Loans			
	- Loan portfolio (excluding securitised assets)	4,323.25	2,080.93	**6,404.18**
	- Securitised assets re-recognised on balance sheet	198.32	0.33	**198.65**
(e)	Investments	-	0.20	**0.20**
(f)	Other financial assets	34.74	11.96	**46.70**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	13.23	**13.23**
(b)	Deferred tax assets (net)	-	43.14	**43.14**
(c)	Property, plant and equipment	5.34	13.40	**18.74**
(d)	Intangible assets under development	2.36	-	**2.36**
(e)	Intangible assets	2.40	3.61	**6.01**
(f)	Other non-financial assets	3.29	5.00	**8.29**
Total assets		**5,182.45**	**2,174.69**	**7,357.14**
LIABILITIES AND EQUITY				
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	7.80	0.29	**8.09**
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	95.60	0.04	**95.64**
(b)	Borrowings			
	- Debt securities	222.16	334.00	**556.16**
	- Borrowings (other than debt securities)	2,214.03	1,900.47	**4,114.50**
	- Subordinated liabilities	12.07	25.00	**37.07**
	- Financial liability towards securitisation (re-recognised on balance sheet)	158.84	-	**158.84**
(2)	**Non-financial liabilities**			
(a)	Provisions	6.66	5.22	**11.88**
(b)	Other non-financial liabilities	9.90	-	**9.90**
(3)	**Equity**			
(a)	Equity share capital	-	143.55	**143.55**
(b)	Other equity	-	2,221.51	**2,221.51**
Total liabilities and equity		**2,727.06**	**4,630.08**	**7,357.14**

33. CONTINGENT LIABILITIES

(A) Contingent liabilities not provided for in respect of the below:

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Performance security provided by the Company pursuant to service provider agreement	0.12	0.16

(B) For FY 2018-19

The Supreme Court had delivered its ruling on the composition of basic wages for the purposes of deduction and contribution to the Employees Provident and Pension funds. The company, in the interest of its employees, awaits clarity on the complexities revolving around the application of the said order, the ambiguity reflected by the divergent views of legal experts and the response/direction from the authorities, including on representations made by an industry association in this regard.

(C) For FY 2019-20

The Assesing Officer, Income Tax, Bangalore, through an order dated 28th December 2019, has confirmed the demand of ₹.6.50 Cr from the Company. The Company has preferred an appeal before Commissioner of Income Tax against said assement order. The Company, in line with the opinion obtained from a legal counsel, is of view that the said demand is not tenable and expects to succeed in its appeal.

(D) In addition, the Company is involved in other legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.

34. CAPITAL COMMITMENTS

Estimated amounts of contracts remaining to be executed on capital account (net of capital advances) and not provided:

₹ in crores

Particulars	March 31, 2020	March 31, 2019
For purchase / development of computer software	1.23	0.89

35. LEASES

Operating Lease

Short term leases not covered under Ind AS 116 are classified as operating lease. Lease payments during the year are charged to statement of profit and loss. Future minimum rentals payable under non-cancellable operating leases are as follows:

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Minimum lease obligations		
Not later than one year	6.77	2.99
Later than 1 year but not later than 5 years	-	2.27
Later than 5 years	-	-

35.1. Effective April 1, 2019, the Company has applied the standard to all lease contracts existing on April 1, 2019 using the Modified Retrospective method along with the transition option to recognise the Right Of Use asset (ROU) at an amount equal to the Lease liability. Being the first year of INDAS adoption, the Company has recognised the lease liability and right-of-use asset as per above mentioned measurement principles at the date of transition to INDAS as permitted by the Standard. A sum of ₹ 48.58 crores has been recognised as ROU asset and a similar sum of ₹ 48.58 crores has been recognised as lease liability as on transition date of April 1, 2019.

35.2. The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

35.3. The company's leased assets mainly comprise office building and servers taken on lease. Leases contain a wide range of different terms and conditions. The term of property leases ranges from 1-10 years. The company has used an incremental borrowing rate of 11.50% to determine the lease liability and right to use of asset for leases entered into before March 2019 and accounted under Ind AS 116 and 10.56% for leases entered into in 2019-20.

35.4. Total lease liabilities are analysed as at

₹ in crores

a)

Denominated in the following currencies:	March 31, 2020
Rupees	60.11
Foreign currency	-
Total	**60.11**

₹ in crores

b)

Maturity of Lease liability	March 31, 2020
Current	9.25
Non Current	50.86
Total	**60.11**

35.5. The following amounts were recognised as expense in the year:

₹ in crores

Particulars	March 31, 2020
Depreciation of right-of-use assets	7.45
Expense relating to variable lease payments	(10.42)
Expense relating to short-term leases and low-value assets	12.89
Interest on lease liabilities	5.64
Total recognised in the income statement	**15.56**

35.6. The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:

₹ in crores

Maturity analysis:	March 31, 2020
Less than 1 year	8.53
Between 1 and 2 years	8.51
Between 2 and 5 years	25.17
More than 5 years	32.21
Total	**74.42**

35.7. The following is the movement in lease liabilities during the year ended March 31, 2020

₹ in crores

Particulars	March 31, 2020
Balance as at April 1, 2019	48.58
Additions during the period	11.80
Finance cost incurred during the period	5.64
Payment of lease liabilities	5.92
Balance as of March 31, 2020	**60.10**

Note: Refer Note 11 for movement in right to use of assets.

36. RELATED PARTY TRANSACTIONS

Names of the related parties (as per IndAS – 24)

Key management personnel	Mr. Udaya Kumar Hebbar, Managing Director & CEO
Holding Company	CreditAccess India NV (Formerly known as CreditAccess Asia NV)
Subsidiary Company	Madura Microfinance Limited (From March 18, 2020)
Chairman & Nominee Director	Mr. Paolo Brichetti (From October 30, 2019)
Independent Director	Mr. R Prabha
Independent Director	Mr. Anal Kumar Jain
Independent Director	Ms. Sucharita Mukherjee
Independent Director	Mr. George Joseph
Additional & Independent Director	Mr. Manoj Kumar (From October 30, 2019)
Nominee Director	Mr. Sumit Kumar
Nominee Director	Mr. Massimo Vita
Director- Finance & CFO	Mr. Diwakar B R (From June 14, 2019)
Independent Director & Chairman	Mr. M.N Gopinath(upto Oct 29, 2019)

₹ in crores

Particulars	Key management personnel	
	March 31, 2020	March 31, 2019
Transactions during the year		
Mr. Udaya Kumar Hebbar		
Salary and perquisites	1.97	1.89
Employee Stock Options exercised	0.41	0.31
Mr. Diwakar B R		
Salary and perquisites	1.09	-
Employee Stock Options exercised	0.34	-
Sitting fees	**Other related parties**	
	March 31, 2020	**March 31, 2019**
Mr. R Prabha	0.08	0.07
Mr. Paolo Brichetti	0.04	-
Mr. Sumit Kumar	0.02	-
Mr. Massimo Vita	0.02	-
Mr. Anal Kumar Jain	0.04	0.05
Mr. M N Gopinath	0.01	0.05
Ms. Sucharita Mukherjee	0.02	0.03
Mr. George Joseph	0.07	0.07
Mr. Manoj Kumar	0.01	-
Commission	**Other related parties**	
	March 31, 2020	**March 31, 2019**
Mr. R Prabha	0.07	0.17
Mr. Anal Kumar Jain	0.08	0.19
Mr. M N Gopinath	0.03	0.18
Ms. Sucharita Mukherjee	0.03	0.12
Mr. George Joseph	0.08	0.15
Mr. Manoj Kumar	0.02	-

Provisions for gratuity and leave benefits are made for the Company as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Transactions during the year		
Holding Company		
Arranger fee	1.75	-
Reimbursment of expenditure incurred from related party	-	21.43
Subsidiary Company		
Investment in subsidiary *	661.24	-
Deposit placed with subsidary	0.03	-

* Represents acquisition of controlling stake from previous shareholders of Madura Micro Finance Limited

₹ in crores

Particulars	Holding Company	
	March 31, 2020	March 31, 2019
Balances at the end of the year		
Sitting fees payable	**Other related parties**	
	March 31, 2020	**March 31, 2019**
Mr. R Prabha	-	0.005
Mr. Anal Kumar Jain	-	0.002
Mr. M N Gopinath	-	0.003
Ms. Sucharita Mukherjee	-	0.003
Mr. George Joseph	-	0.004
Mr. Paolo Brichetti	0.036	-
Mr. Massimo Vita	0.024	-
Mr. Sumit Kumar	0.023	-
Commission payable	**Other related parties**	
	March 31, 2020	**March 31, 2019**
Mr. R Prabha	0.08	0.08
Mr. Anal Kumar Jain	0.06	0.10
Mr. M N Gopinath	0.08	0.09
Ms. Sucharita Mukherjee	0.05	0.06
Mr. George Joseph	0.07	0.08

37. EMPLOYEE STOCK OPTIONS

Stock options

The Company has provided share based payments to its employees under the 'Grameen Koota Financial Services Private Limited – Employees Stock Option Plan 2011'. The various Tranches I, II, III, IV, V and VI represent different grants made under the plan. During year ended March 31, 2020, the following stock option grant were in operation:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI
Date of grant	Apr 1, 2012	Oct 1, 2013	Jun 1, 2014	Jul 1, 2016	Jan 1, 2017	Jan 1,2018
Date of Board / Compensation Committee approval	Oct 15, 2011	Aug 22, 2012	Jul 30, 2014	Jun 29, 2016	May 17, 2017	Jan 24, 2018
Number of Options granted	716,676	631,339	443,000	431,000	521,000	971,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Graded vesting period:						
Day following the expiry of 12 months from grant	25%	25%	25%	25%	25%	25%
Day following the expiry of 24 months from grant	25%	25%	25%	25%	25%	25%
Day following the expiry of 36 months from grant	25%	25%	25%	25%	25%	25%
Day following the expiry of 48 months from grant	25%	25%	25%	25%	25%	25%
Exercise period	48 months from date of vesting					
Vesting conditions	Employee to be in service at the time of vesting					
Weighted average remaining contractual life (years)						
-I	-	-	-	1.25	1.76	2.76
-II	-	-	0.17	2.25	2.76	3.76
-III	-	0.50	1.17	3.25	3.76	4.76
-IV	0.00	1.50	2.17	4.25	4.76	5.76
Weighted average exercise price per option (₹)	27.00	27.00	39.86	63.90	84.47	120.87
Weighted average fair value of options (₹)	-	18.73	38.46	75.78	61.95	86.27

Reconciliation of options

Particulars	March 31, 2020	March 31, 2019
Tranche I		
Options outstanding at the beginning of the year	5,250	5,250
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	4,500	-
Expired during the year	750	-
Outstanding at the end of the year	-	5,250
Exercisable at the end of the year	-	5,250
Tranche II		
Options outstanding at the beginning of the year	11,500	49,000
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	2,500	37,500
Expired during the year	1,500	-
Outstanding at the end of the year	7,500	11,500
Exercisable at the end of the year	7,500	11,500
Tranche III		
Options outstanding at the beginning of the year	139,250	235,500
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	99,250	95,750
Expired during the year	1,500	500
Outstanding at the end of the year	38,500	139,250
Exercisable at the end of the year	38,500	139,250
Tranche IV		
Options outstanding at the beginning of the year	336,750	371,500
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	84,500	34,750
Expired during the year	-	-
Outstanding at the end of the year	252,250	336,750
Exercisable at the end of the year	144,500	120,000
Tranche V		
Options outstanding at the beginning of the year	436,550	456,000
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	80,250	19,450
Expired during the year	-	-
Outstanding at the end of the year	356,300	436,550
Exercisable at the end of the year	226,050	166,050
Tranche VI		
Options outstanding at the beginning of the year	879,080	949,687
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	162,198	8,565
Expired during the year	28,357	62,042
Outstanding at the end of the year	688,525	879,080
Exercisable at the end of the year	252,489	197,453

38. REVENUE FROM CONTRACTS WITH CUSTOMERS

(A)

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Type of services		
Service fees for management of assigned portfolio of loans	0.26	0.41
Service and administration charges	3.77	0.93
Distribution Income	0.92	-
Total	**4.95**	**1.34**

(B) Geographical markets

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
India	4.95	1.34
Outside India	-	-
Total	**4.95**	**1.34**

(C) Timing of revenue recognition

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Services transferred at a point in time	4.95	1.34
Services transferred over time	-	-
Total	**4.95**	**1.34**

(D) Receivables

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Distribution Income	0.55	-

39. DISCLOSURES PURSUANT TO THE MASTER DIRECTION- NON-BANKING FINANCIAL COMPANY-SYSTEMATICALLY IMPORTANT NON- DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016 ('THE MASTER DIRECTIONS') ISSUED BY RBI

A. Capital to risk assets ratio ('CRAR')

₹ in crores

Particulars	March 31, 2020	March 31, 2019
CRAR (%)	23.60%	35.26%
CRAR-Tier I Capital (%)	22.30%	34.38%
CRAR-Tier II Capital (%)	1.30%	0.88%
Amount of subordinated debt raised as Tier II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

CRAR as at March 31, 2020 has been determined in accordance with the RBI Master Directions read with RBI notification RBI/2019-20/170, DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian Accounting Standards. Accordingly, CRAR for March 31, 2019 is not comparable.

B. Investments

₹ in crores

Particulars	March 31, 2020	March 31, 2019
1. Value of Investments		
(I) Gross value of investments		
(a) in India	661.44	0.20
(b) outside India	-	-
(ii) Provisions for depreciation		
(a) in India	-	-
(b) outside India	-	-
(iii) Net value of investments		
(a) in India	661.44	0.20
(b) outside India	-	-
2. Movement of provision held towards depreciation		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less: Write-off / write-back of excess provision	-	-
(iv) Closing balance	-	-

C. Derivatives

The Company has no transactions / exposure in derivatives in the current and previous year.

The Company has no unhedged foreign currency exposure as on March 31, 2020 (March 31, 2019: Nil).

D. Disclosure related to securitization

During the year the Company has transferred loans through securitization.

₹ in crores

Particulars	March 31, 2020	March 31, 2019
No of SPVs sponsored by the NBFC for securitization transactions	1	7
Amount of securitized assets as per books of SPV sponsored by NBFC	110.35	861.69
Amount of exposures retained by NBFC to comply with MRR as on the date of balance sheet	11.59	92.92
a. Off-balance sheet exposure		
· First loss	-	-
· Others	-	-
b. On-balance sheet exposure		
· First loss – cash collateral	4.97	39.39
· Others	-	-

Amount of exposures other than MRR		
a. Off-balance sheet exposure		
i. Exposure to own securitizations		
· First loss	-	-
· Loss	-	-
ii. Exposure to third party transactions		
· First loss	-	-
· Others	-	-
b. On-balance sheet exposure		
i. Exposure to own securitizations		
· Others	-	-
ii. Exposure to third party transactions		
· First loss	-	-
· Others	-	-

E. Details of financial assets sold to securitization / reconstruction company for asset reconstruction

The Company has not sold any financial asset to securitization / reconstruction company for asset reconstruction in the current and previous year.

F. Details of assignment transactions

The Company has undertaken 4 assignment transactions during the current year (March 31, 2019: 4 transactions).

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Number of loans assigned	337,660	451,830
Aggregate value (net of provisions) of accounts sold	649.64	715.90
Aggregate consideration	649.64	715.90
Income recognised in statement of profit and loss	41.33	19.43

* this represents principal amount outstanding as at the date of transaction adjusted for any specific provisions.

G. Details of non-performing financial asset purchased / sold

The Company has not purchased / sold any non-performing financial assets in the current and previous year.

H. Asset liability management

Maturity pattern of assets and liabilities as on March 31, 2020:

₹ in crores

Particulars	1 to 7 days	8 to 14 days	Over 14 days to one month	Over one month to 2 months	Over 2 months to 3 months	Over 3 Months upto 6 months	Over 6 Months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Borrowings	125.42	27.14	122.45	113.66	471.65	1,170.84	1,841.10	3,122.13	828.16	-	**7,822.55**
Advances*	0.51	0.22	3.58	2.48	325.45	1,860.95	3,148.45	3,848.41	33.23	5.19	**9,228.46**
Investments	-	-	-	-	-	-	-	-	-	661.44	**661.44**
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	**-**
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	**-**

Maturity pattern of assets and liabilities as on March 31, 2019:

₹ in crores

Particulars	1 to 7 days	8 to 14 days	Over 14 days to one month	Over one month to 2 months	Over 2 months to 3 months	Over 3 Months upto 6 months	Over 6 Months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Borrowings	11.27	199.95	96.16	178.20	176.58	760.20	1,184.74	1,669.07	530.40	60.00	**4,866.57**
Advances*	-	0.00	523.80	492.52	410.65	1,232.05	1,901.48	2,092.07	0.57	4.77	**6,657.91**
Investments	-	-	-	-	-	-	-	-	-	0.20	**0.20**
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	**-**
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	**-**

Note applicable for FY 2019-20

1. The maturity pattern of advances has been presented considering the effect of revised contractual dues of loans pursuant to moratorium granted to its borrowers upto May 31, 2020, as described in Note No 42 and Note No 43. Such maturity pattern does not reflect additional moratorium upto August 31, 2020 allowed by the RBI vide its notification dated May 23, 2020 as it represents an event subsequent to the date of these standalone financial statements.

2. The maturity pattern of borrowings has been presented considering the effect of moratorium on contractual repayments upto May 31, 2020 to the extent confirmed by the lenders subsequently.

I. Exposures

The Company has no exposure to the real estate sector and capital market directly or indirectly in the current and previous year.

J. Unsecured advances: Refer Note 7

K. Registration obtained from other financial regulators

Regulator - Insurance Regulator and Development Authority	Registration No.	Validity
Corporate Agents for : - HDFC Life Insurance Company Limited - ICICI Prudential Life Insurance Company Limited - Kotak Mahindra Life Insurance Company Limited	Ca0642	March 15, 2019 to March 14, 2022

L. Disclosure of penalties imposed by RBI and other regulators

No penalties were imposed by RBI and other regulators during current and previous year.

M. Ratings assigned by credit rating agencies and migration of ratings

Particulars	Name of rating agency	Date of rating	Rating / (Previous year rating)	Borrowing limit / conditions imposed by rating agency (₹ in crores)	Valid up to
Long-term debt	ICRA	24-Sep-19	[ICRA]A+(Stable)/ [ICRA]A+(Stable)	2,500.00	31-May-20
Long-term debt	India Ratings and Research	19-Feb-20	Ind A+ Stable / NA	1,000.00	18-Feb-21
Non-convertible debentures	ICRA	24-Sep-19	[ICRA]A+(Stable)/ [ICRA]A+(Stable)	334.00	31-Mar-20
Non-convertible debentures	India Ratings and Research	19-Feb-20	Ind A+ Stable/ / NA	100.00	18-Feb-21
Subordinated debt	ICRA	24-Sep-19	[ICRA]A+(Stable)/ [ICRA]A+(Stable	14.03	31-May-20
Commercial paper	ICRA	24-Sep-19	[ICRA]A1+ / [ICRA]A1+	200.00	24-Sep-20
Organization grading	CRISIL	26-Sep-19	M1C1/M1C1	NA	30-Sep-20
Axis Direct Assignment (Axis DA-1)	India Ratings and Research	27-Sep-19	PL-1/ / NA	132.46	NA
BOM Direct Assignment (BOM DA -1)	India Ratings and Research	30-Dec-19	PL-1/ / NA	278.36	NA

N. Provisions and contingencies (shown under the head expenditure in statement of profit and loss)

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Impairment of financial instruments	238.98	74.86
Provision for income tax	159.32	176.35
Provision for gratuity	3.74	4.13
Provision for leave encashment and availment	12.33	7.74
Provision fraud and misappropriation (net of recoveries)	1.05	1.01
Provision for other assets (net)	0.32	0.72
Total	**415.74**	**264.81**

O. Drawdown from reserves

There has been no draw down from reserves during the year ended March 31, 2020 (previous year: Nil).

P. Concentration of advances, exposures and NPAs

₹ in crores

Particulars	March 31, 2020	March 31, 2019*
Concentration of advances		
Total advances to twenty largest borrowers	0.83	0.83
(%) of advances to twenty largest borrowers to total advances	0.01%	0.01%
Concentration of exposures		
Total exposure to twenty largest borrowers / customers	0.83	0.83
(%) of exposures to twenty largest borrowers / customers to total exposure	0.01%	0.01%
Concentration of NPAs		
Total Exposure to top four NPA accounts	0.06	0.04

Q. Sector-wise NPAs

Particulars	Percentage of NPAs to Total Advances in that sector as at March 31, 2020	Percentage of NPAs to Total Advances in that sector as at March 31, 2019
Agriculture and allied activities	1.29%	0.54%
MSME	-	-
Corporate borrowers	-	-
Services	1.84%	0.30%
Others	1.60%	-
Unsecured personal loans	0.98%	0.71%
Auto loans	1.30%	0.13%
Other personal loans	-	-

R. Movement of NPAs

₹ in crores

Particulars	March 31, 2020	March 31, 2019
(i) Net NPAs to Net Advances (%)	**0.37%**	**0.17%**
(ii) Movement of NPAs (Gross):		
Opening balance	38.54	37.41
Additions during the year	153.90	61.77
Reductions during the year	50.34	60.64
Closing balance	**142.10**	**38.54**
(iii) Movement of Net NPAs		
Opening balance	10.89	1.61
Additions during the year	23.49	11.86
Reductions during the year	0.03	2.58
Closing balance	**34.35**	**10.89**
(iv) Movement of provisions for NPAs		
Opening balance	27.65	35.80
Provisions made during the year	130.41	49.91
Write-off / write-back of excess provisions	50.31	58.06
Closing balance	**107.75**	**27.65**

S. Disclosure of customer complaints

Particulars	March 31, 2020	March 31, 2019
a. No. of complaints pending at the beginning of the year	3	1
b. No. of complaints received during the year	2,912	894
c. No. of complaints redressed during the year	2,915	892
d. No. of complaints pending at the end of the year	-	3

T. Information on instances of fraud

Instances of fraud reported during the year ended March 31, 2020:

₹ in crores

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount provided
Cash Embezzlement	1	0.02	0.00	0.02

Instances of fraud reported during the year ended March 31, 2019:

₹ in crores

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount provided
Cash Embezzlement	3	0.32	-	0.32

U. The net interest margin (NIM)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Average interest (a)	19.61%	20.16%
Average effective cost of borrowing (b)*	9.79%	10.73%
Net interest margin (a-b)	9.82%	9.43%

Note:

1. Above computation is in accordance with the method accepted by RBI vide its letter no DNBS.PD.NO.4906/03.10.038/2012-13 dated April 4, 2013 to Micro-finance Institutions Network (the "MFIN format") read with the FAQs issued by RBI on October 14, 2016 and RBI circulated dated March 13, 2020 on implementation of Indian Accounting Standards.

2. Average loan outstanding determined for the purpose of calculating NIM is based on carrying value of loans under Ind AS, excluding effect of following:
   a. Fair value changes recognised through other comprehensive income;
   b. Securitised loans qualifying for de-recognition as per RBI's "true sale" criteria and related interest income have not been considered for computation of "average interest charged" in accordance with the MFIN format. Accordingly, the purchase consideration received towards such securitisations and related finance costs have also not been considered for computation of "average effective cost of borrowings".
   c. Impairment allowance adjusted from the carrying value of loans in accordance with Ind AS 109;
   d. Carrying value of loans classified as Stage III loans (i.e. erstwhile NPA classification) as per specific communication from RBI.

3. Interest income considered for computation of "average interest charged" excludes loan processing fee collected from customers in accordance with para 56 (vi) of the RBI Master Directions. As per Ind AS 109, such loan processing fee forms part of interest income in the Ind AS standalone financial statements.

V. Public disclosure on Liquidity risk management

i. Funding concentration based on significant Counterparty *(both deposits and borrowings)

Number of significant counterparties	Amount (Rs. in Crore)	% of Total Deposits	% of Total Liabilities
23	7,477.92	NA	93.56%

ii. Top 20 large deposits (amount in Rs. Crore and % of total deposits)- Not applicable.

The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

iii. Top 10 borrowings (amount in Rs. Crore and % of total borrowings)

Amount (Rs in Crore)	% of Total Borrowings
5,722.29	73.15%

iv. Funding concentration based on significant instrument / product*

Name of the instrument/ product	Amount (₹ in Crore)	% of Total Liabilities
Term loans from Banks	5,088.21	63.66%
Term Loans from Financial Institutions	1,668.89	20.88%
Non Convertible debentures	829.08	10.37%
Term Loans from Non banking Financial Companies	160.85	2.01%

v. Stock Ratios

Particulars	as a % of total public funds*	as a % of total liabilities*	as a % of total assets
Commercial papers	0%	0%	0%
Non-convertible debentures (original maturity of less than one year)	0%	0%	0%
Other short-term liabilities	1.94%	1.43%	1.07%

vi. Institutional set-up for liquidity risk management

The Company's Board of Directors has the overall responsibility of management of liquidity risk. The Board decides the strategic policies and procedures of the Company to manage liquidity risk in accordance with the risk tolerance/limits decided by it.

The Company also has a Risk Management Committee, which is a sub-committee of the Board and is responsible for evaluating the overall risk faced by the Company including liquidity risk.

Asset Liability Management Committee (ALCO) of the Company is responsible ensuring adherence to the risk tolerance/limits as well as implementing the liquidity risk management strategy of the Company.

Chief Risk Officer shall be part of the process of identification, measurement and mitigation of liquidity risks.

The ALM support group consist of CFO and Head-Treasury who shall be responsible for analysing, monitoring and reporting the liquidity profile to the ALCO.

***Notes**

1. A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

2. A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

3. Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.

4. "Public funds" shall include funds raised either directly or indirectly through public deposits, commercial paper, debentures, inter-corporate deposits and bank finance but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue as defined in Regulatory Framework for Core Investment Companies issued vide Notification No. DNBS (PD) CC.No. 206/03.10.001/2010-11 dated January 5, 2011.

5. The amount stated in this disclosure is based on the audited standalone financial statements for the year ended March 31, 2020.

W. Asset classification as per IRAC norms

As at 31st March 2020

₹ in crores

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms (Refer Note 1 & 2 below)	Difference between Ind AS 109 provisions and IRACP norms
-1-	-2-	-3-	-4-	(5)=(3)-(4)	-6-	(7) = (4)-(6)
Performing Assets						
Standard	Stage I	9,267.90	144.92	9,122.98	64.55	80.37
	Stage II	28.39	13.07	15.32	1.42	11.65
Subtotal		**9,296.29**	**157.99**	**9,138.30**	**65.97**	**92.02**
Non-Performing Assets (NPA)						
Substandard	**Stage III**	**142.10**	**107.75**	**34.35**	**27.29**	**80.46**
Doubtful - Up to 1 year	Stage III	-	-	-	-	-
- 1 to 3 years	Stage III	-	-	-	-	-
- More than 3 years	Stage III	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage III	-	-	-	-	-
Subtotal for NPA		**142.10**	**107.75**	**34.35**	**27.29**	**80.46**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms.	Stage I	-	-	-	-	-
	Stage II	-	-	-	-	-
	Stage III	-	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**	**-**
Total	**Stage I**	**9,267.90**	**144.92**	**9,122.98**	**64.55**	**80.37**
	Stage II	**28.39**	**13.07**	**15.32**	**1.42**	**11.65**
	Stage III	**142.10**	**107.75**	**34.35**	**27.29**	**80.46**
	Total	**9,438.39**	**265.74**	**9,172.65**	**93.26**	**172.48**

Notes

1. Figures under this columns Represents provisions determined in accordance with the Asset classification and provisioning norms as stipulated under Master Directions.
2. Includes additional provision pursuant to the RBI notification dated April 17, 2020 on accounts classified as standard but overdue as at February 29, 2020.

X. Disclosures pursuant to RBI Notification - RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated 17th April, 2020 SMA/overdue categories, where the moratorium/deferment was extended ('RBI circular')

Details of moratorium granted to overdue accounts as at February 29, 2020

₹ in crores

Asset classification as per Ind AS 109	Exposure (March 31, 2020) (A)	Asset classification benefit*
Stage I	9.91	-
Stage II	28.39	19.38
Stage III	142.10	-
Total	**180.40**	**19.38**

*represents accounts out of A which were not classified as Stage III (non-performing assets) as at March 31, 2020.

Note:

1. Amounts indicated in the above represent gross carrying value of these exposures before adjustment for impairment allowance as required under Ind AS 109 as at March 31, 2020.

Y. The Company has not disbursed any loans against the security of gold.

40. FINANCIAL INSTRUMENTS – FAIR VALUES

40.1. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

₹ in crores

Financial assets (assets measured at fair value)	March 31, 2020			March 31, 2019		
	Fair value			Fair value		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Loans (measured at FVOCI)	-	7,765.48	-	-	5,303.00	-
Investments	-	0.20	-	-	0.20	-
Total	**-**	**7,765.68**	**-**	**-**	**5,303.20**	**-**

Fair values of Loans and Investments designated under FVOCI have been measured under level 2 at fair value based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest.

₹ in crores

Fair value of financial assets and liabilities measured at amortised cost	March 31, 2020				March 31, 2019			
	Amortised cost	Fair value			Amortised cost	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Loans (measured at amortised cost)	1,407.16	-	1,377.06	-	1,299.83	-	1,273.49	-
Debt securities	638.16		419.48		556.16		632.74	
Borrowings other than debt securities	7,159.40	-	7,321.77	-	4,114.50	-	4,149.83	-
Subordinated liabilities	25.00	-	63.85	-	37.07	-	40.23	-
Financial liability towards securitisation (re-recognised on balance sheet)	-	-	-	-	158.84	-	159.33	-
Total	**9,229.72**	**-**	**9,182.16**	**-**	**6,166.40**	**-**	**6,255.62**	**-**

The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, other receivables,loans measured at Amortised cost, other financial assets / liabilities,other non-financial assets / liabilities, payables and provisions are considered to be the same as their fair values, due to their short-term nature.

41. RISK MANAGEMENT

41.1. Introduction and risk profile

CreditAccess Grameen Limited ("Company") is one of the leading microfinance institutions in India focused on providing financial support to women from low income households engaged in economic activity with limited access to financial services. The Company predominantly offers collateral free loans to women from low income households, willing to borrow in a group and agreeable to take joint liability. The wide range of lending products address the critical needs of customers throughout their lifecycle and include income generation, home improvement, children's education, sanitation and personal emergency loans. With a view to diversifying the product profile, the company has introduced individual loans for matured group lending customers. These loans are offered to customers having requirement of larger loans to expand an existing business in their individual capacity.

The common risks for the company are operational, business environment, political, regulatory, concentration, expansion and liquidity. As a matter of policy, these risks are assessed and steps as appropriate, are taken to mitigate the same.

41.1.a. Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.The Risk Management framework approved by the Board has laid down the governance structure supporting the identification, assessment, monitoring, reporting and mitigation of risk throughout the company. The objective of the risk management platform is to make a conscious effort in developing risk culture within the organisation and having appropriate systems and tools for timely identification, measurement and reporting of risks for managing them.

The Board has a Risk Management committee which is responsible for monitoring the overall risk process within the Company and reports to the Board of Directors.

The Risk Management guidelines will be implemented through the established organization structure of Risk Department. The overall monitoring of the Risks is done by the Chief Risk Officer (CRO) with the support from all the department heads of the Company. The Board will reviews the status and progress of the risk and risk management system, on quarterly basis through the Audit Committee and Risk Management Committee. The individual departments are responsible for ensuring implementation of the risk management framework and policies, systems and methodologies as approved by the Board. Assignment of responsibilities in relation to risk management is prerogative of the Heads of Departments, in coordination with CRO.While each department focuses on its specific area of activity, the Risk Management Unit operates in coordination with all other departments, utilising all significant information sourced to ensure effective management of risks in accordance with the guidelines approved by the Board. The unit works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework.

Heads of Departments is accountable to a Management-Level Risk Committee (MLRC) comprising of MD&CEO, CFO, CAO, CBO and CRO. The departmental heads will report for the implementation of above mentioned guideline within their respective areas of responsibility. The department heads are also accountable to the MLRC for identification, assessment, aggregation, reporting and monitoring of the risk related to their respective domain.

The Company's policy is that risk management processes throughout the Company are audited quarterly by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Audit Committee.

41.1.b. Risk mitigation and risk culture

Risk assessments are conducted for all business activities. The assessments are to address potential risks and to comply with relevant legal and regulatory requirements. Risk assessments are performed by competent personnel from individual departments and risk management department including, where appropriate, expertise from outside the Company. Procedures are established to update risk assessments at appropriate intervals and to review these assessments regularly. Based on the Risk Control and Self Assessment (RCSA), the Company formulates its Risk Management Strategy / Risk Management plan on annual basis. The strategy will broadly entail choosing among the various options for risk mitigation for each identified risk. The risk mitigation is planned using the following key strategies:

Risk Avoidance

By not performing an activity that could carry risk. Avoidance may seem the answer to all risks, but avoiding risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed.

Risk Transfer

Mitigation by having another party to accept the risk, either partial or total, typically by contract or by hedging.

Risk Reduction

Employing methods/solutions that reduce the severity of the loss.

Risk Retention

Accepting the loss when it occurs. Risk retention is a viable strategy for small risks where the cost of insuring against the risk would be greater over time than the total losses sustained. All risks that are not avoided or transferred are retained by default. This includes risks that are so large or catastrophic that they either cannot be insured against or the premiums would be infeasible.

41.1.c. Risk measurement and reporting systems

The heads of all the departments in association with risk management department are responsible for coordinating the systems for identifying risks within their own department or business activity through RCSA exercise to be conducted at regular intervals.

Based on a cost / benefit assessment of a risk, as is undertaken, some risks may be judged as having to be accepted because it is believed mitigation is not possible or warranted.

As the risk exposure of any business may undergo change from time to time due to continuously changing environment, the updation of the Risk Register will be done on a regular basis.

All the strategies with respect to managing these major risks shall be monitored by the CRO and MLRC.

The Management Level Risk Committee meetings are held as necessary or at least once a month. The Management Level Risk Committee would monitor the management of major risks specifically and other risks of the Company in general. The Committee takes an integrated view of the risks facing the entity and monitor implementation of the directives received from Risk Management Committee and actionable items drawn from the risk management framework.

Accordingly, the Management Level Risk Committee reviews the following aspects of business specifically from a risk indicator perspective and suitably record the deliberations during the monthly meeting.

- Review of business growth and portfolio quality.
- Discuss and review the reported details of Key Risk Threshold breaches (KRI's), consequent actions taken and review of operational loss events, if any.
- Review of process compliances including audit performance across organisation.
- Review of HR management, training and employee attrition.
- Review of new initiatives and product/policy/process changes.
- Discuss and review performance of IT systems.
- Review the status of strategic projects initiated.
- Review, where necessary, policies that have a bearing on the operational & credit risk management and recommend amendments.
- Discuss and recommend suitable controls/mitigations for managing operational & credit risk and assure that adequate resources are being assigned to mitigate the risks.
- Review analysis of frauds, potential losses, non-compliance, breaches etc. and determine corrective measures to prevent their recurrences.
- Understand changes and threats, concur on areas of high priority and possible actions for managing/mitigating the same.

41.1.d. Risk Management Strategies

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

The following management strategies and policies are adopted by the Company to manage the various key risks.

Political Risk mitigation measures:

- Low cost operations and low pricing for customers.
- Customer centric approach, high customer retention.
- Rural focus.

- Systematic customer awareness activities.
- High social focused activities.
- Adherence to client protection guidelines.
- Robust grievance redressal mechanism.
- Adherence to regulatory guidelines in letter and spirit.

Concentration risk mitigation measures:
- District centric approach.
- District exposure cap.
- Restriction on growth in urban locations.
- Maximum disbursement cap per loan account.
- Maximum loan exposure cap per customer.
- Diversified funding resources.

Operational & HR Risk mitigation measures:
- Stringent customer enrolment process.
- Multiple products.
- Proper recruitment policy and appraisal system.
- Adequately trained field force.
- Weekly & fortnightly collections – higher customer touch, lower amount instalments.
- Multilevel monitoring framework.
- Strong, Independent and fully automated Internal Audit function.
- Strong IT system with access to real time client and loan data.

Liquidity risk mitigation measures:
- Diversified funding resources.
- Asset liability management.
- Effective fund management.
- Maximum cash holding cap.

Expansion risk mitigation measures:
- Contiguous growth.
- District centric approach.
- Rural focus.
- Branch selection based on census data & credit bureau data.
- Three level survey of the location selected.

41.2. Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the summary of significant accounting policies.

41.2.a. Definition of default, significant increase in credit risk and stage assessment

For the measurement of ECL, Ind AS 109 distinguishes between three impairment stages. All loans need to be allocated to one of these stages, depending on the increase in credit risk since initial recognition (i.e. disbursement date):

Stage 1: includes loans for which the credit risk at the reporting date is in line with the credit risk at the initial recognition (i.e. disbursement date).

Stage 2: includes loans for which the credit risk at reporting date is significantly higher than at the risk at the initial recognition (Significant Increase in Credit Risk).

Stage 3: includes default loans. A loan is considered default at the earlier of (i) the Company considers that the obligor is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realizing collateral (if held); or (ii) the obligor is past due more than 90 days on any material credit obligation to the company.

(i) Joint liability loans (JLG)

Unlike banks which have more of monthly repayments, the Company offers products with weekly repayment frequency, whereby 15 and above Days past due ('DPD') means already 2 missed instalments from the borrower, and accordingly, the Company has identified the following stage classification to be the most appropriate for its JLG:

Stage 1: 0 to 15 DPD.
Stage 2: 16 to 60 DPD (SICR).
Stage 3: above 60 DPD (Default).

(ii) Individual loans

Since Individual loans are on monthly repayment model, the Company has identified the following stage classification to be the most appropriate for these loans:

Stage 1: 0 to 30 DPD.
Stage 2: 30 to 90 DPD (SICR).
Stage 3: Above 90 DPD (Default).

41.2.b. Probability of Default ('PD')

PD describes the probability of a loan to eventually falling into Stage 3. PD %age is calculated for each loan account separately and is determined by using available historical observations.

PD for stage 1: is derived as %age of all loans in stage 1 moving into stage 3 in 12-months' time.

PD for stage 2: is derived as %age of all loans in stage 2 moving into stage 3 in the maximum lifetime of the loans under observation.

PD for stage 3: is derived as 100% considering that the default occurs as soon as the loan becomes overdue for 60 days which matches the definition of stage 3.

41.2.c. Exposure at default (EAD)

Exposure at default (EAD) is the sum of outstanding principal and the interest amount accrued but not received on each loan as at reporting date.

41.2.d. Loss given default (LGD)

LGD is the opposite of recovery rate. LGD = 1 – (Recovery rate). LGD is calculated based on past observations of Stage 3 loans.

(i) Joint liability loans (JLG)

LGD is computed as below:

1. All Loans which are above 60 DPD as on 31 March 2013, are taken and the difference in the principal outstanding as on 31st March 2013 and 31st March 2020 is considered as recovery.

2. Likewise the same is done for all the loans (excluding the loans which are already considered in previous years) which are above 60 DPD as on 31 March 2014, 31 March 2015, 31 March 2016, 31 March 2017, 31 March 2018, 31 March 2019 and recovery rate is computed for each year.

3. LGD = 1 - Recovery rate which is computed for each period of observation.

(ii) Individual loans

LGD is computed as below:

1. All Loans which are above 90 DPD as on 31 March 2018, are taken and the difference in the principal outstanding as on 31st March 2018 and 31st March 2020 is considered as recovery.

2. Likewise the same is done for all the loans (excluding the loans which are already considered in previous years) which are above 60 DPD as on each month end from March 31, 2018 till February 29, 2020 and recovery rate is computed for each month.

3. LGD = 1- Recovery rate which is computed for each period of observation.

41.2.e. Grouping financial assets measured on a collective basis

The Company believes that the Joint Liability Group (JLG) loans have shared risk characteristics (i.e. homogeneous) and Individual loans (IL) have not shared risk characteristics. Therefore, JLG and IL are treated as two separate groups for the purpose of determining impairment allowance.

41.2.f. Analysis of inputs to the ECL model under multiple economic scenarios

Adjusting the ECL to reflect the expected changes (if any) in the economic environment for forward looking information in the form of management overlay.

Based on the historical loss experience, adjustments need to be made on the average PD computed to give effect of the current conditions which is done through management overlay by assigning probability weightages to different scenarios.

The methodology and assumptions used for estimating future cash flows should be reviewed regularly so that there is minimum difference between expected loss and the actual loss expenses.

41.3. Interest Rate Risk (IRR)

RBI has allowed NBFCs to price most of their assets and liabilities. Interest rate risk is the risk where changes in market interest rates might adversely affect CAGL's financial condition and the changes in interest rates affect CAGL in a larger way. The immediate impact of changes in interest rates is on earnings (i.e. reported profits) by changing its Net Interest Margin (NIM). The risk from the earnings perspective can be measured as changes in Net Interest Margin (NIM). In line with RBI guidelines, the traditional GAP analysis is considered as a suitable method to measure the Interest Rate Risk for CAGL.

CAGL shall also adhere to these prudential limits and the tolerance/prudential limits for structural liquidity under different time bucket.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible charge in interest rates (all other variables being constant) of the Company'sprofit and loss statement.

₹ in crores

Particulars	Basis points	Effect on profit / loss and equity for the year 2019-20	Effect on profit / loss and equity for the year 2018-19
Borrowings			
Increase in basis points	+ 25	(7.82)	(4.61)
Decrease in basis points	- 25	7.82	4.61

41.3 (A). Capital

The Company actively manages its capital base to cover risks inherent to its business and meet the capital adequacy requirement of RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

(i) Capital management

The Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Company aims to maintain a strong capital base to support the risks inherent to its business and growth strategies. The Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks– which include credit, liquidity and interest rate.

The Company monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis through its Assets Liability Management Committee (ALCO).

The Company endeavours to maintain its CRAR higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

(ii) Regulatory capital

Particulars	As at March 31, 2020	As at March 31, 2019
Tier I CARR	22.30%	34.38%
Tier II CARR	1.30%	0.88%
	23.60%	**35.26%**

41.4. Liquidity risk and funding management

Liquidity risk arises due to the unavailability of adequate amount of funds at an appropriate cost and tenure. The Company may face an asset-liability mismatch caused by a difference in the maturity profile of our assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. We monitor liquidity risk through our Asset Liability Management Committee. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term. We actively monitor our liquidity position to ensure that we can meet all borrower and lender-related funding requirements.

There are Liquidity Risk mitigation measures put in place which helps in maintaining the following:

Diversified funding resources

The Company's treasury department secures funds from multiple sources, including banks, financial institutions and capital markets and is responsible for diversifying our capital sources, managing interest rate risks and maintaining strong relationships with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies. The Company continuously seek to diversify its sources of funding to facilitate flexibility in meeting our funding requirements. Due to the composition of our loan portfolio, which also qualifies for priority sector lending, it also engages in securitization and assignment transactions.

Asset Liability Management (ALM) can be termed as a risk management technique designed to earn an adequate return while maintaining a comfortable surplus of assets over liabilities. ALM, among other functions, is also concerned with risk management and provides a comprehensive as well as dynamic framework for measuring, monitoring and managing liquidity and interest rate risks. ALM is an integral part of the financial management process of CAGL. It is concerned with strategic balance sheet management, involving risks caused by changes in the interest rates and the liquidity position of CAGL. It involves assessment of various types of risks and altering the asset-liability portfolio in a dynamic way in order to manage risks.

ALM committee constitutes of Board of Directors who would review the tolerance limits for liquidity/ interest rate risks and would recommend to Board of Directors for its approval from time to time. As per the directions of the Board, the ALM statements would be reported to the ALM committee on quarterly basis for necessary guidance.

The scope of ALM function can be described as follows:

i. Funding and Capital Managementm,
ii. Liquidity risk management ,
iii. Interest Rate risk management ,
iv. Forecasting and analyzing 'What if scenario' and preparation of contingency plans.

Capital guidelines ensure the maintenance and independent management of prudent capital levels for CAGL to preserve the safety and soundness of the company, to support desired balance sheet growth and the realization of new business; and to provide a cushion against unexpected losses. Refer Note 35(a) with respect to regulatory capital of the Company as at the reporting dates.

Liquidity assessment as on March 31, 2020

₹ in crores

Particulars	Upto 30 / 31 days	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
Borrowings									
Debt securities	-	10.14	53.19	182.64	58.36	267.62	246.97	-	**818.92**
Borrowings (other than debt securities)	304.39	168.83	439.53	1,154.44	2,033.41	3,322.38	683.23	-	**8,106.21**
Subordinated liabilities	0.30	0.31	0.30	0.93	1.84	27.48	-	-	**31.16**
Total	**304.69**	**179.28**	**493.02**	**1,338.01**	**2,093.61**	**3,617.48**	**930.20**	**-**	**8,956.29**

Liquidity assessment as on March 31, 2019

₹ in crores

Particulars	Upto 30 / 31 days	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
Borrowings									
Debt securities	0.56	-	8.71	59.22	109.21	262.27	271.82	-	**711.79**
Borrowings (other than debt securities)	162.04	190.13	203.80	714.08	1,236.54	1,587.86	571.39	63.42	**4,729.26**
Subordinated liabilities	0.30	12.65	0.30	0.93	1.85	31.16	-	-	**47.19**
Total	**162.90**	**202.78**	**212.81**	**774.23**	**1,347.60**	**1,881.29**	**843.21**	**63.42**	**5,488.24**

41.5. Market Risk

41.5.1. Market risk

Market the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

41.5.2. Interest rate risk

Interest rate risk is the risk where changes in market interest rates might adversely affect CAGL's financial condition and the changes in interest rates affect CAGL in a larger way. The immediate impact of changes in interest rates is on earnings (i.e. reported profits) by changing its Net Interest Margin (NIM). The risk from the earnings perspective can be measured as changes in Net Interest Margin (NIM). In line with RBI guidelines, the traditional Gap analysis is considered as a suitable method to measure the Interest Rate Risk for CAGL.

In case of CAGL it may be noted that portfolio loans are not rate sensitive as there is no re-pricing of existing loans are carried out. Only liabilities in the form of borrowings are rate sensitive and considering the size of our business the quantum of impact of change of interest rate of borrowings on liquidity is not significant and can be managed with appropriate treasury action.

41.5.3. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Company manages its foreign currency risk by entering in to cross currency swaps and forward contract. When a derivative is entered in to for the purpose of being as hedge. The Company currently doesnot have any exposure to Foreign currency.

42. IMPACT OF COVID 19

The Novel Coronavirus (COVID-19) pandemic (declared as such by the World Health Organisation on March 11, 2020), has contributed to a significant decline and volatility, and a significant decrease in economic activity, in global and Indian markets. The Government of India announced a strict 40-day nation-wide lockdown to contain the spread of the virus till May 3, 2020, which was further extended till May 31, 2020. This has led to significant disruptions and dislocations for individuals and businesses, impacting Company's regular operations including lending and collection activities due to inability of employees to physically reach borrowers.

43. IMPACT OF COVID 19 ON EXPECTED CREDIT LOSSES

As discussed in Note No 42 , the COVID-19 pandemic has led to a significant impact on Company's regular operations including lending and collection activities.

Further, pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020 allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company has extended/ will be extending moratorium to its borrowers in accordance with its Board approved policy.

In management's view and considering the guidance provided by the Institute of Chartered Accountants of India, providing moratorium to borrowers at a mass scale based on RBI directives, by itself is not considered to result in a significant increase in credit risk ('SICR') for such borrowers. The Company has recorded a management overlay allowance of approximately Rs. 83 crore as part of its Expected Credit Loss, to reflect, among other things, an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic based on the information available at this point in time. Given the unique nature and scale of the economic impact of this pandemic, and its timing being close to the year-end, the management overlay is based on various variables and assumptions, which could result in actual credit loss being different than that being estimated.

However, the full extent of impact of the pandemic on the Company's operations and financial metrics (including impact on impairment allowances for loan portfolio) will depend on future developments including governmental and regulatory measures and the Company's responses thereto, which are highly uncertain at this time.

44. BUSINESS COMBINATION

During the year ended March 31, 2020, the Company acquired 76.08% stake in Madura Micro Finance Limited (MMFL) a non-banking financial company – micro finance institution.

45. EARNINGS PER SHARE (EPS)

The following reflects the profit / loss after tax and equity share data used in the basic and diluted EPS calculations:

Particulars	March 31, 2020	March 31, 2019
Net profit/ (loss) after tax as per statement of profit and loss (₹ in crores)	327.50	321.76
Net profit/ (loss) as above for calculation of basic EPS and diluted EPS (₹ in crores)	327.50	321.76
Net profit/ (loss) for calculation of diluted EPS (₹ in crores)	327.50	321.76
Weighted average number of equity shares in calculating basic EPS	143,765,813	137,706,065
Stock options granted under ESOP	1,228,624	1,312,700
Weighted average number of equity shares in calculating dilutive EPS	144,994,437	139,018,765
Earnings per share	22.78	23.37
Dilutive earnings per share[#]	22.59	23.14
Nominal value per share	10.00	10.00

As per our report of even date

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm's Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No. 102102
Place: Mumbai
Date: May 30, 2020

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO

Diwakar B R
Director-Finance & CFO

M. J. Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Place: Bangalore
Date: May 30, 2020

Consolidated Ind AS Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Members of CreditAccess Grameen Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of CreditAccess Grameen Limited (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) comprising of the consolidated Balance Sheet as at March 31, 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated Ind AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries,, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Emphasis of matter

We draw attention to Note 42 (b) to these consolidated Ind AS financial statements, which describes the economic and social disruption as a result of COVID-19 pandemic of the Group's business and financial metrics including the Group's estimates of impairment of loans to customers and assumptions used in testing the impairment of the carrying value of goodwill, which are highly dependent on uncertain future developments. Our opinion is not modified in respect of this matter.

We draw attention to the following paragraphs in the 'Emphasis of Matter' section in the audit opinion on the consolidated financial statements of Madura Micro Finance Limited, a subsidiary of the Holding Company, issued by their auditors as follows:

'Pursuant to Reserve Bank Of India (RBI) issuing 'COVID-19 Regulatory package-Asset classification and Provisioning' on 17'th April 2020 , the holding company has granted a three month moratorium and consequential asset classification benefit until May 31'st 2020 to its borrowers. As at 31'st March 2020, for determination of Expected Credit Loss (ECL) provisioning, the ageing of these Loans and Advances and their Asset Classification will remain unchanged as per the Regulatory package. Moreover, the estimates and assumptions made by management in determining the ECL provision required for its loans are subject to uncertainties that are associated with the outcome of the pandemic. Hence the actual results may vary from these estimates. Refer note 43 to the financial statements.'

'The appointment and payment of remuneration to the Managing director of the holding company for the period from October 2013 to September 2016 is subject to the approval of the Central government. A sum of Rs.132.50 lakhs (excluding gratuity) had been paid as remuneration to the Managing Director for this period subject to central government approval, and charged to the Statement of Profit and Loss in the respective years. Refer note 39 to the financial statements'.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Acquisition of Madura Micro Finance Limited (as described in note 41 of the consolidated Ind AS financial statements)	
The Holding Company (the "acquirer") completed acquisition of controlling interests in Madura Micro Finance Limited (the "MMFL" or "acquiree") on March 18, 2020 pursuant to share subscription agreements executed with the shareholders of MMFL. The Group has assessed "acquisition method", stipulated under Indian Accounting Standard (Ind AS) 103 – Business Combinations, as the appropriate method for accounting the aforesaid acquisition. The acquisition method requires the acquirer to recognise and measure all identifiable assets acquired and identifiable liabilities assumed at their fair value on the date of acquisition with a corresponding goodwill representing excess of fair value over consideration discharged thereon. Further, the acquisition method requires the acquirer to recognise intangible assets separately from goodwill which may not be recognised by the acquiree in its separate financial statements.	• Performed inquiries with the managements of the acquirer and acquiree to understand the business rationale for such acquisition and assessed whether application of acquisition method is appropriate. • Reviewed the share subscription agreements and other relevant documents provided to us by the Group to corroborate our understanding of the acquisition with the inquiries referred above and assessed whether all significant terms and conditions stipulated therein have been considered for accounting using acquisition method. • Read the review report issued by the statutory auditors of the acquiree on the special purpose financial information to assess the completeness of assets and liabilities existing on the date of acquisition. • Evaluated the competence, capability and objectivity of the professional valuer engaged by the Holding Company's management in accordance with Standard on Auditing (SA) 500.

The Group had engaged professional valuer to determine the fair values of the assets and liabilities acquired / assumed including intangible assets not recognised by the acquiree earlier for the purpose of measuring goodwill arising on acquisition, commonly referred as the purchase price allocation (the "PPA") As implementation of the above requirements involves application of significant judgements and estimates by the management and considering the materiality of the acquired business to the overall assets of the Group, we have considered this area as a key audit matter.	• Engaged our internal specialists to review the report specifically with respect to significant inputs, assumptions and underlying methodology for determining PPA by the professional valuer. • Reviewed calculations performed by the Holding Company's management to determine goodwill arising on acquisition, as stipulated under Ind AS 103, including arithmetical accuracy thereof. • Assessed whether the disclosures made in the consolidated Ind AS financial statements of the Group with respect to such acquisition are in accordance with the requirements of Ind AS.

Key audit matters reported in the standalone Ind AS financial statements of the Holding Company

(a) Impairment of financial assets (expected credit losses)
(as described in note 7 of the standalone Ind AS financial statements)

Ind AS 109 requires the Company to provide for impairment of its loan portfolio (designated at amortised cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances and investments. In the process, a significant degree of judgement has been applied by the management for: • Staging of financial assets (i.e. classification in 'significant increase in credit risk' ("SICR") and 'default' categories); • Grouping of the loan portfolio under homogenous pools in order to determine probability of default on a collective basis; • Determining effect of less frequent past events on future probability of default; • Estimation of management overlay for macro-economic factors which could impact the credit quality of the loans.	• Read and assessed the Company's accounting policy for impairment of financial assets and its compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020. • Read and assessed the Company's policy with respect to moratorium pursuant to the RBI circular and tested the implementation of such policy on a sample basis. • Tested samples for staging of loans based on their past-due status to check compliance with requirements of Ind AS 109. • Tested the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets for determining the PD and LGD rates. Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records. • Tested assumptions used by the management in determining the overlay for macro-economic factors (including COVID-19 pandemic). • Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets.

Pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020, issued as part of the COVID-19 Regulatory Package ("RBI circular"), allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company has extended moratorium to its borrowers in accordance with its Board approved policy. In management's view and considering the guidance provided by the Institute of Chartered Accountants of India, providing moratorium to borrowers at a mass scale, based on RBI directives, by itself is not considered to result in a SICR for such borrowers. The Company has recorded a management overlay of around Rs.83 crore as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic. Given the unique nature and scale of the economic impact of this pandemic, and its timing being close to the year-end, the management overlay is based on various uncertain variables, which could result in actual credit loss being different than that being estimated. In view of the high degree of management's judgement involved in estimation of ECL, accentuated by the COVID-19 pandemic, it is considered as a key audit matter.	• Assessed disclosures included in the standalone Ind AS financial statements in respect of expected credit losses including the specific disclosures made with regard to the management's evaluation of the uncertainties arising from COVID-19 and its impact on ECL estimation.
(b) IT systems and controls	
We identified IT systems and controls over financial reporting as a key audit matter for the Company because its financial accounting and reporting systems are fundamentally reliant on IT systems and IT controls to process significant transaction volumes Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting. Of particular importance are system calculations, other IT application controls and interfaces between IT systems.	• Tested the design and operating effectiveness of the Company's IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls. • Tested IT general controls which include logical access, changes management and aspects of IT operational controls. • Tested the Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization. • Tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting.

Key audit matters reported by the auditors of Madura Micro Finance Limited ('MMFL')

Transition to Ind AS accounting framework (as described in note 44, 45 and 46 of the consolidated financial statements of MMFL)	
In accordance with the Companies (Indian Accounting Standards) Rules, 2015 that sets out timelines for implementation of Ind AS for non-banking financial companies, MMFL has adopted Ind AS from April 1, 2019 with an effective date of April 1, 2018 for such transition. For periods up to and including the year ended March 31, 2019, MMFL had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). In order to give effect of the transition to Ind AS, these financial statements for the year ended March 31, 2020, together with the comparative financial information for the previous year ended March 31, 2019 and the transition date balance sheet as at April 1, 2018 have been prepared under Ind AS. This change in the financial reporting framework involved detailed evaluation by management of the potential impact on every component of the financial statements and to apply significant judgements for selection of appropriate accounting policies suitable for the transactions and operations of MMFL and selection of options available for transition of balances on transition date from previous GAAP to new GAAP. The transition has also brought about significant changes in the MMFL's financial reporting processes, including generation of reliable and supportable financial information and additional disclosures required by the Ind AS framework as compared to the previous GAAP. The transition has also required the management to exercise judgement in determining the impact of Ind AS on specific disclosure requirements prescribed under extant Reserve Bank of India (RBI) directions. In view of the significance of the transition with respect to the financial statements and the complexities in implementing Ind AS discussed above, we have considered this as a key audit matter.	• Considered the Ind AS impact assessment performed by management to identify areas to be impacted on account of Ind AS transition. Also considered the changes made to the accounting policies in the light of the requirements of the new framework. • Obtained an understanding of management's processes and controls around implementing Ind AS and seeking explanations from management for areas involving complex judgements or interpretations. • Reviewed the implementation of exemptions availed and options selected by MMFL for first time adoption of Ind AS to see if they are in accordance with Ind AS 101. • Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS. • Evaluated the appropriateness and adequacy of disclosures included in the Ind AS financial statements, with the requirements of the applicable standards. • Assessed the judgement applied by the management in reporting of areas where the accounting treatment prescribed under Ind AS was different from the extant RBI directions and the impact of such differences on specific regulatory disclosures such as capital to risk weighted assets ratio (CRAR) and Net interest margin.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are 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 these consolidated Ind AS financial statements.

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 consolidated Ind AS financial statements, 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Group 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 consolidated Ind AS financial statements 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of two subsidiaries whose Ind AS financial statements include total assets of Rs 2,148.14 crore as at March 31, 2020, and total revenues of Rs 21.02 crore and net cash inflows of Rs 63.54 crore for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such other auditors.

We draw attention to the following paragraph in the other matters section of the audit opinion on the consolidated financial statements of MMFL issued by their auditors:
'The financial information of the Group for the year ended March 31, 2019 and the transition date opening balance sheet as at April 1, 2018 included in these Ind AS information, are based on the previously issued statutory financial statements for the years ended March 31, 2019 and March 31, 2018 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us for the holding company and on which we expressed modified opinion dated 27 May 2019 and 4 May 2018 respectively and which were audited by another

auditor for the subsidiary and on which an unmodified opinion had been expressed by him in his reports dated 24 May 2019 and 2 May 2018. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us for the holding company and by the other auditor for the subsidiary.'

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate Report in “Annexure 1” to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act, except for the matter reported by other auditors stated in the Emphasis of Matter section.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – Refer Note 33 to the consolidated Ind AS financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2020.

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number: 102102
UDIN: 20102102AAAAFP5086

Mumbai
May 30, 2020

Annexure 1 referred to in paragraph (f) under the heading "Report on other legal and regulatory requirements" of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of CreditAccess Grameen Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of CreditAccess Grameen Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to these two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, incorporated in India.

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership Number: 102102
UDIN: 20102102AAAAFP5086

Mumbai
May 30, 2020

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

₹ in crores

Sr. No.	Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS				
(1)	**Financial assets**			
(a)	Cash and cash equivalents	4	644.87	573.73
(b)	Bank balance other than cash and cash equivalents	5	72.77	41.82
(c)	Other receivables	6	0.22	0.09
(d)	Loans	7		
	- Loan portfolio (excluding securitised assets)		11,004.31	6,404.18
	- Securitised assets re-recognised on balance sheet		94.60	198.65
(e)	Investments	8	45.56	0.20
(f)	Other financial assets	9	55.48	46.70
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	29	22.11	13.23
(b)	Deferred tax assets (net)	29	57.44	43.14
(c)	Property, plant and equipment	11 (A)	31.69	18.74
(d)	Right to use assets	11 (A)	54.60	-
(e)	Goodwill		317.58	-
(f)	Intangible assets under development	11 (B)	2.84	2.36
(g)	Intangible assets	11 (A)	172.63	6.01
(h)	Other non-financial assets	10	12.89	8.29
Total assets			**12,589.59**	**7,357.14**
LIABILITIES AND EQUITY				
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises		35.60	8.09
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises		73.05	95.64
(b)	Borrowings			
	- Debt securities	12	775.67	556.16
	- Borrowings (other than debt securities)	13	8,580.00	4,114.50
	- Subordinated liabilities	14	103.03	37.07
	- Financial liability towards securitisation (re-recognised on balance sheet)	15	80.97	158.84
(c)	Other financial liabilities	16	62.18	-
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	29	-	-
(b)	Provisions	18	20.31	11.88
(c)	Other non-financial liabilities	17	15.61	9.90
(3)	**Equity**			
(a)	Equity share capital	19	143.99	143.55
(b)	Other equity	20	2,590.23	2,221.51
(c)	Non-controlling interests		108.95	-
Total liabilities and equity			**12,589.59**	**7,357.14**

The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm's Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No. 102102
Place: Mumbai
Date: May 30, 2020

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO

Diwakar B R
Director-Finance & CFO

M. J. Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Place: Bangalore
Date: May 30, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

₹ in crores

Sr. No.	Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
I	**Revenue from operations**			
(a)	Interest income	21		
	- Interest on loans		1,603.94	1,156.09
	- Income on securitisation (re-recognised on balance sheet)		23.06	55.24
	- Interest on deposits with banks and financial institutions		6.34	6.99
	- Income from portfolio purchased under assignment		0.05	-
(b)	Fees and commission	22	5.00	1.34
(c)	Net gain on fair value changes	23	56.35	56.55
(d)	Bad Debt Recovery		5.38	6.05
(e)	Others		4.19	-
	Total revenue from operations (I)		**1,704.31**	**1,282.26**
II	**Other income**	**24**	**1.17**	**1.06**
III	**Total income (I+II)**		**1,705.48**	**1,283.32**
IV	**Expenses**			
(a)	Finance costs	25		
	- On borrowings		570.89	398.68
	- On financial liability towards securitisation (re-recognised on balance sheet)		9.09	18.07
(b)	Impairment of financial instruments	26	237.27	74.86
(c)	Employee benefits expenses	27	262.05	186.05
(d)	Depreciation and amortisation expenses	11	20.37	7.79
(e)	Other expenses	28	144.21	100.13
	Total expenses (IV)		**1,243.88**	**785.58**
V	**Profit before tax (III-IV)**		**461.60**	**497.74**
VI	**Tax expense**	**29**		
	(1) Current tax		160.47	176.35
	(2) Deferred tax		(34.36)	(0.37)
	Total tax expense (VI)		**126.11**	**175.98**
VII	**Profit / (loss) for the year (V-VI)**		**335.49**	**321.76**
VIII	**Other comprehensive income**			
(a)	(1) Items that will not be reclassified to profit or loss			
	- Remeasurement (losses) and gains on defined benefit obligations (net)		0.02	(1.91)
	(2) Income tax relating to items that will not be reclassified to profit or loss		(0.01)	0.67
	Subtotal (a)		**0.01**	**(1.24)**
(b)	(1) Items that will be reclassified to profit or loss			
	- Net change in fair value of loans measured at fair value through other comprehensive income		(34.83)	(13.36)
	(2) Income tax relating to items that will be reclassified to profit or loss		7.46	4.67
	Subtotal (b)		**(27.37)**	**(8.69)**
	Other comprehensive income (VIII = a+b)		**(27.36)**	**(9.93)**
IX	**Total comprehensive income (VII+VIII) (comprising profit / (loss) and other comprehensive income for the year)**		**308.13**	**311.83**
X	**Profit is attributable to:**			
	Owners of the Company		333.55	321.76
	Non-controlling interest		1.94	-
XI	**Other comprehensive Income is attributable to:**			
	Owners of the Company		(27.35)	(9.93)
	Non-controlling interest		(0.01)	-
XII	**Total comprehensive Income is attributable to:**			
	Owners of the Company		306.19	311.83
	Non-controlling interest		1.94	-
XIII	**Earnings per equity share (face value of `₹10.00 each)**			
	Basic (EPS)		23.20	23.37
	Diluted (DPS)		23.00	23.14

The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm's Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No. 102102
Place: Mumbai
Date: May 30, 2020

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO

Diwakar B R
Director-Finance & CFO

M. J. Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Place: Bangalore
Date: May 30, 2020

STATEMENT OF CONSOLIDATED CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

Equity share capital

Equity shares of ₹10 each issued, subscribed and fully paid.

Particulars	No of shares	₹ in crores
At March 31, 2018	128,427,337	128.24
Changes in equity share capital during the year	15,124,924	15.12
At March 31, 2019	143,552,261	143.55
Changes in equity share capital during the year	433,198	0.43
At March 31, 2020	143,985,459	143.99

Other equity

₹ in crores

Particulars	Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	Capital reserve	Securities premium	Stock option outstanding	Retained earnings	Other items of comprehensive income (fair valuation on loan portfolio)	Total
As at March 31, 2018	**73.57**	**49.95**	**883.08**	**5.08**	**297.38**	**(0.01)**	**1,309.05**
Profit for the year	-	-	-	-	321.76	-	321.76
Other comprehensive income	-	-	-	-	(1.24)	(8.69)	(9.93)
Premium on equity shares issued during the year	-	-	615.07	-	-	-	615.07
Premium on exercise of stock options	-	-	1.59	(0.81)	-	-	0.78
Transferred to statutory reserves	64.35	-	-	-	(64.35)	-	(0.00)
Expenses incurred towards initial public offering of equity shares (net of tax)	-	-	(19.74)	-	-	-	(19.74)
Employee stock option compensation for the year	-	-	-	4.52	-	-	4.52
As at March 31, 2019	**137.92**	**49.95**	**1,480.00**	**8.79**	**553.55**	**(8.70)**	**2,221.51**
Profit for the year	-	-	-	-	335.49	-	335.49
Other comprehensive income	-	-	-	-	0.01	(27.37)	(27.36)
Premium on equity shares issued during the year	-	-		-	-	-	-
Premium on exercise of stock options	-	-	5.85	(2.69)	-	-	3.16
Transferred to statutory reserves (Parent's contribution)	65.50	-	-	-	(65.50)	-	-
Transferred to statutory reserves (Parent's contribution from subsidiary's share of profit)	1.27	-	-	-	(1.27)	-	-
Transferred to statutory reserves (Non-controlling interest contribution)	0.41	-	-	-	-	-	0.41
Acquired from MMFL	60.52	-	-	-		-	60.52
Profit for the year attributable to Non-Controlling Interest	-	-	-	-	(1.94)	-	(1.94)
Equity adjustment on account of subsequent acquisition in subsidiary	-	-	-	-	(1.81)	-	(1.81)
Effect of tax rate change on the carrying value of deferred tax assets recognised through equity	-	-	(2.26)	-	-	-	(2.26)
Employee stock option compensation for the year	-	-	-	2.51	-	-	2.51
As at March 31, 2020	**265.62**	**49.95**	**1,483.59**	**8.61**	**818.53**	**(36.07)**	**2,590.23**

The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm's Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No. 102102
Place: Mumbai
Date: May 30, 2020

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO

Diwakar B R
Director-Finance & CFO

M. J. Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Place: Bangalore
Date: May 30, 2020

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

₹ in crores

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flow from operating activities:		
Profit before tax	461.60	497.74
Adjustments to reconcile profit before tax to net cash flows:		
Interest income on loans	(1,609.79)	(1,154.76)
Income on securitisation (re-recognised on balance sheet)	(23.06)	(55.24)
Depreciation, amortisation and impairment	20.37	7.79
Interest expense on borrowings	568.83	394.30
Interest expenses on financial liability towards securitisation (re-recognised on balance sheet)	9.09	18.07
Impairment of financial instruments	243.55	73.52
Net loss on disposal of property, plant and equipment	(0.01)	0.07
Net gain on financial instruments at fair value through profit or loss	(19.21)	(10.55)
Share based payments to employees	2.51	4.53
	(807.72)	**(722.27)**
Operational cash flows from interest:		
Interest received on loans	1,569.66	1,162.03
Interest received on loans securitised (re-recognised on balance sheet)	23.56	54.71
Interest paid on borrowings	(554.88)	(379.08)
Interest on financial liability towards securitisation (re-recognised on balance sheet)	(9.25)	(18.07)
Working capital changes:		
Increase in derivative finacial instruments	1.10	-
Increase in loans	(2,953.54)	(1,602.82)
Decrease / (increase) in securitised assets re-recognised on balance sheet	199.09	(198.12)
Decrease / (increase) in bank balance other than cash and cash equivalents	23.85	(28.78)
(Increase) / decrease in other receivables	(0.13)	5.38
Decrease / (increase) in other financial assets	0.30	(34.14)
Increase in other non-financial assets	(4.45)	(3.68)
(Decrease) / increase in trade and other payables	(23.34)	68.65
Decrease in other financial liabilities	(0.07)	-
Increase in provisions	4.19	3.45
Increase / (decrease) in other non-financial liabilities	5.57	(1.04)
	(2,747.43)	**(1,791.10)**
Income tax paid	(164.02)	(182.05)
Net cash flows used in operating activities	**(2,228.48)**	**(1,378.09)**
Investing activities		
Purchase of property, plant and equipment	(14.40)	(14.69)
Proceeds from sale of property, plant and equipment	0.12	0.03
Purchase of Intangible assets	(7.44)	(3.03)
Purchase of investments at fair value through profit and loss	(9,240.63)	(7,056.42)
Sale of investments at fair value through profit and loss	9,285.72	7,066.97
Investment in equity shares of subsidiary	(661.24)	-
Net cash flows used ininvesting activities	**(637.87)**	**(7.14)**
Financing activities		
Debt securities issued / (repaid) (net)	71.81	(223.17)
Borrowings other than debt securities issued (net)	3,030.47	1,339.61
Subordinated liabilities repaid (net)	(11.39)	(47.46)
Financial liability towards securitisation (re-recognised on balance sheet) (repaid) / issued (net)	(173.70)	158.84
Proceeds from issuance of equity share capital including securities premium	3.59	630.97
Expenses incurred towards issuance of equity shares	-	(29.86)
Net cash flows from financing activities	**2,920.78**	**1,828.93**
Net decrease in cash and cash equivalents	**54.43**	**443.70**
Cash and cash equivalents as at the beginning of the year* (Refer Note 4)	**590.44**	**130.03**
Cash and cash equivalents as at the end of the year (Refer Note 4)	**644.87**	**573.73**

* Includes cash and cash equivalents of MMFL as at the acquisition date ₹16.71 crores.

The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm's Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No. 102102
Place: Mumbai
Date: May 30, 2020

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO

Diwakar B R
Director-Finance & CFO

M. J. Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Place: Bangalore
Date: May 30, 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

1. CORPORATE INFORMATION

CreditAccess Grameen Limited (Formerly known as Grameen Koota Financial Services Private Limited) ('the Parent Company') is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is registered as a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ('RBI') and has got classified as a Non-Banking Financial Company – Micro Finance Institution ('NBFC-MFI') with effect from September 5, 2013. The Company's shares are listed on BSE Limited ('BSE') and National Stock Exchange of India Ltd ('NSE').The Company being a Non-banking financial Company (NBFC – MFI), is registered with the Reserve Bank of India (Certificate of Registration Number: B-02.00252) located at New No. 49 (Old No. 725), 46th Cross,8th Block, Jayanagar, (Next to Rajalakshmi Kalayana Mantap) Bengaluru 560071, Karnataka, India.

The Group along with subsidiaries is engaged primarily in providing micro finance services to women who are enrolled as members and organized as Joint Liability Groups ('JLG') or Self Help Groups ('SHG'). In addition to the core business of providing micro-credit, the Company uses its distribution channel to provide certain other financial products and services to the members.

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and notified under Section 133 of the Companies Act, 2013 ("the Act").The financial statements have been prepared on a going concern basis.

In view of the matters as mentioned in Note 42 , the Parent Company has assessed the impact of the Novel Coronavirus (COVID-19) pandemic on its liquidity and ability to repay its obligations as and when they are due. With the gradual relaxation of lockdown rules, as well as resumption of commercial activities by borrowers in a majority of geographies in which the Parent Company operates, management is confident that collections will resume, albeit likely at a lower level than earlier. In this regard, the Parent Company has 909 out of its 929 branch offices in a state of readiness with optimal workforce to deal with normal business operations, while continuing to comply with regulatory guidelines on businesses, social distancing, etc. The Parent Company has also commenced field visits to meet customers and expects to resume Kendra meetings post the lock down period to re-commence collections. In addition, management has considered various stimulus packages announced by the Government of India which will directly or indirectly benefit NBFC-MFI, current status/outcomes of discussions with the Parent Company's lenders to seek/extend moratorium and various other financial support from other banks, agencies and its parent entity in determining the Parent Company's liquidity position over the next 12 months. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Parent Company will be able to pay its obligations as and when these become due in the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

The consolidated financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments, financial assets held for trading and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crores, except when otherwise indicated.

2.1. Presentation of consolidated financial statements

The Group presents its balance sheet in order of liquidity.

The Group generally reports financial assets and financial liabilities on a gross basis in the balance sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Group offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically.

2.2. Critical accounting estimates and judgements

The preparation of the Group's financial statements requires Management to make use of estimates and judgements. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management's estimates are based. Accounting estimates and judgements are used in various line items in the financial statements for e.g.:

- Business model assessment (Refer Note no. 3.14)
- Fair value of financial instruments (Refer Note no. 3.17)
- Effective interest rate (EIR) (Refer Note no. 3.1.1)
- Impairment of financial assets (Refer Note no. 3.15)
- Provisions (Refer Note no. 3.8)
- Contingent liabilities and assets (Refer Note no.3.9)
- Provision for tax expenses (Refer note no. 3.11)
- Residual value and useful life of property, plant and equipment (Refer Note no. 3.6.1)

2.3. Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiary (from the date control is gained), being the entity that it controls. Control is evidenced where the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns.

1. The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
2. Profits or losses resulting from intra-group transactions that are recognised in assets, such as Property, Plant and Equipment, are eliminated in full.
3. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with the policies adopted by the Group.
4. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
5. The carrying amount of the parent's investment in subsidiary is offset (eliminated) against the parent's portion of equity in subsidiary.
6. Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1. Revenue recognition

3.1.1. Interest income

Interest income for all financial instruments measured either at amortised cost or at fair value through other comprehensive income, is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses.

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

3.1.2. Interest on financial assets at fair value through profit and loss (FVTPL) is recognised in accordance with the contractual terms of the instrument.

3.1.3. Dividend income is recognised when the right to receive payment is established.

3.1.4. The Group recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue From Contracts with Customers'. The Group identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

(a) Distribution income is earned by selling of services and products of other entities under distribution arrangements. The income so earned is recognised on successful sales on behalf of other entities subject to there being no significant uncertainty of its recovery.

3.1.5. The Group recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

3.2. Finance cost

Borrowing cost on financial liabilities including towards securitisation transactions not derecognised by the Group are recognised by applying the EIR.

3.3. Cash and cash equivalents

Cash and cash equivalents, comprise cash in hand, cash at bank and short-term investments with an original maturity of three months or less, that are readily convertible to insignificant risk of changes in value.

3.4. Property, plant and equipment ('PPE')

Initial Recognition and measurement:

PPE are stated at cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the group and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

3.5. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

3.6. Depreciation and amortization

3.6.1. Depreciation

Depreciation on property, plant and equipment is measured using the straight line method as per the useful lives of the assets estimated by the management. The useful life estimated by the management is as under:

Category of Assets	Useful Life (Years)	
	Parent Company	Subsidiary Company
Furniture and fittings	10	6.67
Office Equipments	05	05
Vehicles	08	05
Buildings	30	30
Electrical equipment	10	05
Temporary Structures	NA	01
Computers (including servers)	03	03

Leasehold improvement is amortised on a straight line basis over the primary period of lease.

The management has estimated, supported by independent assessment by professionals, the useful life of servers and two-wheeler vehicles as 3 years and 8 years respectively, which are lower than those prescribed under Schedule II to the Act.

3.6.2. Amortisation of intangible assets and Impairment of Goodwill

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The useful lives of intangible assets are reviewed at each financial year and adjusted.

Category of Assets	Useful Life (Years)	
	Parent	Subsidiary
Customer relationships	NA	10
Other intangible assets	05	03

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

3.7. Impairment of non–financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

3.8. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.9. Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable.

3.10. Retirement and other employee benefits

3.10.1. Defined contribution plan

Retirement benefits in the form of provident fund and superannuation are defined contribution schemes. The Group has no obligation, other than the contribution payable to the respective funds. The Group recognises contribution payable to the respective funds as expenditure, when an employee renders the related service.

3.10.2. Defined benefit plan

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each year. Gains or losses through remeasurements of net benefit liabilities/ assets are recognised with corresponding charge/credit to the retained earnings through other comprehensive income in the period in which they occur.

3.10.3. Other employee benefits

The Group treats accumulated leave expected to be carried forward beyond twelve months as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

3.11. Taxes

3.11.1. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside the statement profit or loss is recognised outside the statement profit or loss (either in other comprehensive income or in equity).

3.11.2. Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement profit or loss is recognised outside the statement profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.12. Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.13. Share based payments

Equity-settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based payments transactions are set out in Note 37.

The cost of equity-settled transactions is measured using the fair value method and recognised, together with a corresponding increase in the “Stock options outstanding account” in reserves. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the statement of profit and loss for the year represents the movement in cumulative expense recognised as at the beginning and end of that year and is recognised in employee benefits expense.

3.14. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.14.1. Financial Assets

3.14.1.1. Initial recognition and measurement

Financial assets are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

3.14.1.2. Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Loans at amortised cost
- Loans at fair value through other comprehensive income (FVTOCI)
- Investments in debt instruments and equity instruments at fair value through profit or loss (FVTPL)

3.14.1.3. Loans at amortised costs

Loans are measured at the amortised cost if both the following conditions are met:

a. Such loan is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

3.14.1.4. Loans at fair value through other comprehensive income (FVTOCI)

Loans are classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Loans included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is recognised as interest income using the EIR method.

3.14.1.5. Investment in debt instruments and equity instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

3.14.2. Financial Liabilities

3.14.2.1. Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments, which are measured at amortised cost.

3.14.2.2. Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. The EIR amortisation is included as finance costs in the statement of profit and loss.

3.14.3. Reclassification of financial assets and liabilities

The Group doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

3.14.4. De-recognition of financial assets and liabilities

3.14.4.1. De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Group also de-recognises the financial asset if it has transferred the financial asset and the transfer qualifies for de-recognition.

The Group has transferred the financial asset if, and only if, either:
- It has transferred its contractual rights to receive cash flows from the financial asset
Or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:
- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients. A transfer only qualifies for de-recognition if either:
- The Group has transferred substantially all the risks and rewards of the asset
or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset in its entirety, the difference between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit or loss account.

3.14.4.2. De-recognition of financial liabilities

Financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

3.15. Impairment of financial assets

3.15.1. Overview of the Expected Credit Loss (ECL) allowance principles

The Group is recording the allowance for expected credit losses for all loans at amortised cost and FVOCI and other debt financial assets not held at FVTPL.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in Note 3.16.2). The Group's policies for determining if there has been a significant increase in credit risk are set out in Note 40.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on a collective basis for identified homogenous pool of loans. The Group's policy for grouping financial assets measured on a collective basis is explained in Note 40.

Accordingly, the Group groups its loans into Stage 1, Stage 2, Stage 3, as described below:

Stage 1: When loans are first recognised, the Group recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the company records an allowance for the LTECLs.

Stage 3: Loans considered credit-impaired (as outlined in Note 40). The Group records an allowance for the LTECLs.

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) de-recognition of the financial asset.

3.15.2. The calculation of ECL

The Group calculates ECLs based on a probability-weighted scenarios and historical data to measure the expected cash shortfalls. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

ECL consists of three key components: Probability of Default (PD), Exposure at Default (EAD) and Loss given default (LGD). ECL is calculated by multiplying them. Refer Note 40 for explanation of the relevant terms.

The maximum period for which the credit losses are determined is the expected life of a financial instrument.

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Group recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

3.16. Write-offs

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to the statement profit and loss account.

3.17. Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantegeous market must be accessible by the Group.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured are categorised with fair value hierachy into Level I, Level II and Level III based on level of input.

3.18. Segment information

The Group operates in a single business segment i.e. lending to members, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Group operates in a single geographical segment i.e. domestic.

3.19. Business combination

3.19.1 Business combinations under common control

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The Group accounts for business combinations under common control as per the pooling of interest method. The pooling of interest method involves the following:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

(iii) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

3.19.2. Other business combinations

The Group uses the acquisition method of accounting to account for business combinations other than those under common control. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration. Any goodwill that arises on account of such business combination is tested annually for impairment. Any contingent consideration is measured at fair value at the date of acquisition. A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Group incurs in connection with a business combination, such as Stamp Duty for title transfer in the name of the Group, finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

3.20. Foreign currency

3.20.1. All transactions in foreign currency are recognised at the exchange rate prevailing on the date of the transaction.

3.20.2. Foreign currency monetary items are reported using the exchange rate prevailing at the close of the period.

3.20.3. Exchange differences arising on the settlement of monetary items or on the restatement of Group's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise.

3.21. Leases (where the Group is the lessee)

Short term leases not covered under Ind AS 116 are classified as operating lease. Lease payments during the year are charged to statement of profit and loss. Future minimum rentals payable under non-cancellable operating leases.

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

CAGL has adopted Ind AS 116 - Leases with effect from April 1, 2019 and applied to all lease contracts existing on April 1, 2019 using the Modified Retrospective Approach. In accordance with the transitional provisions, the Group has not restated the comparative figures. The adoption of new standard resulted in recognition of right-of-use asset and a corresponding lease liability of ₹ 64.5 crores on April 1, 2019. The effect of this adoption is not material to the profit for the period and earnings per share.

MMFL is first time adopter of Ind AS & has applied the lease retrospectively.

4. CASH AND CASH EQUIVALENTS

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Cash in hand	1.38	12.34
Balances with Banks in current accounts	203.25	276.24
Bank deposit with maturity of less than 3 months	440.24	285.15
Total	**644.87**	**573.73**

5. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Fixed deposit with bank not considered as cash and cash equivalents*	72.77	41.82
Total	**72.77**	**41.82**

*Balances with banks to the extent held as margin money or security against the borrowings.

6. OTHER RECEIVABLES

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Other receivables		
Unsecured, considered good	0.22	0.09
Unsecured, considered doubtful	-	-
Less: Provision for doubtful receivables	-	-
Total	**0.22**	**0.09**

The above does not include the debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms including limited liability partnerships (LLPs), private companies respectively in which any director is a partner or a director or a member.

7. LOANS

₹ in crores

Particulars	March 31,2020			March 31, 2019		
	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total
(A) Term loans:						
Joint liability loans	949.00	7,989.03	8,938.03	789.16	5,363.87	6,153.03
Individual loans	500.36	-	500.36	325.03	-	325.03
Total - Gross loans of parent	**1,449.36**	**7,989.03**	**9,438.39**	**1,114.19**	**5,363.87**	**6,478.06**
Less: Impairment loss allowance	42.20	223.55	265.75	13.01	60.87	73.88
Total - Net	**1,407.16**	**7,765.48**	**9,172.64**	**1,101.18**	**5,303.00**	**6,404.18**
Self help group	1,868.81	-	1,868.81	-	-	-
Individual loans-MMFL	5.95	-	5.95	-	-	-
Total - Gross loans acquired	**1,874.76**	**-**	**1,874.76**	**-**	**-**	**-**
Less: Impairment loss allowance	43.09	-	43.09	-	-	-
Total - Net loans acquired	**1,831.67**	**-**	**1,831.67**	**-**	**-**	**-**
(B) (a) Secured	1.93	-	1.93	2.22	-	2.22
(b) Unsecured	3,322.19	7,989.03	11,311.22	1,111.97	5,363.87	6,475.84
Total - Gross	**3,324.12**	**7,989.03**	**11,313.15**	**1,114.19**	**5,363.87**	**6,478.06**
Less: Impairment loss allowance	85.29	223.55	308.84	13.01	60.87	73.88
Total - Net	**3,238.83**	**7,765.48**	**11,004.31**	**1,101.18**	**5,303.00**	**6,404.18**
(C) (I) Loans in India						
(a) Public sector	-	-	-	-	-	-
(b) Others	3,324.12	7,989.03	11,313.15	1,114.19	5,363.87	6,478.06
Total - Gross	**3,324.12**	**7,989.03**	**11,313.15**	**1,114.19**	**5,363.87**	**6,478.06**
Less: Impairment loss allowance	85.29	223.55	308.84	13.01	60.87	73.88
Total - Net	**3,238.83**	**7,765.48**	**11,004.31**	**1,101.18**	**5,303.00**	**6,404.18**
(C) (II) Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total - Net	**-**	**-**	**-**	**-**	**-**	**-**

SECURITISED ASSETS RE-RECOGNISED ON BALANCE SHEET

₹ in crores

Particulars	March 31,2020			March 31, 2019		
	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total
(A) Term loans:						
Self help group						
Securitised assets	98.14	-	98.14	201.74	-	201.74
Total - Gross	**98.14**	**-**	**98.14**	**201.74**	**-**	**201.74**
Less: Impairment loss allowance (Self help group)	3.54	-	3.54	3.09	-	3.09
Total - Net	**94.60**	**-**	**94.60**	**198.65**	**-**	**198.65**
(B) (a) Secured			-			-
(b) Unsecured	98.14	-	98.14	201.74	-	201.74
Total - Gross	**98.14**	**-**	**98.14**	**201.74**	**-**	**201.74**
Less: Impairment loss allowance	3.54	-	3.54	3.09	-	3.09
Total - Net	**94.60**	**-**	**94.60**	**198.65**	**-**	**198.65**
(C) (I) Loans in India						
(a) Public sector	-	-	-	-	-	-
(b) Others	98.14	-	98.14	201.74	-	201.74
Total - Gross	**98.14**	**-**	**98.14**	**201.74**	**-**	**201.74**
Less: Impairment loss allowance	3.54	-	3.54	3.09	-	3.09
Total - Net	**94.60**	**-**	**94.60**	**198.65**	**-**	**198.65**
(C) (II) Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total - Net	**-**	**-**	**-**	**-**	**-**	**-**

7(A) GROUP LENDING LOANS

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Group lending loans:

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2019*	**8,257.10**	**61.56**	**65.07**	**8,383.73**
New assets originated during the year, netted off for repayments and derecognised portfolio	2,569.39	(3.87)	3.38	2,568.90
Assets written off during the year	-	-	(47.65)	(47.65)
Movement between stages	-	-	-	
Transfer from Stage 1	(146.11)	10.91	135.20	-
Transfer from Stage 2	0.77	(8.84)	8.06	-
Transfer from Stage 3	0.02	0.01	(0.02)	-
Gross carrying value of assets as at 31st March 2020	**10,681.17**	**59.77**	**164.04**	**10,904.98**

* Includes the gross carrying amount of MMFL as at acquisition date (18th March 2020)

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2019*	**58.01**	**11.96**	**48.17**	**118.14**
New assets originated during the year, netted off for repayments and derecognised portfolio	17.56	(1.37)	2.43	18.62
Assets written off during the year	-	-	(47.65)	(47.65)
Movement between stages	-	-	-	
Transfer from Stage 1	(1.00)	0.07	0.93	-
Transfer from Stage 2	0.16	(3.20)	3.05	-
Transfer from Stage 3	0.01	0.00	(0.02)	-
Impact on ECL on account of movement between stages / updates to the ECL model	87.34	10.01	111.23	208.58
ECL allowance as at 31st March2020	**162.08**	**17.47**	**118.14**	**297.69**

* Includes the ECL allowance of MMFL as at acquisition date (18th March 2020)

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2018	**4,857.09**	**12.60**	**37.45**	**4,907.14**
New assets originated during the year, netted off for repayments and derecognised portfolio	1,512.00	0.34	(4.06)	1,508.28
Assets written off during the year	-	-	(60.66)	(60.66)
Movement between stages				
Transfer from Stage 1	(70.04)	10.20	59.84	-
Transfer from Stage 2	0.08	(0.55)	0.47	-
Transfer from Stage 3	0.01	0.00	(0.01)	-
Gross carrying value of assets as at 31st March 2019	**6,299.14**	**22.59**	**33.03**	**6,354.76**

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2018	**23.18**	**3.08**	**35.83**	**62.09**
New assets originated during the year, netted off for repayments and derecognised portfolio	7.09	0.08	(3.89)	3.28
Assets written off during the year	-	-	(60.66)	(60.66)
Movement between stages				
Transfer from Stage 1	(0.33)	0.05	0.28	-
Transfer from Stage 2	0.02	(0.13)	0.11	-
Transfer from Stage 3	0.01	0.00	(0.01)	-
Impact on ECL on account of movement between stages / updates to the ECL model	8.48	1.18	56.00	65.66
ECL allowance as at 31st March 2019	**38.45**	**4.26**	**27.66**	**70.37**

7(B) INDIVIDUAL LENDING

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Individual lending loans:

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2019*	**329.89**	**0.61**	**0.53**	**331.03**
New assets originated during the year netted off for repayments	177.92	0.14	(0.11)	177.95
Assets written off during the year	-	-	(2.54)	(2.54)
Transfer from Stage 1	(16.79)	4.93	11.86	-
Transfer from Stage 2	0.00	(0.02)	0.02	-
Transfer from Stage 3	0.00	-	(0.00)	-
Gross carrying value of assets as at 31st March 2020	**491.02**	**5.66**	**9.76**	**506.44**

* Includes the gross carrying amount of MMFL as at acquisition date (18th March 2020)

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2019*	**6.17**	**0.00**	**0.49**	**6.66**
New assets originated during the year netted off for repayments	0.67	0.08	(0.11)	0.64
Assets written off during the year	-	-	(2.54)	(2.54)
Transfer from Stage 1	(0.06)	0.02	0.04	-
Transfer from Stage 2	0.00	(0.01)	0.01	-
Transfer from Stage 3	0.00	-	(0.00)	-
Impact on ECL on account of movement between stages/ updates to the ECL model	(4.92)	2.88	11.97	9.93
ECL allowance as at 31st March2020	**1.86**	**2.97**	**9.86**	**14.69**

* Includes the ECL allowance of MMFL as at acquisition date (18th March 2020)

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2018	**51.11**	**0.01**	**0.02**	**51.14**
New assets originated during the year netted off for repayments	273.83	0.02	0.04	273.89
Assets written off during the year	-	-	-	
Transfer from Stage 1	(1.01)	0.59	0.42	-
Transfer from Stage 2	-	(0.01)	0.01	-
Transfer from Stage 3	-	-	-	-
Gross carrying value of assets as at 31st March 2019	**323.93**	**0.61**	**0.49**	**325.03**

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2018	**0.67**	**0.00**	**0.00**	**0.67**
New assets originated during the year netted off for repayments	5.87	0.00	0.04	5.91
Assets written off during the year				
Transfer from Stage 1	(0.43)	0.01	0.42	0.00
Transfer from Stage 2	-	(0.01)	0.01	-
Transfer from Stage 3	-	-	-	-
ECL allowance as at 31st March 2019	**6.11**	**0.00**	**0.47**	**6.58**

8. INVESTMENTS (FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
A) In India		
Investments at FVTPL		
-in mutual funds	45.02	-
-in equity instruments	0.54	0.20
B) Outside India	-	-
Total	**45.56**	**0.20**

9. OTHER FINANCIAL ASSETS (AT AMORTISED COST)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Retained interest on assets assigned	35.77	30.12
Security deposits (unsecured, considered good)	11.71	10.10
Loans and advances to employees (unsecured, considered good)	6.59	5.41
Fixed deposit with financial institution	-	1.07
Others	1.41	-
Total	**55.48**	**46.70**

10. OTHER NON-FINANCIAL ASSETS (AT AMORTISED COST)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Prepaid expenses (unsecured, considered good)	5.18	4.76
Other advances		
Unsecured, considered good	7.71	3.53
Unsecured, considered doubtful	1.33	1.53
Less: Provision for doubtful advances	(1.33)	(1.53)
Share issue expenses	-	
Total	**12.89**	**8.29**

11 (A)

₹ in crores

Particulars	Property, plant and equipment									Right to use assets			Intangible assets		
	Computer	Electrical Equipment	Furniture & Fixtures	Leasehold Improvement	Office equipment	Vehicles	Building	Freehold Land	Total	Buildings	Computer	Total	Computer software	Customer relationships (Refer Note 41)	Total
Cost:															
At March 31, 2018	6.20	0.37	4.35	4.30	4.16	0.62	-	-	20.00	-	-	**-**	12.34	-	**12.34**
Additions	2.26	0.18	1.48	2.50	8.27	-	-	-	14.69	-	-	**-**	1.73	-	**1.73**
Disposals	(0.35)	(0.01)	(0.05)	-	(0.38)	-	-	-	(0.79)	-	-	**-**	-	-	**-**
At March 31, 2019	**8.11**	**0.54**	**5.78**	**6.80**	**12.05**	**0.62**	**-**	**-**	**33.90**	**15.19**	**33.39**	**48.58**	**14.07**	**-**	**14.07**
Additions	3.42	0.24	3.59	2.25	4.81	-	-	-	14.31	7.35	4.46	**11.81**	6.97	-	**6.97**
Additions relating to acquisitions	4.48	0.17	1.33	0.25	0.99	0.00	0.21	0.17	7.60	1.69		**1.69**	0.91	162.82	**163.73**
Disposals	(0.16)	(0.02)	(0.06)	-	(0.40)	-	-	-	(0.64)	-	-	**-**	(0.01)	-	**(0.01)**
At March 31, 2020	**15.85**	**0.93**	**10.64**	**9.30**	**17.45**	**0.62**	**0.21**	**0.17**	**55.17**	**24.23**	**37.85**	**62.08**	**21.94**	**162.82**	**184.76**
Depreciation:															
At March 31, 2018	4.14	0.34	2.89	1.32	1.59	0.24	-	-	10.52	-	-	**-**	5.66	-	**5.66**
Depreciation charge for the year	1.50	0.18	1.04	1.08	1.45	0.08	-	-	5.33	-	-	**-**	2.40	-	**2.40**
Disposals	(0.32)	(0.01)	(0.04)	-	(0.32)	-	-	-	(0.69)	-	-	**-**	-	-	**-**
At March 31, 2019	**5.32**	**0.51**	**3.89**	**2.40**	**2.72**	**0.32**	**-**	**-**	**15.16**	**-**	**-**	**-**	**8.06**	**-**	**8.06**
Depreciation charge for the year	2.10	0.22	1.77	1.51	3.15	0.08	0.00	-	8.83	3.82	3.66	**7.48**	3.50	0.58	**4.08**
Disposals	(0.15)	(0.02)	(0.05)	-	(0.29)	-	-	-	(0.51)	-	-	**-**	(0.01)	-	**(0.01)**
At March 31, 2020	**7.27**	**0.71**	**5.61**	**3.91**	**5.58**	**0.40**	**0.00**	**-**	**23.48**	**3.82**	**3.66**	**7.48**	**11.55**	**0.58**	**12.13**
Net book value:															
At March 31, 2019	**2.79**	**0.03**	**1.89**	**4.40**	**9.33**	**0.30**	**-**	**-**	**18.74**	**15.19**	**33.39**	**48.58**	**6.01**	**-**	**6.01**
At March 31, 2020	**8.58**	**0.22**	**5.03**	**5.39**	**11.87**	**0.22**	**0.21**	**0.17**	**31.69**	**20.41**	**34.19**	**54.60**	**10.39**	**162.24**	**172.63**

Note: The land and building is under mortgage as additional security for debentures issued by MMFL

11(B) INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Opening	2.36	1.06
Additions during the year	2.96	1.33
Less: Capitalised during the year	(2.48)	(0.03)
Closing	**2.84**	**2.36**

12. DEBT SECURITIES (AT AMORTISED COST)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Debentures (secured)	775.67	556.16
Total	**775.67**	**556.16**
Debt securities in India	137.30	-
Debt securities outside India	638.37	556.16
Total	**775.67**	**556.16**

Nature of security

The above debentures are secured by the way of first and exclusive charge over eligible book debts of the Company.

DEBENTURES (SECURED) (AT AMORTISED COST)

Terms of debentures	Number of debentures		Face value	Amount in crores	
	March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019
12.24% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. November 25, 2013. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	250	1,000,000	-	25.53
12.33% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. November 25, 2013. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	250	1,000,000	-	25.53
11.68% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 28, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	195	195	1,000,000	19.49	19.45

11.47% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 28, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	195	195	1,000,000	19.50	19.46
11.11% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Three yearsfrom the date of allotment i.e. February 28, 2020.	800	-	1,000,000	80.16	-
12.10% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. February 26, 2014. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	300	1,000,000	-	30.16
11.80% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. July 25, 2014. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	300	300	1,000,000	30.72	30.21
13.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. October 29, 2015. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	-	1,000,000	-	-
12.30% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 15, 2016. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	1,000	1,000,000	-	100.23

11.60% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. July 31, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	1,000	1,000	1,000,000	101.52	101.44
14.16% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable on May 13, 2018 (25%) and November 13, 2018 (75%) (subject to exercise of option on December 24, 2017 by the lender for redemption on May 13, 2019 (25%) and November 13, 2019 (75%)).	-	-	1,000,000	-	-
11.21% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of forty six months) from the date of allotment i.e. March 31, 2015. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	300	300	1,000,000	29.31	29.23
10.34% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after five years from the date of allotment i.e. May 31, 2017.	1,350	1,350	1,000,000	138.88	138.32
9.50% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Five yearsfrom the date of allotment i.e. November 8, 2019.	2,140	-	1,000,000	218.58	-
11.50% Non-Convertible Debentures - Privately placed, Listed Secured by exclusive charge on loans created out of the proceeds of the debentures and immovable properties. The NCD is redeemable in one bullet payment on 31-July-2020.	400	-	1,000,000	40.83	-
14.15% Non-convertible Debentures - Privately placed, Listed. Secured by hypothecation of loans granted to Self Help Groups. The maturity date of the Debentures is 13-Sep-2020, with 99.99% redeemed on 13-Sep-2019 and balance redeemable on maturity date.	366	-	1,000,000	0.00	-

11.40% Non-convertible Debentures - Privately placed, Un-listedSecured by exclusive charge on loans created out of the proceeds of the debentures and immovable properties. The NCD is redeemable in one bullet payment on 05-Dec-2020.	330	-	1,000,000	34.39	-
11.40% Non-convertible Debentures - Privately placed, ListedSecured by exclusive charge on loans created out of the proceeds of the debentures and immovable properties. The NCD is redeemable in one bullet payment on 31-Dec-2020.	250	-	1,000,000	24.99	-
11.00% Non-Convertible Debentures - Privately placed, unlisted Secured by exclusive charge on the loans created out of the proceeds of the debentures and immovable properties. 99.99% of the principal amount of the NCD is redeemable on 13-May-2021 and balance on 13-May-2023.	360	-	1,000,000	37.30	-
Total	**7,986**	**5,140**		**775.67**	**556.16**

Note: The rates mentioned above are the original coupons rates as per the individual contracts.

13. BORROWINGS OTHER THAN DEBT SECURITIES (AT AMORTISED COST)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Term loans (secured)		
Banks	6,037.68	2,667.44
Financials institutions	1,993.49	1,112.69
Non-banking financial companies	307.50	186.40
External commercial borrowings	241.32	147.97
Cash Credit (secured)		
Banks	0.01	-
Total	**8,580.00**	**4,114.50**
Borrowings in India	8,338.68	3,966.53
Borrowings outside India	241.32	147.97
Total	**8,580.00**	**4,114.50**

The above loans are secured by hypothecation of book debts and on margin money deposits

14. SUBORDINATED LIABILITIES (AT AMORTISED COST)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Non Convertible Debentures	52.80	-
Term Loan	50.23	37.07
Total	**103.03**	**37.07**
Borrowings in India	103.03	24.99
Borrowings outside India	-	12.08
Total	**103.03**	**37.07**

Terms of debentures	March 31, 2020	
	Number of debentures	Amount
14.25% Subordinated, unsecured, Non Convertible Debentures- privately placed, Listed of face value of ₹.1,000,000. The NCDs are redeemable on 29-Mar-2024	500	52.80

15. FINANCIAL LIABILITY TOWARDS SECURITISATION (RE-RECOGNISED ON BALANCE SHEET)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Borrowings under securitisation arrangement		
- Banks	80.97	158.84
Total	**80.97**	**158.84**

Represents securities issued by the Special Purpose Vehicles (SPVs) to the investors pursuant to the securitisation arrangement carrying a rate of interest in the rate of 7% - 9%. Since such arrangements do not fulfil the derecognition criteria under Ind AS 109, the Company has recognised the associated liabilities.

Terms of repayment of borrowings as on March 31, 2020

₹ in crores

Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
		No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
1-3 years	6%-6.5%	24	118.72	23	117.82	2	16.00	-	-	-	-	-	-	252.54
	6.5%-7%	12	14.52	6	7.33	-	-	-	-	-	-	-	-	21.85
	7%-7.5%	12	10.72	11	9.82	-	-	-	-	-	-	-	-	20.55
	8.5%-9%	150	945.99	129	875.55	10	279.24	-	-	-	-	-	-	2,100.78
	9%-9.5%	200	804.31	99	357.71	2	4.17	-	-	-	-	-	-	1,166.19
	9.5%-10%	49	122.99	17	23.95	-	-	-	-	-	-	-	-	146.94
	10%-10.5%	73	114.23	28	30.20	11	16.67	-	-	-	-	-	-	161.10
	10.5%-11%	91	68.28	20	17.07	-	-	-	-	-	-	-	-	85.35
	11%-11.5%	253	267.34	160	178.54	31	30.52	-	-	-	-	-	-	476.40
	11.5%-12%	44	33.68	20	11.54	-	-	-	-	-	-	-	-	45.22
	12%-12.5%	12	4.44	7	2.64	-	-	-	-	-	-	-	-	7.08
	12.5%-13%	12	40.00	12	40.00	-	-	-	-	-	-	-	-	80.00
Above 3 years	9%-9.5%	18	87.50	24	116.67	24	116.67	6	29.17	-	-	-	-	350.01
	10%-10.5%	11	5.06	3	1.29	-	-	-	-	-	-	-	-	6.35
	10.5%-11%	39	14.12	32	8.89	24	6.67	4	1.11	-	-	-	-	30.79
	11%-11.5%	10	1.11	12	1.33	1	0.11	-	-	-	-	-	-	2.55
Quarterly				-		-		-		-		-		
1-3 years	8%-8.5%	8	120.00	-	-	-	-	-	-	-	-	-	-	120.00
	8.5%-9%	63	410.61	37	155.79	-	-	-	-	-	-	-	-	566.40
	9%-9.5%	11	96.88	2	16.25	-	-	-	-	-	-	-	-	113.13
	9.5%-10%	3	20.33	-	-	-	-	-	-	-	-	-	-	20.33
	10%-10.5%	4	25.00	2	12.50	-	-	-	-	-	-	-	-	37.50
	10.5%-11%	7	25.36	3	9.38	-	-	-	-	-	-	-	-	34.74
	11%-11.5%	14	77.14	2	15.71	-	-	-	-	-	-	-	-	92.85
	11.5%-12%	12	12.79	9	10.12	2	2.73	-	-	-	-	-	-	25.64
Above 3 years	11%-11.5%	4	3.33	1	0.83	-	-	-	-	-	-	-	-	4.16
	11.5%-12%	4	15.00	4	15.00	4	12.25	4	2.50	3	1.50	-	-	46.25

Half Yearly														
Above 3 years	9.5%-10%	-	-	-	-	-	-	2	107.00	2	107.00	-	-	214.00
	10.5%-11%	10	40.00	10	17.00	7	11.50	-	-	-	-	-	-	68.50
	11%-11.5%	4	3.60	4	3.60	1	0.80	-	-	-	-	-	-	8.00
	11.5%-12%	20	209.75	19	305.83	18	331.90	16	409.15	6	180.00	-	-	1,436.63
Annually														
1-3 years	9%-9.5%	-	-	-	-	-	-	-	-	-	-	-	-	-
Above 3 years	10%-10.5%	1	44.55	1	44.55	1	45.90	-	-	-	-	-	-	135.00
Bullet														
1-3 years	8%-8.5%	1	50.00	-	-	-	-	-	-	-	-	-	-	50.00
	8.5%-9%	1	12.50	1	17.50	-	-	-	-	-	-	-	-	30.00
	9%-9.5%	10	344.00	-	-	-	-	-	-	-	-	-	-	344.00
	7%-7.5%	4	200.00	-	-	-	-	-	-	-	-	-	-	200.00
	10.5%-11%	7	140.00	-	-	-	-	-	-	-	-	-	-	140.00
	11%-11.5%	1	20.00	-	-	-	-	-	-	-	-	-	-	20.00
Above 3 years	10%-10.5%	-	-	1	33.80	1	17.00	-	-	-	-	-	-	50.80
	10.5%-11%	-	-	1	95.00	-	-	-	-	-	-	-	-	95.00
	11.00%-11.5%	2	49.50	-	-	2	173.43	-	-	-	-	-	-	222.93
	11.5%-12%	3	149.50	-	-	-	-	-	-	-	-	-	-	149.50
	14.5%-15%	-	-	1	25.00	-	-	-	-	-	-	-	-	25.00
					-	-	-	-	-	-	-	-	-	-
Grand Total		**1,204**	**4,722.85**	**701**	**2,578.21**	**141**	**1,065.56**	**32**	**548.93**	**11**	**288.50**	**-**	**-**	**9,204.04**

This pertains to the principal outstanding only.

Terms of repayment of subordinate liabilities as on March 31, 2020

Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
		No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Subordinate liabilities														
Bullet Above 3 years	14%-14.5%	-	-	-	-	-	-	-	-	-	-	2	25.00	25.00
		-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2**	**25.00**	**25.00**

As per Reserve Bank of India circular dated March 27, 2020 on COVID-19 Regulatory package, the Parent Company applied to Banks and Financial Institutions for grant of moratorium in respect of only principal repayments due from March 30, 2020 and onwards. Principal repayment of ₹ 51.79 Crore has not been paid as on March 31, 2020, for less than 3 days in each individual case, pending moratorium approval from Banks. The Company's request for moratorium has been approved by Banks/ Financial Institutions subsequently and repayment has been made good in respect of those Banks who has not granted the moratorium. The lender wise details are tabulated as under;

₹ in crores

Bank / financial institution	Amount (dues delayed) as on the Balance sheet date	Period of delay since
Axis Bank Limited	10.25	30-Mar-20
Axis Bank Limited	12.50	31-Mar-20
Bajaj Finance Ltd	6.02	31-Mar-20
Bank of Baroda	1.04	31-Mar-20
DCB Bank Limited	0.83	31-Mar-20
Indian Bank	0.43	30-Mar-20
Kotak Mahindra Bank Limited	3.75	30-Mar-20
Oriental Bank of Commerce	1.04	31-Mar-20
Hongkong and Shanghai Banking Corporation Limited	7.50	31-Mar-20
The Lakshmi Vilas Bank Limited	3.64	31-Mar-20
Woori Bank	4.79	31-Mar-20
Total	**51.79**	

Terms of repayment of borrowings as on March 31, 2019

₹ in crores

Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
		No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Monthly														
1-3 years	8.5%-9%	67	92.87	12	8.70	1	0.73	-	-	-	-	-	-	102.30
	9%-9.5%	219	673.14	97	351.04	3	2.50	-	-	-	-	-	-	1,026.68
	9.5%-10%	224	432.71	30	90.32	-	-	-	-	-	-	-	-	523.03
	10%-10.5%	72	134.07	8	22.98	-	-	-	-	-	-	-	-	157.05
	10.5%-11%	43	62.20	3	3.12	-	-	-	-	-	-	-	-	65.32
	11.5%-12%	3	3.12	-	-	-	-	-	-	-	-	-	-	3.12
Above 3 years	9.5%-10%	24	16.36	9	5.45	-	-	-	-	-	-	-	-	21.81
	10%-10.5%	12	5.16	12	5.16	-	-	-	-	-	-	-	-	10.32
	10.5%-11%	2	0.01	-	-	-	-	-	-	-	-	-	-	0.01
Quarterly														
1-3 years	8.5%-9%	11	66.88	-	-	-	-	-	-	-	-	-	-	66.88
	9%-9.5%	23	233.21	15	187.05	-	-	-	-	-	-	-	-	420.26
	9.5%-10%	29	133.56	4	24.62	-	-	-	-	-	-	-	-	158.18
	10%-10.5%	5	24.29	-	-	-	-	-	-	-	-	-	-	24.29
Half Yearly														
Above 3 years	10.5%-11%	8	112.50	8	28.00	8	15.00	5	9.50	-	-	-	-	165.00
	11.5%-12%	9	123.33	8	90.00	8	160.00	8	205.00	8	270.00	3	60.00	908.33
Annually														
1-3 years	9%-9.5%	1	12.50	-	-	-	-	-	-	-	-	-	-	12.50
Above 3 years	10%-10.5%	-	-	1	44.55	1	44.55	1	45.90	-	-	-	-	135.00
Bullet														
1-3 years	8%-8.5%	-	-	2	120.00	-	-	-	-	-	-	-	-	120.00
	9%-9.5%	6	213.00	3	112.50	-	-	-	-	-	-	-	-	325.50
	10.5%-11%	-	-	-	-	1	95.00	-	-	-	-	-	-	95.00
	11.00%-11.5%	-	-	1	19.50	-	-	-	-	-	-	-	-	19.50
	11.5%-12%	-	-	2	119.50	-	-	-	-	-	-	-	-	119.50
	12%-12.5%	1	100.00	-	-	-	-	-	-	-	-	-	-	100.00
Above 3 years	10%-10.5%	1	17.00	-	-	1	33.80	-	-	-	-	-	-	50.80
	10.5%-11%	2	37.00	-	-	-	-	-	-	-	-	-	-	37.00
	11.5%-12%	-	-	1	30.00	-	-	-	-	-	-	-	-	30.00
	12%-12.5%	3	80.00	-	-	-	-	-	-	-	-	-	-	80.00
	14.5%-15%	-	-	1	30.00	1	25.00	-	-	-	-	-	-	55.00
	16.5%-17%	1	11.40	-	-	-	-	-	-	-	-	-	-	11.40
Grand Total		**766**	**2,584.31**	**217**	**1,292.49**	**24**	**376.58**	**14**	**260.40**	**8**	**270.00**	**3**	**60.00**	**4,843.78**

This pertains to the principal outstanding only.

16. OTHER FINANCIAL LIABILITIES

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Finance lease obligations	61.90	-
Contingent liability acquired from MMFL (Refer Note 41)	0.28	-
Total	**62.18**	**-**

17. OTHER NON-FINANCIAL LIABILITIES

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Statutory dues payable	10.59	5.89
Others	5.02	4.01
Total	**15.61**	**9.90**

18. PROVISIONS

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Provision for employee benefits:		
Gratuity	6.27	4.14
Leave encashment and availment	14.04	7.74
Total	**20.31**	**11.88**

19. ISSUED CAPITAL

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Authorised		
Equity shares of Rs. 10 each	160.00	160.00
	160.00	**160.00**
	March 31, 2020	**March 31, 2019**
Issued, subscibed and fully paid up		
143,985,459 (March 31, 2019: 143,552,261) equity shares of Rs.10 each fully paid	143.99	143.55

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity shares	31-Mar-20		31-Mar-19	
	No. of Shares	Amount (₹ in crores)	No. of Shares	Amount (₹ in crores)
At the beginning of the year	143,552,261	143.55	128,427,337	128.43
Add: Issued during the year on account of Initial Public Offer	-	-	14,928,909	14.92
Add: Issued during the year on fresh capital infusion from holding company	-	-	-	-
Add: Issued during the year- Employee Stock Option Plan	433,198	0.44	196,015	0.20
Outstanding at the end of the year	**143,985,459**	**143.99**	**143,552,261**	**143.55**

During the previous year, the Company had completed the Initial Public Offer (IPO) comprising a fresh issue of 14,928,909 equity shares having a face value of Rs.10 each at an offer price of Rs.422 each aggregating Rs.630 crores by the Company and an offer for sale of 11,876,485 equity shares by the promoters, CreditAccess Asia N.V aggregating Rs.501.18 crores. Pursuant to the IPO, the equity shares of the Company have got listed on BSE Limited and NSE India Limited on August 23, 2018.

(b) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. Any dividends proposed by the Board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2020		March 31, 2019	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of Rs. 10 each fully paid				
CreditAccess Asia NV	115,109,028	79.94	115,109,028	80.19

(d) For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company refer Note 37.

(e) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particulars	31-Mar-20 (No. of equity shares)	31-Mar-19 (No. of equity shares)	31-Mar-18 (No. of equity shares)	31-Mar-17 (No. of equity shares)	31-Mar-16 (No. of equity shares)
Equity shares alloted to Equity Share holders and Compulsorily Convertible Debentureholders of MV Microfin Private Limited as a purchase consideration for amalgamation of business with the Company	-	-	4,890,140	-	-
Equity shares alloted to CreditAccess Asia N.V in lieu of conversion of compulsorily convertible debentures	-	-	12,987,012	-	-
Total	**-**	**-**	**17,877,152**	**-**	**-**

20. OTHER EQUITY*

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	265.62	137.92
Capital reserve	49.95	49.95
Securities premium	1,483.59	1,480.00
Stock option outstanding	8.61	8.79
Retained earnings	818.53	553.55
Other comprehensive income	(36.07)	(8.70)
Total	**2,590.23**	**2,221.51**

* For detailed movement of reserves refer Statement of Consolidated Changes in Equity for the year ended March 31, 2020

Nature and purpose of reserve

20.1. Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

20.2. Capital reserve

During the year ended 2018, the Company pursuant to the scheme of amalgamation acquired MV Microfin Private Limited with effect from April 1, 2017, per the accounting treatment of the scheme of amalgamation approved by the Honourable High Court of Karnataka the differential amount between the carrying value of investments and net assets acquired from the transferor companies has been accounted as Capital reserve.

20.3. Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)

Statutory reserve represents the accumulation of amount transferred from surplus year on year based on the fixed percentage of profit for the year, as per section 45-IC of Reserve Bank of India Act 1934. This also includes the statutory reserve of MMFL acquired as a part of acquisition.

20.4. Stock option outstanding

The stock option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.

20.5. Other comprehensive income

Re-measurement of the net defined benefit liability/(asset) comprises actuarial gain and losses and return on plan assets (excluding interest income). And net fair valuation gain/(loss) on financial assets measured at fair value through other comprehensive income.

₹ in crores

Movement of other comprehensive income for the year	March 31, 2020	March 31, 2019
Opening balance	(8.70)	(0.01)
(+) Fair value change during the year	(229.95)	(16.01)
(-) Impairment allowance transferred to statement of profit and loss	202.58	7.32
Closing balance	**(36.07)**	**(8.70)**

₹ in crores

Movement of Non-controlling Interest (NCI) for the year	March 31, 2020
Opening balance	-
(+) Proportionate share of NCI accounted on acquisition date	109.44
(+) Profit for the year attributable to Non-Controlling Interest	1.94
(-) Transferred to statutory reserves (Non-controlling interest contribution)	(0.41)
(-) Equity adjustment on account of subsequent acquisition in subsidiary	(2.02)
Closing balance	**108.95**

21. INTEREST INCOME

₹ in crores

Particulars	For the year ended March 31, 2020			For the year ended March 31, 2019		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total
Interest on loans	1,358.59	245.37	**1,603.94**	975.80	180.29	**1,156.09**
Income from securitisation	-	23.06	**23.06**	-	55.24	**55.24**
Interest on deposits with banks and financial institutions	-	6.34	**6.34**	-	6.99	**6.99**
Total	**1,358.59**	**274.77**	**1,633.34**	**975.80**	**242.52**	**1,218.32**

22. FEES AND COMMISSION

₹ in crores

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Loan portfolio servicing fees	0.31	0.41
Service & Administration Charges	3.77	0.93
Distribution Income	0.92	-
Total	**5.00**	**1.34**

23. NET GAIN / (LOSS) ON FAIR VALUE CHANGES *

₹ in crores

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(A) Net gain / (loss) on fair value instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	15.02	10.55
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others		
(i) Gain on derecognition of loans designated at FVTOCI	41.33	46.00
Total Net gain / (loss) on fairvalue changes (C)	**56.35**	**56.55**
Fair Value changes:		
- Realised	56.34	56.55
- Unrealised	0.01	-
Total Net gain / (loss) on fair value changes (D) to tally with (C)	**56.35**	**56.55**

23(A) OTHERS

₹ in crores

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Gain on de-recognition of loans under assignment	4.19	-
Total	**4.19**	**-**

24. OTHER INCOME

₹ in crores

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net gain / (loss) on derecognition of property, plant and equipment	0.00	(0.07)
Net gain / (loss) on foreign currency transaction and translation (other than considered as finance cost)	0.06	(0.05)
Others	1.11	1.18
Total	**1.17**	**1.06**

25. FINANCE COSTS

₹ in crores

Particulars	On financial assets measured at amortised cost	
	For the year ended March 31, 2020	For the year ended March 31, 2019
(A) On borrowings		
Interest on debt securities	64.25	79.81
Interest on borrowings other than debt securities	494.68	304.67
Interest on subordinated liabilities	4.27	9.82
Other finance costs	2.04	4.38
On finance lease obligations	5.65	-
Total	**570.89**	**398.68**
(B) On financial liability towards securitisation (re-recognised on balance sheet)	**9.09**	**18.07**

26. IMPAIRMENT OF FINANCIAL INSTRUMENTS

₹ in crores

Particulars	For the year ended March 31, 2020			For the year ended March 31, 2019		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total
Joint liability loans	202.58	25.84	**228.42**	7.32	61.62	**68.94**
Individual loans	-	10.57	**10.57**	-	5.92	**5.92**
Self Help Group	-	(1.72)	**(1.72)**	-	-	**-**
Total	**202.58**	**34.69**	**237.27**	**7.32**	**67.54**	**74.86**

27. EMPLOYEE BENEFIT EXPENSES

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Salaries and wages	233.54	164.41
Contribution to provident and other funds	22.47	14.13
Share based payments to employees	2.51	4.53
Staff welfare expenses	3.53	2.98
Total	**262.05**	**186.05**

28. OTHER EXPENSES

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Rental charges payable under operating leases (Refer Note 32)	12.93	12.68
Bank charges	3.79	0.47
Rates and taxes	4.69	4.17
Insurance	0.89	0.31
Repairs and maintenance	7.12	4.79
Electricity	2.82	1.96
Travelling and conveyance	47.07	36.88
Postage and telecommunication	9.80	10.24
Printing and stationery	6.40	4.75
Professional and consultancy charges	23.86	5.79
Remuneration to directors	0.58	1.06
Auditors remuneration (refer Note below)		
Audit fees	1.07	0.76
Certificate Fee	0.19	-
Out of pocket fees	0.06	0.07
Training expenses	6.83	4.72
Donations	0.95	0.84
Corporate Social Responsibility expenses	5.55	2.93
Miscellaneous expenses	9.29	6.99
Provision for other assets	0.32	0.72
Total	**144.21**	**100.13**

Auditors remuneration

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
As auditor		
Audit fee	0.78	0.42
Limited review	0.28	0.16
Others	-	0.17
In other capacity		
Certification services	0.19	-
Taxation matter	-	-
Reimbursement of expenses	0.06	0.07
Total	**1.31**	**0.82**

Details of CSR expenditure

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
a) Gross amount required to be spent by the Company during the year	5.55	2.93
b) Amount spent during the year (in cash)		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	5.55	2.93

29(A) INCOME TAX

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Current tax	160.47	176.35
Deferred tax	(34.36)	(0.37)
Total tax charge	**126.11**	**175.98**

29(B) RECONCILIATION OF TAX EXPENSE AND ACCOUNTING PROFIT MULTIPLIED BY INDIA'S DOMESTIC TAX RATE

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Profit before tax	461.60	497.74
At India's statutory income tax rate of 25.17% (2018: 34.94%)	116.19	173.93
(a) Non deductible expenses	1.43	2.37
Penalties	-	-
Interest u/s 234	(0.00)	
Others	1.43	2.24
Donations @50%	0.47	0.42
CSR @50%	2.74	1.47
Employe stock option cost	2.51	4.53
(b) Change in tax rate	8.49	-
(c) Additional allowance of certain expenditure	-	(0.32)
(d) Income not subject to tax	(0.00)	-
Income tax expense reported in statement of profit and loss (a)+(b)+(c)+(d)	**126.11**	**175.98**

* From the current financial year, the Company has opted for reduced rate of 25.17% for computation of income tax as per newly inserted Section 115BAA of the Income Tax Act, 1961.

29(C) MOVEMENT IN DEFERRED TAX BALANCES FOR THE YEAR ENDED MARCH 31, 2020

₹ in crores

Particulars	Net balance April 1, 2019 *	(Charge)/ credit in profit and loss	Recognised in OCI	Recognised in other equity	Arising through business combination (Refer Note 41)	Net balance March 31, 2020	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)								
Impact of difference between tax depreciation/ amortisation	2.33	0.52	-	-	-	2.85	2.85	-
Remeasurement gain / (loss) on defined benefit plan	3.81	0.41	-	-	-	4.22	4.22	-
Provision for donation	0.70	(0.08)	-	-	-	0.62	0.62	-
Impairment allowance for loans	35.82	33.29	-	-	-	69.11	69.11	-
Expenses incurred on Initial Public Offering	8.10	(1.46)	-	(2.26)	-	4.38	4.38	-
Other items	6.33	1.53	7.46	-	-	15.32	15.32	-
On account of acquisition of MMFL (Refer Note 41)	-	0.15	-	-	(39.21)	(39.06)	-	(39.06)
Net Deferred tax assets / (liabilities)	**57.09**	**34.36**	**7.46**	**(2.26)**	**(39.21)**	**57.44**	**96.50**	**(39.06)**

* Includes Deferred tax asset/ liability of MMFL as at acquisition date (18th March 2020)

29(D) MOVEMENT IN DEFERRED TAX BALANCES FOR THE YEAR ENDED MARCH 31, 2019

₹ in crores

Particulars	Net balance April 1, 2018	(Charge)/credit in profit and loss	Recognised in OCI	Recognised in other equity	Net balance March 31, 2019	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Impact of difference between tax depreciation/ amortisation	0.92	0.84	-	-	1.76	1.76	-
Remeasurement gain / (loss) on defined benefit plan	1.69	1.05	-	-	2.76	2.76	-
Provision for donation	0.92	(0.22)	-	-	0.70	0.70	-
Impairment allowance for loans	19.90	4.50	-	-	24.39	24.39	-
Expenses incurred on Initial Public Offering	-	-	-	8.10	8.10	8.10	-
Other items	6.57	(5.80)	4.67	-	5.44	5.44	-
Net Deferred tax assets / (liabilities)	**30.00**	**0.39**	**4.67**	**8.10**	**43.14**	**43.14**	**-**

29(E) The following tables provides the details of income tax assets and income tax liabilities as at:

CURRENT TAX ASSETS (NET)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Income tax assets	497.39	328.54
Income tax liabilities	475.28	315.31
Total	**22.11**	**13.23**

30. TRANSFER OF FINANCIAL ASSETS

30.1. Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for de-recognition, together with the associated liabilities:

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Securitisations		
Carrying amount of transferred assets measured at fair value through other comprehensive income	98.14	199.94
Carrying amount of associated liabilities (debt securities - measured at amortised cost)	80.79	-
Fair value of assets	-	199.94
Fair value of associated liabilities	-	159.48
Net position at amortised cost	**17.35**	**40.46**

31. DEFINED BENEFIT PLAN

31.1. Reconciliation of net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/assets and its components:

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	12.89	6.37
Current service cost	3.63	2.61
Interest cost	0.61	0.48
Past service cost		-
Benefits settled	(0.38)	(0.26)
Actuarial (gains)/ losses recognised in other comprehensive income		-
- Changes in experience adjustments	(1.22)	0.78
- Changes in demographic assumptions	(0.69)	0.71
- Changes in financial assumptions	2.00	(0.34)
Obligation at the end of the year	**16.84**	**10.35**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	6.21	4.60
Interest income on plan assets	0.49	0.41
Re-measurement- actuarial gain	0.12	(0.31)
Return on plan assets recognised in other comprehensive income		-
Contributions	4.13	1.77
Benefits settled	(0.38)	(0.26)
Plan assets at the end of the year, at fair value	**10.57**	**6.21**
Net defined benefit liability	**6.27**	**4.14**

31.2. Expense recognised in profit or loss

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Current service cost	3.63	2.61
Interest cost	0.13	0.07
Past service cost	-	-
Interest income	(0.00)	-
Net gratuity cost	**3.76**	**2.68**

31.3. Re-measurement recognised in other comprehensive income

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Re-measurement of the net defined benefit liability		
- Changes in experience adjustments	(1.22)	1.80
- Changes in demographic assumptions	(0.69)	0.43
- Changes in financial assumptions	2.00	(0.59)
Re-measurement of the net defined benefit asset		-
Return on plan assets (greater)/ less than discount rate	(0.12)	0.27
Total Actuarial (gain)/ loss included in OCI	**(0.03)**	**1.91**

31.4. Plan assets

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Funds managed by insurer	100%	100%

31.5. Defined benefit obligation - Actuarial assumptions

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Discount rate	4.09% - 6.03%	7.62%
Future salary growth	10.00%	10.00%
Attrition rate	24.8% - 30%	22.38%
Average term of liabilty (in years)	9.05	11.65

Expected contribution to the plan for the next annual reporting period is ₹ 5.19 crores.

31.6. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

₹ in crores

Particulars	March 31, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	1.35	4.04	(0.80)	0.94
Future salary growth (1% movement)	3.81	1.51	0.80	(0.70)
Attrition rate (1% movement) (In case of MMFL 50% movement)	1.71	4.07	(0.24)	0.27

32. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

(A) Maturity analysis of assets and liabilities as at March 31, 2020

₹ in crores

Sl. No.	Particulars	Within 12 months	After 12 months	Total
ASSETS				
(1)	**Financial assets**			
(a)	Cash and cash equivalents	644.87	-	**644.87**
(b)	Bank balance other than cash and cash equivalents	31.10	41.67	**72.77**
(c)	Receivables	0.22	-	**0.22**
(d)	Loans			
	- Loan portfolio (excluding securitised assets)	6,479.13	4,525.18	**11,004.31**
	- Securitised assets re-recognised on balance sheet	84.67	9.93	**94.60**
(e)	Investments	45.02	0.54	**45.56**
(f)	Other financial assets	43.76	11.72	**55.48**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	22.11	**22.11**
(b)	Deferred tax assets (net)	-	57.44	**57.44**
(c)	Property, plant and equipment	7.46	24.23	**31.69**
(d)	Right to use assets	7.85	46.75	**54.60**
(e)	Goodwill	-	317.58	**317.58**
(f)	Intangible assets under development	-	2.84	**2.84**
(g)	Intangible assets	3.16	169.47	**172.63**
(h)	Other non-financial assets	9.04	3.85	**12.89**
Total assets		**7,356.28**	**5,233.31**	**12,589.59**
LIABILITIES AND EQUITY				
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	35.60	-	**35.60**
	(II) Other payables	-	-	**-**
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	73.03	0.03	**73.06**
(b)	Borrowings	-	-	**-**
	- Debt securities	399.85	375.82	**775.67**
	- Borrowings (other than debt securities)	5,075.65	3,504.35	**8,580.00**
	- Subordinated liabilities	0.01	103.02	**103.03**
	- Financial liability towards securitisation (re-recognised on balance sheet)	75.48	5.49	**80.97**
(c)	Other financial liabilities	10.11	52.07	**62.18**
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	-	-	**-**
(b)	Provisions	12.62	7.69	**20.31**
(c)	Other non-financial liabilities	15.55	0.06	**15.61**
(3)	**Equity**			
(a)	Equity share capital	-	143.99	**143.99**
(b)	Other equity	-	2,590.22	**2,590.22**
(c)	Non-controlling interests	-	108.95	**108.95**
Total liabilities and equity		**5,697.90**	**6,891.69**	**12,589.59**

(B) Maturity analysis of assets and liabilities as at March 31, 2019

₹ in crores

Sl. No.	Particulars	Within 12 months	After 12 months	Total
ASSETS				
(1)	**Financial assets**			
(a)	Cash and cash equivalents	573.73	-	**573.73**
(b)	Bank balance other than cash and cash equivalents	38.93	2.89	**41.82**
(c)	Other receivables	0.09	-	**0.09**
(d)	Loans			
	- Loan portfolio (excluding securitised assets)	4,323.25	2,080.93	**6,404.18**
	- Securitised assets re-recognised on balance sheet	198.32	0.33	**198.65**
(e)	Investments	-	0.20	**0.20**
(f)	Other financial assets	34.74	11.96	**46.70**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	13.23	**13.23**
(b)	Deferred tax assets (net)	-	43.14	**43.14**
(c)	Property, plant and equipment	5.34	13.40	**18.74**
(d)	Intangible assets under development	2.36	-	**2.36**
(e)	Intangible assets	2.40	3.61	**6.01**
(f)	Other non-financial assets	3.29	5.00	**8.29**
Total assets		**5,182.45**	**2,174.69**	**7,357.14**
LIABILITIES AND EQUITY				
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	7.80	0.29	**8.09**
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	95.60	0.04	**95.64**
(b)	Borrowings			
	- Debt securities	222.16	334.00	**556.16**
	- Borrowings (other than debt securities)	2,214.03	1,900.47	**4,114.50**
	- Subordinated liabilities	12.07	25.00	**37.07**
	- Financial liability towards securitisation (re-recognised on balance sheet)	158.84	-	**158.84**
(2)	**Non-financial liabilities**			
(a)	Provisions	6.66	5.22	**11.88**
(b)	Other non-financial liabilities	9.90	-	**9.90**
(3)	**Equity**			
(a)	Equity share capital	-	143.55	**143.55**
(b)	Other equity	-	2,221.51	**2,221.51**
Total liabilities and equity		**2,727.04**	**4,630.08**	**7,357.14**

33. CONTINGENT LIABILITIES

(A) Contingent liabilities not provided for in respect of

₹ in crores

Particulars	March 31, 2020
Performance security provided by the Company pursuant to service provider agreement	0.12
Indemnity undertaking given to Bajaj Allianz Life Insurance Company Limited for insurance claims (in relation to MMFL)	0.20

(B) For FY 2018-19

The Supreme Court has recently, delivered its ruling on the composition of basic wages for the purposes of deduction and contribution to the Employees Provident and Pension funds. The company, in the interest of its employees, awaits clarity on the complexities revolving around the application of the said order, the ambiguity reflected by the divergent views of legal experts and the response/direction from the authorities, including on representations made by an industry association in this regard.

(C) For FY 2019-20

The Assesing Officer, Income Tax, Bangalore, through an order dated 28th December 2019, has confirmed the demand of ₹.6.50 Cr from the Company. The Company has preferred an appeal before Commissioner of Income Tax against said assement order. The Company, in line with the opinion obtained from a legal counsel, is of view that the said demand is not tenable and expects to succeed in its appeal.

(D) In addition, the Company is involved in other legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.

34. CAPITAL COMMITMENTS

Estimated amounts of contracts remaining to be executed on capital account (net of capital advances) and not provided:

₹ in crores

Particulars	March 31, 2020	March 31, 2019
For purchase / development of computer software	1.23	0.89

35. LEASES

Operating Lease

Head office and branch office premises are acquired on operating lease. The branch office premises are generally rented on cancellable term for period of eleven to sixty months with no escalation clause and renewable at the option of the Company.There are no restrictions imposed by lease arrangements. There are no subleases. Lease payments during the year are charged to statement of profit and loss. Future minimum rentals payable under non-cancellable operating leases are as follows:

₹ in crores

Particulars - For Group Lending	March 31, 2020	March 31, 2019
Minimum lease obligations		
Not later than one year	6.77	2.99
Later than 1 year but not later than 5 years	-	2.27
Later than 5 years	-	-

35.1. Effective April 1, 2019, the Parent has applied the standard to all lease contracts existing on April 1, 2019 using the Modified Retrospective method along with the transition option to recognise the Right Of Use asset (ROU) at an amount equal to the Lease liability. Being the first year of INDAS adoption, the Company has recognised the lease liability and right-of-use asset as per above mentioned measurement principles at the date of transition to INDAS as permitted by the Standard. A sum of Rs. 48.58 crores has been recognised as ROU asset and a similar sum of Rs. 48.58 crores has been recognised as lease liability as on transition date of April 1, 2019.

Effective April 1 2019, the subsidiary has applied the standard to all lease contracts existing on April 1 2019 using the retrospective method as it is first time adopting Ind AS. Being the first year of INDAS adoption, company has recognised the lease liability and right-of-use asset as per above mentioned measurement principles at the date of transition to INDAS as permitted by the Standard. A sum of Rs. 0.61 crores has been recognised as ROU asset and a similar sum of Rs.0.61 crores has been recognised as lease liability as on transition date of 1 Apr 2018.

35.2. The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

35.3. In case of Parent - the company's leased assets mainly comprise office building and servers taken on lease. Leases contain a wide range of different terms and conditions. The term of property leases ranges from 1-10 years. The company has used an incremental borrowing rate of 11.50% to determine the lease liability and right to use of asset for leases entered into before March 2019 and accounted under Ind AS 116 and 10.56% for leases entered into in 2019-20.

In case of subsidiary - the company's leased assets mainly comprise office building. Leases contain a wide range of different terms and conditions. The term of property leases ranges from 1-3 years. The company has used an incremental borrowing rate of 12.98% to determine the lease liability and right to use of asset for leases entered into before March 2019 and accounted under Ind AS 116 and 11.84% for leases entered into in 2019-20.

35.4. Total lease liabilities are analysed as at

₹ in crores

a)

Denominated in the following currencies:	March 31, 2020
Rupees	61.90
Foreign currency	-
Total	**61.90**

₹ in crores

b)

Maturity of Lease liability	March 31, 2020
Current	10.04
Non Current	51.86
Total	**61.90**

35.5. The following amounts were recognised as expense in the year:

₹ in crores

Particulars	March 31, 2020
Depreciation of right-of-use assets	7.48
Expense relating to variable lease payments	-10.42
Expense relating to short-term leases and low-value assets	12.93
Interest on lease liabilities	5.65
Total recognised in the income statement	**15.64**

35.6. The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:

₹ in crores

Maturity analysis:	March 31, 2020
Less than 1 year	13.19
Between 1 and 2 years	9.58
Between 2 and 5 years	25.17
More than 5 years	32.21
Total	**80.15**

35.7. The following is the movement in lease liabilities during the year ended March 31, 2020

₹ in crores

Particulars	March 31, 2020
Balance as at April 1, 2019	50.44
Additions during the period	11.80
Finance cost incurred during the period	5.65
Payment of lease liabilities	5.99
Balance as of March 31, 2020	**61.90**

Note: Refer Note 11 for movement in right to use of assets.

36. RELATED PARTY TRANSACTIONS

Names of the related parties (as per IndAS – 24)

Key management personnel and Additional Director of MMFL (w.e.f March 18, 2020)	Mr. Udaya Kumar Hebbar, Managing Director & CEO
Holding Company	CreditAccess India NV
Company under common control	Scisphere Analytics India Private Limited
Company under common control	Scimergent Analytics and Education Private Limited
Company under common control	Microcredit Foundation of India
Chairman (from October 30, 2019) & Nominee Director and Additional Director of MMFL (w.e.f. March 18, 2020)	Mr. Paolo Brichetti
Independent Director	Mr. R Prabha
Independent Director	Mr. Anal Kumar Jain
Independent Director	Ms. Sucharita Mukherjee

Independent Director and Additional Director (w.e.f. March 18, 2020)	Mr. George Joseph
Additional & Independent Director (w.e.f.October 30, 2019) and Additional Director of MMFL (w.e.f. March 18, 2020)	Mr. Manoj Kumar
Nominee Director	Mr. Sumit Kumar
Nominee Director	Mr. Massimo Vita
Director- Finance (w.e.f June 14, 2020) & CFO and Additional Director (w.e.f. March 18, 2020)	Mr. Diwakar B R
Independent Director & Chairman (upto October 29, 2019)	Mr. M.N Gopinath
Key Management Personnel	Ms Tara Thiagarajan
Key Management Personnel	Mr F S Mohan Eddy
Key Management Personnel (w.e.f. August 01, 2019)	Mr M Narayanan
Independent Director	Mr. N C Sarabeswaran
Relative of Key Management Personnel	Mrs. Pamela Mohan

₹ in crores

Particulars	Key management personnel	
	March 31, 2020	March 31, 2019
Transactions during the year		
Mr. Udaya Kumar Hebbar		
Salary and perquisites	1.97	1.89
ESOPs exercised	0.41	0.31
Mr. Diwakar B R		
Salary and perquisites	1.09	-
ESOPs exercised	0.34	-
Salary and perquisites given by MMFL to KMPs-		
Ms Tara Thiagarajan	0.04	-
Mr F S Mohan Eddy	0.04	-
Mr M Narayanan	0.04	-

Provisions for gratuity and leave benefits are made for the Company as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.

₹ in crores

Sitting fees	Other related parties	
	March 31, 2020	March 31, 2019
Mr. R Prabha	0.08	0.07
Mr. Paolo Brichetti	0.04	-
Mr. Sumit Kumar	0.02	-
Mr. Massimo Vita	0.02	-
Mr. Anal Kumar Jain	0.04	0.05
Mr. M N Gopinath	0.01	0.05
Ms. Sucharita Mukherjee	0.02	0.03
Mr. George Joseph	0.07	0.07
Mr. Manoj Kumar	0.01	-
Rent paid by MMFL		
Mrs. Pamela Mohan	0.01	-

₹ in crores

Commission	March 31, 2020	March 31, 2019
Mr. R Prabha	0.07	0.17
Mr. Anal Kumar Jain	0.08	0.19
Mr. M N Gopinath	0.03	0.18
Ms. Sucharita Mukherjee	0.03	0.12
Mr. George Joseph	0.08	0.15
Mr. Manoj Kumar	0.02	-
Professional fees paid to Scisphere Analytics India Private Limited	0.13	-

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Transactions during the year		
CreditAccess India NV	**Holding Company**	
CreditAccess India NV - Service Fee	1.75	-
Reimbursment of expenditure incurred from related party	-	21.43

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Balances at the end of the year		
Sitting fees payable	**Other related parties**	
	March 31, 2020	**March 31, 2019**
Mr. Ashok Mirza	0.03	-
Mrs. Kavitha Vijay	0.04	-
Mr. N C Sarabeswaran	0.06	-
Mr. R Ramaraj	0.05	-
Mrs. Siva Kameswari Vissa	0.05	-
Paolo Brichetti	0.04	-
Massimo Vita	0.02	-
Sumit Kumar	0.02	-
Mr. R Prabha	-	0.005
Mr. Anal Kumar Jain	-	0.002
Mr. M N Gopinath	-	0.003
Ms. Sucharita Mukherjee	-	0.003
Mr. George Joseph	-	0.004

₹ in crores

Commission payable	March 31, 2020	March 31, 2019
Mr. R Prabha	0.08	0.08
Mr. Anal Kumar Jain	0.06	0.10
Mr. M N Gopinath	0.08	0.09
Ms. Sucharita Mukherjee	0.05	0.06
Mr. George Joseph	0.07	0.08

37. EMPLOYEE STOCK OPTIONS

Stock options

The Company has provided share based payments to its employees under the 'Grameen Koota Financial Services Private Limited – Employees Stock Option Plan 2011'. The various Tranches I, II, III, IV, V and VI represent different grants made under the plan. During year ended March 31, 2020, the following stock option grant were in operation:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI
Date of grant	Apr 1, 2012	Oct 1, 2013	Jun 1, 2014	Jul 1, 2016	Jan 1, 2017	Jan 1,2018
Date of Board / Compensation Committee approval	Oct 15, 2011	Aug 22, 2012	Jul 30, 2014	Jun 29, 2016	May 17, 2017	Jan 24, 2018
Number of Options granted	716,676	631,339	443,000	431,000	521,000	971,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Graded vesting period:						
Day following the expiry of 12 months from grant	25%	25%	25%	25%	25%	25%
Day following the expiry of 24 months from grant	25%	25%	25%	25%	25%	25%
Day following the expiry of 36 months from grant	25%	25%	25%	25%	25%	25%
Day following the expiry of 48 months from grant	25%	25%	25%	25%	25%	25%
Exercise period	48 months from date of vesting					
Vesting conditions	Employee to be in service at the time of vesting					
Weighted average remaining contractual life (years)						
-I	-	-	-	1.25	1.76	2.76
-II	-	-	0.17	2.25	2.76	3.76
-III	-	0.50	1.17	3.25	3.76	4.76
-IV	0.00	1.50	2.17	4.25	4.76	5.76
Weighted average exercise price per option ( )	27.00	27.00	39.86	63.90	84.47	120.87
Weighted average fair value of options ( )	-	18.73	38.46	75.78	61.95	86.27

Reconciliation of options

Particulars	March 31, 2020	March 31, 2019
Tranche I		
Options outstanding at the beginning of the year	5,250	5,250
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	4,500	-
Expired during the year	750	-
Outstanding at the end of the year	-	5,250
Exercisable at the end of the year	-	5,250
Tranche II		
Options outstanding at the beginning of the year	11,500	49,000
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	2,500	37,500
Expired during the year	1,500	-
Outstanding at the end of the year	7,500	11,500
Exercisable at the end of the year	7,500	11,500
Tranche III		
Options outstanding at the beginning of the year	139,250	235,500
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	99,250	95,750
Expired during the year	1,500	500
Outstanding at the end of the year	38,500	139,250
Exercisable at the end of the year	38,500	139,250
Tranche IV		
Options outstanding at the beginning of the year	336,750	371,500
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	84,500	34,750
Expired during the year	-	-
Outstanding at the end of the year	252,250	336,750
Exercisable at the end of the year	144,500	120,000
Tranche V		
Options outstanding at the beginning of the year	436,550	456,000
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	80,250	19,450
Expired during the year	-	-
Outstanding at the end of the year	356,300	436,550
Exercisable at the end of the year	226,050	166,050
Tranche VI		
Options outstanding at the beginning of the year	879,080	949,687
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	162,198	8,565
Expired during the year	28,357	62,042
Outstanding at the end of the year	688,525	879,080
Exercisable at the end of the year	252,489	197,453

38. REVENUE FROM CONTRACTS WITH CUSTOMERS

₹ in crores

(A)

Particulars	March 31, 2020	March 31, 2019
Type of services		
Service fees for management of assigned portfolio of loans	0.31	0.41
Service and administration charges	3.77	0.93
Distribution Income	0.92	-
Other Income	1.11	1.18
Total	**6.11**	**2.52**

(B) Geographical markets

₹ in crores

Particulars	March 31, 2020	March 31, 2019
India	6.11	2.52
Outside India	-	-
Total	**6.11**	**2.52**

(C) Timing of revenue recognition

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Services transferred at a point in time	6.11	2.52
Services transferred over time	-	-
Total	**6.11**	**2.52**

(D) Receivables

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Distribution Income	0.55	-

39. FINANCIAL INSTRUMENTS – FAIR VALUES

39.1. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

₹ in crores

Financial assets (assets measured at fair value)	March 31, 2020			March 31, 2019		
	Fair value			Fair value		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Loans (measured at FVOCI)	-	7,765.48	-	-	5,303.00	-
Investments	-	0.20	45.36	-	0.20	-
Total	**-**	**7,765.68**	**45.36**	**-**	**5,303.20**	**-**

Fair values of Loans and Investments designated under FVOCI have been measured under level 2 at fair value based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest.

₹ in crores

Fair value of financial assets and liabilities measured at amortised cost	March 31, 2020				March 31, 2019			
	Amortised cost	Fair value			Amortised cost	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Loans (measured at amortised cost)	3,333.43	-	3,335.53	-	1,299.83	-	1,273.49	-
Debt securities	775.67	-	559.72	-	556.16	-	632.74	-
Borrowings other than debt securities	8,580.00	-	8,750.86	-	4,114.50	-	4,149.83	-
Subordinated liabilities	103.03	-	148.94	-	37.07	-	40.23	-
Financial liability towards securitisation (re-recognised on balance sheet)	80.97	-	80.97	-	158.84	-	159.33	-
Total	**12,873.11**	**-**	**12,876.02**	**-**	**6,166.40**	**-**	**6,255.62**	**-**

The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, other receivables,loans measured at Amortised cost, other financial assets / liabilities,other non-financial assets / liabilities, payables and provisions are considered to be the same as their fair values, due to their short-term nature.

40. RISK MANAGEMENT

40.1. Introduction and risk profile

CreditAccess Grameen Limited ("Company") is one of the leading microfinance institutions in India focused on providing financial support to women from low income households engaged in economic activity with limited access to financial services. The Company predominantly offers collateral free loans to women from low income households, willing to borrow in a group and agreeable to take joint liability. The wide range of lending products address the critical needs of customers throughout their lifecycle and include income generation, home improvement, children's education, sanitation and personal emergency loans. With a view to diversifying the product profile, the company has introduced individual loans for matured group lending customers. These loans are offered to customers having requirement of larger loans to expand an existing business in their individual capacity.

The common risks for the company are operational, business environment, political, regulatory, concentration, expansion and liquidity. As a matter of policy, these risks are assessed and steps as appropriate, are taken to mitigate the same.

40.1.a. Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.The Risk Management framework approved by the Board has laid down the governance structure supporting the identification, assessment, monitoring, reporting and mitigation of risk throughout the company. The objective of the risk management platform is to make a conscious effort in developing risk culture within the organisation and having appropriate systems and tools for timely identification, measurement and reporting of risks for managing them.

The Board has a Risk Management committee which is responsible for monitoring the overall risk process within the Company and reports to the Board of Directors.

The Risk Management guidelines will be implemented through the established organization structure of Risk Department. The overall monitoring of the Risks is done by the Head-Risk Management with the support from all the department heads of the Company. The Board will reviews the status and progress of the risk and risk management system, on quarterly basis through the Audit Committee and Risk Management Committee. The individual departments are responsible for ensuring implementation of the risk management framework and policies, systems and methodologies as approved by the Board. Assignment of responsibilities in relation to risk management is prerogative of the Heads of Departments, in coordination with Head-Risk.While each department focuses on its specific area of activity, the Risk Management Unit operates in coordination with all other departments, utilising all significant information sourced to ensure effective management of risks in accordance with the guidelines approved by the Board. The unit works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework.

Heads of Departments is accountable to a Management-Level Risk Committee (MLRC) comprising of MD&CEO, CFO and Head-Risk. The departmental heads will report for the implementation of above mentioned guideline within their respective areas of responsibility. The department heads are also accountable to the MLRC for identification, assessment, aggregation, reporting and monitoring of the risk related to their respective domain.

The Company's policy is that risk management processes throughout the Company are audited quarterly by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Audit Committee.

40.1.b. Risk mitigation and risk culture

Risk assessments are conducted for all business activities. The assessments are to address potential risks and to comply with relevant legal and regulatory requirements. Risk assessments are performed by competent personnel from individual departments and risk management department including, where appropriate, expertise from outside the Company. Procedures are established to update risk assessments at appropriate intervals and to review these assessments regularly. Based on the Risk Control and Self Assessment (RCSA), the Company formulates its Risk Management Strategy / Risk Management plan on annual basis. The strategy will broadly entail choosing among the various options for risk mitigation for each identified risk. The risk mitigation is planned using the following key strategies:

Risk Avoidance: By not performing an activity that could carry risk. Avoidance may seem the answer to all risks, but avoiding risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed.

Risk Transfer: Mitigation by having another party to accept the risk, either partial or total, typically by contract or by hedging.

Risk Reduction: Employing methods/solutions that reduce the severity of the loss.

Risk Retention: Accepting the loss when it occurs. Risk retention is a viable strategy for small risks where the cost of insuring against the risk would be greater over time than the total losses sustained. All risks that are not avoided or transferred are retained by default. This includes risks that are so large or catastrophic that they either cannot be insured against or the premiums would be infeasible.

40.1.c. Risk measurement and reporting systems

The heads of all the departments in association with risk management department are responsible for coordinating the systems for identifying risks within their own department or business activity through RCSA exercise to be conducted at regular intervals.

Based on a cost / benefit assessment of a risk, as is undertaken, some risks may be judged as having to be accepted because it is believed mitigation is not possible or warranted.

As the risk exposure of any business may undergo change from time to time due to continuously changing environment, the updation of the Risk Register will be done on a regular basis.

All the strategies with respect to managing these major risks shall be monitored by the Head-Risk and MLRC.

The Management Level Risk Committee meetings are held as necessary or at least once a month. The Management Level Risk Committee would monitor the management of major risks specifically and other risks of the Company in general. The Committee takes an integrated view of the risks facing the entity and monitor implementation of the directives received from Risk Management Committee and actionable items drawn from the risk management framework.

Accordingly, the Management Level Risk Committee reviews the following aspects of business specifically from a risk indicator perspective and suitably record the deliberations during the monthly meeting.

- Review of business growth and portfolio quality.
- Discuss and review the reported details of PAR, Key Risk Threshold breaches (KRI's), consequent responses and review of operational loss events, if any.
- Review of process compliances including audit performance across organisation.
- Review of HR management, training and employee attrition.
- Review of new initiatives and product/policy/process changes.
- Discuss and review performance of IT systems.
- Review the status of strategic projects initiated.
- Review, where necessary, policies that have a bearing on the operational risk management and recommend amendments.
- Discuss and recommend suitable controls/mitigations for managing operational risk and assure that adequate resources are being assigned to mitigate the risks.
- Review analysis of frauds, potential losses, non-compliance, breaches etc. and determine corrective measures to prevent their recurrences.
- Understand changes and threats, concur on areas of high priority and possible actions for managing/mitigating the same.

40.1.d. Risk Management Strategies

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

The following management strategies and policies are adopted by the Company to manage the various key risks.

Political Risk mitigation measures:
- Low cost operations and low pricing for customers.
- Customer centric approach, high customer retention.
- Rural focus.
- Systematic customer awareness activities.
- High social focused activities.
- Adherence to client protection guidelines.
- Robust grievance redressal mechanism.
- Adherence to regulatory guidelines in letter and spirit.

Concentration risk mitigation measures:
- District centric approach.
- District exposure cap.
- Restriction on growth in urban locations.
- Maximum disbursement cap per loan account.
- Maximum loan exposure cap per customer.
- Diversified funding resources.

Operational & HR Risk mitigation measures:
- Stringent customer enrolment process.
- Multiple products.
- Proper recruitment policy and appraisal system.
- Adequately trained field force.
- Weekly & fortnightly collections – higher customer touch, lower amount instalments.
- Multilevel monitoring framework.
- Strong, Independent and fully automated Internal Audit function.
- Strong IT system with access to real time client and loan data.

Liquidity risk mitigation measures:
- Diversified funding resources.
- Asset liability management.
- Effective fund management.
- Maximum cash holding cap.

Expansion risk mitigation measures:
- Contiguous growth.
- District centric approach.
- Rural focus.
- Branch selection based on census data & credit bureau data.
- Three level survey of the location selected.

40.2. Impairment assessment

The references below show where the Group's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the summary of significant accounting policies.

40.2.a. Definition of default, significant increase in credit risk and stage assessment

For the measurement of ECL, Ind AS 109 distinguishes between three impairment stages. All loans need to be allocated to one of these stages, depending on the increase in credit risk since initial recognition (i.e. disbursement date):

Stage 1: includes loans for which the credit risk at the reporting date is in line with the credit risk at the initial recognition (i.e. disbursement date).
Stage 2: includes loans for which the credit risk at reporting date is significantly higher than at the risk at the initial recognition (Significant Increase in Credit Risk).

Stage 3: includes default loans. A loan is considered default at the earlier of (i) the Company considers that the obligor is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realizing collateral (if held); or (ii) the obligor is past due more than 90 days on any material credit obligation to the company.

The group offers products with weekly repayment frequency, whereby 15 and above Days past due ('DPD') means already 2 missed instalments from the borrower, and accordingly, the group has identified the following stage classification to be the most appropriate for weekly repayment Loans:

Stage 1: 0 to 15 DPD.
Stage 2: 16 to 60 DPD (SICR).
Stage 3: above 60 DPD (Default).

For loan portfolio with monthly repayment frequency, group has identified the following stage classification to be the most appropriate.

Stage 1: 0 to 30 DPD.
Stage 2: 31 to 90 DPD (SICR).
Stage 3: above 90 DPD (Default).

40.2.b. Probability of Default ('PD')

PD describes the probability of a loan to eventually falling into Stage 3. PD %age is calculated for each loan account separately and is determined by using available historical observations.

PD for stage 1: is derived as %age of all loans in stage 1 moving into stage 3 in 12-months' time.
PD for stage 2: is derived as %age of all loans in stage 2 moving into stage 3 in the maximum lifetime of the loans under observation.
PD for stage 3: is derived as 100% considering that the default occurs as soon as the loan becomes overdue for 60 days which matches the definition of stage 3.

40.2.c. Exposure at default (EAD)

Exposure at default (EAD) is the sum of outstanding principal and the interest amount accrued but not received on each loan as at reporting date.

40.2.d. Loss given default (LGD)

LGD is the opposite of recovery rate. LGD = 1 – (Recovery rate). LGD is calculated based on past observations of Stage 3 loans.

Joint liability loans (JLG)

LGD is computed as below:

1. All Loans which are above 60 DPD as on 31 March 2013, are taken and the difference in the principal outstanding as on 31st March 2013 and 31st March 2020 is considered as recovery.
2. Likewise the same is done for all the loans (excluding the loans which are already considered in previous years) which are above 60 DPD as on 31 March 2014, 31 March 2015, 31 March 2016, 31 March 2017, 31 March 2018, 31 March 2019 and recovery rate is computed for each year.
3. LGD = 1- Recovery rate which is computed for each period of observation.

Individual loans

LGD is computed as below:

1. All Loans which are above 90 DPD as on 31 March 2018, are taken and the difference in the principal outstanding as on 31st March 2018 and 31st March 2020 is considered as recovery.
2. Likewise the same is done for all the loans (excluding the loans which are already considered in previous years) which are above 60 DPD as on each month end from March 31, 2018 till February 29, 2020 and recovery rate is computed for each month.

3. LGD = 1 - Recovery rate which is computed for each period of observation.

In relation to loan portfolio of MMFL

LGD is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the Exposure at Default.

40.2.e. Grouping financial assets measured on a collective basis

The Group believes that the Joint Liability Group (JLG) loans & Self help group (SHG) loans have shared risk characteristics (i.e. homogeneous) and Individual loans (IL) have not shared risk characteristics. Therefore, JLG/SHG and IL are treated as two separate groups for the purpose of determining impairment allowance.

40.2.f. Analysis of inputs to the ECL model under multiple economic scenarios

Adjusting the ECL to reflect the expected changes (if any) in the economic environment for forward looking information in the form of management overlay.

Based on the historical loss experience, adjustments need to be made on the average PD computed to give effect of the current conditions which is done through management overlay by assigning probability weightages to different scenarios.

The methodology and assumptions used for estimating future cash flows should be reviewed regularly so that there is minimum difference between expected loss and the actual loss expenses.

40.3. Interest Rate Risk (IRR)

RBI has allowed NBFCs to price most of their assets and liabilities. Interest rate risk is the risk where changes in market interest rates might adversely affect CAGL's financial condition and the changes in interest rates affect CAGL in a larger way. The immediate impact of changes in interest rates is on earnings (i.e. reported profits) by changing its Net Interest Margin (NIM). The risk from the earnings perspective can be measured as changes in Net Interest Margin (NIM). In line with RBI guidelines, the traditional GAP analysis is considered as a suitable method to measure the Interest Rate Risk for CAGL.

CAGL shall also adhere to these prudential limits and the tolerance/prudential limits for structural liquidity under different time bucket.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible charge in interest rates (all other variables being constant) of the Company'sprofit and loss statement.

₹ in crores

Particulars	Basis points	Effect on profit / loss and equity for the year 2019-20	Effect on profit / loss and equity for the year 2018-19
Borrowings			
Increase in basis points	+ 25	(9.21)	(4.61)
Decrease in basis points	- 25	9.21	4.61

40.4. Capital Management

Capital

The Company actively manages its capital base to cover risks inherent to its business and meet the capital adequacy requirement of RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

(i) Capital management

The Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Company aims to maintain a strong capital base to support the risks inherent to its business and growth strategies. The Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks– which include credit, liquidity and interest rate.

The Company monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis through its Assets Liability Management Committee (ALCO).

The Company endeavours to maintain its CRAR higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

(ii) Regulatory capital (CAGL Standalone)

Particulars	March 31, 2020	March 31, 2019
Tier I CRAR	22.30%	34.38%
Tier II CRAR	1.30%	0.88%
Total	**23.60%**	**35.26%**

(iii) Regulatory capital (MMFL Standalone)

Particulars	March 31, 2020	March 31, 2019
Tier I CRAR	19.53%	16.63%
Tier II CRAR	3.48%	2.82%
Total	**23.01%**	**19.45%**

40.5. Liquidity risk and funding management

Liquidity risk arises due to the unavailability of adequate amount of funds at an appropriate cost and tenure. The Company may face an asset-liability mismatch caused by a difference in the maturity profile of our assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. We monitor liquidity risk through our Asset Liability Management Committee. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term. We actively monitor our liquidity position to ensure that we can meet all borrower and lender-related funding requirements.

There are Liquidity Risk mitigation measures put in place which helps in maintaining the following:

Diversified funding resources:

The group's treasury department secures funds from multiple sources, including banks, financial institutions and capital markets and is responsible for diversifying our capital sources, managing interest rate risks and maintaining strong relationships with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies. The Group continuously seek to diversify its sources of funding to facilitate flexibility in meeting our funding requirements. Due to the composition of our loan portfolio, which also qualifies for priority sector lending, it also engages in securitization and assignment transactions.

Asset Liability Management (ALM) can be termed as a risk management technique designed to earn an adequate return while maintaining a comfortable surplus of assets over liabilities. ALM, among other functions, is also concerned with risk management and provides a comprehensive as well as dynamic framework for measuring, monitoring and managing liquidity and interest rate risks. ALM is an integral part of the financial management process of CAGL. It is concerned with strategic balance sheet management, involving risks caused by changes in the interest rates and the liquidity position of CAGL. It involves assessment of various types of risks and altering the asset-liability portfolio in a dynamic way in order to manage risks.

ALM committee constitutes of Board of Directors who would review the tolerance limits for liquidity/ interest rate risks and would recommend to Board of Directors for its approval from time to time. As per the directions of the Board, the ALM statements would be reported to the ALM committee on quarterly basis for necessary guidance.

The scope of ALM function can be described as follows:
i. Funding and Capital Managementm,
ii. Liquidity risk management ,
iii. Interest Rate risk management ,
iv. Forecasting and analyzing 'What if scenario' and preparation of contingency plans.

Capital guidelines ensure the maintenance and independent management of prudent capital levels for CAGL to preserve the safety and soundness of the company, to support desired balance sheet growth and the realization of new business; and to provide a cushion against unexpected losses. Refer Note 35(a) with respect to regulatory capital of the Company as at the reporting dates.

Liquidity assessment as on March 31, 2020

₹ in crores

Particulars	Upto 30 / 31 days	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
Borrowings									
Debt securities	0.73	13.20	53.17	222.57	116.26	303.36	246.95	-	**956.23**
Borrowings (other than debt securities)	344.71	199.74	543.66	1,425.34	2,480.53	3,837.12	692.77	-	**9,523.86**
Subordinated liabilities	0.30	0.31	0.31	0.93	1.85	27.44	49.95	24.97	**106.06**
Financial liability towards securitisation	13.57	-	-	29.93	31.98	5.31	-	-	**80.79**
	359.31	**213.25**	**597.14**	**1,678.77**	**2,630.62**	**4,173.23**	**989.67**	**24.97**	**10,666.94**

Liquidity assessment as on March 31, 2019

₹ in crores

Particulars	Upto 30 / 31 days	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
Borrowings									
Debt securities	0.56	-	8.71	59.22	109.21	262.27	271.82	-	**711.79**
Borrowings (other than debt securities)	162.04	190.13	203.80	714.08	1,236.54	1,587.86	571.39	63.42	**4,729.26**
Subordinated liabilities	0.30	12.65	0.30	0.93	1.85	31.16	-	-	**47.20**
	162.90	**202.78**	**212.81**	**774.23**	**1,347.60**	**1,881.29**	**843.21**	**63.42**	**5,488.25**

40.6. Market Risk

40.6.1. Market risk

Market the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Group classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

40.6.2. Interest rate risk

Interest rate risk is the risk where changes in market interest rates might adversely affect the Group's financial condition and the changes in interest rates affect the Group in a larger way. The immediate impact of changes in interest rates is on earnings (i.e. reported profits) by changing its Net Interest Margin (NIM). The risk from the earnings perspective can be measured as changes in Net Interest Margin (NIM). In line with RBI guidelines, the traditional Gap analysis is considered as a suitable method to measure the Interest Rate Risk for the Group.

In case of the Group, it may be noted that portfolio loans are not rate sensitive as there is no re-pricing of existing loans are carried out. Only liabilities in the form of borrowings are rate sensitive and considering the size of our business the quantum of impact of change of interest rate of borrowings on liquidity is not significant and can be managed with appropriate treasury action.

40.6.3. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Group manages its foreign currency risk by entering in to cross currency swaps and forward contract. When a derivative is entered in to for the purpose of being as hedge. The Group currently doesnot have any exposure to Foreign currency.

MMFL

Total market risk exposure

₹ in crores

Particulars	March 2020			Primary risk sensitivity
	Carrying amount	Traded risk	Non-traded risk	
Assets				
Cash and cash equivalent and other bank balances	80.24	-	80.24	No market risk
Fixed deposits	56.94	-	56.94	Interest rate risk
Financial assets at Amortised cost	-	-	-	
Loans	1,926.58	-	1,926.58	No market risk as fixed interest rate
Financial investments–FVTPL	45.36	45.02	0.34	Price risk 1%-Rs45,01,593
Other financial assets at amortised cost	12.60	-	12.60	No market risk as fixed interest rate
	-	-	-	
Total	**2,121.72**	**45.02**	**2,076.70**	

Liabilities				
Borrowings (other than Debt Securities)	1,417.64	-	1,417.64	Interest rate risk on floating rate interest loans
ECB loan	-	-	-	Currency risk & interest rate risk- Squared off during the year
Debt Securities	137.30	-	137.30	No interest risk as fixed interest rate
Subordinate debt	74.90	-	74.90	No interest risk as fixed interest rate
Borrowings under securitisation arrangement	80.79	-	80.79	No interest risk as fixed interest rate
Other financial liabilities	1.79	-	1.79	
Total	**1,712.42**	**-**	**1,712.42**	

*The sensitivity of the statement of profit and loss is the effect of the changes in market interest rates on debt securities, other borrowings and subordinated liabilities or price on investments and forex rates on foreign currency exposures

Market risk – trading (trading book)
The Group has invested in listed Mutual funds in 2019-20 which is subject to security price risk. The Group's exposure to such investments is limited. The Group manages the risk by diversifying the portfolio or for holding the investments in only very short spans of time before deploying them in business.

41. BUSINESS COMBINATIONS / ACQUISITION OF SUBSIDIARIES

41.1. Summary of acquisition

CAGL has acquired 75.64% stake on 18th March 2020 from existing shareholders of MMFL at ₹ 1208 per share by discharging ₹ 661.24 crores cash consideration. The acquisition will provide access to a large and unique client base of the MMFL and would result in the geographical diversification of the portfolio of the parent entity and strengthens its leadership position in the microfinance market.

41.2. Details of the purchase consideration, the net assets acquired and goodwill are as follows:

₹ in crores

Purchase consideration	Madura Micro Finance Limited
Cash paid	657.41
Contingent consideration	-
Total purchase consideration	**657.41**

41.3. The assets and liabilities recognised as a result of the acquisition are as follows:

₹ in crores

Particulars	Fair Value
Bank balance other than cash and cash equivalents	54.80
Borrowings (other than debt securities)	(1,423.90)
Cash and cash equivalents	16.69
Current tax asset	5.35
Debt securities	(137.67)
Financial liability towards securitisation (re-recognised on balance sheet)	(96.00)

Deferred tax liability	(25.27)
Derivative Asset	1.10
Finance lease assets	1.69
Intangible Assets	163.73
Investments	75.42
Loans	1,976.21
Other financial assets	9.07
Other non financial assets	0.15
Other non financial liabilities	(0.11)
Other payable Non MSME	(15.65)
Property, plant and equipment	7.45
Provisions	(4.26)
Statutory reserve	(60.52)
Subordinated liabilities	(86.11)
Trade payable Non MSME	(12.61)
Contingent liability	(0.28)
Net identifiable assets acquired	**449.28**

As per Ind AS 103, purchase consideration has been allocated on the basis of fair valuation determined by an independent Valuer.

₹ in crores

41.4.

Calculation of goodwill	March 31, 2020
Consideration transferred (Cash consideration)	657.41
Non-controlling interest in the acquired entity	109.44
Less: Net identifiable assets acquired	(449.27)
Goodwill	**317.58**

41.5. Goodwill on consolidation

₹ in crores

Particulars	March 31, 2020
Cost as at beginning of the year	-
Addition relating to acquisition of subsidiary	317.58
Cost as at end of the year	**317.58**
Impairment as at beginning of year	-
Charge for the year	-
Impairment as at end of the year	**-**
Net carrying value as at beginning of the year	**-**
Net carrying value as at end of the year	**317.58**

Goodwill recognized during the year ended March 31, 2020 relates to the acquisition of the 75.64% equity stake by the Company in Madura Micro Finance Limited (MMFL). The goodwill relates to synergies from combining the acquiree activities with those of the Group including it's assembled workforce.

The goodwill is attributable to the assembled workforce and the synergy benefits of the acquired business. It will not be deductible for tax purposes.

41.6. Significant judgement:

(i) Contingent liability

A contingent liability of ₹ 0.28 crores was recognised on the acquisition of Madura Micro Finance Limited for a pending demand under Income tax act, 1961 & Employee provident fund act, 1952. It is expected that the these will have reached a decision on this case by June 2020. As at 31 March 2020, there has been no change in the amount recognised for the liability in March 2020, as there has been no change in the probability of the outcome of the lawsuit.

(ii) Acquired receivables

The fair value of acquired Loan is ₹ 1,976 crores. The gross contractual amount for loan due is ₹ 1,973 crores, with a loss allowance of ₹ 46 crores.

(iii)Accounting policy choice for non-controlling interests

The group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in MMFL, the group elected to recognise the non-controlling interests in at its proportionate share of the acquired net identifiable assets.

(iv)Revenue and profit contribution

The acquired business contributed revenues of ₹ 20.81 crores and net profit of ₹ 7.97 crores to the group for the period from 19 March to 31 March 2020.If the acquisition had occurred on 1 April 2019, consolidated pro-forma revenue and profit for the year ended 31 March 2020 would have been ₹ 471.51 crores and ₹ 79.67 crores respectively. These amounts have been calculated using the subsidiary's results and adjusting them for:

- differences in the accounting policies between the group and the subsidiary, and
- the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 April 2019, together with the consequential tax effects.

41.7. Acquisition related costs

Acquisition-related costs of ₹ 15.23 crores that were not directly attributable to the issue of shares are included in other expenses in the statement of profit and loss and in operating cash flows in the statement of cash flows. These costs are recognised under "Professional and consultancy charges".

Additional Information as required under Schedule III of Companies Act, 2013, of enterprises consolidated as subsdiary.

₹ in crores

41.8.

Particulars	Net assets, i.e total assets minus total liabilities	
	As % of consolidated net assets	Amount
Parent		
CreditAccess Grameen Limited	93.88%	2,669.07
Subsidiary		
Madura Micro Finance Limited	6.12%	174.10
Total	**100.00%**	**2,843.17**

₹ in crores

Particulars	Share in profit or loss account		Share in other comprehensive income	
	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent				
CreditAccess Grameen Limited	97.42%	327.54	99.89%	(27.33)
Subsidiary				
Madura Micro Finance Limited	2.58%	7.95	0.11%	(0.03)
Total	**100.00%**	**335.49**	**100.00%**	**(27.36)**

41.9. Pursuant to the acquisition of controlling stake in MMFL, the Parent Company has prepared these consolidated financial results for the first time. Accordingly, figures for the corresponding periods represent the standalone financial results of the Parent Company and are not comparable.

42 (A) IMPACT OF COVID-19

The Novel Coronavirus (COVID-19) pandemic (declared as such by the World Health Organisation on March 11, 2020), has contributed to a significant decline and volatility, and a significant decrease in economic activity, in global and Indian markets. The Government of India announced a strict 40-day nation-wide lockdown to contain the spread of the virus till May 3, 2020, which was further extended till May 31, 2020. This has led to significant disruptions and dislocations for individuals and businesses, impacting Group's regular operations including lending and collection activities due to inability of employees to physically reach borrowers.

42 (B) IMPACT OF COVID-19 ON EXPECTED CREDIT LOSSES

As discussed in Note 42 (a) above, the COVID-19 pandemic has led to a significant impact on Group's regular operations including lending and collection activities.

Further, pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020 allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Group has extended/ will be extending moratorium to its borrowers in accordance with policies approved by the respective Board of Directors of the Holding Company and the subsidiary company.

In Holding Company's management's view and considering the guidance provided by the Institute of Chartered Accountants of India, providing moratorium to borrowers at a mass scale based on RBI directives, by itself is not considered to result in a significant increase in credit risk ('SICR') for such borrowers. The Group has recorded a management overlay allowance of approximately Rs.93 crore as part of its Expected Credit Loss, to reflect, among other things, an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic based on the information available at this point in time. Given the unique nature and scale of the economic impact of this pandemic, and its timing being close to the year-end, the management overlay is based on various variables and assumptions, which could result in actual credit loss being different than that being estimated.

However, the full extent of impact of the pandemic on the Company's operations and financial metrics (including impact on impairment allowances for loan portfolio and the assumptions used in testing the impairment of the carrying value of goodwill) will depend on future developments including governmental and regulatory measures and the Group's responses thereto, which are highly uncertain at this time.

43. The approval for re-appointment of Ms. Tara Thiagarajan as the Managing Director of MMFL for the period Oct 2013 to Sep 2016 is pending with the Central Government for approval. MMFL has furnished all the necessary documents/clarifications in this regard to the Ministry of Corporate Affairs (MCA). During this period an amount of ₹ 1.32 crores excluding gratuity was paid to Ms. Tara Thiagarajan as remuneration. The outbreak of COVID-19 pandemic has created a technical delay for obtaining the approval order from MCA. However, MMFL is confident of getting the approval at earliest based on the recent communication from MCA.

44. EARNINGS PER SHARE (EPS)

The following reflects the profit / loss after tax and equity share data used in the basic and diluted EPS calculations:

Particulars	March 31, 2020	March 31, 2019
Net profit/ (loss) after tax as per statement of profit and loss (₹ in crores)	333.55	321.76
Net profit/ (loss) as above for calculation of basic EPS and diluted EPS (₹ in crores)	333.55	321.76
Net profit/ (loss) for calculation of diluted EPS (₹ in crores)	333.55	321.76
Weighted average number of equity shares in calculating basic EPS	143,765,813	137,706,065
Stock options granted under ESOP	1,228,624	1,312,700
Weighted average number of equity shares in calculating dilutive EPS	144,994,437	139,018,765
Earnings per share	23.20	23.37
Dilutive earnings per share[#]	23.00	23.14
Nominal value per share	10.00	10.00

As per our report of even date

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm's Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No. 102102
Place: Mumbai
Date: May 30, 2020

For and on behalf of Board of Directors of
CreditAccess Grameen Limited

Udaya Kumar Hebbar
Managing Director & CEO

Diwakar B R
Director-Finance & CFO

M. J. Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Place: Bangalore
Date: May 30, 2020

"Microfinance recognizes that poor people are remarkable reservoirs of energy and knowledge, posing an untapped opportunity to create markets, bring people in from the margins and give them the tools with which to help themselves."

- Kofi Annan

CORPORATE INFORMATION

CORPORATE INFORMATION - 2019-20

Board of Directors

Paolo Brichetti
(Chairman)

Udaya Kumar Hebbar
(MD & CEO)

Diwakar BR
(Director-Finance & CFO)

Massimo Vita

Sumit Kumar

R Prabha

George Joseph

Anal Kumar Jain
(Upto June 25, 2020)

Sucharita Mukherjee

Manoj Kumar

M N Gopinath
(Upto October 29, 2020)

AuditCommittee

R Prabha
(Chairman)

George Joseph

Sucharita Mukherjee

Manoj Kumar

Paolo Brichetti

Massimo Vita

Stakeholder Relationship Committee

R Prabha
(Chairman)

George Joseph

Sucharita Mukherjee

Udaya Kumar Hebbar

Nomination and Remuneration Committee

Anal Kumar Jain
(Chairman)

Manoj Kumar

R Prabha

Paolo Brichetti

Sucharita Mukherjee

Corporate Social Responsibility Committee

R Prabha
(Chairman)

Anal Kumar Jain

Manoj Kumar

Massimo Vita

Udaya Kumar Hebbar

Risk Management Committee

George Joseph
(Chairman)

Massimo Vita

Paolo Brichetti

Sumit Kumar

Udaya Kumar Hebbar

Management

Udaya Kumar Hebbar
(MD & CEO)

Chief Financial Officer

Diwakar BR
(Director-Finance & CFO)

Company Secretary

M. J. Mahadev Prakash

Auditors

S. R. Baltiboi & Co., LLP
Chartered Accountants

Secretarial Auditor

Dwarakanath C.
Practising Company Secretary

Share Transfer Agent

KFin Technologies Pvt. Ltd.
(earlier known as Karvy Fintech Pvt. Ltd.)
Selenium Tower B, Plot 31–32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad - 500 032
Tel No.: (040) 67162222, Extn.: 1562
Email ID: einward.ris@kfintech.com

Debenture Trustee

Catalyst Trusteeship Ltd.
GDA House, Plot No. 85, Bhusari Colony
(Right), Paud Road, Pune - 411 038
Tel No.: (020) 25280081
Email ID: dt@ctltrustee.com

Beacon Trusteeship Limited
4C & D Siddhivinayak Chambers,
Gandhi Nagar, Opp MIG Cricket Club,
Bandra (East), Mumbai - 400 051,
Maharashtra, India
Email ID: info@beacontrustee.co.in

IDBI Trusteeship Services Limited
Ground Floor, Asian Building, 17, R Kamani
Rd, Ballard Estate, Fort, Mumbai - 400 001,
Maharashtra, India

Registered Office

New No.49(OldNo725), 46th Cross,
8th Block, Jayanagar (Next to Rajalakshmi
Kalyana Mantap) Bangalore - 560 071,
Karnataka, India

CIN: L51216KA1991PLC053425

BRANCH & DISTRICTS DETAILS

Sl. No.	State	No of Districts	Total No of Branches (Including RF)
1	Karnataka	30	269
2	Maharashtra	32	222
3	Madhya Pradesh	36	115
4	Tamil Nadu	36	131
5	Kerala	5	15
6	Odisha	18	35
7	Chhattisgarh	19	41
8	Goa	2	2
9	Bihar	11	20
10	Jharkhand	14	25
11	Gujarat	8	18
12	Rajasthan	11	20
13	Uttar Pradesh	7	15
14	Puducherry	1	1
	Total	**230**	**929**

BANKERS & LENDERS

S. No.	Lender	Address
Term Loan from Banks		
1	Axis Bank	Axis Bank Ltd, Corporate Office, Rural Lending (RL&P), 6th Floor, Gigaplex Building No. 1, ID 5, MIDC, Airoli Knowledge Park, Airoli, Mumbai – 400708
2	Bank of America	Global Corporate and Investment Banking, Bank of America, N.A., 17th Floor, A Wing, One BKC, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051
3	Bank of Bahrain and Kuwait	Gr. Floor, Jolly Maker Chamber - II 225, Nariman Point, Mumbai- 400 021
4	Bank of Baroda	Corporate Financial Services Branch, Erstwhile Vijaya Bank HO Building, 3rd Floor, 41/2 MG Road, Trinity Circle, Bangalore - 560 001.
5	BNP Paribas	BNP Paribas House, 1, North Avenue, Maxer Maxity, Bandra-Kurla Complex, Bandra (East), Mumbai – 400051
6	Citi Bank	Citibank N.A, 3rd Floor, 2, Club House Road, Chennai – 600002

7	CTBC Bank	Gr. Floor & 2nd Floor, Aria Tower, JW Marriott Hotel, Delhi-Aerocity, Asset Area-4, New Delhi-110037.
8	DBS Bank	DBS Bank India Ltd. 16th Floor, Express Towers, Nariman Point, Mumbai 400021
9	DCB Bank	Agri and Inclusive Banking, # 128(31/1), Prestige Meridian Annexe, M G Road, Bangalore- 560 001
10	HDFC Bank	Sustainable Livelihood Initiative, HDFC Bank Ltd M.No;6-3-246 & 6-3-244/A, Road No # 1 6th Floor, Bank house, Roxana Palladium, Banjara hills, Hyderabad-500034.
11	ICICI Bank	ICICI Bank Ltd, ICICI Bank Towers, Financial District, Plot No. 12, Tower 3, North Wing, 6th Floor, Gachibowli, Hyderabad -500032
12	Indian Bank	SSI PEENYA IND Branch, No. 130 Ramaiah Complex, 110 feet Road, Near Jalahalli Cross, Peenya 4th Cross, Bengaluru – 560057
13	IndusInd Bank	#1 -10-72, 4th Floor, Ashoka Janardhan Chambers, Begumpet, Hyderabad – 500016
14	Kotak Mahindra Bank	12 BKC, 5th Floor, Plot No. C - 27, G Block, Bandra Kurla Complex, Bandra East, Mumbai -400051
15	Oriental Bank of Commerce	Mid Corporate Branch, 21/15, Land Mark, MG Road, Bengaluru 560001
16	RBL Bank	Agri and Financial Inclusion Group, One India Bull Centre, Tower 2, 06th Floor, 841, Senapati Bapat Marg, Lower parel (W), Elphinstone Road, Mumbai - 400 013
17	Standard Chartered Bank	Financial Institutions, Origination & Client Coverage, 19 Rajaji Salai, 4th Floor, Chennai 600001
18	State Bank of India	SBI, Specialised Agri Commercial Branch, SBI Local Head Office Campus, #65, St. Mark's Road, Bengaluru - 560 001
19	Sumitomo Mitsui Banking Corporation	New Delhi Branch, 13th Floor, Hindustan Times House, 18-20 KG Marg, Connaught Place, New Delhi -110001
20	The Federal Bank Limited	Regional Office, Bangalore North Region, 3rd Floor, Halycon Complex, No.9, St Marks Road, Bengaluru -560001
21	The Hongkong and Shanghai Banking Corporation Limited	No. 7, 4th Floor, M G Road, Bengaluru -560001
22	The Lakshmi Vilas Bank Limited	Commercial Banking Branch, Global Tech Park Pvt. Ltd., #11, Ground floor, O Shaughnessy Road, Langford Town, Bengaluru 560025

23	The South Indian Bank Limited	Bangalore Corporate Branch, No. 74, Sumeru Towers, Near St. Joseph's College of Commerce, Brigade Road, Bengaluru-560025
24	Woori Bank	Woori Bank, Gurgaon, 1st Floor, A-Block, Salcon Platina Building, DLF Phase – 1, Sikanderpur, MG Road, Sec-28 Gurgaon, Haryana – 122001.
25	Yes Bank	#4, 17th Cross, Ground Floor, MC Layout (Behind Maruthi Mandir), Vijayanagar, Bengaluru– 560040
Term Loan from All India Financial Institutions		
26	MUDRA	MUDRA- SME Development Centre, Plot No. C-11, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051
27	NABARD	Department of Refinance - Long Term & GSS, NABARD, Karnataka Regional Office Bengaluru – 560009
Term Loan from NBFCs		
28	Bajaj Finance Ltd	The Capital, Plot No. C-70, G-Block, B-wing, 16th Floor, Opp:ICICI Bank, Bandra Kurla Complex, Mumbai 400051
29	Hero Fincorp Ltd	Vatika Business Centre, Divyashree Chambers, 2nd Floor, 11, O'Shaughnessy Road, Langford Gardens, Bengaluru-560025
30	Mahindra & Mahindra Financial Services Limited	Sadhana House, 2nd Floor, 570, P.B. Marg, Worli, Mumbai – 400018
ECB - Term Loan		
31	Water Credit Investment Fund	B 8, Sea Face Park, 50, Bhulabhai Desai Road, Mumbai - 400026
32	International Finance Corporation	International Finance Corporation, Vibgyor Towers, 6th Floor, G Block, C-62,Bandra Kurla Complex, Bandra East, Mumbai - 400051
33	MicroVest Funds	7315 Wisconsin Avenue, Suite 300W, Bethesda, MD 20814 USA
Sub-Debt		
34	IDFC FIRST Bank	Naman Chambers, C-32, G- Block, Bandra- Kurla Complex, Bandra (E), Mumbai 400051
NCDs		
35	Blue Orchard	7th Floor, #46, Mao Tsetoung Boulevard (245), Corner Str. 95 Than's building, Sangkat Beong Trabek, Khan Chamkarmorn, Phnom Penh, Cambodia
36	International Finance Corporation	International Finance Corporation, Vibgyor Towers, 6th Floor, G Block, C-62,Bandra Kurla Complex, Bandra East, Mumbai - 400051

37	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO)	Anna van Saksenlaan 71, P.O. Box 93060, 2509 AB, The Hague, The Netherlands
38	responsAbility	responsAbility India, Business Advisors Pvt Ltd, Green Acre, 1st Floor,31, Union Park Road, #5 Khar (W), Mumbai - 400052
39	Triodos Investment Management BV	Triodos Investment Management BV, Postbus 55, 3700 AB Zeist
PTC/Direct Assignment		
40	Axis Bank	Axis Bank Ltd, Corporate Office, Rural Lending (RL&P), 6th Floor, Gigaplex Building No. 1, ID 5, MIDC, Airoli Knowledge Park, Airoli, Mumbai – 400708
41	Bank of Maharashtra	#19, Uttaradhi Matt Road,Basavanagudi, Bangalore - 560004
42	State Bank of India	SBI, Specialised Agri Commercial Branch, SBI Local Head Office Campus, #65, St. Mark's Road, Bengaluru - 560 001
43	The Lakshmi Vilas Bank Limited	Commercial Banking Branch, Global Tech Park Pvt. Ltd., #11, Ground floor, O Shaughnessy Road, Langford Town, Bengaluru 560025

ABBREVIATIONS USED IN REPORT

CAGL – CreditAccess Grameen Limited

CA GRAMEEN – CreditAccess Grameen Limited

CEO – Chief Executive Officer

CTO – Chief Technology Officer

CFO – Chief Financial Officer

CSR – Corporate Social Responsibility

CAGR - Compound Annual Growth Rate

CRISIL - Credit Rating Information Services of India Limited

EPS - Earnings Per Share

FY - Financial Year

GLP - Gross Loan Portfolio

GKFSPL – Grameen Koota Financial Services PVT LTD (Former name of CreditAccess Grameen Limited)

MCRIL – Micro-Credit Ratings International Limited

NGO – Non-Governmental Organisation

NBFC – Non-Banking Financial Institution

NCD – Non-Convertible Debenture

NPS - National Pension Scheme

PAT – Profit After Tax

P&L – Profit and Loss

RMC – Risk Management Committee

RBI – Reserve Bank of India

SFB - Small Finance Banks

SEBI - Securities and Exchange Board of India

SMERA - Small and Medium Enterprises Rating Agency

GST – Goods and Services Tax

H1FY – First Half of Fiscal Year

IL&FS - Infrastructure Leasing and Financial Services

IT – Information Technology

IPO – Initial Public Offering

ISN – Initial Sequence Numbers

JLG – Joint Liability Groups

Kms – Kilometers

KM – Kendra Managers

LODR - Listing Obligations and Disclosure Requirements

LOA – Letter of Authorization

MFI – Microfinance Institutions

MD – Managing Director

MFIN - Microfinance Institutions Network

MSME - Micro, Small and Medium Enterprises

MCA – Ministry of Corporate Affairs

TOT –Training for Trainers

WASH - Water, Sanitation and Hygiene Program

BR: Bihar

CG: Chhattisgarh

GA: Goa

GJ: Gujarat

JH: Jharkhand

KA: Karnataka

KL: Kerala

Madhya Pradesh

MH: Maharashtra

OD: Odisha

RJ: Rajasthan

TN: Tamil Nadu

UP: Uttar Pradesh

PY: Puducherry

Notes

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HIGHLIGHTS

Financial Year 2019-20
CreditAccess Grameen Limited

Become the largest **NBFC-MFI** in India

Reached a Gross AUM of **Rs 9896 Cr**

Crossed **29 Lakh** Borrowers

Expanded its footprint in **five new states**

Added **259** new Branches

Crossed **10000** employees

Initiated the merger of **Madura Micro Finance**

Certified as **Great Place to Work**

Ranked among **Top 25** India's Best Workplaces in BFSI

Received many prestigious **awards** including

- Winner in the Best NBFC category at FE Best Banks awards 2017-18
- Micro Finance Organization of the Year Award 2019
- CNBC-AWAAZ CEO Awards 2019 for "Outstanding contribution to Rural Entrepreneurship and Empowerment"
- 'Water.org and Sa-dhan Awards' for water and Sanitation Credit Financing

Great Place To Work®
Certified
FEB 2020–JAN 2021
INDIA

Financial Products

GrameenKoota®
financial services

Micro Finance | Retail Finance

CreditAccess Grameen Limited

Regd. & Corporate Office: No.49, 46th Cross, 8th Block,
Jayanagar, Bengaluru-560071, Karnataka, India.
Tel: 080-22637300 | Fax: 080-26643433
Email: info@creditaccessgrameen.com
CIN: L51216KA1991PLC053425

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