CreditAccess™
Grameen




RESILIENT AND SOCIALLY RELEVANT



INTEGRATED ANNUAL REPORT
2020-2021

ABOUT THIS REPORT

1. Our Approach to Reporting

This Annual Report (Integrated) for FY2021 endeavours to provide a holistic assessment of the CreditAccess Grameen Limited's ("CA Grameen") financial and non-financial performance. This report-Resilient and Socially Relevant, is the first Integrated Report of CA Grameen. Our Report continues to evolve towards enhanced disclosures to meet the requirements of our shareholders, investors, lenders and other stakeholders.

2. Reporting Principle

The financial and statutory data presented in this report is in line with the requirements of the Companies Act, 2013 (including the rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Report is prepared in accordance with the framework of the International Integrated Reporting Council (IIRC) and discloses performance against the Key Performance Indicators (KPIs) relevant to CA Grameen, as per the Global Reporting Initiative (GRI).

3. Reporting Period

The Integrated Report FY2021 is an annual publication and provides material information relating to our strategy and business model for the period April 01, 2020 to March 31, 2021. For KPIs, comparative figures for the last three to five years have been incorporated in the Report to provide a holistic view to our stakeholders.

4. Materiality & Scope

This report includes information which is material to all stakeholders of the CA Grameen and provides an overview of its business and related activities. Further, a balanced picture of CA Grameen's business policies, management systems and its commitment towards its stakeholders has been presented. By engaging with all key stakeholders, we identify the material issues that impact our ability of value creation. Based on these material issues, we present the associated performance for the reporting year.

5. Management Responsibility

To optimize governance oversight, risk management and controls, the contents of this Report have been reviewed by the senior management of the Company and reviewed and approved by the Board of Directors to ensure accuracy, completeness and relevance of the information presented.

6. Independent Assurance

We safeguard the quality of information contained in the report through a robust assurance process, leveraging our internal expertise and external assurance carried out by Deloitte Haskins & Sells LLP, an independent third-party assurance provider. You can find our Assurance Statement on Page 330.

TABLE OF CONTENTS

YEAR AT A GLANCE

"Business Resilience and Agile Mindset turns Adversity into Opportunity"

FY2021 was a year of unprecedented challenges which tested and revalidated our principles and business resilience to the limit. Despite multiple unprecedented challenges, we were able to steer through the pandemic due to our deep rural presence, strong customer engagement, agile processes and systems, robust risk management framework, adaptable business strategies, experienced management team and holistic community and stakeholder engagement. Below are the highlights of our capitals and their key indicators.

FINANCIAL CAPITAL

Gross Assets under Management (AUM)

₹135,868.70 MILLION
(13.26% YoY)

- Active Borrowers **3.91 million (- 3.54% YoY)**
- Total Income: **₹ 24,460.72 million (+44.60% YoY)**
- Pre-Provision Operating Profit: **₹ 9,517.61 million (+36.18% YoY)**
- Opex/AUM **4.81%**
- Profit After Tax (PAT) **₹ 1,314.03 million**
- Return On Assets(ROA): **0.93%,**
- Return on Equity (ROE)**:** **4.04%**
- Adjusted PAT: **₹ 2,599.98 million**,
- Adjusted ROA: **1.84%**,
- Adjusted ROE: **7.90%**
- Capital Adequacy: **26.79% (31.75% standalone)**
- Credit Rating **A+/A1+ (stable outlook)**

MANUFACTURED CAPITAL

- Pan India presence in **14 states and one union territory**
- **1,424 branches** across **265 districts**
- **15** regional/ divisional offices/ processing centres

NATURAL CAPITAL

- **99.80%** loans having positive environmental & social impact

SOCIAL AND RELATIONSHIP CAPITAL

- **99.98%** women borrowers
- Highest comprehensive MFI grading of M1C1 from CRISIL
- Standard comprehensive social rating of ∑α with positive outlook from MCril
- Total number of loans disbursed: **2.73 million**

Total institutions provided with direct Covid-19 support

11,248

HUMAN CAPITAL

- Microfinance Organisation of the Year 2020
- "Great Places To Work" Certified and amongst India's Best Workspaces in BFSI 2020 – Top 30
- Number of employees: **14,399**
- Employees from local community: **97.92%**
- Average training hours per employee: **44 hours**

INTELLECTUAL CAPITAL

- **1.5** products per customer (standalone)
- **87%** customer retention rate (standalone)
- Only MFI to integrate world standard core banking solution
- End-to-end digitization of field operations
- **5,971** branch audits performed through automated digital application (standalone)

MESSAGE FROM CHAIRMAN

PAOLO BRICHETTI
CHAIRMAN

"Redefining Business Resilience"

Dear All,

The financial year 2020-21 was extremely demanding and impactful for our employees and customers as well as society at large. Our resilience and years of experience helped us to emerge much stronger in a pandemic hit year. We completed the financial year on a very strong footing underpinned by robust portfolio growth and significant improvement in asset quality on the back of early risk recognition and conservative provisioning. We began our work towards organisational integration with Madura Micro Finance Limited, handholding them to manage the operating challenges and gradually working towards alignment of all systems, processes, and controls.

We had to quickly move from the celebration of having successfully managed an extremely challenging year, into the preparation for second wave of COVID-19. The experiences gained during these unprecedented circumstances have improved our ability to navigate through almost any challenges on our journey. Our highly capable team, working across India, has handled every challenge and shown tremendous solidarity to protect the Company's and customers' interests.

During the financial year 2020-21, we successfully completed qualified institutional placement of ₹ 8,000 million. We achieved dual objectives of complying with SEBI's Minimum Public Shareholding norm well in advance of the stipulated timelines and raise adequate capital to strengthen our balance sheet and support our future business growth. Despite the uncertain macroeconomic environment due to COVID-19 pandemic, we were able to receive an overwhelming response from the investors showing continued confidence in our resilient business model, experienced management team and long term potential of microfinance industry. This helped the Company to further diversify the shareholding base.

As we see the second wave of COVID-19 abating over coming months, we are more prepared to manage the situation this time around; our core operating performances are showing encouraging results and the market is looking at us with much more confidence compared to last year during the first wave of COVID-19. We can say that we have reaffirmed our outstanding positioning as the leading entity in times of crisis, helped by our efficient processes, strong rural focus, and high customer engagement. CA Grameen has outperformed its peers in terms of growth, liquidity and asset quality and has consistently received positive recommendations from independent analysts tracking the microfinance sector. Finally, we are very pleased to see CA Grameen awarded as "Great Place To Work® Certified" and Ranked as Top 30 Best Workplaces in BFSI Sector -2021 Consecutively!

CA Grameen has consistently increased its share in rural areas over the last five years. As on March 31, 2021, the number of borrowers serviced by the Company in rural areas has increased to 85%, compared to 78% in FY2017. Furthermore, the customers we already serve have demonstrated very high fidelity to our brand. Our adaptation of life cycle approach while designing products, effective delivery of services and constant social focus approach towards customers have enabled CA Grameen to maintain such outstanding customer retention rate.

We keep on working to bring back all our business, our people and customers to the post-COVID-19 "new normal". We have to adjust to new risks, changed behaviours, and different market dynamics. However, 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!

MESSAGE FROM MD & CEO

UDAYA KUMAR HEBBAR
MANAGING DIRECTOR & CEO

"Pioneering Socially Responsible Investment and Financing"

We are happy to present our very first Integrated Annual Report for the financial year 2020-21. By virtue of being in the microfinance space, we have been creating a large scale positive social impact over last two decades, empowering economically weaker sections of the society through financial inclusion. Integrated Reporting gives us the opportunity to effectively integrate ESG principles into our business model and adopt sustainable business practices as we scale our business in future. It encourages us to focus on both financial and non-financial commitments and align our business strategy, performance and governance to build long term sustainable value for all our stakeholders.

The financial year 2020-21 has been a year full of challenges and opportunities as it compelled the organisations to rethink their business model and remain agile in the wake of volatile macroeconomic environment caused by COVID-19 pandemic.
The learnings and experience gained from this unprecedented situation has further strengthened our resilience to steer through such challenges in our future journey.

It has been a highly commendable effort made by the CA Grameen team in responding to every challenge – maintaining customer connect despite lockdowns, prioritizing employee safety and morale, supporting communities in end-markets, efficiently handling loan moratorium, controlling customer delinquency, timely fund-raising, maintaining adequate liquidity, managing MMFL integration, and displaying healthy growth momentum and significant containment of asset quality stress during second half of the financial year. Despite a pandemic hit year, we have been able to deliver 13.26% growth in our gross loan portfolio to reach ₹ 135,868.70 million with an active borrower base of 3.91 million, further strengthening our leadership position in the microfinance industry.

We recorded our highest total income of ₹ 24,460.72 million and Pre-Provision Operating Profit of ₹ 9,517.61 million during FY2021.

I wish to take this opportunity to appreciate all employees for their dedication and work commitment amidst the COVID-19 pandemic. This has further reinforced the trust placed upon us by our various stakeholders on CA Grameen's business resiliency, operating efficiency, transparency, high governance and social responsibility.

CA Grameen has always been cognizant of being a socially responsible organisation by aligning our business priorities with social commitments to provide need-based interventions for community welfare. To do our bit to fight the COVID-19 pandemic, CA Grameen decided to focus the CSR efforts towards helping local administration and communities to deal with COVID-19 inflicted challenges. Our field employees closely engaged with local government authorities at state and district level, healthcare centres, district health officers, medical officers and municipal commissioners to support them in various initiatives for the fight against the disease. We supplied PPE kits, health kits, grocery kits thermal scanners and other items to around 565,826 beneficiaries.

CA Grameen has always strived to be an employee-centric organisation providing favourable work culture fostering growth, safety and goal attainment.

I am proud to share that CA Grameen has been certified as "Great Place To Work®" and ranked as the Top 30 Best Workplaces in the BFSI sector - 2021 by Great Place To Work® Institute for the second time in a row! CA Grameen has effectively prioritized both "customer needs" and "employee welfare" in our business operations by embracing a series of industry-first initiatives. We are glad that these initiatives are being acknowledged continuously through such awards and recognitions.

CA Grameen has been honoured with "Micro Finance Organisation of the Year 2020", consecutively for the second time. It has also received the "Silver Stevie® Award 2020" for Excellence in Innovation in Financial Industries. We are gratified by these accomplishments during the year and dedicate it to our employees and customers for their unwavering support.

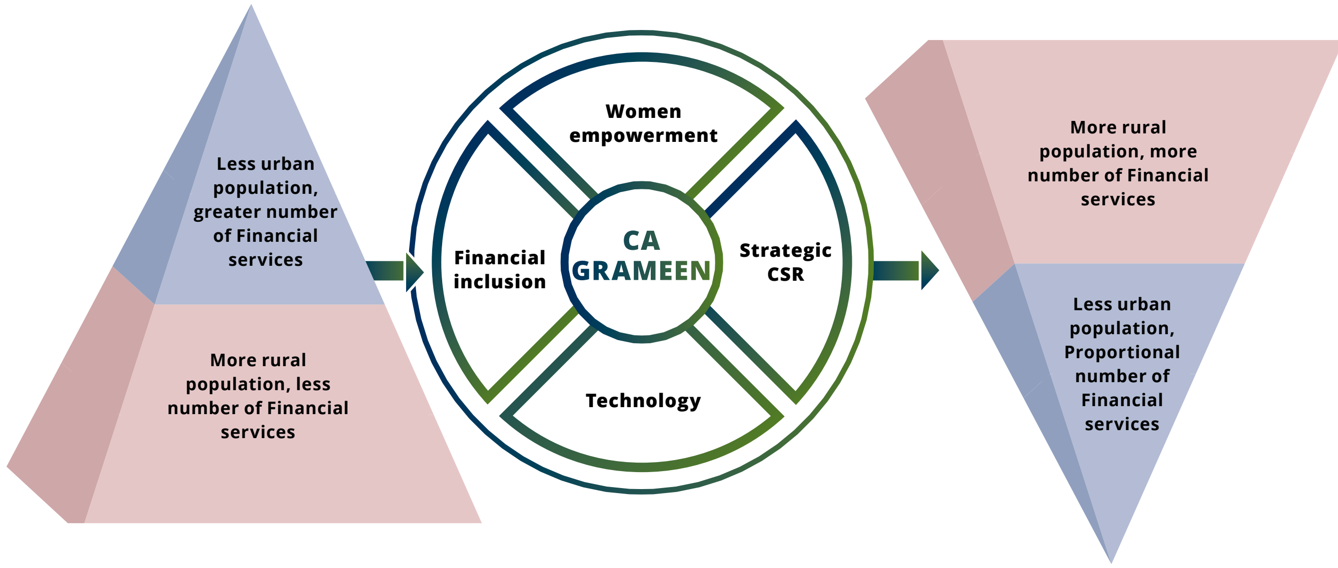
All our accomplishments are duly credited to the tremendous commitment and hard work of our employees and the continuous support, trust, and faith our stakeholders entrust in us.

As we once again brace ourselves to face the resurgence of COVID-19 pandemic, I urge for safety and pray for the well-being of all. In these challenging times, our role as a microfinance institution will be even more vital in providing timely support to our customers as well as local communities. Supporting customers' financial needs is imperative for the seamless operation of several small businesses across the country. We at CA Grameen, are dedicated to fulfilling our responsibility to serve our clients and continue to extend our support to the Corona warriors while ensuring the well-being of our employees and customers.

INVERTING THE FINANCIAL PYRAMID

"Igniting the Spirit of Enterprise, Enabling Rural Transformation"

Bottom of the pyramid is an economic concept which refers to the two-thirds of the people living in poverty. In India, around 22% people live under national poverty line, with majority of them living in rural areas. Most of the traditional banking systems provide financial services to upper pyramid, thus leaving no opportunities for growth for the lower pyramid. As a microfinance institution, CA Grameen's mission is to create a business opportunity for rural low-income population, by providing timely credit for their livelihood and income generation activities, which in turn would lead to poverty alleviation.



CA Grameen's role in this mission is not only restricted to economic upliftment, but also caters to the socio-environmental sustainability of the community it serves. This is done in three ways. Firstly, the Company does not lend to or have any exposure to environmentally harmful industries. Further, we support social development by providing loans for education, water management, sanitation, and house repair projects. We also conduct weekly societal awareness programs for our customers on health management, food and nutrition, children's care, financial literacy, sanitation, and many more. Further, the Company also follows the strategic CSR approach where the CSR initiatives are embedded into the core strategy of Company. These activities not only include social interventions but also provide financial and digital education and upskilling opportunities, which result in holistic community engagement and development. We provide employment opportunities to members of the community, who in turn equipped with the knowledge of local problems, can help the organisation find better financial and non-financial solutions. Secondly, the Company hires the family member of the customer as an employee, which ensures a virtuous cycle of credit and income flow, leading to all round growth. Thirdly, the Company deliberately targets women being the primary beneficiary of the credit with a twin goal of incorporating them into the fold of economic activity as well as due to their high repayment history. This leads to providing equal growth opportunities to everyone and empowering women to be the change agents of rural growth story.

The noble mission of poverty alleviation coupled with the unique business model and social values is the foundation of the organisation, which has led us to being one of the best NBFC-MFI in the country. We are sure that there are huge prospects in Indian microfinance market, which can lead to inverting the financial pyramid where the industry growth is tied to the flourishing of rural financing along with urban lending.

This is what CA Grameen does the best. It empowers women, entrusting them with collateral-free loans thus enabling them to create economic prosperity as micro-entrepreneurs. At CA Grameen, we are humbled by our customers response, loyalty and their tenured association with us. We are ecstatic to have them on board as our growth and success partners.

Customer Case Studies

Nasreen Taj from Kaglipura in Karnataka

has been our customer for nearly a decade. She had availed loan from CA Grameen and bought a tailoring machine. Her business evolved and her income increased. She purchased two more machines and was joined by her husband and her daughter in her business. With her earnings, Nasreen was able to educate her son. Nasreen says one of the aspects that interest her the most about CA Grameen is the power of accessibility.

Sushma Satish from Tumkur, Karnataka

is another tenured customer of CA Grameen. She was introduced to CA Grameen by her mother-in-law. Sushma runs the family's vegetable business with her husband. She is delighted with the range of products offered by CA Grameen and excitedly remarks "We can avail loans from ₹ 1,000 to ₹ 50,000 from CA Grameen! It is really helpful."

Kavitha, a CA Grameen customer from Virajpete in Karnataka

had purchased a candle-making machine with the income generation loan. She spoke about the influence of our customer education program, "Jagruti", on her group. "Jagruti", is a fictitious character who pens weekly letters to our customers about contemporary and vital social issues. These intriguing letters inspire women to address their social problems with a solution-oriented mindset. Kavitha says "Jagruti is a very beneficial and salient initiative". In her opinion it is a wonderful platform to share knowledge with people who are unable to read and write. Kavitha adds, "through this initiative, me and my group members are now aware about many social issues".

OUR COMPANY

CreditAccess Grameen Limited ("CA Grameen", or the "Company") 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. Headquartered in Bangalore, CA Grameen, a publicly listed company on the NSE and BSE, is also the largest microfinance institution in India. As on March 2021, Credit Access India N.V. has 73.99% stake in CA Grameen Ltd. which in turn has 76.25% ownership in Madura Micro Finance Ltd. As of March 31, 2021, the Company on a consolidated basis, had a borrower base of over 3.91 million, predominantly in rural areas in 14 states and 1 union territory with a strong network of 1,424 branches and highly efficient workforce of over 14,399, 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 have heavily invested in technological innovations and streamlining business processes. Focus on robust customer selection, risk management policies, and inhouse 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. CA 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.

Vision

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

Mission

To be the preferred financial 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.

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.**

C	R	E	A	T	E
COMMITTED	**RELIABLE**	**EMPATHETIC**	**ACCOUNTABLE**	**TRANSPARENT**	**EFFICIENT**
We shall honour all our commitments. We are committed to our mission.	We shall not deviate from any of the policies and procedures.	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.	We shall be accountable for all our deeds, actions and words.	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.	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.

LEARNING AGILITY

We should be open to learn and un-learn, in order to build new skills and knowledge.

Our Financial Products

In an effort to serve the unserved and underserved, CA Grameen offers a variety of 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 ₹ 100,000 with an interest of 19.15% per annum on a declining balance. Our interest rate is the lowest in the industry, which directly benefits our customers. The tenure for IGL is a minimum of 52 weeks and a maximum of 156 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 ₹ 50,000 at 19.15% 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 ₹ 1,000 to handle a crisis at 19.15% 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 ₹ 1,000 up to ₹ 15,000 under the category of family welfare loans, depending on the purpose for which it is required. They can get the loan at 19.15% 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 ₹ 1,50,000 at 22% 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 ₹ 70,000 at 22% 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 ₹ 5,00,000 at 22% 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 ₹ 5,000 to ₹ 25,000 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 ₹ 2,00,000 is provided for products covered under Individual term life (GST exempted)
- Maximum cover for up to ₹ 2,00,000 is provided for products covered under Joint term life (GST exempted)
- Maximum cover for up to ₹ 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 enroll, CA Grameen has designed training sessions for them.

CA GRAMEEN BUSINESS MODEL

External Environment

- Financial inclusion
- Rural economic conditions
- Financial literacy
- Socio-political issues
- Digital literacy
- Climate changes
- Evolving customer behaviour
- Pandemic
- Technological changes
- Regulations
- Awareness on health & education
- Market forces

Inputs

Financial
- Diversified lenders' base
- Longer tenor borrowings
- Cost of funds

Manufactured
- Pan India presence
- Deep rural penetration
- Branches
- Offices

Human
- Young workforce
- Rural recruitment
- Extensive training
- Employee retention
- Benefits & growth

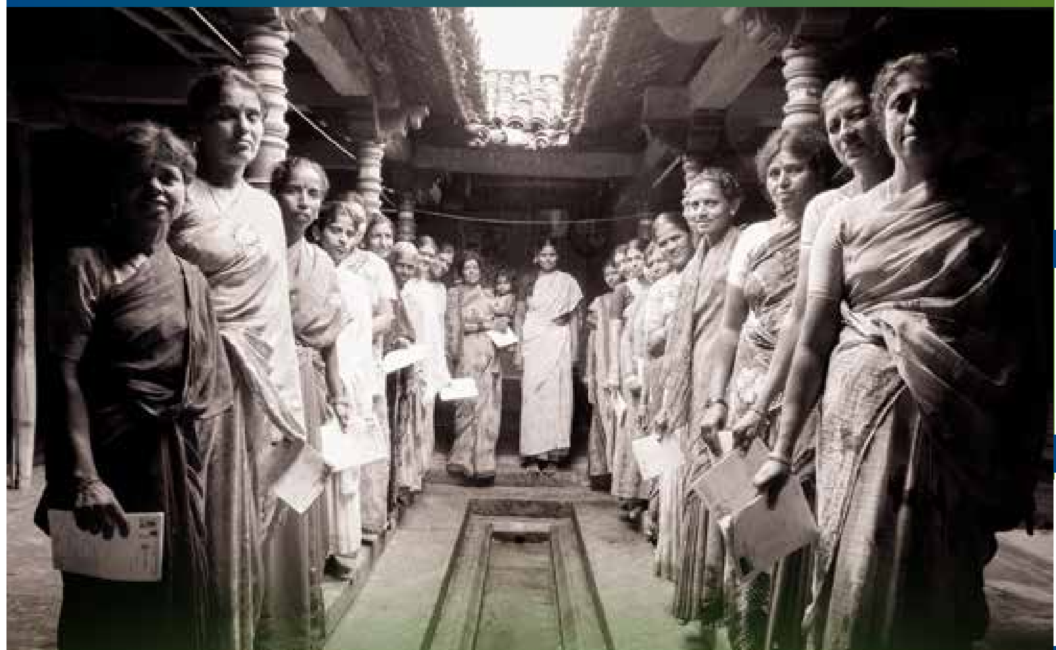
Intellectual
- Stable & scalable technology infrastructure
- Risk management framework
- Prudential provisioning

Social and Relationship
- Customer engagement
- Community investment – CSR initiatives
- Investor/ lenders/ rating agencies engagement
- Regulators

Natural
- Tree Plantations
- ESG loans
- WASH projects

Strategic priorities

- Most trusted financial partner of low-income rural under-banked households lacking access to formal credit
- Socio-economic catalyst in deep rural areas
- Expand branch network & replicate strong process, controls
- Deliver customer value with convenient products & services
- High levels of employee engagement and enablement
- Set industry benchmark in operating efficiency, customer & employee retention, asset quality
- Adopt relevant technology and innovative solutions
- Focus on ESG/ sustainable growth - both organic/ inorganic



FAVORABLE WORK ENVIRONMENT | CUSTOMER CENTRICITY | SOCIAL RESPONSIBILITY | STRONG GOVERNANCE

VALUES

C Committed | **R** Reliable | **E** Empathetic | **A** Accountable | **T** Transparent | **E** Efficient

LEARNING AGILITY

Key activities

- Sustainable loan products - Income generation, house repairs, water/ sanitation, education, medical, festivals, livelihood needs, emergency, business assets/ expansion
- Risk management, IT, customer feedback/ grievance, internal audit, quality controls, etc.
- Focus on ESG/ sustainable growth - both organic/ inorganic

Outputs

Financial
- Gross AUM ₹ **135,868.70 million**, PAT ₹ **1,314.03 million**
- ROA **0.93%**, ROE **4.04%**
- Capital Adequacy Ratio **26.79%**
- Operating efficiency **4.8%**
- Number of active borrowers **3.91 million**
- Stable credit rating **A+/A1+**

Manufactured
- Number of branches per district **5.4**
- Pan India presence in **14 states and one union territory**

Human
- No. of employees **14,399**
- No. of employees from local community **97.92%**
- Average no. of training hours **44**

Intellectual
- Products per customer **1.5 (standalone)**
- Customer retention rate **87% (standalone)**
- Customer on-boarding TAT reduced from **12-15 days to within 7 days (standalone)**

Social and Relationship
- Total institutions provided with direct Covid-19 support **11,248**
- Total CSR Spend ₹ **97.31 million**
- **99.98%** women borrowers

Natural
- **99.80%** loans having positive environmental & social impact

SDG

1 NO POVERTY
2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Outcomes

Outcomes	Financial & Associated Risks
Customers • Access to need-based credit • Improved income • Improved quality of life	Net Interest Income from loan, insurance and NPS activities, bad debt recovery
Employees • Skilled employees with internal growth opportunities • Healthy life and financial security	Operating and non-operating expenses
Shareholders • Sustainable business model • Superior growth, profitability, RoI	Dividends and Retained Earnings
Regulators • Compliance • License to operate	Direct and Indirect Tax

Associated Risks

- Credit Risk
- Interest risk rate
- Insurance Risk
- Business and reputational risk
- Funding and liquidity risk
- Operational Risk, including compliance, environmental and/or social risk
- Market Risk

GOVERNANCE

"Establishing Benchmarks for Integrity, Transparency and Accountability and Safeguarding Stakeholder Interests"

Good governance is an essence of sustainable value creation. It promotes participation, responsiveness, transparency, accountability, equity, inclusiveness and efficiency among value chain partners and enables effective decision making. At CA Grameen, the principles of good governance are ingrained in the organizational culture and values, which helps us to serve the stakeholders at our best possible capacity.

Ethical Leadership

At CA Grameen, we believe that effective and ethical leadership is centered around integrity. It is about doing the right thing - being accountable, responsible, fair and transparent. We recognize that ethical leadership within CA Grameen improves public trust, enhances risk, compliance and ethics management, and strengthens stakeholder relationship.

This is achieved through:

- Our key values
- Customer service orientation
- Achievement and drive to succeed
- Honesty and integrity
- Leadership's commitment to uphold our key values
- Provision of mechanisms to report and manage unethical behaviour

CA Grameen's Stakeholder's Relationship Committee, which is constituted in compliance with the Companies Act, 2013 and SEBI Regulations, oversees all grievances received from Customers, Employees and other stakeholders of the Company. It ensures that all complaints are dealt with utmost importance and in line with our values. This ensures that ethics is treated as a matter of utmost importance.

The Stakeholder's Relationship Committee also maintains oversight of the ethics policies and its implementation within the Company including Whistleblower Policy, where direct access is granted to the Audit Committee Chairman for reporting any instances of unethical behaviour or practices by employee. In this regard, the following policies have been implemented in FY2021:

CODE OF CONDUCT FOR EMPLOYEES, DIRECTORS AND SENIOR MANAGEMENT

01 Fair Practices Code

02 Prevention of Sexual Harassment Policy

03 Non-Discrimination Policy

04 Employee Grievance Redressal Policy

05 Customer Grievance Redressal Policy

06 Vigil Mechanism

07 Code of Conduct & Fair Disclosure for Prohibition of Insider Trading

All new employees are required to undergo mandatory induction programme on the code of business conduct & ethics including the reporting processes and methodologies to be followed.

Board of Directors

Our Board of Directors comprise a great mix of expertise, professionalism, knowledge, diversity, experience and values in Banking and Operations, Audit and Financial Statements, Financing, Investment, Risk Management, Entrepreneurship, Micro-finance, Management, Information Technology and Human Resource Development.

The composition of the Board is in conformity with Regulations 17 of Listing Regulations, which stipulate that the Board should have an optimum combination of executive and non-executive directors with at least one woman director and at least fifty per cent 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.

25%
of the board members are women

Ensuring Transparency and Accountability

CA Grameen strongly believes in the ethos of transparency and accountability. We have established systems for timely flow of information to keep our stakeholders abreast with the organisational activities.

Policies such as Appointment, criteria and tenure of Independent Directors, Code of Conduct for Directors and Senior Management Personnel, Code of Conduct and Fair Disclosure for Prohibition of Insider Trading and Whistleblower policy corroborate the use of fair work practices.

We have regular board meetings to review and improve our transparency and accountability policies. The board plays a pivotal role in effective compliance and implementation with respect to regulatory and stakeholder demands.

Board Members

PAOLO BRICHETTI, CHAIRMAN AND NOMINEE DIRECTOR

Paolo Brichetti is the Chairman and Nominee Director of our Promoter, CAI, in our Company. He is also the founder, chief executive officer and sole executive director of CAI since March 2017. He was the chief executive officer of CTM Altromercato Soc. Coop for a period of nine years. He serves as a director on the boards of CAI, CA-SEC BV, CreditAccess SEA BV, Madura Micro Finance Limited, Asia Impact SA, Spark Alternative Asset Advisors India Private Limited, Asia Impact Invest SA and Istituto Atesino di Sviluppo SpA. He is the chairman of member's council of CAI Vietnam Trading Company Limited.

GEORGE JOSEPH, VICE CHAIRMAN & LEAD INDEPENDENT DIRECTOR

George Joseph is an Independent Director of our Company. He holds a bachelor's degree in commerce from the University of Kerala. He is a certificated associate of the Indian Institute of Bankers. He has also completed a banking diploma from the Institute of Bankers, London and is an associate of the same. He was associated with Canara Bank for a period of over 36 years and was elevated from the post of General Manager, Canara Bank to Executive Director, Syndicate Bank in 2006. He was associated with Syndicate Bank for a period of three years and retired as Chairman and Managing Director in 2009. He serves as a director on the boards of Wonderla Holidays Limited, Muthoot Asset Management Private Limited and Madura Micro Finance Limited.

UDAYA KUMAR HEBBAR, MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

Udaya Kumar Hebbar is the MD & CEO of CA Grameen and has been the driving force in scaling the Company to its current stature over last ten years. He has earlier worked at Barclays Bank PLC for three years, Corporation Bank for over ten years and ICICI Bank for over eleven years. He holds a bachelor's degree in commerce from the University of Mysore and a master's degree in commerce from Karnataka University, Dharwad. He is a certificated associate from the Indian Institute of Bankers and holds a diploma from Vanderbilt University.

SUCHARITA MUKHERJEE, INDEPENDENT DIRECTOR

Sucharita Mukherjee is an Independent Director of our Company. She holds a bachelor's degree in economics from Lady Shri Ram College for Women, University of Delhi and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. She was appointed as a management trainee at Deutsche Bank AG India and was transferred to Deutsche Bank Global Credit Derivatives, London as a junior structurer for a period of three years. She was appointed as Vice President at Morgan Stanley Global Capital Markets, London. She was also appointed as chief executive officer at IFMR Holdings Private Limited and IFMR Capital Finance Limited, respectively, for a period of three years each. She also serves on the board of Kaleidofin Private Limited.

SUMIT KUMAR, NOMINEE DIRECTOR OF OUR PROMOTER, CAI

Sumit Kumar is a Nominee Director of our Promoter, CAI, in our Company. He holds a bachelor's degree in textile technology from the Indian Institute of Technology, New Delhi and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He was previously associated with The Boston Consulting Group Pte. Ltd. He is a managing director with Olympus Capital Holdings Asia India Advisors Private Limited and has been associated with Olympus Capital for over 10 years.

MASSIMO VITA, NOMINEE DIRECTOR OF OUR PROMOTER, CAI

Massimo Vita is a Nominee Director of our Promoter, CAI, in our Company. He holds a master's diploma of 2nd level in development, innovation and change from Bologna University in Bologna, Italy and a degree in economics and commerce from Verona University in Verona, Italy. He also has a DEUF Diplome Francais from the Universite de J. Moulin and was a visiting student for the ERASMUS Programme at University College of Dublin. He completed a three years apprenticeship as a professional auditor as certified by the Italian Ministero Della Giustizia in 2002. He was the Head of the Operation Support of CAI for a period of almost two years. He was TA Field Expert for the TA Facility of Regional MSME Investment Fund for Sub-Saharan Africa managed by Symbiotics SA for a period of four years. He was also the Partner and board member of Microfinanza S.r.L. for a period of seven and a half years. He was also associated with Arthur Andersen S.p.A. for a period of three years. He is currently the group chief risk officer for CreditAccess SEA BV. He serves as a director on the boards of CAA-BOS Limited, CAI Vietnam Trading Company Limited, CreditAccess Philippines Financing Company Inc., Microfinanza Rating S.R.L. and PT Konsultasi Mikro Ventura.

MANOJ KUMAR, INDEPENDENT DIRECTOR

Manoj Kumar is an Independent Director of our Company. He holds a bachelor's degree in science from Kumaun University and a master's degree in Public Administration from Lucknow University. He has completed the 184th session of the Advanced Management Program from the Harvard Business School. He was associated with Misys Software Solutions (India) Pvt. Limited for over eleven years and was elevated to the post of Vice President. He was also associated with Tata Education and Development Trust as a senior advisor. He also serves on the board of Madura Micro Finance Limited, Kanpur Flowercycling Private Limited, Malgharia Advisors Private Limited, Foundation For Innovation & Research In science & Technology, Confluence For Health Action And Transformation Foundation, Foundation For Innovation And Social Entrepreneurship, Sustain Plus Energy 195 Foundation and Centre for Cellular and Molecular Platforms.

JESSIE PAUL, ADDITIONAL AND INDEPENDENT DIRECTOR

Lilian Jessie Paul is an Independent Director of our Company. She holds a bachelor's degree in engineering from Bharathidasan University and a post-graduation diploma in management from Indian Institute of Management Calcutta. She has several years of experience in marketing. She was previously associated with Wipro Limited as the chief marketing officer and Infosys as marketing manager. She is presently on the board of Paul Writer Strategic Services Private Limited, Expleo Solutions, Royal Orchid Hotels, Icon Hospitality Private Limited and Bajaj Consumer Care Limited.

Our Management Team

Udaya Kumar Hebbar
Managing Director & Chief Executive Officer

Balakrishna Kamath
Chief Financial Officer

Ganesh Narayanan
Chief Business Officer

Gururaj K S Rao
Chief Audit Officer

Firoz Anam
Chief Risk Officer

Sudesh Puthran
Chief Technology Officer

Gopal Reddy
Business Head Group Lending

Arun Kumar B
VP - Integration

Sundar Arumugam
Head - Strategy and Innovation

Srivatsa H N
Business Head - RF and GL (KA, GJ and RJ)

Nagananda Kumar K N
Head - Centralized Operations

M. J. Mahadev Prakash
Head - Compliance, Legal & Company Secretary

Nilesh Dalvi
Head - Investor Relations

Haridarshini A
Head - Operational Excellence

Senior/Middle Management Employees

Bhuvaneswara Prasad
ZM – Group Lending

Lokesh M K
ZM – Group Lending

Manjunatha
ZM – Group Lending

Parikshit Dubey
ZM – Group Lending

Srinivasababu Saheb N
ZM – Group Lending

Srinivasreddy N B
ZM – Group Lending

Sudhakar Rao
ZM – Group Lending

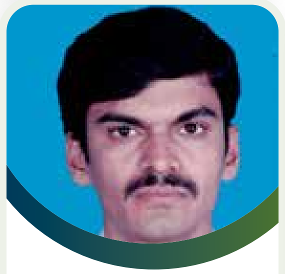
Venkatnaik S
ZM – Group Lending

Praveen Kumar H I
AVP – Information Technology

Ranjan Kumar Kar
GM – Information Technology

Chandrakanth S
AVP – Finance & Accounts

Kavita Iyer
GM – Finance & Accounts



Manjunatha D R
DGM – Finance & Accounts

Bhavish Tulsian
GM – Centralised Operations

Vineeta Shukla
DGM - Centralised Operations

Gitesh Joshi
DGM – Strategy & Innovation

Piyush Sarogi
DGM – Risk Management

Bharatkumar M
DGM – Retail Finance

K M Jayaprakash
DGM – Internal Audit

Jagadeesh Begur
DGM - Human Resources

Marina Alex
DGM - Human Resources

Reshma Mahaboob
DGM - Human Resources

Darshana Kothari
AGM – Secretarial

STRATEGY

"Build Efficient, Scalable, and High Touch Business Model Backed by Robust Technology"

NBFC-MFI sector has unique set of risk and opportunities, more so in a country like India. Along with the right people in the top management, an organization operating in this sector requires a dynamic overarching strategy.

At CA Grameen, with the aim to be the most trusted financial partner of low-income rural under-banked households in India, our strategy is to be the catalyst, where our work creates a perpetual positive impact on our stakeholders, while incorporating triple bottom line approach to establish responsible business products and processes matching their evolving needs.

While CA Grameen primarily lends to the rural women for their business/ income generation activities, our larger thrust is on financial inclusion and holistic development of their families. This is effectively delivered through our customer-centric approach aligned with unique needs of our customer families. Our multi-product approach provides financing for various family needs like children education, medical expenses, festival expenses, water & sanitation projects, house repairs/ renovations, livelihood improvement etc. Our flexible repayment options, weekly/ bi-weekly/ monthly, help our customers to repay based on their cashflows without causing any financial burden. This enables us to become a one-stop solution, ensuring high customer retention, and supporting our customer households throughout their entire lifecycle.

Strategy and Risk Management

Our strategy formulation process is centered around our vision and philosophy of being a preferred financial partner of rural under-banked families in India, providing diverse need-based financial products and services at most affordable pricing, while creating a benchmark of efficiencies and adopting relevant technology and innovative solutions. Considering the various aspects of our customer profile – financial, social, literacy, our focus is to ensure highest level of customer ease through our high-touch door-step delivery of financial solutions. Our entire backend, systems, processes and controls have been designed to handle all the possible complexities in order to provide an enhanced customer experience.

Microfinance business is more of a collection business. Hence robust risk management needs to be deeply imbibed into the core strategy and at every stage of various business processes.

Geography selection

Systematic methodology is adopted for selection of new markets with strict district level exposure limits. Geographical risk is managed via contiguous district-based expansion strategy which gives us good insight into historical delinquency trend, competition, socio-economic risk, natural disturbances etc. Continued focus on deep penetration in rural areas helps in achieving lower competitive intensity and higher creditworthiness.

Customer due diligence

Stringent customer onboarding process encompasses three layers of checks. Comprehensive credit bureau data is checked to gauge borrower's exposure to various lending products and past credit history. This is followed by visit to borrower's house and interaction with family members, 5-days compulsory group training (CGT) by branch manager and loan officer, followed by group recognition test (GRT) by area manager.

Product design

Borrowing limit is defined for each borrower which increases with subsequent loan cycles based on track record and relationship vintage. Flexible repayment options are provided with no penalties on prepayments of loan instalments. Irrespective of the repayment option, predominantly weekly or bi-weekly centre meetings/ collection process helps to ensure high degree of engagement and prompt repayments.

Branch/ process/ employee compliance

Multiple layers of checks and balances are in place to ensure strict compliance. There are separate audit, quality control and field risk monitoring teams, with 1 audit person and 1 quality control person assigned for every 5-6 branches. Branch audit is performed within every 60 days to ensure strict compliance of process and controls. Quality control checks are performed on fort-nightly basis to provide early warning indicators with respect to operational risk. Employee recruitment process is also unique with fresh hiring primarily at entry levels from rural areas followed by internal training. Employee rotation policy requires loan officers to be rotated every year and branch managers to be rotated bi-annually. Further, the incentives of field force are not linked to disbursements or collections, instead are linked to customer service, new customer training, and branch audit grade (process quality).

Segregation of risk management function

Risk Management Committee (RMC) assists the Board with oversight of strategies, policies and procedures related to the management of all risk types. Risk Management function is headed by the CRO who is primarily responsible for overseeing the development and implementation of the CA Grameen's risk management function. The CRO is also responsible for supporting the RMC in the development and implementation of the CA Grameen's annual risk plan. The CRO, together with management forms an executive committee which is actively engaged in the process of setting risk measures and limits for the various business lines and monitoring their performance relative to risk-taking and limit adherence. Internal Audit team directly reports to the Audit Committee and has free and unrestricted access to the Board.

Risk management committee oversees on implementation of annual risk management plan. Risks are reported to RMC monitored by CRO and management team and quarterly updates are provided. There is free and unrestricted access for internal audit team to the Board. Risk management framework is overseen by board committees (annual risk management plan, periodic updates presented, etc.)

Strategic priorities

The following are the strategic priorities the Management has come up with to achieve the short and the long-term goals of the organisation.

Continued focus on customers from rural areas

As a social organisation, we want to continue penetrating deeper in the states and districts where we currently have operations and expand our footprint into other areas that have limited or no access to formal banking and finance channels. We will continue to evaluate the offerings at our branches and customize our products to the needs and demands of our customers in the region in which our branches are located and correspondingly update existing operations and resources in different territories.

3.9 million
women borrowers

Expand branch network

In order to increase operational efficiency, we would like to continue with our strategy of contiguous expansion, growing our branch network by 10-15% every year, which will expand our district coverage in existing as well as potentially newer states. Our contiguous expansion strategy is premised on expanding to the next (typically adjacent) district and achieving a deep penetration in a district within three years of operations. We believe that our expansion strategy has resulted in consistent replication of our processes and controls in newer geographies along with robust risk mitigation.

112.54%
increase in the number of branches since FY2019

68.79%
increase in the number of operational districts since FY2019

66.67%
increase in the number of operational states/UTs since FY2019

Leverage existing capabilities and strengths to diversify product and service offerings

We intend to continue focusing on our current business model which comprises extending loans to customers primarily in rural areas. To this end, we intend to capitalize on our current strengths including our geographical reach, customer base, robust risk management policies, strong financial track record and extensive domain expertise to diversify our product and service offerings. Our diversification strategy is driven by the evolving needs of our customers, and we believe this is in line with the strength of our customer-centric business model and our expansion strategy, as it allows us to ensure that our customers have access to various differentiated products and services which they need quickly and efficiently.

1.5
products per customers

Focus on optimizing operating costs and improving operational efficiencies

Controlling our operating expenses is critical in determining our ability to offer loan products at reasonable rates to our customers and our profitability. CA Grameen deep penetration in India's rural markets through contiguous district-based expansion strategy has helped to achieve low operating expense ratios, contributing to economies of scale. Further, given our high customer retention rates, we expect to derive scale and cost benefits as there is no incremental sourcing cost for existing customers, and they are eligible to borrow higher loan amounts from us since they have progressed to higher loan cycles and displayed consistent repayment track record.

Operational efficiency remained stable during the pandemic year

Deliver customer value

We understand customer needs, behavior and aspirations in a holistic and granular way and offer simple, easy credit for customers. We partner, co-create, provide and deliver credit and non-credit products for different business and its life-stage needs. With a household view on our customers, we continuously focus on customer experience and expectations by reducing TAT on processes, simplifying the processes further and continuously be engaged with the customers on all aspects.

TAT < 24 hours for loans less than

₹ 15,000

High levels of employee engagement and enablement

We have a strong employee engagement and enablement model that makes our employees stay with us longer and continue to drive the customer centric culture in the organisation. The organisation is also in process to revamp the induction and training for new recruits for all-round development. We have also created a focused career plan and development model for all employees and continuously strive to improve and promote a conducive work environment and healthy organisational culture, along with increasing the brand affinity as an employer.

Build effective and efficient processes

We want to leverage data and automation to improve all key internal processes. For that, we need to increased digitization and seamless integration of different processes. Also, leverage digitized ecosystem, re-engineer audit/ risk processes with data analytics to strengthen our competitive advantage.

All the above would result in increased customer retention, increased products per customer, increased wallet share per customer all in an operationally efficient way thereby leading a sustainable cycle. These measures are critical to assess our progress towards our vision to become our customers: financial and business partner.

Leveraging technology in finance

CA Grameen has been continuously working towards empowerment of rural women through strengthening our last mile connectivity and using technology for seamless distribution of financial products. Our high touch-high tech delivery model helps us to enhance the customer experience and serve rural households in a highly efficient manner.

Today, we have digitized all customer touchpoints. Our field force is equipped with handheld tabs which enable automated and paperless customer on-boarding process through faster KYC verification and instant credit bureau checks. We have also enabled automated loan applications, same day loan disbursements, on-field loan disbursements without the need for the customer to visit the branch. This has helped us to significantly reduce the TAT with increased responsiveness to customer needs.

Handheld tabs also provide use-friendly transactional platform for managing centre meetings and paperless collection process, automated flow of collection entries to branch level reconciliation, and cashless/ digital repayment options based on customer preference. Our robust Core Banking Solution enables us to offer innovative product features and options to our customers. Further, it equips us with large amount of data and analytics which can be utilized for managing the business and anticipating future trends. Our strong tech-enabled risk and control systems enables real-time field risk monitoring, audit trail and data capture of transactions through mobile applications.

External Environment and Capabilities

Indian microfinance industry size was ₹ 2.59 trillion as on Mar-21 with an active borrower base of 59.3 million. While the industry has grown at 24.7% CAGR over FY2017 to FY2021, it still offers large opportunity with only 32% penetration. The potential is even larger in rural markets with only 20-25% penetration compared to 40-50% in urban markets. With a continued thrust on financial inclusion in India, the microfinance industry is expected to maintain its growth trend over medium to longer term. The industry does not expect any major hurdles for growth except for intermittent challenges caused by natural calamities, external disturbances, macroeconomic volatilities etc. As on Mar-21, microfinance industry value chain consisted of Banks (43.7% market share), NBFC-MFIs (31.1% market share), SFBs (15.9% market share),NBFC/others (9.4%).

Today, CA Grameen is the largest NBFC-MFI accounting for 5.24% market share, on consolidated basis as on Mar-21 compared to 3.0% market share in FY2016. We have achieved this on the back of our strong competitive advantages – resilient business model, robust balance sheet, expanded scale and presence post MMFL acquisition, one of the lowest lending rate, multi-product customer centric approach, deep rural presence with 40-45% of incremental customers being new to credit, strong employee culture and HR practices, all leading to one of the highest borrower retention and lowest employee attrition in the industry.

Going forward, over medium to longer term, CA Grameen is well positioned to grow as a pure-play NBFC-MFI focusing of strengthening its asset base both organically and inorganically. CA Grameen will safeguard it growing liability requirements by maintaining a well-diversified liability profile. CA Grameen will focus on maintaining a healthy mix between domestic and foreign borrowing sources. In addition to PSL funding from banks, CA Grameen will try to diversify its liability mix by increasing the contribution from domestic financial institutions, mutual funds, HNIs & family offices as well as focusing on foreign sources in form of ECBs/ NCDs from global FIIs/ FPIs, impact investors, multilateral/ bilateral institutions, development finance institutions, banks etc.

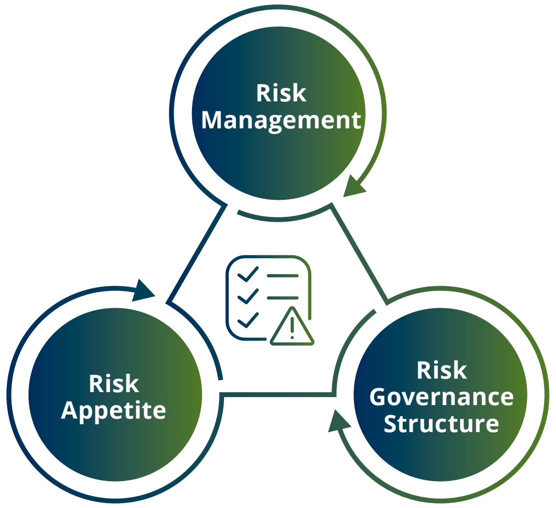
Market demand will continue to remain buoyant over coming years. Regulation will continue to remain conducive with RBI directly regulating microfinance with specific guidelines. Further RBI is also aiming to address the level playing field for all lenders for Microfinance customers through a common regulation for all lending institutions. Technology will play a major role as a key enabler to strengthen the delivery of microfinance solutions and increase the operating efficiency through simplifying field operations, lowering TAT, reducing paperwork, enabling improved customer engagement etc. In addition to expanding the borrower base, there will be an increasing focus on monetizing the vast customer base by meeting their various credit and non-credit requirements. The business approach will gradually shift from catering to one woman per family to fulfilling the evolving needs of the entire household.

Focus Area	Plan	Action	KPIs
Higher Rural Penetration	Organic and inorganic growth	Contiguous district-level expansion in existing and newer states	% of non-urban borrowers serviced
Market Position	Increase the market share	Customer acquisition in existing and newer markets	% of market share
Customer nteraction	Increase awareness on financial literacy, hygiene, social/ legal rights Maintain and upgrade robust redressal system	Conduct additional awareness programs and campaigns Incorporation of best industrial practices for customer feedback	% of beneficiaries
Product Design – Customer Centric and Sustainable	Adopt lifecycle approach taking holistic view of the entire customer household	Offer various credit and non-credit products Leverage technology for enhanced customer experience	No. of products per customer % of consumption loans
Employee Friendly Organisation	To provide conducive work environment	Inclusive workplace with diverse workforce	Total employees
Efficient and Stable Management	Hire best in class leadership	To hire world class Board of Directors	Avg. serving time of a Board of Director

Risk Management

We have a multi-layered risk management process for identifying, managing, and mitigating risks arising across risk taking activities in the organisation to ensure sustainable profitability. The robust risk architecture supports the Company's vision and mission.

Following are the basic building blocks of risk management structure:

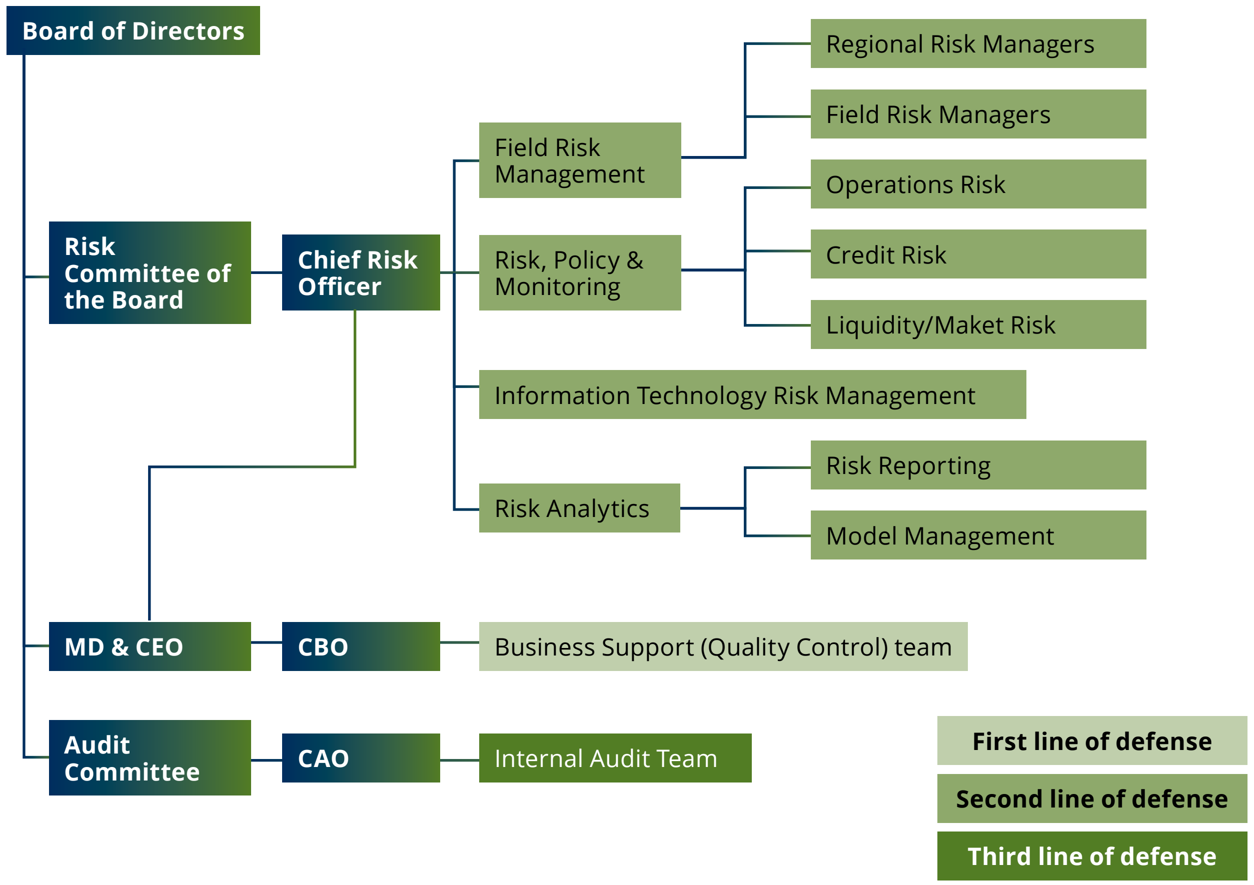


Risk Appetite

Maintaining relatively tight caps on risk exposures is seen as the most conducive approach to providing cost-appropriate mass-market financial services in a socially inclusive manner. The cornerstones of CA Grameen business model are customer service, outreach and financial inclusion, innovation, technology, proactive risk management and sustainable growth. For example, CA Grameen will not engage in activities, trade instruments or otherwise enter into risks that do not have a clear relationship to the mission of the institution and support CA Grameen in delivering on its promise to shareholders and customers of integrity, social advancement, economic empowerment and sustainable profitability.

Risk Governance Structure

CA Grameen follows a 3-lines of defense mechanism in which the business line including branch & supervisory staff and business support team work as first line of defense. Risk Management is the second line of defense while Internal Audit works as the third line of defense. The management of risks is a responsibility of all senior management and of all staff in all business lines. Each line of business is responsible to manage its own risks.



Following are the risks the organisation is exposed to along with their mitigation strategies:

Risk	Context	Mitigation Plan	Capitals Impacted
Credit Risk	Defaulting or nonrepayment of loan by a borrower, which involves monetary loss to the Company	The Company ensures the required expertise and capability to develop systems, procedures, and tools to effectively manage the credit risk. The Company also specifies the acceptable level of risk-reward trade-off for various products and activities. This includes identification of target geographies/ markets and business sectors, preferred levels of diversification and concentration, the cost of capital in granting credit and cost of bad debts. Risk Management Guidelines issued by RBI and SROs (MFIN, SADHAN) continue to act as a guiding factor while formulating and implementing the risk system in the Company.	
Liquidity Risk	It involves maintaining sufficient liquidity buffer on a continuous basis to fulfil immediate obligations including debt repayment, disbursal on loans committed, etc. Basel III norms mandate sufficient liquidity to fulfil obligations over 30 days.	CA Grameen adheres to the tolerance/ prudential limits for structural liquidity under different time buckets as prescribed in the Board approved ALM policy.	
Interest Rate Risk	It arises on account of interest rate related fluctuations, which could have a potential impact on earnings if the assets and liabilities have a mismatch on tenor.	As per RBI regulation, there is a maximum 10% ceiling on the margin that CA Grameen can charge to the customer on and above its own cost of borrowing. As a result, the interest rate risk is significantly reduced.	

Financial Capital
Social and Relationship Capital
Manufactured Capital
Natural Capital
Human Capital
Intellectual Capital

Risk	Context	Mitigation Plan	Capitals Impacted
Currency Risk	Forex risk results from a mismatch between assets and liabilities in a currency and their associated cash flows in respect to size and maturity. CA Grameen may borrow in foreign currency from institutions abroad and such borrowing exposes the Company to risk as loan assets are in Indian Rupees. Such risk can be mitigated by appropriate hedging strategy or may remain open if within acceptable limit	It is not in compliance with the mission and mandate of CA Grameen to actively seek profit opportunities from speculative trading in foreign currency. CA Grameen is not authorized to maintain a proprietary trading book in short-term foreign currency instruments. Any foreign currency transaction must display a clear linkage to the client-related business. CA Grameen shall not maintain any open foreign currency position, all foreign currency borrowing must be adequately hedged.	
Operational Risk	The organisation faces risks which can emanate from a range of sources including processes, people, systems, external events and can lead to substantial drag on earnings or threaten solvency in rare cases.	CA Grameen has developed a Risk and control self-assessment (RCSA) process for identifying, assessing, and evaluating risks in a consistent format across various processes, activities, systems, etc. Well-defined KRIs and internal/external loss events are captured and reported on a regular basis to realise impact. The type of major loss events would include frauds and misappropriations, personal transactions, robberies, business disruptions and system failures, damage to physical assets, loss arising due to failed execution of processes or products. CA Grameen ensures the efficacy of controls for operational risk by including internal controls, training, insurance, fraud monitoring, IT systems and security, business continuity planning, etc. As part of risk and control self-assessment (RCSA), KRI dashboards are designed for major business lines (Finance & Accounts, IT, HR, Centralized Operations, Business teams), which will support in monitoring key risks and their underlying controls. A contingency plan is also developed to mitigate business interruption in high-risk scenarios such as natural disasters, global pandemics, financial crisis etc.	

Risk	Context	Mitigation Plan	Capitals Impacted
		The field risk management team monitors key operational risks at branches and Kendra's through field risk profile questionnaires. The responses are consequently be used for reporting of potential risks with respect to stakeholders at the branch and Kendra levels, The field risk team supports the field operations teams by conducting investigation of major frauds and PAR events in field, assess gaps in underlying controls and recommend improvement in controls	
IT Risk	Company depends on technology-intensive information systems to successfully carry out its mission and business functions. Information systems are subject to serious threats that can have adverse effects on organisational operations (i.e., realizing the mission, daily functioning, image or reputation), organisational assets and individual by exploiting both known and unknown vulnerabilities to compromise the confidentiality, integrity or availability of the information being processed, stored, or transmitted by the systems.	Acceptable usage of CA Grameen IT setup is published and shared with all employees as well as third party service providers. Periodical training and awareness is given to individual employees on InfoSec, Cybersecurity. Endpoint Security is installed in the employee's workstation and IT setup of data centres. There is clear segregation of IT setup between production, pre-production and UAT (user acceptance testing) environments. Periodical access review is done both for end users as well as IT users. Changes in production IT setup is monitored and reviewed periodically. Inclusion of SLAs in agreement with vendors as per business requirements and regular monitoring of SLAs. Multiple ISPs for High Availability and monitoring. Periodical governance meetings with 3rd party suppliers. DR site is implemented with live data replication, data backup solution in place with regular review process. Regular Vulnerability assessment and patch management. Physical security as per ISO 27001:2013 at data centres.	

Risk	Context	Mitigation Plan	Capitals Impacted
ESG Risk	ESG risks include those related to climate change impacts mitigation and adaptation, environmental management practices and duty of care, working and safety condition, respect for human rights, anti-bribery and corruption practices, and compliance to relevant laws and regulations. For us, these risks include • Delayed and uneven rainfall and climate change leading to inconsistent rural output • Change in customer behaviour due to social-political changes • Over-leveraging in certain geographical areas • Increasing competition leading to diverse lender practices impacting customer credit behaviour and discipline • Decreasing soil productivity impacting agri-dependent activities • Customer migration to cities • Regulatory risks	CA Grameen primarily focusses on deep rural markets where the penetration and competition is relatively lower compared to urban and semi-urban markets. The JLG model of lending functions more effectively in rural markets where the borrowers know each other very well and can drive better group credit discipline. CA Grameen weekly meeting model helps in maintaining strong customer relationships, better control and early risk identification. CA Grameen contiguous district-based expansion strategy helps in better understanding and mitigation of risks on account of socio-political factors, overleveraging, competition etc. Majority of CA Grameen borrowers are engaged into essential (nondiscretionary) categories, primarily dependent on local demand/ supply forces. This segment of borrowers borrow for livelihood supporting activities and have the ability to display strong resilience to external disturbances and faster recovery. CA Grameen conducts the business in compliance with the MFI regulations stipulated by RBI and is also governed by guidelines issues by SROs (MFIN, SADHAN). CA Grameen actively engages in CSR activi-ties that goes a long way in mitigating social and governmental risk CA Grameen provides training and awareness among loan officers to avoid lending to "polluting" industries and avoid lending to activities employing "child labour"	

Financial Capital
Social and Relationship Capital
Manufactured Capital
Natural Capital
Human Capital
Intellectual Capital

Business Continuity Plan

CA Grameen is exposed to numerous operational risks that threaten to disrupt critical business operations. Thus, it has developed a business continuity plan (BCP) that can be implemented during the time of an unplanned incident, so that all critical operations can continue to be performed.

CA Grameen business continuity plan that primarily includes the description of scenarios during which implementation of BCP would be required. The plan also includes documentation of critical process, systems, and necessary resources required to perform those functions along with details of team that has been appointed to manage end to end BCP lifecycle.

Opportunities

The NBFC-MFI industry has been on the rise since the last few years. Even then, there is a huge supply and demand gap in financial services in the rural parts of the country. This creates a unique market positioning for our Company where it can provide the right lending infrastructure and help in nation building process. Apart from this, there are plethora of opportunities present in this sector.

Going forward, over medium to longer term, CA Grameen is well positioned to grow focusing on strengthening its asset base both organically and inorganically. CA Grameen will continue to maintain its organic growth on the back of 10-15% branch infrastructure/ employees growth which will translate into 10-20% growth in customer base and 25-30% growth in gross loan portfolio. CA Grameen will continue to focus on geographical diversification into newer markets, with a target to reduce the share of top 3 states – Karnataka, Maharashtra and Tamil Nadu, from over 80% in FY2021 to around 60-65% by FY2025. In addition to organic growth, CA Grameen will be exploring various inorganic growth opportunities which provide access to new products or new markets, aiding to overall business diversification.

Vision 2025

Further, as part of our Vision 2025, on the path to be a "Single Channel" for all lifecycle financial needs, CA Grameen is developing various innovative products designed based on the evolving needs of our core target customer base. Examples of projects in pilot phase include:

PAYMENT PRODUCTS

Allow customers to make secure and easy to undertake cash transactions and bill payments from their bank accounts. CA Grameen has piloted the products to allow cash withdrawals from a customer's bank account, and bill payments and mobile and direct to home recharges in cash, at the customer's doorstep. They will be gradually scaled up starting from FY2022.

SAVINGS AND INVESTMENT PRODUCTS

Fixed deposits and mid-term insurance savings. Customized products with limited complexity and documentation. Doorstep, micro-savings mode collection to ensure suitability. CA Grameen is currently exploring partners, products and processes.

INSURANCE PRODUCTS

Customised health insurance in the form of wage loss protection suitable for our customers has been successfully piloted. Two-wheeler insurance is the next target for our pilot through partnership, backed by our research that ~60% of our borrower families own two wheelers.

All these additional products address our key need to increase customer stickiness and build proprietary data to understand customer holistically. Further, it presents a good opportunity to generate stable fee income complementing the overall revenue profile.

Robust technology will play a key role in realization of various initiatives as part of our vision. Various IT initiatives will be planned to ensure –

- Scalability and stability: align the scale of robust core systems with business expansion plans. Ensure high uptime metrics.
- Operational efficiency and enterprise mobility: focus on automation using RPA. Develop single platform or unified app model for use simplicity.
- New product, customer experience: reduce time to market including 3rd party integrations for non-credit solutions. Continued focus on reducing TAT and other customer experience metrics.

DATA DRIVEN APPROACH

Maintain a single source of all data across organisation. Integrate data analytics into processes and decision making. Ensure robust governance on data integrity and availability.

TECHNOLOGY DELIVERY & EFFICIENCY

Ensure faster technology delivery along with high levels of quality.

INFRASTRUCTURE SECURITY & COMPLIANCE

Ensure robust information security & controls along with enhanced user access management.

STAKEHOLDER ENGAGEMENT

"Creating Value Together"

Effective stakeholder engagement helps translate stakeholder needs into organisational goals and creates the basis for effective strategy development. Discovering the point of consensus or shared motivation helps a group of stakeholders to arrive at a decision and ensure seamless flow of operations which result in meaningful outcome.

We regularly engage with our stakeholders including customers, local communities, employees, shareholders, lenders, investors, regulators, credit rating agencies and other business partners to identify and understand stakeholders' issues and concerns. The outcomes are then incorporated in decision making process to meet the stakeholder expectations.

Modes of Engagement	Frequency of Engagement	Purpose & Scope of Engagement
Customers		
Centre Meetings, House Visits, SMS, Audio/Video Messages, Pamphlets, Notice Board, Interaction at Branches	Weekly	Understanding customer's financing needs, tracking local issues & concerns, conducting social awareness initiatives for educating customers
Local Communities		
Newspaper, Pamphlets, Meetings	Continuous Basis	Undertaking various support initiatives as part of Company's CSR program
Employees		
Internal Newsletters, Communication Circulars, Trainings, Supervisory Interactions, Scheduled Visits	Continuous Basis	Continuous development, alignment of organisational objectives, operational awareness
Shareholders, Investors, Credit Rating Agencies, Lenders, Regulators, Other Business Partners		
Meetings, Calls, Website, Newspaper, Email	Quarterly / Need-based	Updating on business performance and outlook, financial results, industry developments, addressing key issues & concerns

OUR MATERIAL ISSUES

"Tackling the Priority Topics"

Material issues are those issues which have a direct or indirect impact on organisation's ability to create value over a period of time. Hence, it is imperative that there must be a consensus between the management and the stakeholders as to which issues need to be addressed on priority in order to achieve organisational short, medium and long term goals. Some of the material issues are discussed in this chapter.

Material Topics	Response	Capitals Impacted
Effect of COVID-19 on business (Economic Performance)	Despite the pandemic hit year, the Company has been able to deliver robust business growth and strong operating profitability, comfortably absorbing the increase in credit cost during the year. The Company continued to maintain best-in-class operating efficiency, healthy liquidity and capital position. With near normal repayment rates and significant containment of asset quality stress as on March 2021, the Company is well-placed to navigate the second wave of COVID-19 pandemic and deliver robust growth and profitability going forward.	
Employee training and development on COVID-19	The Company developed learning management system that helped trainers to train candidates on virtual platform and also impart self-learning for employees. The training activities did not pause due to COVID-19. The staff was equipped with the know-how of tackling the pandemic and ensure business continuity in uncertain times. The learning management system helped us to train large number of candidates and remotely recruit employees in a hassle-free manner.	
Community Engagement Programmes	Considering the economic and social hardships faced by communities in our operational geographies due to outbreak of COVID-19 pandemic, the Company decided to focus its CSR activities towards helping the local administration and communities to deal with COVID-19 inflicted challenges. Our field employees closely engaged with local government authorities at state and district level, healthcare centres, district health officers, medical officers and municipal commissioners to plan the support initiatives and fight against the disease.	
Corporate Governance and Compliance	Strong governance and compliance is imperative for sustainable growth over long term. The Company has highly capable management team consisting of functional CXOs supported by experienced core team members. The Company's operations are overseen by strong Board of Directors from varied industry experience, providing valuable guidance and direction.	

Financial Capital
Social and Relationship Capital
Manufactured Capital
Natural Capital
Human Capital
Intellectual Capital

PERFORMANCE

Our community-centric strategic business model creates capitals which power our operations to generate value for the stakeholders. Despite the pandemic, CA Grameen has been able to post strong numbers both in financial and non-financial aspects. The following sections will provide a glimpse of our detailed performance.

FINANCIAL CAPITAL

"Investing in Tommorrow, Together."

Interlinked SDGs

Our business operations are aimed towards empowering rural women with the access to need-based credit required for their economic activities and livelihood support

Strategic Focus

To build a sustainable business model to create both short-term and long-term value for all the stakeholders

Future scope

Achieve well-diversified base of lenders and investors across the world, incorporating ESG into the financial decision making

FY2021 KPIs (Consolidated)

Total Income
₹ 24,460.72 million

Pre-Provision Operating Profit
₹ 9,517.61 million

Profit After Tax
₹ 1,314.03 million

Adjusted Profit After Tax
₹ 2,599.98 million[1]

ROA% / Adjusted ROA%
0.93% / 1.84%[1]

ROE% / Adjusted ROE%
4.04% / 7.90%[1]

Liquidity
₹ 24,843.78 million of cash & cash equivalents amounting to 16.5% of total assets

Debt capital raise
₹ 80,657.73 million

Equity capital raise (QIP)
₹ 8,000.0 million

Capital Adequacy Ratio
26.79% (31.75% standalone)

Debt/Equity
2.88[2]

1) Figures adjusted excluding the impact of accelerated write offs and additional COVID provisioning of Rs 1,122.10 million, and tax impact thereof
2) Debt/Equity = (Debt = Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities)/Equity

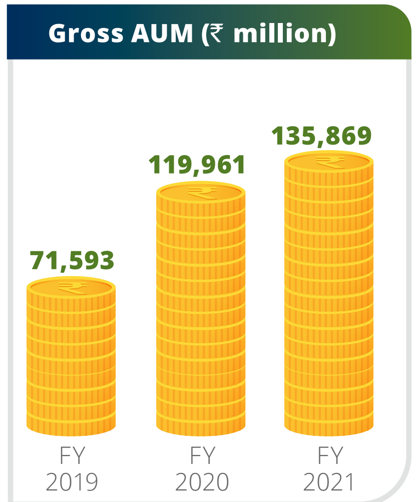
Financial capital is the key raw material to support the growth of every lending institution. Availability of timely and cost-efficient financial capital, both in form of debt and equity, is paramount to ensure sufficient liquidity, strong capital adequacy and deliver consistent growth and profitability across multiple business cycles. CA Grameen is committed to maintain a well-diversified and dynamic liability profile which ensures balance across varied lenders, instruments, maturities, and geographies.

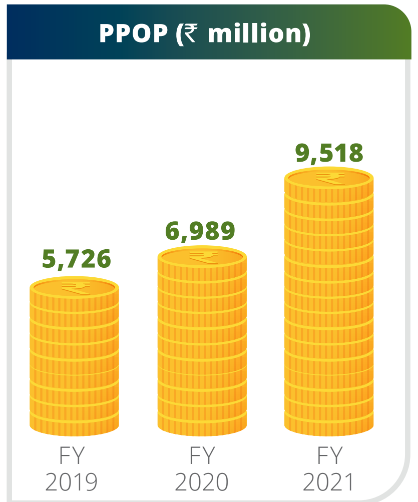
The objective is to create sustainable financial products and services for the inclusive growth. Our prudent financial resource management has resulted in best in class credit rating, which in turn provides us with more avenues to raise capital and increase the spread of lending to larger rural population.

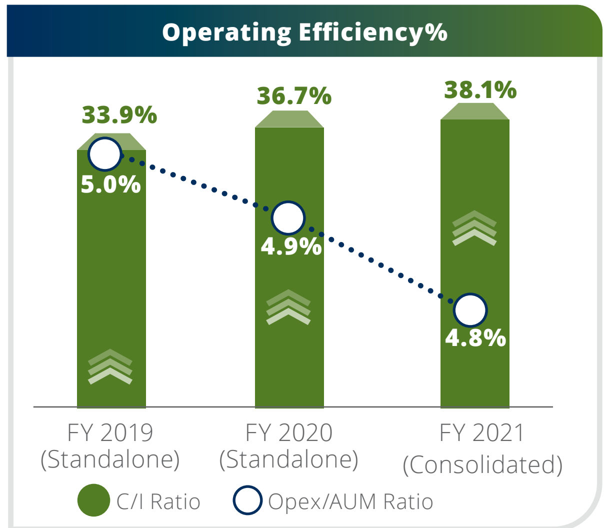
Given that the Company predominantly operates in unsecured micro-credit loans, internal policy stipulates to consistently maintain capital adequacy above 20% (higher than 15% as required by RBI norms) and D/E ratio below 4.0x. On the back strong performance track record, robust balance sheet, stable credit rating, strong parentage, adequate liquidity and capital position, CA Grameen has always received consistent support from lenders and access to cost-effective financial capital from both domestic and global lender base.

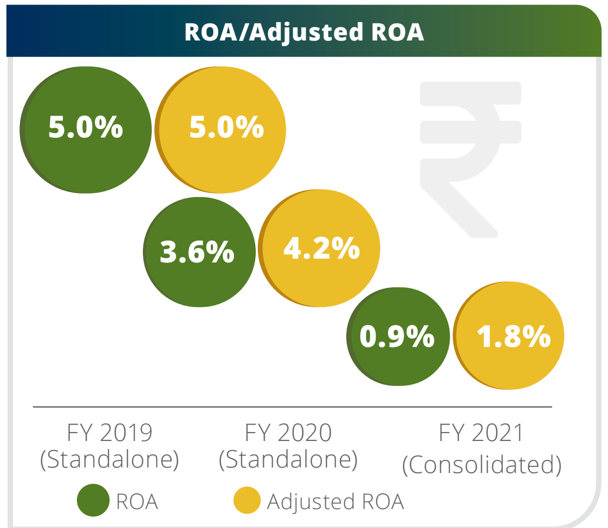
Performing through the pandemic

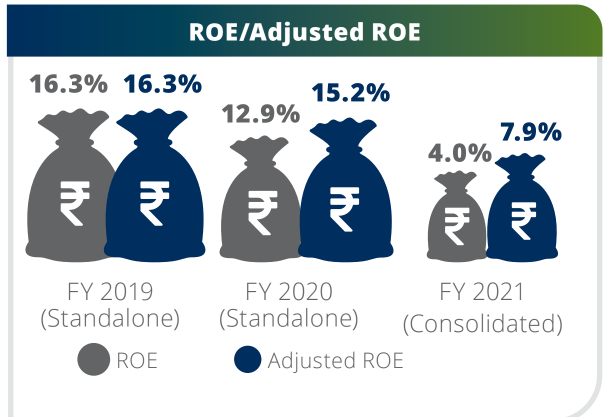
Despite FY2021 was impacted by COVID-19 pandemic, the Company has been able to deliver 13.26% growth in gross loan portfolio to reach ₹ 135,868.70 million with an active borrower base of 3.91 million, further strengthening the leadership position in the microfinance industry. The Company recorded highest total income of ₹ 24,460.72 million and Pre-Provision Operating Profit of ₹ 9,517.61 million during FY2021.

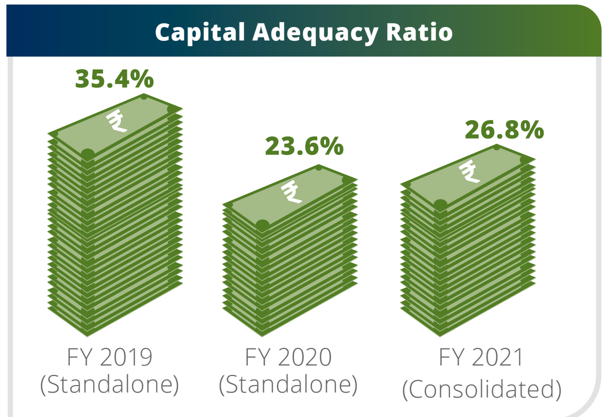


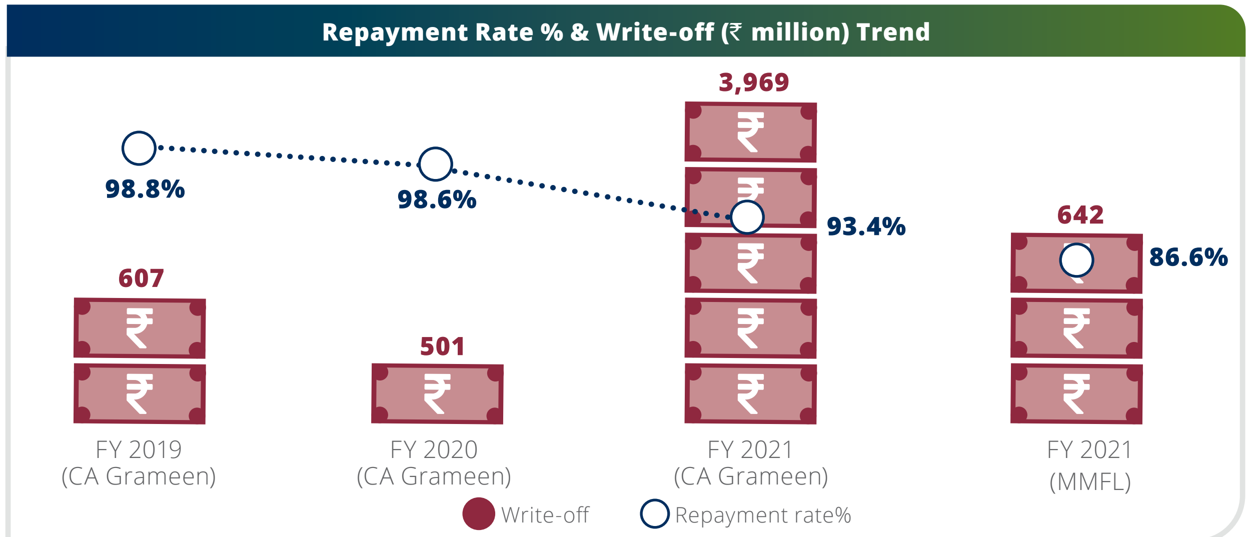












Note: 1) Gross AUM represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by the Company as of the last day of the relevant period as well as loan assets which have been transferred by our Company by way of securitization or assignment and are outstanding as of the last day of the relevant period, excluding the Ind-AS adjustments.
2) Opex/AUM ratio = Operating costs/ quarterly average Gross AUM. Operating costs include fee and commission expense, employee benefits expenses, depreciation and amortization expenses and other expenses
3) ROA = PAT/Average. Quarterly Total Assets (including direct assignment sold portion), ROE = PAT/Average Quarterly Total Equity
4) Adjusted ROA & ROE are calculated excluding the impact of accelerated write-off and additional Covid provisioning (₹ 1,122.10 million), and the tax impact thereof
5) Since there was loan moratorium applicable during Apr-2o to Aug-20, FY21 repayment rate is calculated over September 01, 2020 to March 31, 2021.

The pandemic however led to increase in credit cost (provisions + write-offs) during FY2021. Higher credit cost led to decline in overall net profits. However, the Company continued to maintain best-in-class operating efficiency, healthy liquidity and capital position. With near normal repayment rates and significant containment of asset quality stress as on Mar-21, the Company is well-placed to navigate the second wave of COVID-19 pandemic and deliver robust growth and profitability over coming years.

	CA Grameen			MMFL
Asset Quality (% of Gross AUM)	**FY2019**	**FY2020**	**FY2021**	**FY2021**
PAR 0+ %	0.81%	1.89%	5.21%	14.04%
PAR 60+ %	0.55%	1.51%	3.49%	6.78%
PAR 90+ %	0.46%	1.23%	2.91%	4.71%

Asset – Liability Management

CA Grameen has always been committed to maintain a positive ALM mismatch, with average maturity of assets being consistently lower than average maturity of liabilities. This has helped the Company to withstand multiple credit crunch events without impacting the liquidity position.

Strong Credit Ratings

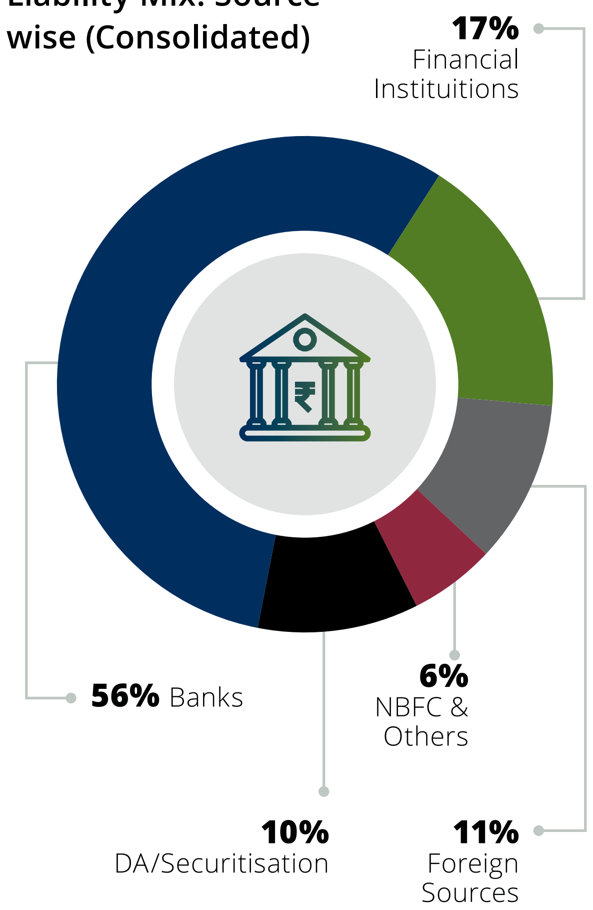
Given the pandemic and uncertain economic climate, CA Grameen has received A+/A1 Stable rating from leading rating agencies in India. This gives the financial stability to our short-term and mid-term operations.

Rating Instrument	Rating Agency	Rating/Grading
Bank facilities	CRISIL ICRA Ind-Ra	A+ (Stable) A+ (Stable) A+ (Stable)
Non-convertible debentures	CRISIL ICRA Ind-Ra BWR	A+ (Stable) A+ (Stable) A+ (Stable) A+ (Positive)
Subordinated debt	ICRA	A+ (Stable)
Commercial Paper	ICRA	A1+
Comprehensive Microfinance Grading (Institutional Grading/Code of Conduct Assessment (COCA))	CRISIL/SMERA	M1C1
Social Rating	M-CRIL	∑α
Social Bond Framework	Sustainalytics	Certified

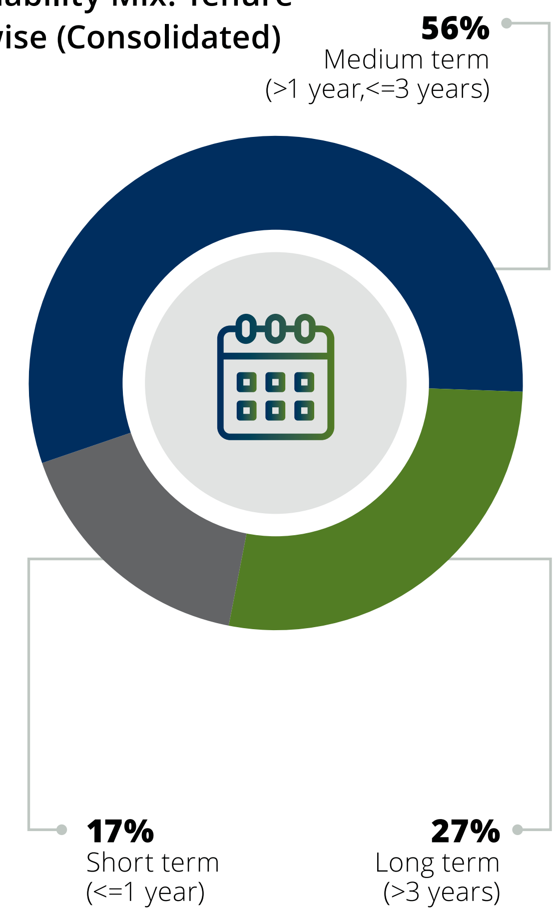
Diversified Liability Profile

The Company has a well-diversified base of consisting of 40 banks, 3 financial institutions, 10 NBFCs and 8 foreign institutional investors on a consolidated basis as on March 31, 2021.

Liability Mix: Source wise (Consolidated)



Liability Mix: Tenure wise (Consolidated)



Strengthening stable & diversified funding to manage

Going forward, the Company aims to focus on maintaining a healthy mix between domestic and foreign sources. The Company targets to raise 15-20% of incremental debt through longer term foreign borrowings in form of ECBs/ NCDs from global FIIs/ FPIs, impact investors, multilateral/ bilateral institutions, development finance institutions, banks etc. Efforts will be taken to broaden the domestic sources in addition to banks, NBFCs, financial institutions by tapping Mutual Funds, HNIs & Family Offices. Recently, CA Grameen secured a new avenue of raising domestic funds through retail/HNI public issuance in Mar-21 in form of market linked debentures (MLD) worth ₹ 500.00 million. The Company will be working towards obtaining international credit rating from globally recognized rating agencies to enable the Company to raise foreign currency borrowings from global capital markets, in addition to rupee-denominated borrowings being raised historically. Further, there will be focus on targeting ESG funds from global investors & lenders over coming 3-5 years.

SOCIAL AND RELATIONSHIP CAPITAL

"Empowering community by building trust and social upliftment"

Interlinked SDGs

Our business operations are focused on financial inclusion and community development through dedicated CSR activities helping in livelihood generation, skill development, education and water management, sanitation etc. and have direct or indirect interlinkage with SDG 1, 2, 3, 4, 5, 6, 8, 9

Strategic Focus

To strengthen relationship with the stakeholders to achieve common but differentiated goals.

To bring about the socio-economic change through Company's operations and CSR activities

Future scope

Incorporate strategic CSR aligned with business goals, & sustainable long-term growth

FY2021 KPIs (Consolidated)

3.9 million
Women borrowers

Total CSR spend
₹ 97.31 million

Total COVID-19 support spend
₹ 28.24 million

Total institutions provided with COVID support
11,248

Education loans disbursed over last 3 years
703,110

Water connection loans disbursed over last 3 years
96,742

Sanitation loans disbursed over last 3 years
557,838

Home improvement loans disbursed over last 3 years
711,164

Highest comprehensive MFI grading (standalone)
M1C1 from CRISIL

Standard comprehensive social rating (standalone)
Σα with positive outlook from MCril

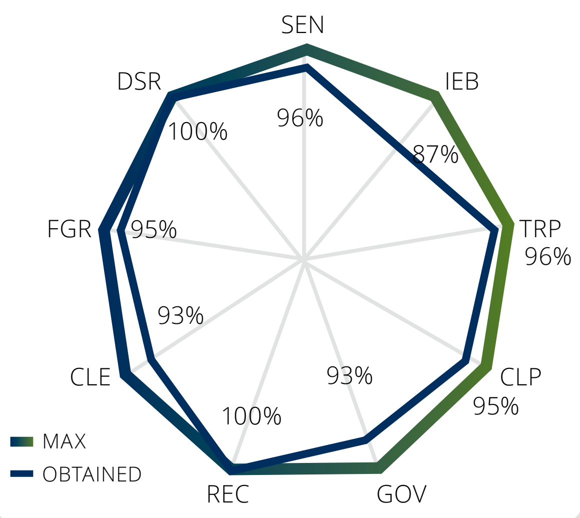
CA Grameen strongly believes in building strong relations with all the partners across the value chain for achieving mutual socio-economic growth. On a consolidated basis, as on 31st March 2021, we serve around 3.9 million women borrowers through 1,424 branches across fourteen states and one union territory with 14,399 employees. Strong Client Protection Principles, Responsible Financing, and Social Values continue to reflect in CA Grameen's positioning in the industry with relevant products and processes. The Company believes in aligning business priorities with social responsibilities, ensuring timely contribution towards community welfare and improve quality of life, across our operating geographies.

Social Performance Milestones

COMPREHENSIVE MFI GRADING (COCA + COMPANY GRADING)

The credit rating agency CRISIL has re-affirmed 'M1C1', industry's top MFI grading, to CA Grameen signifying 'Highest' capacity (M1) of the institution to manage its operations in a sustainable manner and 'Excellent' performance (C1) 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. The organisation has complied with stipulated regulatory guidelines and Code of Conduct principles. A board-approved fair practices code is in place.

CoCA 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

STANDARD COMPREHENSIVE SOCIAL RATING

The standard comprehensive social rating of CA Grameen is ∑α, with a 'Positive' outlook, affirmed by MCril - a microfinance rating agency certified by the Rating Initiative, Luxembourg. The social rating provides a comprehensive assessment covering the context, mission clarity and alignment of systems, performance on client protection principles, portfolio analysis, client profiling and client feedback regarding MFIs' products and services.

CLIENT PROTECTION CERTIFICATION BY SMART CAMPAIGN

CA Grameen 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. 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 encompasses core Client Protection Principles to help financial service providers practice good ethics and smart business.

Performance Highlights (Standalone)

MEETING CLIENT REQUIREMENTS AND QUALITY OF SERVICE

Products and processes are designed by CA Grameen to cover all the lifecycle needs of our customers. Various loans are provided, under group lending model, at different intervals to customers to enable them to have sustained growth in both life and business activities. While Income Generation Loans (IGL) are provided to support their economic activities, Non-IGL loans include education loans, emergency loans, festival loans, medical loans, LPG loans, water/ sanitation loans, home improvement loans etc. Graduated customers looking to scale up their businesses are provided higher ticket individual loans, under retail finance segment.

LEVEL OF AWARENESS

Customers are contacted on a regular basis by Grievance department of the Company through a tele-calling team to understand the levels of awareness on various areas. Around 2% of customers were contacted during the year.

Total awareness calls made:
46,608 (standalone)
Topics of awareness: insurance, loan products, branch address and contact numbers, loan passbook, bank accounts, credit bureau, interest and fees, complaint box, toll free redressals
Minimum awareness level %: 97 %

CLIENT FEEDBACK

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

FEEDBACK ON PRODUCTS AND SERVICES

Feedback from customers is taken to measure their satisfaction levels regarding our products, services, processes, staff behaviour. Around 2% of customers were contacted during the year. 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.

Total Feedback Calls: 44,782 (standalone)

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 are categorized as queries and requests from the customers, besides complaints. At a standalone CA Grameen level, a total of 5,367 customer grievances were received in FY2021, and 99.9% of the grievances were resolved. Further, among the complaints received, 81% were general grievances, out of which 90% were resolved with a turnaround time of less than 7 days.

RESPONSIBILITY TO STAFF

To achieve our goal of inclusive development, we consider it as our responsibility to nurture young workforce from rural and semi-urban communities and enable them to gainfully work with us. Our preference is towards recruiting fresh talent from our customer families. We provide pre-hiring training to prospective employees followed by extensive post-hiring training to help employees develop the required skills and explore internal growth opportunities. Right training helps to inculcate the organisational culture and build synergistic environment between employees and customers. We 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. 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. We provide 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.

JAGRUTI – CHANGING CUSTOMERS' LIVES

The concept of Jagruti was introduced by CA Grameen to create socio-economic awareness among our customers. Instead as an initiative, Jagruti was placed as a trusted friend of our customers who shares her life stories through her letters. Topics covered in the letter include health management, food and nutrition, children's care, financial literacy, sanitation, and many more. The information reaches our customers through our loan officers during centre meetings. To make the dissemination process convenient, a digital platform was introduced wherein the Jagruti letters are made accessible on mobile, tabs, and desktop.

Further details can be found in our Social Performance Management Report on Page 87.

Number of topics discussed:
482 (standalone)

Number of families touched:
2.8 million customers (standalone)

CORPORATE SOCIAL RESPONSIBILITY (CSR)

"Providing the Positive Social Value"

At CA Grameen, we believe in incorporation of a holistic CSR perspective within firm's strategic planning and core operations so that the firm is managed in the interest of a broad set of stakeholders, particularly the community, to achieve maximum economic and social value over the medium to long term. Though there have been several community-centric initiatives undertaken by the organization as its CSR initiatives, last year efforts have been inclined towards combating and building resilience against COVID-19 pandemic by building awareness, enhancing immunity and support the vulnerable and the affected by developing partnerships and joint programmes. Apart from this, we were able to work on our legacy CSR programmes such as Sandbox and Sushikshana, which consist of activities in the areas of sustainable agriculture, COVID-19 linked livelihood generation, student awareness, etc.

Sandbox outreach: (standalone)
Number of events:
96
Number of beneficiaries:
2,358

Sushikshana outreach: (standalone)
Number of schools covered:
338
Number of students impacted:
10,946

COVID-19 SUPPORT INITIATIVES

Considering the economic and social hardships faced by communities in our operational geographies due to outbreak of COVID-19 pandemic, the company decided to focus its CSR activities towards helping the local administration and communities to deal with COVID-19 inflicted challenges. Our field employees closely engaged with local government authorities at state and district level, healthcare centres, district health officers, medical officers and municipal commissioners to plan the support initiatives and fight against the disease.

This included distribution of -

- **PPE kits** (mask, sanitizers, hand gloves, shoe cover, spectacles, gown, cotton and spirit) to district hospitals
- **Health Kits** (50 masks, 50 sanitizers, 50 pairs of hand gloves) for frontline corona warriors like police departments, healthcare centres, Asha workers and Anganwadi workers
- **Grocery Kits** to frontline labourers, municipal workers, corporation departments, CA Grameen customers and general public
- **Thermal Scanners** to municipal office and police station

Type of Activity (Consolidated)	Number of Institutions/locations	Number of Beneficiaries	Number of Kits
Health Kits	10,037	494,791	14,650
Grocery Kits	697	10,626	10,563
PPE Kits/Quarantine Center Items	8	615	195
Thermal Scanners and other items	352	52,294	350
Disposable Protection Materials	154	7,500	154
Total	**11,248**	**565,826**	**25,912**

CA Grameen also provided Grocery Kits to COVID-19 positive customer families and helped them recover and resume with their livelihoods.

Further details regarding our CSR activities can be found in our Corporate Social Responsibility Report on Page 125.

HUMAN CAPITAL

"By the Community, for the Community."

Future scope

Continuous training of workforce to build quality, capacity and technical expertise

Strategic Focus

To foster a creative, value-centric work culture, for both personal and professional growth of our employees

Interlinked SDGs

- **3 Good Health and Well-Being**: Employee well-being is of paramount importance to us
- **5 Gender Equality**: We strive for gender equal work culture and employment opportunities
- **8 Decent Work and Economic Growth**: Our unique learning and development platforms promote both personal and professional enhancement of our workforce
- **10 Reduced Inequalities**: We strive to provide need based financial and developmental solutions to our customers from low-income rural under-banked households, empowering them to tap new employment avenues and improved standard of living

FY2021 KPIs (Consolidated)

- New employee hires: **5,487**
- Confirmed employees turnover: **22.90%**
- Employees availing parental leaves: **320**
- Average training hours per employee: **44 hours**
- % of employees receiving regular performance and career development reviews: **62.98%**
- Number of employees: **14,399**
- % of young workforce (18-35 years): **93.09%**
- % of women workforce: **10.38%**
- % of employees from local community: **97.92%**
- % of eligible field workforce receiving incentives during pandemic: **100% (CA Grameen), 72.33% (MMFL)**
- Microfinance Organisation of the year - **2nd consecutive year**
- Great place to work **2nd consecutive year**

Human capital is the most valuable asset in the microfinance business as it is highly people intensive, involves working in deep rural environment, nurturing large number of customer relationships, understanding unique needs of under-banked customers and ensuring high levels of customer satisfaction. Indian microfinance landscape is a complex operating domain due to its diversity. There is no one size fits all business model that can be replicated throughout the market. In order to achieve the organisation's goals, highly efficient human capital management is required. CA Grameen strongly abides by its Vision to be Committed, Reliable, Empathetic, Accountable, Transparent, Efficient (CREATE) and Learning Agility, which extends to the aspects of our employee engagement. Building an environment of trust and mutual respect is one of the Company's constant endeavor. While there is a challenge in attracting the right talent as well as retaining them, the Company has been able to build and implement practices which have helped in retaining talent. This has helped CA Grameen to demonstrate lower employee attrition compared to industry. The Company has been awarded with "GREAT PLACES TO WORK – CERTIFIED®" for two consecutive years - Feb 2020 to Jan 2021 and Feb 2021 to Jan 2022 and India's 30 Best Workspaces in BFSI - 2021.

Geographical employee distribution

EMPLOYEES			CA Grameen	MMFL
STATE	**FY2019**	**FY2020**	**FY2021**	**FY2022**
Karnataka	3,403	4,001	▼ 3,929	231
Maharashtra	2,080	2,548	▼ 2,435	466
Madhya Pradesh	1,042	1,348	▲ 1,364	0
Tamil Nadu	991	1,348	▼ 1,298	2,089
Chhattisgarh	347	421	▲ 414	0
Odisha	153	269	▲ 282	323
Jharkhand	0	194	▼ 190	0
Rajasthan	0	153	▲ 182	0
Bihar	0	169	▲ 179	273
Gujarat	0	131	▲ 134	0
Uttar Pradesh	0	104	▬ 104	0
Kerala	38	121	▼ 97	253
Puducherry	5	10	▼ 9	41
Goa	5	7	▲ 8	0
West Bengal	0	0	▬ 0	98
TOTAL	**8,064**	**10,824**	▼ **10,625**	**3,774**

Local Employment Generation

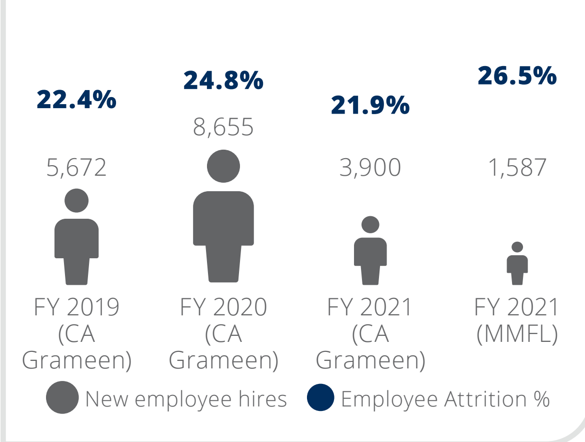
The Company does not want to restrict itself to the realm of only credit provider and be the financial partner to the customers. It wants to transcend the existing boundaries and be the employment provider as well as be the growth partner of the customers and the community. We strongly believe that locals have better understanding of the requirements of rural customers and help them with right solutions Hence, our aim to hire the people from the local community for our field operations and provide them with ample learning and development opportunities to rise in the corporate ladder.

This creates a holisitic HR model which leads to mutual growth.

% of employees from the local community (hired from native state)
CA Grameen **97.83%**
MMFL **98.49%**

The Company hires loans officers at entry levels, primarily fresh candidates from rural background. In case of majority of loan officers, CA Grameen is the first employer. Further, many loan officers are from families of active customers. After gaining enough experience, loan officers are promoted internally to take up bigger and more important roles. The loan officers are also given an opportunity to work on cross-functional basis in other roles like audit, quality control, field risk etc. This helps in the overall development of the workforce.

New Employee Hires & Employee Attrition %

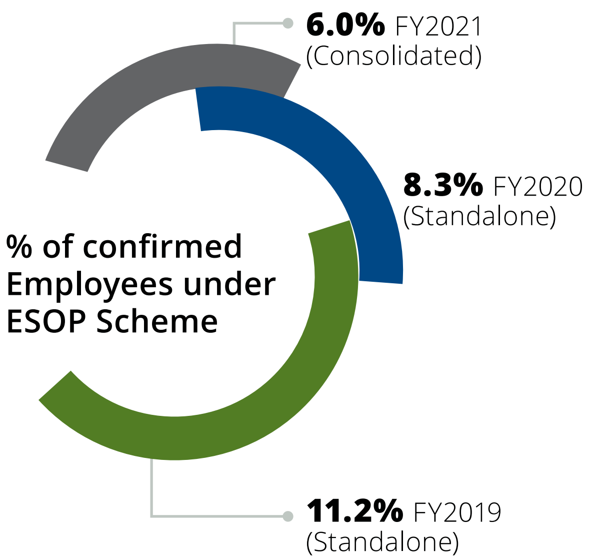


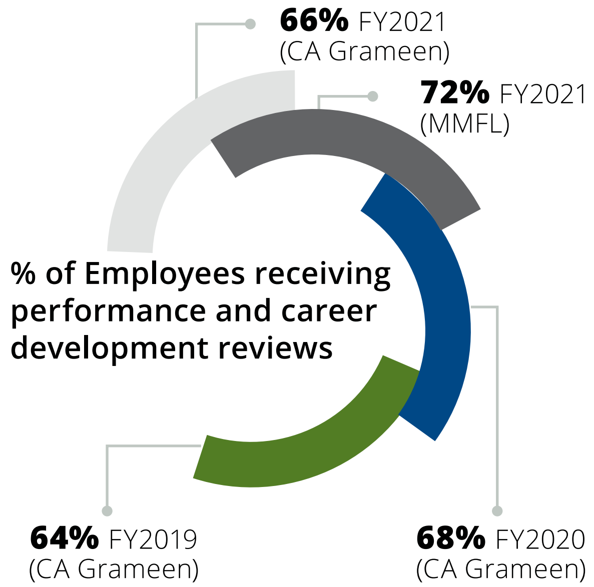
Banking on a Unique Incentive Structure

Conventional incentivization structure for the field workforce is primarily linked to the disbursements and collections. This can potentially lead to problematic scenarios related to aggressive lending and recovery practices. Thus, CA Grameen's field workforce, comprising of loan officers, branch managers and area managers have a unique incentive structure which is not linked to disbursements or collections. The incentives are linked to three factors – i) number of customers served, ii) number of new customers trained, and iii) Operating process quality at branch based on audit grade (determined within avg. 60 days). Even in adverse situations when both disbursements and collections get impacted due to external disturbances, the incentives are protected so that field workforce feels secure and can focus more on stabilizing the operations. Further, it encourages the field officers to focus more on superior customer service, relationship building and strict adherence with the operating processes and controls. In the current pandemic situation, entire field workforce received their monthly incentives.

Fostering Employee Well-being

Due to people intensive nature of business operations, it is imperative for the organisation to look after employee well-being and constantly make efforts to improvise from where the Company stands in terms of benefits, rewards and recognition. The monetary and non-monetary incentives provide a means of appreciation and help in maintaining motivation level to perform day to day challenging tasks.





% of eligible field workforce receiving incentives during pandemic
CA Grameen **100%** | MMFL **72.33%**

Our employee benefits are unique and go beyond industry standards. In addition to Annual Performance Bonus, the Company has also implemented an ESOP scheme for eligible employees. The Company also has innovative benefits like gifts on birthdays, weddings, sibling wedding and for children, parental leaves, staff loans and insurance. The 5-days week work schedule of the Company is unique for microfinance industry. The Company has been providing other facilities like guest house/ accommodation arrangement for its entire field workforce. 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.

Benefits	Full Time Employees	Trainees
Wedding Gift	Max up to one-month Basic salary	Max ₹200
Child Gift	Max up to ₹2000/-	Max ₹200
Bonus	Statutory/ Performance Bonus	Statutory Bonus
Earned Leave	Eligible	Not eligible during training period
LTA	Yes	No
Gratuity	Yes	No
Increment	Yes	No
Staff Loans	Eligible subject to certain conditions	Not eligible
Paternity leave	10 days, subject to certain conditions	Not eligible
PF	Eligible	Eligible
Insurance benefits	ESIC/Medical/Life/Hospitalization	ESIC/Medical/Life/Hospitalization

Encouraging Employee Upskilling

CA Grameen aims to bring innovation to the field of microfinance by creating new sustainable products and services. In order to provide these to the customers, our employees need to be dynamic and be prepared for lending and recovery of these financial instruments. Not only our field workforce, but also our leadership team and upper management employees are constantly ameliorating their skills and knowledge to stay ahead of the curve. For this, the Company developed learning management system that helped trainers to train candidates on virtual platform. This includes various learning modules and videos developed to impart self-learning for employees. The training activities did not pause with the advent of COVID-19. In fact, the staff was equipped with the know-how of tackling the pandemic and ensure business continuity in uncertain times. The learning management system helped us to train large number of candidates and remotely recruit employees in a hassle-free manner.

7,601 employees were trained on virtual platform on various aspects like roles, responsibilities, processes, controls, field force technology applications, leadership programs etc.

224 man-hours of training in induction, products, processes, soft skills, leadership and others

The Company has an effective in-house training facility. It manages, develops and realizes the knowledge and full potential of our employees at an individual, team-based and organisation-wide level by providing different types of training to employees of different functions and seniority.

3 - Number of employee-related COVID-19 awareness programmes

This consists of i) 15-21 days basic (pre-hiring) training program conducted for trainees to prepare them for field operations, which includes field training at one of our branches, ii) refresher training program conducted frequently in accordance with operational requirements, iii) orientation program conducted for promoted field staff and new employees at head office, iv) induction training for all lateral hires, v) departmental process training programs conducted for all new recruits and promoted employees, vi) leadership training programs, tailored according to the seniority. All training programs are designed based on objectives, targeted groups of employees, skills and capabilities required for field operations.

2,817 - Number of new members inducted under safety induction initiative

Employee Grievance Redressal Mechanism

CA Grameen encourages its employees to raise their concerns to the management through proper mechanism for timely redressal. The concerned employees are given fair hearing while ensuring there is no victimization for raising their grievance. Strict confidentiality is maintained with regards to the employee and grievance information. It is the responsibility of the grievance redressal cell to coordinate the entire grievance process in coordination with the respective department heads. There is well-defined escalation matrix which routes the issue to grievance officer, HR head followed by MD & CEO in case of delayed resolution. The employee grievance procedures are reviewed and updated by HR head on an annual basis.

Number of parental leaves taken by employees: **211 (91.4 % were paternity leaves)**

Query Type	FY2020 (standalone)			FY2021 (standalone)		
	HR Queries	Payroll Queries	Grand Total	HR Queries	Payroll Queries	Grand Total
Open	40	0	40	27	0	27
Responded	169	156	325	184	587	771
Closed	31	718	749	18	9	27
Grand Total	240	874	1,114	229	596	825

Employee Diversity and Inclusion

Employee diversity and inclusion are necessary for our business operation. Our Company engages to myriad of customers across various geographies. Delivering financial services to the masses required multi-faceted talent force with rich experience, ideas and perspective, leading to creation of new products and services or improved efficiency of the existing ones. This creates a healthy pool of human capital with assorted skillsets to achieve the common objectives of the Company.

Male to Female reduced from **11.6:1 to 8.6:1** on YoY basis

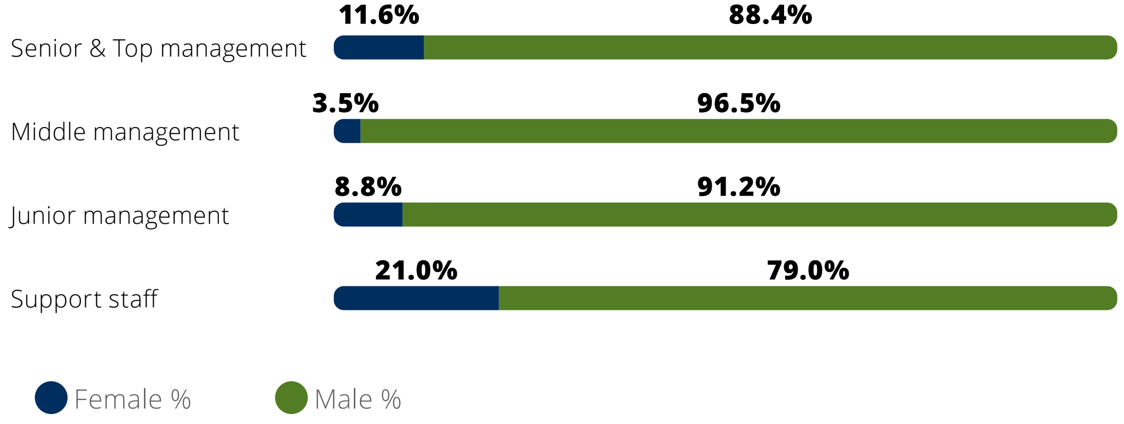
11.58% of the workforce in Senior & Top Management are women

93.09% of young workforce (18-35 years)

Ours is an equal opportunity employer as well. Not only we target women loan beneficiaries, we also encourage and extend employment opportunities to women and strive to reduce the gender parity in this industry. This creates an additional opportunity for rural women where they can act as the direct participants and the main drivers of local economy.

Employees			
Gender Parity	**FY2019 (Standalone)**	**FY2020 (Standalone)**	**FY2021 (Consolidated)**
Female	611	858	1,495
% Female	7.58%	7.93%	10.38%
Male	7,453	9,966	12,904
% Male	92.42%	92.07%	89.62%
Grand Total	**8,064**	**10,824**	**14,399**

Gender Parity Across Employee Grades (Consolidated)



With a unique recruitment strategy of hiring the family members of the customers, CA Grameen transcends the definition of its goals of financial inclusion and has made customers a greater stakeholders in the Company and vice-versa. It has created a model of mutual growth wherein the human capital inclusion is also incorporated.

MANUFACTURED CAPITAL

"Infrastructure for Good"

Strategic Focus

To continue with contiguous district-based expansion to further deepen our rural presence and provide both physical and financial infrastructure to low-income rural under-banked households

Future scope

To create an integrated digital network which compliments the physical infrastructure with access to digital solutions

Interlinked SDGs

Extensive branch network spread across deep rural regions to provide resilient financial as well as physical infrastructure for all the stakeholders

FY2021 KPIs (Consolidated)

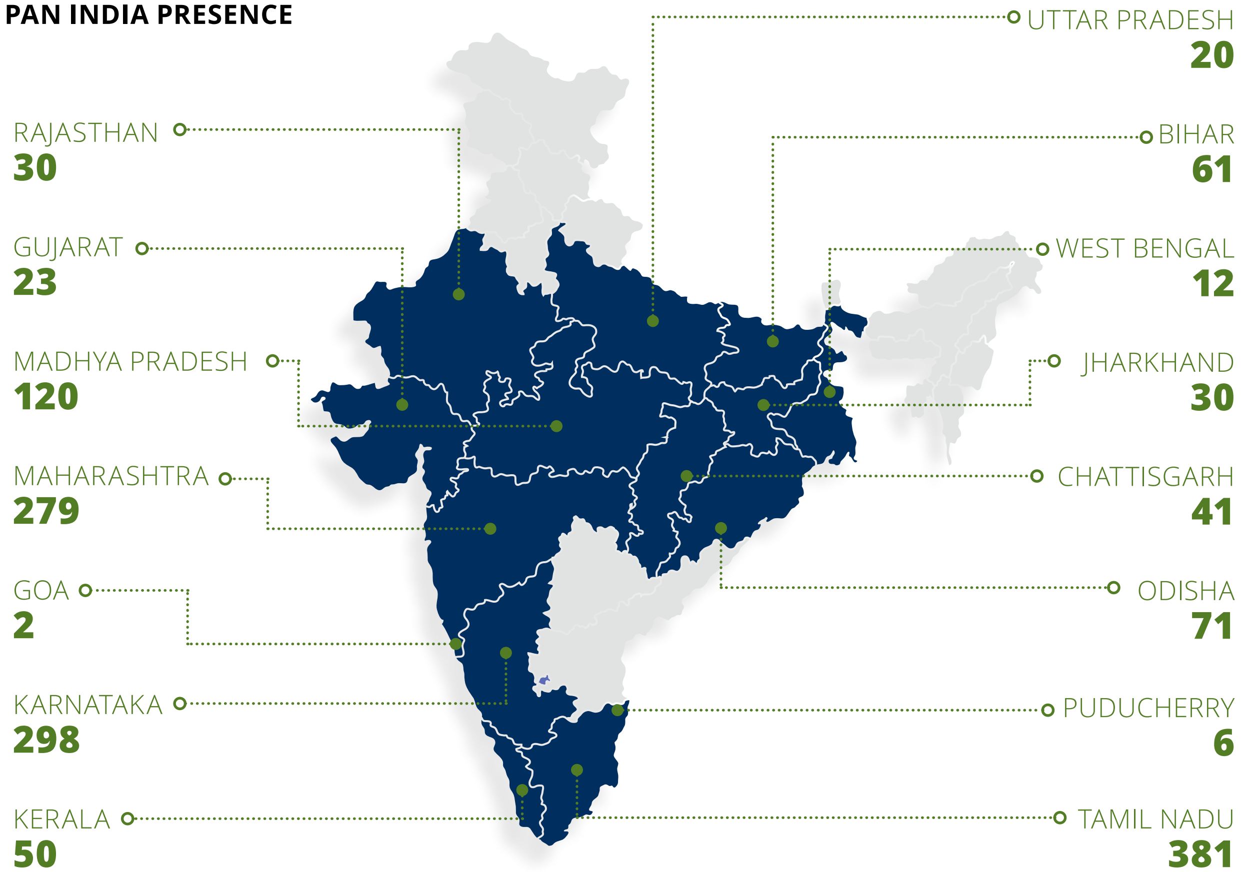
Pan India presence in **14 states** and **one** union territory

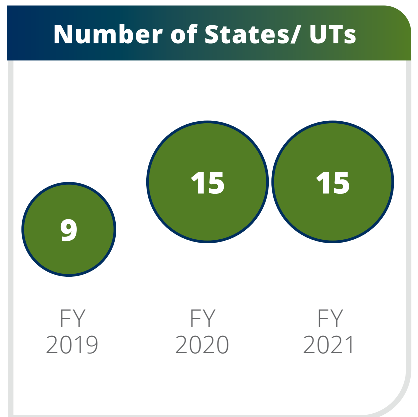
1,424 branches across **265 districts**

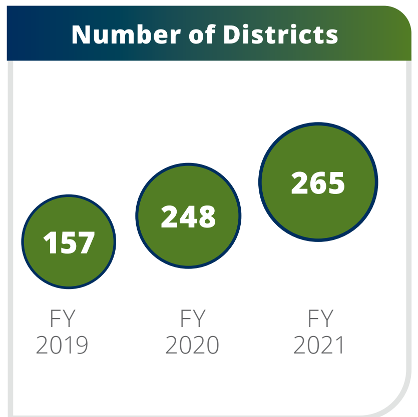
15 regional/ divisional offices/ processing centres

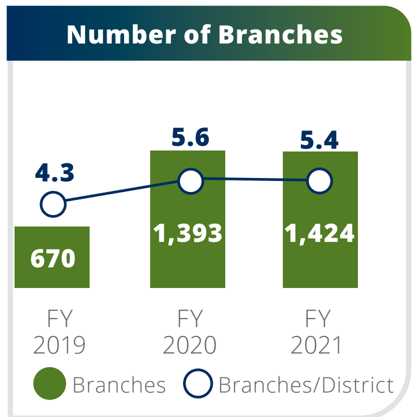
Being the largest NBFC-MFI in India, CA Grameen continues to spread its presence across India primarily focusing on penetrating deep rural markets with a continued thrust on financial inclusion. As on Mar-21, on a consolidated basis, CA Grameen covered 265 districts in the 14 states (Karnataka, Maharashtra, Madhya Pradesh, Tamil Nadu, Kerala, Odisha, Chhattisgarh, Goa, Bihar, Jharkhand, Gujarat, Rajasthan, Uttar Pradesh, and West Bengal) and one union territory (Puducherry) in India through 1,424 branches and 15 regional/divisional offices.

PAN INDIA PRESENCE





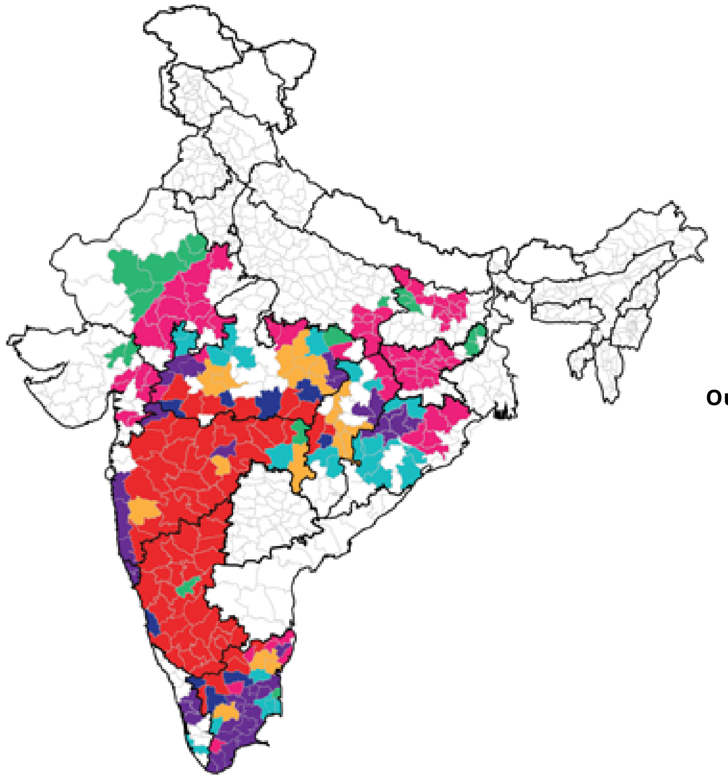




Driven by contiguous district-based expansion strategy, CA Grameen has managed to extensively cover every district that it enters, having around 5-6 branches per district, with each branch having an operating radius of 25-30 km. The well-diversified presence has ensured that no single district contributes more than 4% to consolidated Gross AUM as of Mar-21. Further, out of a total of 265 districts, around 88% districts individually account of <1% and 98% districts individually account for <2% of consolidated Gross AUM respectively.

Number of branches per district increased from 4.3 to 5.4 in last 3 FYs

Below is the representation of CA Grameen's contiguous branch expansion (refers to standalone information)



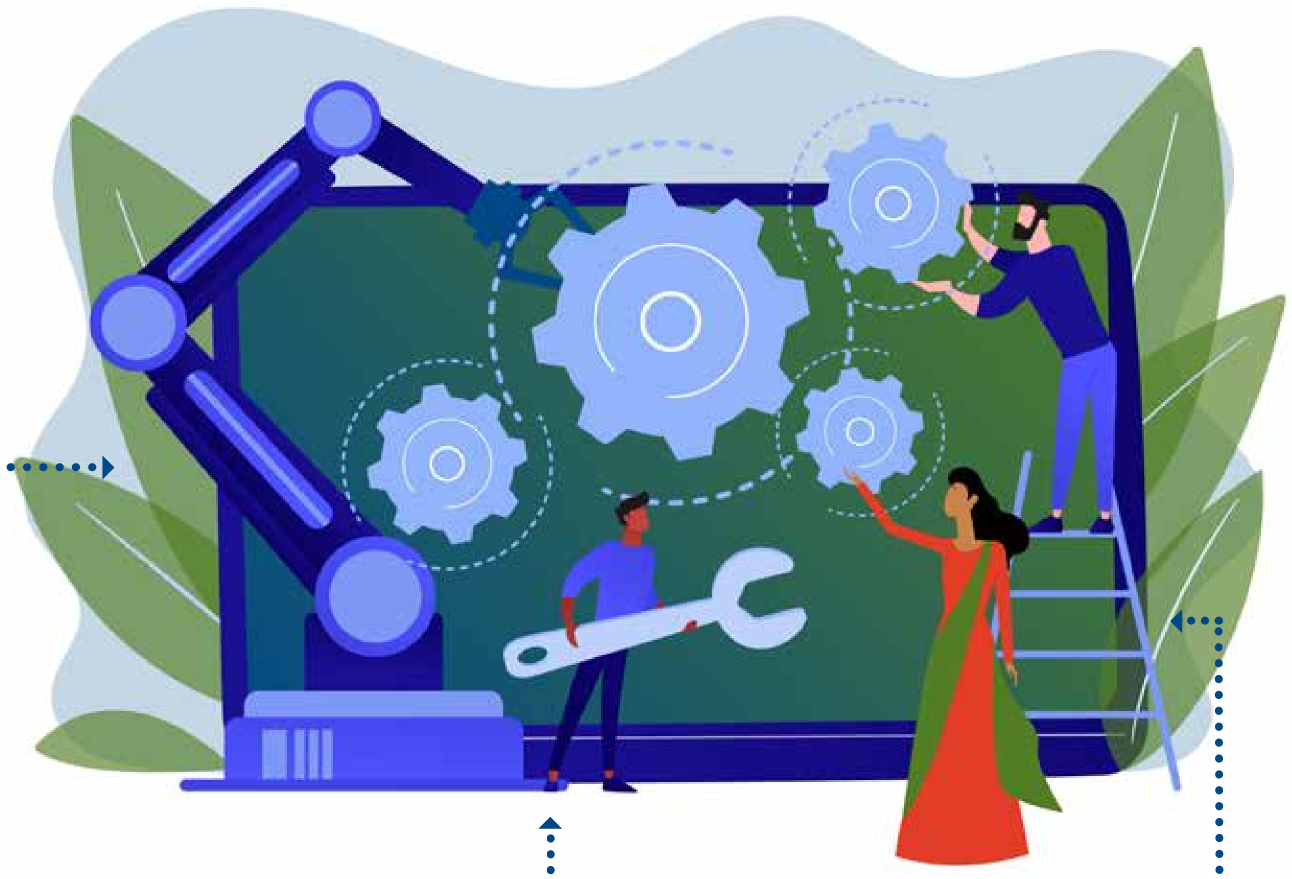
Our presence	Districts	New Districts added
2015	64	
2016	74	10
2017	96	22
2018	132	36
2019	157	25
2020	230	73
2021	247	17

For employee well-being, the Company branches also provide accommodation facilities to the branch staff, wherein the cost is borne by the Company. Given that the branch staff have long working time (daily 10-12 hours), it helps the staff to stay at the branch premise during five working days and visit their home over weekends.

In order to cater to the present and the future need and demand of rural finance, our target is to achieve a steady 10-15% YoY growth in branch network. For achieving this, incremental expansion approach will be followed, particularly focusing outside the mature markets of Karnataka, Tamil Nadu and Maharashtra. CA Grameen acquired Madura Microfinance (MMFL) in 2019. It not only strengthens Company's microfinance franchise and provides access to MMFL's large and distinctive client base, but also the banking infrastructure which helped in geographical diversification of the Company. The Company is working on the conversion and integration of all 460 MMFL branches by adopting CA Grameen co-accommodation branch model.

INTELLECTUAL CAPITAL

"Engineering Technological Penetration, Providing Digital Solutions"



Interlinked SDGs

Customized product range, sound risk and controls, enterprise digitization and process automation leading to improved efficiency and customer retention

Strategic Focus

To ensure quick and seamless delivery of need based financial products and services backed by robust technology infrastructure

Future scope

To enable robotic process automation and mobility solutions for smart and cost-effective operations and enhanced experience

FY2021 KPIs (Standalone)

1.5 Products per customer

87% Customer retention rate

around **5,971** branch audits performed, with **96%** of branches having **>80%** audit compliance

Customer on-boarding TAT reduced from **12-15 days** to **<=7 days**

End-to-end digitization of field operations

Only MFI to integrate world standard core banking solution

1,782 employees trained on mobility apps and **2,356 employees** trained on UPI payments using digital learning portal

CA Grameen primarily works with financially underserved rural or non-urban low-income households. As a result, we strive to build our intellectual capital to allow us to provide seamless delivery of need-based financial products and services to our customers, whilst ensuring convenience and enhanced experience. Our products and processes are aligned to evolving customer lifecycle needs leading to higher customer retention. Our robust risk and control techniques and processes enable us to serve our customer segment in a more sustainable manner. Our efforts towards enterprise digitization and process automation enable us to achieve increased efficiency and productivity within the organisation.

CA Grameen continues to actively upgrade technology architecture and applications to keep pace with changes in the microfinance industry. Initiatives taken over last 12-18 months have enabled field force automation through use of tablets, which has allowed direct benefits in terms of real time information flow between teams, leading to reduction in processing times. Transactions happening in front of the customer such as loan collections get updated real time. New loan applications get processed with instant credit checks informing customer of loan eligibility within minutes. The entire internal audit process is automated with an appropriately designed app, and an added field monitoring feature has been released for all supervisory staff.

Our IT support systems aid us in effectively performing several processes involved in the life cycle of a loan transaction. Significant investments in IT infrastructure have not only helped us in controlling our operating costs but also provide quality service to our customers. For our operations, we have focused on implementing a centralized and consolidated information system to enable a smooth and swift flow of information and data across the system. Our systems have assisted us with data entry automation of loan origination system, credit underwriting process, underwriting rule engine, deviation triggers to minimize human errors, branch accounting system and maintaining customer history.

Digitizing Customer Experience

Company had embarked on a journey of reimagining all key customer facing processes. Today, our entire front-end field team and branches are digitized with staff having handheld tabs to process transactions. Customer on-boarding is totally automated and paperless including KYC and other profile details captured. Loan application lifecycle is automated with credit bureau-based decision on the spot. Further, one of the key project that was recently completed and in pilot phase is "Same-Day Disbursement" which enables customer loan application to disbursement TAT to less than 24 hours for loans less than ₹ 15,000 ticket size.

Customer on-boarding TAT reduced from
12-15 days to within 7 days on standalone basis

Case Study: Cashless repayments

Need: With an increasing adoption of smartphones, UPI and cashless modes of payments, it became important for us to open up this channel of payments for our customers. This is even more critical in the times of pandemic wherein meeting customers and collecting in cash has its own challenges.

Solution: As part of cashless repayments, we enabled two key modes – 1) Payment through UPI, 2) Payment through BBPS (Bharat Bill Payment System), wherein CA Grameen is onboarded as biller through which customers can make loan repayments.

Outcome: A total of 159k payment transactions amounting to ₹ 264 million has been done by our customers through this mode in FY2021.

Way forward: In our retail finance business, we plan to make this even more simple and streamlined in the coming financial year which will result in wider adoption in future.

Case Study: Grameen Pay App

Need: Our customer segment has always desired for simple cash withdrawal and bill payment options. Given the limited banking penetration and ATM presence, this continues to be a growing need. While bank BC points have come up to solve this problem, it is still a key underserved need for our customer base.

Solution: Through a partnership model, we have started a small pilot to offer AePS driven cash withdrawal service to our customers. Through this our customers can withdraw cash from their bank accounts at centre meeting point in a safe and secure mode. We also plan to add bill payments to this service.

Outcome: In 3 months of pilot, 7% of customers in the branch availed this service. We expect this to grow with increasing customer awareness and comfort of our field staff.

Way forward: In coming financial year, we plan to complete pilot of 20 branches and finalize the right model to scale in sustainable manner.

Transforming Internal Systems

In addition to the systems which provide core business functionality, the Company has deployed an enterprise resource planning system for our internal finance and accounting processes and other internal systems such as human resource management. Company has also continued using the open source online E-learning portal for employee training, which provides a strong platform for delivering effective learning modules to all employees. The E-learning portal is a powerful tool which reduces training costs and delivers effective training programs to a larger audience.

CA Grameen is the only MFI to invest in a robust world standard core banking solution - Temenos T24. It enables the Company to achieve its vision of reaching out to a larger customer base with the common standardized processes & rules and create innovative product features and options for our customers. It is a highly stable and consistent to manage various sector related risks.

The services we provide are the direct results of our reporting and data analysis. We generate 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. We have also started using Power-BI for internal publishing of dashboards and reports to the management team. It is a simple and easy to use transactional platform to manage regular collections of customer repayment. Automated flow through of collection entries to branch level reconciliation ensure no leakage. Enablement of cashless / digital payments such as UPI payments based on customer preference.

E-learning portal training modules(standalone):

1,782 employees trained on mobility applications

2,356 employees trained on UPI payments

5,532 employees trained on Jagruti program

6,070 employees trained on email security awareness

IT Enabled Risk Management

Identification, measurement, and mitigation of risk is accomplished through several technology led processes. In addition, data driven methodologies are used to identify and measure risk at the portfolio/segment level. Data analytics is heavily leveraged while formulating various risk strategies. After risk assessment is done at process level, technology enabled controls are installed where assessed risk is beyond the acceptable level. Field risk monitoring processes also leverage technology e.g. observations/ risk events are captured in a mobile App and stored in a central database for further analysis. Audit trail and data capture of transactions in the systems provides strong control. The entire field audit and monitoring process is performed through tabs wherein the audit data is captured and synced with audit application, providing real time access to the audit data at head office for further analysis. This has significantly reduced the total audit and response generation time. Further, automated risk grading process has led to improved accuracy, transparency and compliance.

Partnership with the Leaders

CA Grameen 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. We have also added another service provider Cloud4C for few of the noncore 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. We have forged partnerships with Bharti Airtel, Sify and Tata Teleservices for network connectivity in all critical locations.

Future Upgrades/Investments

Upgradation of core banking system to the latest version over next 18-24 months will enable us to achieve higher scalability as we grow our business. Latest version will also provide access to more open API banking features. Further, investment in Enterprise Service Bus and Microservices Architecture will allow us to be more agile and seamlessly connect with external financial and fintech ecosystems. Enhancement of existing mobility apps including automation of entry through image reading, consolidation of all transaction apps into one platform will ease the operational processes for loan officers. Extension of workflow capabilities for process automation and more RPA enabled processes especially at Head Office will lead to faster processing. With the continuous advancement of technology across the banking & financial services industry, we will be actively exploring partnerships with fintech players to implement innovative digital solutions. Investment in zero code platforms and tools will lead to faster implementation of new technologies. The Company will continue to stay focused on leveraging such technologies and make use of such services in a smart & cost-efficient manner to further enable the business teams in their quest for growth.

NATURAL CAPITAL

"Environmental Stewardship for a Conducive Business Environment"

Future scope

- To assess the linkages between natural capital and value creation process for effective policy making decision
- To create an organisation level environmental policy

Strategic Focus

To be the environmental stewardship leader in NBFC-MFI industry by offering sustainable products and services and achieve high operational efficiency

Interlinked SDGs

Organisation's plantation drives help in reversing land degradation

The organization's WASH initiatives have reduced the negative environmental effect on water resources

FY2021 KPIs (Consolidated)

99.80%
loans having positive environmental & social impact

99.80% of total loans having positive environmental & social impact (projects related to animal husbandry, agri & agri allied, MSME, services, housing, water, sanitation, education)

At CA Grameen, we understand the importance of being an environmentally responsible Company. We not only realize our responsibility towards maximizing financial empowerment but also on environment conservation. But we strongly believe this cognizance must not be limited only to the organisation. Hence, we constantly engage with our stakeholders, especially the community, to spread awareness to embed the significance of natural capital.

Natural Farming Programme (FY2019 and FY2021)
Number of activities undertaken **33**
Number of villages covered **15**
Number of people affected **642**

Being one of the leading microfinance companies of the country, we are responsible to create a benchmark not only in our niche but also in the field of environmental stewardship. Our approach to create positive impact is through our strategy of "socio-environmental mortgaging", where a part of our capital is used to finance projects to implement natural resource management systems and leverage eco-system services to create value. This has helped the organisation to create a unique market positioning in the NBFC-MFI industry. As part of our responsible investing strategy, we have short to long-term targets to increase the ESG linked loan disbursement and create programmes to not only increase the social but also environmental well- being.

The organisation intends to bring technological disruption not only to facilitate financial inclusion but also to ensure growth in the natural capital through our strategic CSR initiatives in the field of climate smart agriculture wherein the capacity building programmes are run to provide knowledge of climate agriculture to the farmers. Our initiatives also include the promotion of natural farming and its benefits. This is done by providing Training programs on Best practices in Coconut and Areca, Potato Cultivation, Sugarcane Cultivation, Natural farming and importance of design in Natural farming and organic farming coalesced with scientific methods such as soil testing. Our social responsibility programme extends to multiple plantation drives in order to offset our carbon footprint. These initiatives are in synergy with Government of India's vision to revolutionize the primary sector.

Tree plantation (FY2019 and FY2020)
Number of activities undertaken **6**
Number of trees planted **2,277**

Climate Smart agriculture (FY2020)
Number of activities undertaken **32**
Number of people affected **992**

Number of vulnerable population(women and children) positively impact (FY2017-FY2020) **1,027,911**

Open defecation does not only lead to health hazards, but it has negative environmental effects as well. It introduces harmful toxins and bacteria to the ecosystems, which lead to its degradation. Since most of the waste ends up in water bodies, this creates an environmental hazard which affects all life forms. Our WASH initiatives help in tackle these issues. Being aligned to government's Swatchh Bharat mission, our 58,158 WASH related activities have affected 3,016,281 beneficiaries on a cumulative scale. These include ensuring clean groundwater and surface water supply, providing resilient WASH services, water resource management, etc.

AWARDS AND RECOGNITION

Great Place to Work


Best Workplaces™ in BFSI
Great Place To Work. India 2021

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 30 Best Workplaces in BFSI – 2021

CA Grameen is "Great Place To Work®" certified and ranked as the Top 30 Best Workplaces in the BFSI sector by Great Place To Work® Institute for the second time in a row. "Great Place To Work®" certification is a "gold standard" that more than 10,000 organisations from over 58 countries aspire to achieve. According to GPW®, CA Grameen has excelled on the five dimensions that are a hallmark of a High-Trust, High-Performance Culture™ – Credibility, Respect, Fairness, Pride and Camaraderie.

Mr. Udaya Kumar, MD and CEO said, "CA Grameen has always emphasized upon prioritizing "customer needs" and "employee welfare" in all its operations. We have adopted a series of measures that are industry-first towards achieving these objectives. We are glad that these initiatives are being acknowledged continuously through such awards and recognitions".

Silver Stevie® Award 2020

CA Grameen was named the winner of a "Silver Stevie® Award" for "Excellence in Innovation in Financial Industries - More than 100 Employees category" in the seventh annual Asia-Pacific Stevie Awards. The Stevie Awards are widely considered to be the world's premier business awards, conferring recognition for achievement in programs such as The International Business Awards® for 18 years. Gold, Silver and Bronze Stevie Award winners were determined by the average scores of more than 100 executives around the world acting as judges in May and June. More than 1,000 nominations from organizations across the Asia-Pacific region were considered this year. Nicknamed the Stevies for the Greek word for "crowned," the award was presented during a virtual (online) awards ceremony on Tuesday, 22nd September. We thank our valued technology solution partner @Software Group for helping us innovate through technology.

Micro Finance Organization of the Year 2020

CA Grameen won the "Micro Finance Organisation of the Year" award by Inclusive Finance India Awards 2020 organized by ACCESS in association with HSBC. The Company has bagged this award for the second time in a row. On behalf of the Company, Mr Ganesh Narayanan, Chief Business Officer, Gururaj K S Rao, Chief Audit Officer, and Gopal Reddy, Business Head- Group Lending received the award presented by Shri. Anurag Thakur, Hon'ble MoS Finance and Corporate Affairs, GoI.

Inclusive Finance India Awards is one of the most prominent awards in the microfinance industry. The Award aims to celebrate the deserving institutions' efforts that have tirelessly worked towards promoting financial inclusion goals and encouraging them to continue enhancing outreach to low-income households by acknowledging their painstaking endeavours.

SOCIAL PERFORMANCE MANAGEMENT REPORT

SOCIAL PERFORMANCE MANAGEMENT REPORT

A. INTRODUCTION

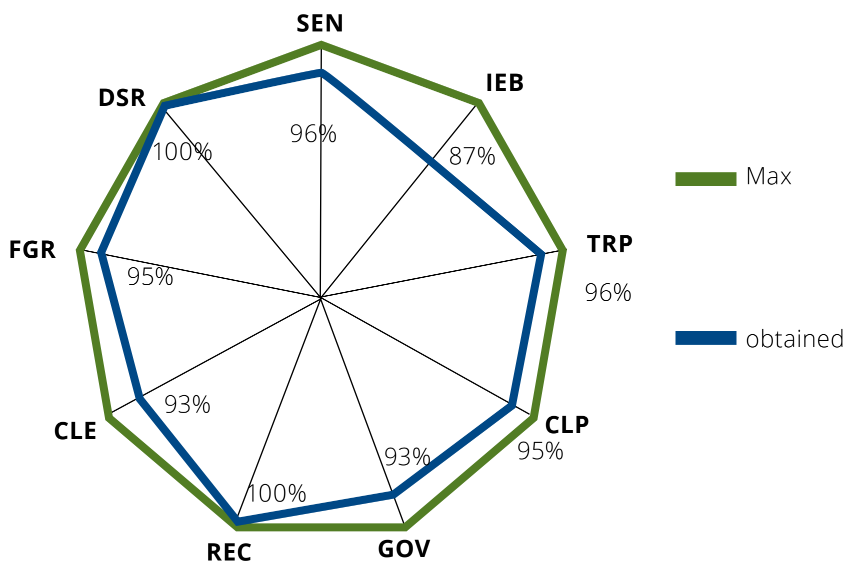
CreditAccess Grameen Limited (CA Grameen) on a standalone basis, serves around 2.87 million women borrowers in 964 branches across thirteen states and one union territory with 10,625 employees. Client Protection Principles, Responsible Financing, Social Values continue to reflect in CA Grameen's positioning 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 (CA Grameen), 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.

CoCA 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

According to "Rating Rationale", as mentioned in the report, the MFI (CA Grameen) 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 (CA Grameen) 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.

II. Standard Comprehensive Social Rating:

Standard Comprehensive social rating of CA Grameen of the organisation is ∑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	∑α
RATING OUTLOOK	Positive

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 CA Grameen 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:

CA Grameen 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.

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

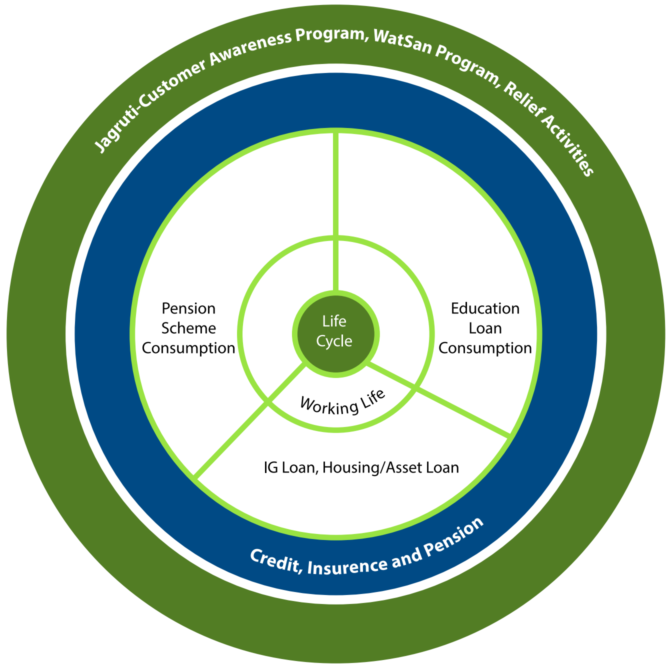
C. SOCIAL PERFORMANCE HIGHLIGHTS

I. Meeting Client Needs and Quality of Service

a) Lifecycle Needs: Products and process are designed by CA Grameen 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 CA Grameen graduated customers.



Number of Loans Disbursed	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Income Generation	1,304,519	1,833,417	2,193,787	2,765,211	2,134,694
Family Welfare	641,970	586,307	606,043	686,712	117,114
Home Improvement	176,624	420,101	643,521	587,516	134,707
Emergency Loan	1,002,159	245,250	364,835	1,111,430	274,450
Individual Retail Finance	89	6,704	37,187	43,856	21,786
Total	**3,125,361**	**3,091,779**	**3,845,373**	**5,194,725**	**2,682,781**

b) Jagruti: The concept of Jagruti was introduced by CA Grameen to create socio-economic awareness among our customers. Instead as an initiative, Jagruti was placed as a trusted friend of our customers who shares her life stories through her letters. Topics covered in the letter include Health management, Food and nutrition, Children's care, Financial Literacy, Sanitation, and many more.

The information reaches our customers through our loan officers. They read out Jagruti letters in Kendra meetings. To make the dissemination process convenient, a digital platform was introduced wherein the Jagruti letters are made accessible on mobile, tabs, and desktop.

As on March 31, 2021, the Jagruti program has touched the lives of 2.8 million customers. Over 482 topics were discussed.

II. Client Feedback: As part of its continuous development process, CA Grameen has adopted various methods to obtain feedback from customers.

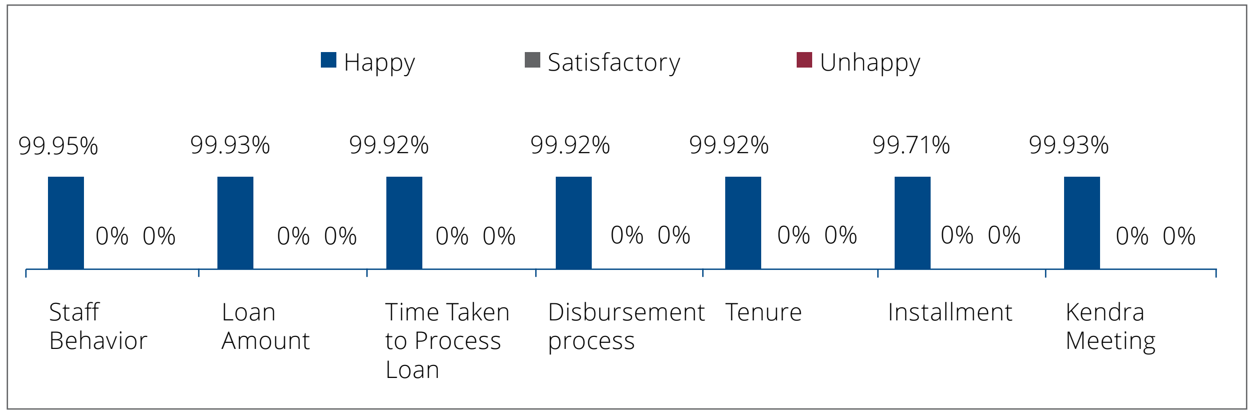
a) Level of Awareness: Customers are contacted by Grievance department of the Company through a tele-calling team to understand the levels of awareness on various areas. This survey is conducted on a regular basis to understand their awareness levels. Around 2% of customers were contacted. Below is given the status of awareness calls made:

Total awareness calls made – 46,608

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

b) Feedback on products and services: Customers are contacted by Grievance department telecalling 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 2% of customers have been contacted by this team and awareness levels ascertained. Below is the status of awareness calls made.

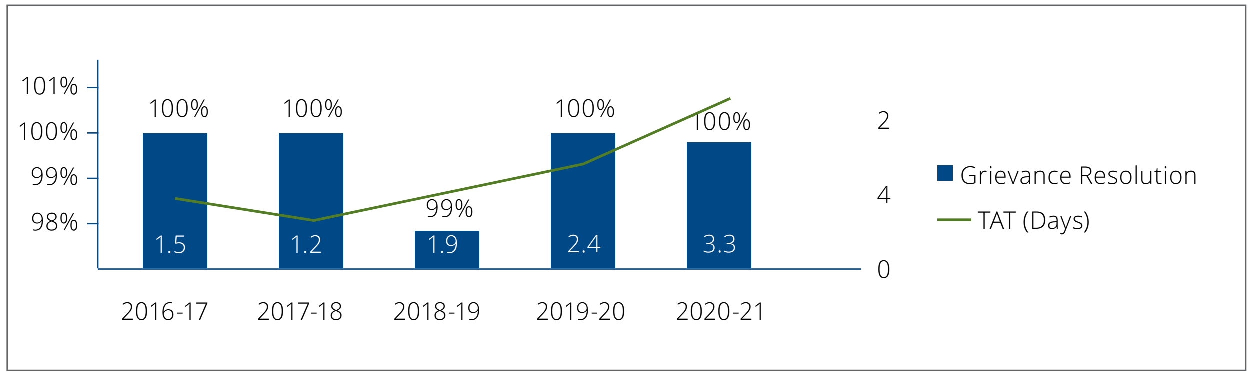
Total feedback calls – 44,782



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 5,367 customer grievances were received in FY2021 (including grievances received through the branches and unidentified calls) and 5,363 customer grievances were resolved as on March 31, 2021. Out of 5,367 the break-up is as follows: 1,823 were queries, 828 were requests and 2,716 were complaints.



¬Among the complaints received, 528 were related to insurance and 2,188 were general grievances. The Company was able to resolve 90% of general grievances with a turnaround time of less than 7 days.

Type / Year	Customer Complaints - Number of Grievances				
	FY2017	FY2018	FY2019	FY2020	FY2021
Customer Complaints – General Grievances Received	1,271	1,243	613	2,387	2,188
Customer Complaints - General Grievances Received – As % of overall borrowers	0.09%	0.07%	0.02%	0.08%	0.08%
Customer Complaints - Insurance-related Grievances	241	423	281	525	528
Customer Complaints - Insurance-related Grievances – As % of overall claims	1.20%	2.30%	4.70%	1.90%	1.60%

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.

CREDITACCESS GRAMEEN LIMITED
Social Performance Management Report

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.

Approach to COVID -19 – CreditAccess Grameen stands committed to its "employee-first" approach and has made employee well-being its topmost priority. During trying times, CA Grameen believes that it is the responsibility of organisation to ensure your safety and security of its employees. As a part of our employee-wellness program, we have extended various support and benefit measures to our employees and their families in the fight against the COVID-19 pandemic.

- **Medical Insurance:** Medical Insurance through ESIC/ Group medical insurance program for all the employees and collaboration with multiple hospitals across the nation
- **COVID 19 Employee Vaccination Reimbursement Program:** Vaccination charges up to ₹ 1,000 reimbursed for all the employees and a max. of their 3 family members
- **Protecting Employees:** COVID safety gears provided to all the branches and Frequent sanitization and disinfection of workplace
- **COVID Care Benefits:** Special COVID paid leave up to 28 days, 14 days of quarantine leave and salary advance benefit to employees who are diagnosed with COVID-19
- **Benefits to the dependents of the COVID deceased employee:** Life insurance cover up to 3x the CTC to the dependent, Employment to dependent/spouse as per the eligibility or last drawn gross salary up to 12 months paid to the dependent and Outstanding employee loan waived off.

IV. Change in customer Lives

With its products and services, CA Grameen 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	Cumulative Beneficiaries as on March 31, 2021
Customer awareness through Jagruti	2011	2,696,270	2,805,127
No. of customers supported with education loans	2012	1,953,295	1,953,363
Customers supported with sanitation loans	2010	1,109,037	1,170,937
Customers supported for safe water connections	2010	308,465	312,125
Customers supported for home renovation	2013	853,469	922,616

DIRECTORS' REPORT

DIRECTORS' REPORT

To
The Members
CreditAccess Grameen Limited

The Directors have pleasure in presenting the 30th Board's Report of CreditAccess Grameen Limited (the "Company") together with the Audited Financial Statements for the year ended March 31, 2021.

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, 2021 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').

Financial Results - Standalone

₹ in Million

Particulars	FY2021	FY2020	% change
Total income	20,311.39	16,843.57	20.59%
Finance cost	7,400.71	5,710.28	29.60%
Net income	**12,910.68**	**11,133.30**	**15.96%**
Total operating expenses	4,498.76	4,234.62	6.24%
Pre-provisioning operating profit	**8,411.92**	**6,898.68**	**21.94%**
Impairment on financial instruments	6,469.04	2,389.82	170.69%
Profit before tax	**1,942.88**	**4,508.86**	**-56.91%**
Profit after tax	**1,423.91**	**3,275.00**	**-56.52%**
Other comprehensive income	322.96	(273.33)	218.16%
Total comprehensive income	**1,746.87**	**3,001.68**	**41.80%**
Basic Earnings Per Share (EPS) (in rupees)	9.52	22.78	-58.20%
Diluted Earnings Per Share (DPS) (in rupees)	9.46	22.59	-58.12%

Financial Results- Consolidated

₹ in Million

Particulars	FY2021	FY2020	% change
Total income	24,660.72	17,054.81	44.60%
Finance cost	9,287.25	5,783.36	60.59%
Net income	**15,373.47**	**11,271.45**	**36.39%**
Total operating expenses	5,855.76	4,282.70	36.73%
Pre-provisioning operating profit	**9,517.61**	**6,988.75**	**36.18%**
Impairment on financial instruments	7,713.60	2,372.72	225.09%
Profit before tax	**1,804.01**	**4,616.03**	**-60.92%**
Profit after tax	**1,314.03**	**3,354.88**	**-60.83%**
Other comprehensive income	322.63	(273.60)	-217.92%
Total comprehensive income	**1,636.55**	**3,081.27**	**-46.89%**
Basic Earnings Per Share (EPS) (in rupees)	8.96	23.20	-61.37%
Diluted Earnings Per Share (DPS) (in rupees)	8.90	23.00	-61.30%

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 holds 76.25% of the shareholding of Madura Micro Finance Limited ("MMFL")as on March 31, 2021. 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.

Since MMFL is a Material Subsidiary of the Company, the Secretarial Audit Report of MMFL is attached to this report along with Company's Secretarial Audit Report.

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

CREDITACCESS GRAMEEN LIMITED
Directors' Report

Madura Micro Finance Limited's Financial Performance

₹ in Million

Particulars	FY2021	FY2020	% change
Total income	4,352.92	4,759.04	-8.53%
Finance cost	1,903.21	1,954.95	-2.65%
Total net income	**2,449.71**	**2,804.09**	**-12.64%**
Total operating expenses	1,199.78	1,168.57	2.67%
Impairment on financial instruments	1,244.55	571.42	117.80%
Profit before exceptional items	**5.28**	**1,064.10**	**-99.50%**
Exceptional items	-	-	-
Profit before tax	**5.28**	**1,064.10**	**-99.50%**
Profit after tax	**(1.98)**	**796.72**	**-100.25%**
Other comprehensive income	(0.40)	(2.16)	-81.48%
Total comprehensive income	**(2.37)**	**794.56**	**-100.30%**

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 financial performance

₹ in Million

Particulars	FY2021	FY2020	% change
Total income	0.17	8.35	-97.96%
Finance cost	0.03	1.03	-97.09%
Total net income	**0.14**	**7.32**	**-98.09%**
Total operating expenses	1.89	5.14	-63.23%
Impairment on financial instruments	0.00	0.00	-
Profit before exceptional items	**-1.74**	**2.18**	**-179.82%**
Exceptional items	0.00	0.00	-
Profit before tax	**-1.74**	**2.18**	**-179.82%**
Profit after tax	**-1.74**	**2.18**	**-179.82%**
Other comprehensive income	0.00	-0.03	-100.00%
Total comprehensive income	**-1.74**	**2.15**	**-180.93%**

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

A separate statement containing the salient features of financial statements in the prescribed Form AOC –1 is attached to this report as Annexure I.

a. Business Growth

The Company was able to display healthy loan portfolio growth despite facing several challenges on account of COVID-19 impacted macro-economic environment. The company, on a consolidated basis served 3.91 million active borrowers through 1,424 branches across 265 districts in 14 States and 1 UT. 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 parameters.

Your Company's organizational highlights for Financial Year ("FY") 2021 are as follows:

Year Ended	2021	2020
Branches	1,424	1,393
States/Union Territories	15	15
Districts	265	248
Borrowers	3,911,619	4,055,486
Loans Disbursed (Rs in million)	110,112	103,892*
Gross AUM (Rs in million)	135,868.70	119,960.91

*Since MMFL was acquired on 18th March 2020, loans disbursed in FY20 pertains only to CA Grameen

b. Profitability

The total income of the Company, on consolidated basis, increased from ₹ 17,054.81 million to ₹ 24,660.72 million in FY2021. The total expenditure, on consolidated basis, for the FY2021 increased from ₹ 12,438.78 million to ₹ 22,856.71 million. The Company recorded profit after tax (PAT) of ₹ 1,314.03 million for FY2021 compared to ₹ 3,354.88 million in FY2020. Considering that the unprecedented situation at the end of the year with the second wave of COVID-19 pandemic, the company decided to provide additional ₹ 1,034.30 million as an additional provisioning buffer as on March 31, 2021.

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.in

3. AMOUNT PROPOSED TO BE CARRIED TO RESERVES

The Company has transferred ₹ 284.68 million to reserves out of the net profit of FY2021 and an amount of ₹ 9,257.36 million is the accumulated balance in Retained Earnings Account (Profit and Loss account and comprehensive income).

4. SHARE CAPITAL

During the year under Review, the Company has issued 11315323 Equity shares under Qualified Institutional Placement (QIP) and 281258 equity shares to the employees who exercised their stock options granted under CAGL Employee Stock Option Plan-2011. As on March 31, 2021, except as mentioned below, none of the Directors of the Company hold any instruments convertible into equity shares of the Company.

As on March 31, 2021, 403,000 stock options are held by Mr. Udaya Kumar Hebbar, MD & CEO which are convertible into equity shares upon exercise of the same.

5. DIRECTORS

As on March 31, 2021, the Board of your Company consists of Eight 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. George Joseph Mr. Manoj Kumar Ms. Sucharita Mukherjee Ms. Lilian Jessie Paul
Executive Director	Mr. Udaya Kumar Hebbar, Managing Director & CEO

The composition of the Board is in line with the requirements of the Act and Listing Regulations. All the Directors have vast knowledge and experience in their relevant fields and the Company has 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 FY2021

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. Udaya Kumar Hebbar	June 25, 2020	Re-appointed as MD & CEO for 3 years, with an option to continue for 2 more years
Mr. Diwakar B. R.	November 06, 2020	Resigned as Director- Finance & CFO
Mr. Balakrishna Kamath	November 06, 2020	Appointed as Chief Financial Officer
Mr. Anal Kumar Jain	June 25, 2020	Resigned as Independent Director on attainment of 75 years of age
Mr. George Joseph	September 09, 2020	Re-appointed as Independent Director for second term
Ms. Lilian Jessie Paul	September 16, 2020	Appointed as Additional and Independent Director
Mr. R Prabha	November 03, 2020	Completed his second term as Independent Director.
Mr. George Joseph	February 11, 2021	Appointed as Vice Chairman and Lead Independent Director
Mr. Manoj Kumar	August 11, 2020	Appointed as Regular Independent Director at the AGM

Mr. Udaya Kumar Hebbar, Managing Director & CEO, Mr. Balakrishna Kamath –CFO and Mr. M.J Mahadev Prakash, Head – Compliance, Legal & Company Secretary are the KMPs of the Company, as on March 31, 2021

b. Woman Director

In terms of the provisions of Section 149 of the Act 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 and Ms. Lilian Jessie Paul as Independent Woman Directors on the Board.

c. Director retiring by Rotation.

Mr. Paolo Brichetti, Chairman and Nominee Director (DIN: 01908040) is liable to retire by rotation in terms of provisions of the Act at the ensuing Annual General Meeting of the Company and being eligible, offers himself for reappointment. The Board recommends his reappointment.

As stipulated under Regulation 36 (3) of the Listing Regulations, a brief resume of Mr. Paolo Brichetti, proposed to be reappointed, is given in the notice of the 30th AGM of the Company.

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

The Company has four Independent Directors on the Board. The Company has received declaration from each Independent Director of the Company under Section 149(7) of the Act that they meet the criteria of independence as laid down in Section 149(6) of the Act and subsequently the same was placed at the Board Meeting held on May 06, 2021.

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

During the year under review, Mr. Anal Kumar Jain resigned as Independent Director and Mr. R Prabha ceased to be Independent Director on completion of his second term. Mr. George Joseph was re-appointed as Independent Director and Ms. Lilian Jessie Paul was appointed as Additional and Independent Director. The Board is of the opinion that Mr. George Joseph and Ms. Lilian Jessie Paul 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 Act and Regulation 19 of Listing Regulations.

The Policy on Nomination and Remuneration of Directors, KMPs and the senior management of the Company as approved and adopted by the Board is available on the website of the Company at www.creditaccessgrameen.in

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 10 (Ten) times during the financial year. Details of the meetings of the Board during FY2021 are 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, Executive Borrowings & Investment 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

During the year under review, 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, were appointed as the Statutory Auditors of the Company for a period of five years from conclusion of 29th AGM till the conclusion of 34th AGM of the Company.

The Board has duly examined the Statutory Auditors' Report to the Annual Accounts for FY2021, 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 FY2021.

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. There are no qualifications, reservations or adverse remarks in the Secretarial Audit Report for FY2021.

A report from the Secretarial Auditor in the prescribed Form MR-3 is annexed to this Report as Annexure III and the Secretarial Audit Report of the Material Subsidiary is attached as Annexure III A.

c. Cost Auditors

The provisions of Section 148 of the Act 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, 2021 is mentioned under note 45 (n) of the Financial Statements under RBI disclosures.

Credit Rating Agency	Instrument	Rating as on March 31, 2021
ICRA	Long-term debt	[ICRA]A+(Stable)/ [ICRA] A+(Stable)
India Ratings and Research	Long-term debt	Ind A+ Stable /Ind A+ Stable
CRISIL	Long-term debt	CRISIL A+ Stable/NA
ICRA	Non-convertible debentures	[ICRA]A+(Stable)/ [ICRA] A+(Stable)
ICRA	Non-convertible debentures	[ICRA]A+(Stable)/ NA
India Ratings and Research	Non-convertible debentures	Ind A+ Stable/ Ind A+ Stable
CRISIL	Non-convertible debentures	CRISIL A+ Stable/NA
Brickwork Ratings	Non-convertible debentures	BWR A+ Positive/NA
ICRA	Commercial paper	[ICRA]A1+ / [ICRA]A1+
ICRA	PP-MLD	PP-MLD[ICRA]AA+(CE) (Stable)/NA
CRISIL	Organization grading	M1C1/M1C1

Highest rating issued by ICRA for long-term credit facilities is [ICRA] AAA and for short-term facilities is [ICRA]A1+ and Highest rating issued by India Ratings for long-term credit facilities is [IND] AAA The Highest rating issued for long-term credit facilities by CRISIL is CRISIL AAA and by Brickwork Ratings is BWR AAA

Comprehensive Microfinance Grading by CRISIL as on March 31, 2021 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 internal audit plan is rolled out after the same has been approved by Audit Committee. The internal 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

Based on the recommendation the Risk Management Committee, 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. A copy of Company Risk Management Policy is available at www.creditaccessgrameen.in.

13. CORPORATE SOCIAL RESPONSIBILITY

In pursuance of the provisions of Section 135 read with Schedule VII of the Act 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.in.

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

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@cagrameen.in Employees are encouraged to report any unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy including Insider Trading or any other illegal activity occurring in the organization. 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@cagrameen.in'. The cases reported will be investigated and resolved within strict timelines. The identity of the whistle-blower 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. The Whistle-Blower Policy (Vigil Mechanism) of the Company is available on the website - www.creditaccessgrameen.in.

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 FY2021, 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. Details of related party transactions as required under section 134 of the Act entered during the FY 2020-21 are given in Annexure V.

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

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 Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, have been attached as Annexure VI 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 Section 136 of the Act are available for electronic inspection without any fee, 21 days before and up to the date of the Annual General Meeting and shall be made available to any shareholder on request. Members seeking to inspect such documents can send an email to cs@cagrameen.in. None of these employees is a relative of any Director of the Company.

Further, the Independent Directors were eligible for commission aggregating to ₹ 3.59 million for FY21 (₹ 2.87 Million for FY20) based on the Shareholders' approval by way of a Special Resolution dated August 11, 2020. 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

The sudden spread of first wave of COVID-19 pandemic during February and March 2020 resulted into national lockdown by Govt. of India to protect the population from the pandemic. Simultaneously, the Govt. and RBI announced several measures, which included loan moratorium for borrowers across lenders. We had provided moratorium to 100% borrowers during first phase till May 31, 2020, and based on customers' request thereafter till August 31, 2020. Later, RBI also came up with resolution plan 1.0 with restructuring options for the businesses impacted due to pandemic and accordingly the Company had supported borrowers through restructuring/ additional funding during Q3 and Q4 of FY2021. Now that COVID-19 second wave has again led to many states announcing lockdown, we took a decision to safeguard our employees and customers through necessary measures. RBI too extended the support by announcing resolution plan 2.0 for COVID impacted businesses by way of restructuring, additional credit lines, deferred payment or moratorium etc. The Company is in the process of extending such support to the customers.

The Company had strong liquidity position as on March 31, 2021, on the back of adequate funds mobilised during the year and undrawn sanctions, comfortably covering the fixed obligations during the months of April to June 2021. The Company continued to secure confidence from its lenders who were committed to provide funds against the undrawn sanctions as on March 31, 2021. The Company has been maintaining a higher liquidity position, in the range of 10%-15% during FY2021 compared to usual range of 5%-8%. The Company decided to hold liquidity at higher levels till June and gradually revert to normalized levels after evaluating the improvement in on-ground 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 FY2021. 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 a Practising Company Secretary regarding compliance of conditions of corporate governance is attached to the Corporate Governance Report.

21. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

As part of good Corporate Governance, the Company has voluntarily adopted the Business Responsibility & Sustainability Report for the year under review is attached to the Directors' Report.

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

The Company has 795 women employees in various cadres as on March 31, 2021. 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 FY2021, the Company did not receive any complaint on sexual harassment.

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.in.

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 courtesy 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, 2021 is available at www.creditaccessgrameen.in.

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 Act 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.	

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 Act.

28. EMPLOYEE STOCK OPTION PLAN (ESOP)

During FY2021, the name of the ESOP scheme was modified to CAGL Employee Stock Option Plan – 2011 ("ESOP Scheme") and the clauses pertaining to ESOP Pool, determining Exercise Price & Exercise Period, were modified. The ESOP Scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (the 'SBEB Regulations'). As required under Regulation 13 of SBEB Regulations, the Company has obtained a Certificate from Statutory Auditors of the Company which is available for inspection of members. Please refer to AGM Notice for details.

Disclosures pertaining to the ESOP scheme pursuant to the SBEB Regulations are placed on the Company's website creditaccessgrameen.in. 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 Act.

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 Act.

30. DIRECTORS' RESPONSIBILITY STATEMENT

In pursuance of Section 134 (5) of the Act, 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	**Udaya Kumar Hebbar**	**Manoj Kumar**
Date: May 06, 2021	**Managing Director & CEO**	**Independent Director**

Annexure I

AOC-1
Salient features of the Financial Statement of the Subsidiaries for the year ended March 31, 2021

Part-A: Subsidiaries: (In Cr.)

Sl. No	Particulars	Details	Details
1	Name of the subsidiary	Madura Micro Finance Limited	Madura Micro Education Private Limited [subsidiary of Madura Micro Finance Ltd.]
2	Date since when subsidiary was acquired/ incorporated	18.03.2020	31.3.2016
3	Reporting period for the subsidiary concerned, if different	N. A	N.A.
4	Reporting currency and Exchange rate as on March 31, 2021	N.A.	N.A.
5	Share Capital	7.19	1.49
6	Reserves & Surplus	401.32	2.32
7	Total Assets	2598.23	4.65
8	Total Liabilities	2598.23	4.65
9	Investments	0.34	Nil
10	Turnover/Total Income	435.27	-
11	Profit Before Taxation / (Loss)	0.50	(0.17)
12	Provision for Taxation	Nil	Nil
13	Profit / (Loss) after Taxation	(0.23)	(0.17)
14	Proposed Dividend	Nil	Nil
15	Extent of shareholding (in %)	76.25%	100%*

*Held by Madura Micro Finance Limited

Part-B: Associates and Joint Ventures: Nil

For and on behalf of the Board of Directors

Place: Bengaluru
Date: May 06, 2021

Udaya Kumar Hebbar
Managing Director & CEO

Manoj Kumar
Independent Director

Annexure II

DECLARATION REGARDING RECEIPT OF CERTIFICATE OF INDEPENDENCE FROM ALL INDEPENDENT DIRECTORS

I hereby confirm that the Company has received from all the Independent Directors 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 III

Form No MR-3
Secretarial Audit Report
For the financial year ended 31st March 2021

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

To
The Members,
CreditAccess Grameen Limited
(CIN L51216KA1991PLC053425)
Registered Office: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 2021 ("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;
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;
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.

i. Further, I have also examined compliance with the applicable clauses of the following: Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

ii. The Listing Agreements entered by the Company with National Stock Exchange of India Limited and BSE 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:

a) 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.

b) Adequate notices were given to all directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent at least 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.

c) All decisions at the Board Meetings and Committee Meetings were carried out unanimously, as recorded in the minutes.

d) 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 auditor and other designated professionals.

I further report that:

x) 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.

y) the Company has allotted 1,13,15,323 Equity shares to QIB's upon obtaining the shareholders approval at their meeting held on 26th September 2020.

z) the Company has unlisted material subsidiary i.e. Madura Micro Finance Limited incorporated in India and the Company has obtained the Secretarial Audit Report.

Place: Bengaluru
Date: 6th May 2021

C. Dwarakanath
Company Secretary in Practice
FCS No: 7723; CP No: 4847
UDIN: F007723C000248755
Peer Review Certificate No: 674/2020

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 I to the Secretarial Audit Report

LIST OF OTHER LAWS APPLICABLE

A. Corporate laws

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

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 Tax on Professions, Trades, Callings and Employment Acts of applicable states; and
3. Goods & Service Tax Act, 2017

D. Intellectual property laws

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

E. 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.

F. Miscellaneous laws

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

Place: Bengaluru
Date: 6th May 2021

C.Dwarakanath
Company Secretary in Practice
FCS No: 7723; CP No: 4847
UDIN: F007723C000248755
Peer Review Certificate No: 674/2020

CREDITACCESS GRAMEEN LIMITED
Directors' Report

Annexure II to the Secretarial Audit Report

To,
The Members
CREDITACCESS GRAMEEN LIMITED
(CIN L51216KA1991PLC053425)
Registered Office: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.
8. 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: 6th May 2021

C.Dwarakanath
Company Secretary in Practice
FCS No: 7723; CP No: 4847
UDIN: F007723C000248755
Peer Review Certificate No: 674/2020

CREDITACCESS GRAMEEN LIMITED
Directors' Report

Annexure 3 A

Form No MR-3
SECRETARIAL AUDIT REPORT
For the financial year ended 31st March 2021

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

To
The Members
Madura Micro Finance Limited
No. 36, II Main Road
Kasturba Nagar Adyar
Chennai - 600 020

I have conducted the Secretarial Audit of the compliance of the applicable statutory provisions and the adherence to Good Corporate Practices by Madura Micro Finance Limited (CIN: U65929TN2005PLC057390) (the "Company"). The 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 2021 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, Minutes Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2021 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder wherever applicable;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
   a. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
   b. The Debt Listing Agreement with BSE Limited.

6. The Memorandum and Articles of Association; and
7. Other applicable Laws:
   a) The Employees Provident Fund & Miscellaneous Provisions Act, 1952.
   b) The Employees State Insurance Act, 1948
   c) The Maternity Benefit Act, 1961
   d) The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013
   e) The Payment of Bonus Act, 1965
   f) The Payment of Gratuity Act, 1972
   g) The Tamilnadu Labour Welfare Fund Act, 1972
   h) The Tamilnadu Shops and Establishment Act, 1947

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

(i) Secretarial Standards (SS) SS-1 for Board Meetings and SS-2 for General Meetings issued by the Institute of Company Secretaries of India.

(ii) The Debt Listing Agreement entered by the Company with Bombay Stock Exchange Limited in respect of the Secured / Unsecured Redeemable Non-Convertible Debentures issued by the Company.

During the period under audit, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

a) Approval of MCA for reappointment of MD:

The Company is yet to receive the approval from Ministry of Corporate Affairs (MCA) for the reappointment of Ms. Tara Thiagarajan as the Managing Director for the period commencing from 1.10.2013 to 30.9.2016.

MCA, vide its Letter dated 8.4.2021, sought the break-up of remuneration, perquisite and any benefit during above period, for which the Company has furnished the required details.

The Company is advised to closely follow up with MCA and obtain the approval of the Central Government for the above period and regularize the compliance at the earliest.

b) Compliance with the provisions Section 67(3) of Companies Act, 1956 and the applicable SEBI Regulations:

In connection with the deemed non-compliance with the provisions of Section 67(3) of Companies Act, 1956 and the SEBI Press Release dated December 31, 2015 as amended by Circular dated May 3, 2016 on the issue of Shares to selected Offerrees in 2006, the Company has filed application with the Regional Director, Ministry of Corporate Affairs, Southern Region, Chennai as well as SEBI.

As advised by SEBI, Mr M Narayanan, Promoter, has provided Exit Option to 57 identified Shareholders and post which filed a Compounding Application to SEBI for violation of Section 67 of the Companies Act, 2013.

The Company awaits further development from the RD and SEBI.

I further report that:

i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. During the year, there were no changes in the composition of the Board of Directors of the Company.

   However, during the year under review, Ms. Tara Thiagarajan has resigned as the Managing Director and Mr F S Mohan Eddy has resigned as the Whole Time Director and both are continuing as Non-Executive Directors.

ii) Constituted Nomination and Remuneration Committee of the Board of Directors and has formulated "Nomination and Remuneration Policy' in terms of the provisions of Section 178 of the Companies Act, 2013 and the Rules made thereunder;

iii) Constituted the Audit Committee of the Board of Directors in terms of the provisions Section 177 of the Companies Act, 2013;

iv) Constituted the Corporate Social Responsibility Committee (CSR) to formulate and recommend to the Board a Corporate Social Responsibility Policy, prepare and recommend the list of CSR Projects / Programs, which the company plans to undertake in compliance with the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

   During the year under review, the Company was required to spend Rs.2.12 crores. However, the Company has spent only Rs.0.97 crore and made provision of Rs.1.15 crores towards amount not spent for the year.

The Company is also initiating steps to deposit the unspent amount of Rs.1.15 crores relating to the ongoing projects in a separate Bank Account as required under the provisions of Section 135(6) of the Companies Act, 2013.

The Company spent the amount for the projects recommended by the CSR Committee and approved by the Board of Directors in compliance with the provisions of the Act.

v) Adequate notice was given to all the Directors to schedule the Board Meetings and Committees, Agenda and detailed notes on Agenda were sent at least seven days in advance 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.

vi) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the Minutes.

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.

I further report that during the audit period:

(i) There were no instances of Public / Right / Preferential Issue of Shares etc.

However, the Company has issued and allotted:

a. Five Secured / Unsecured / Listed / Unlisted Redeemable Non-Convertible Debentures on Private Placement, which were in compliance with the provisions of the Companies Act, 2013, SEBI Regulations and the Rules made thereunder and the Memorandum and Articles of Association of the Company.

(ii) Redemption / Buy-Back of Securities:

There were no instances of Buy-back of Equity Shares.

However, the Company has redeemed Four Secured / Unsecured / Listed / Unlisted Redeemable Non-Convertible Debentures as per the terms of issue and the same are in compliance with the provisions of the Companies Act, 2013 and the Rules made thereunder.

(iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013:

In terms of the powers conferred on the Board of Directors of the Company under Section 180(1)(a) & (c) of the Act and with the approval of the Board:

a. The Company has created security on the Current Assets and Immovable Properties of the Company for the various borrowings made, which were well within the limits approved by the shareholders.

b. The Company has borrowed funds from Banks, Financial Institutions and Non-Banking Financial Companies, which were well within the limits approved by the shareholders.

(iv) During the period under review, the Company has not entered into any Foreign Technical Collaboration Agreement.

V Ramasubramanian
Company Secretary
ACS No.5890
COP No.11325
UDIN: A005890C000174619

Chennai
25th April 2021

Annexure IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR Policy of the Company

The Company has chosen Navya Disha Trust to implement its CSR activities. Navya Disha Trust is registered as a non-profit organization 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.

2. Composition of the CSR Committee

Sl. No	Name of Directors	Designation	CSR Committee Meetings held during the year	Attendance
1	Mr. Udaya Kumar Hebbar	Chairman	4	4
2	Mr. Massimo Vita	Member	4	4
3	Mr. Manoj Kumar	Member	4	3
4	Ms. Lillian Jessie Paul*	Member	4	2

*Inducted to the Committee on November 04, 2021.

3. Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company at www.creditaccessgrameen.in.

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014: Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year: Nil

6. Average net profit of the Company as per Section 135(5): ₹ 380,48,62,402

7.

1.	Two percent of average net profit of the company as per Section 135(5)	₹ 76,097,248
2.	Surplus arising out of the CSR projects or programs or activities of the previous financial years	₹ 1,101,980
3.	Amount required to be set off for the financial year, if any	₹ 0
4.	Total CSR obligation for the financial year (7a+7b- 7c).	₹ 77,199,228

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135 (5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 59,070,821	₹ 18,128,407	29.04.2021	NA		

(b) Details of CSR amount spent against ongoing projects for the financial year:

Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current FY (in ₹)	Amount tranferred to Unspent CSR Acount for the project as per Section 135(6) (in ₹)	Mode of Implement -ation Direct (Yes/No)	Mode of Implementation through Implementing Agency
			State	District						Name & CSR Registration No
Covid Support		Yes	Karnataka, Tamil Nadu, Kerala, Maharashtra, Madhya Pradesh, Uttar Pradesh, Goa, Rajasthan, Gujarat, Odisha, Puducherry, Bihar, Jharkhand, Chhattisgarh		Ongoing	26,179,541	20,468,841	5,710,700	Yes	Navya Disha CSR00002820
Covid Support					Ongoing	31,753,459	22,447,602	7,903,421	No	
Sushikshana			Karnataka, Maharashtra, Tamil Nadu		Ongoing	5,466,380	1,046,917	2,939,400	No	
Sandbox			Karnataka		Ongoing	2,502,892	1,764,696	7,38,196	No	
Navya Disha HO Cost						8,149,366	7,312,676	8,36,690	No	
Other overhead						3,147,590	3,147,590	0	No	
Navya Disha Activities delayed due to pandemic situation.							1,402,436		No	
Total						**77,199,228**	**47,208,119**	**18,128,407**		

(c)	Details of CSR amount spent against other than ongoing projects for the financial year:	NA
(d)	Amount spent in Administrative Overheads:	Nil
(e)	Amount spent on Impact Assessment, if applicable	Nil
(f)	Total amount spent for the financial year (8b+8c+8d+8e)	47,208,119
(g)	Excess amount for set off, if any	Nil

(in ₹)

Sl. No	Particulars	Particulars
(i)	Two percent of average net profit of the company as per Section 135(5)	76,097,248
(ii)	Total amount spent for the Financial Year	59,070,821
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	1,101,980
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	18,128,407

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No	Preceding Financial year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	2019-2020	-	52,550,795	-	-	-	1,101,980
2	2018-2019	-	29,320,419	-	-	-	-
3	2017-2018	-	21,535,134	-	-	-	-
	Total	**-**	**103,406,348**	**-**	**-**	**-**	**1,101,980**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **NA**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

a. Date of creation or acquisition of the capital asset(s): **Not Applicable**
b. Amount of CSR spent for creation or acquisition of capital asset: **Not Applicable**

c. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **Not Applicable**

d. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **Not Applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5):

Due to COVID-19, a few activities have been deferred and will be executed during FY 2021-22 as per the Amended circular of the Ministry of Corporate Affairs.

Udaya Kumar Hebbar
Chairman, CSR Committee
DIN: 07235226

Annexure V

FORM AOC-2
(Pursuant to Section 134 (3) (h) of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangement or transaction or transaction at arm's length basis
   a. **Name of the related party** **:** Madura Micro Finance Limited (MMFL)
   b. **Nature of relationship** **:** Subsidiary Company

2. **Nature of contract / arrangement / transaction:** Outsourcing of IT and manpower services.
3. **Duration of the contract / arrangement / transaction:** Until MMFL is merged with the Company.

4. **Salient terms of the contract or arrangement or transaction including the value, if any:** CAGL shall outsource its Information Technology and Manpower resources to MMFL and vice-versa.

   The proposed value of transaction for IT outsourcing is ₹2.65 Crores and the proposed manpower outsourcing value is approximately 2.5 lakhs till March 2021.

5. **Justification for entering into such contract or arrangement or transaction:** It is proposed to merge MMFL into the Company. In order to align the process with that of the Company, it is proposed to outsource information technology and manpower resources to support integration of IT, HR, Operations and other processes.

6. **Date of approval of Board of Directors:** January 29, 2021

7. **Amount paid as advance, if any:** N.A

8. **Date on which the Special Resolution was passed in General Meeting as required under first proviso to Section 188:** N.A

Annexure VI

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 to the median remuneration of the employees of the Company for the FY2021: **61.70** times

(ii) The percentage of increase in remuneration of Managing Director, Chief Financial Officer and Company Secretary during the FY2021:

₹ in Million

Sl. No	Name of Directors/KMP	Designation	Gross Salary including performance bonus during FY2021	Perquisites on account ESOP exercise	% increase in Remu-neration during FY2021
1	Mr. Udaya Kumar Hebbar	Managing Director & CEO	21.49	10.36	25%
2	Mr. B. R. Diwakar*	Director – Finance & CFO	8.84	2.40	10%
3	Mr. Balakrishna Kamath	CFO	10.04	0	NA
4	Mr. M. J. Mahadev Prakash	Head – Compliance Legal & CS	4.27	0	10%

*Mr. Diwakar B.R resigned as Director – Finance & CFO w.e.f November 06, 2020 and Mr. Balakrishna Kamath was appointed as CFO.

(iii) The percentage increase in the median remuneration of the employees in the FY2020: There has beenan increase of 11.96% in the median remuneration of the employees of the Company in FY2021 as compared to FY2020.

(iv) The number of permanent employees on the rolls of the Company as on March 31, 2021: There were 10,625 permanent employees on the rolls of the Company.

(v) 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 FY2021 was **11.84%,** and the average increase in the remuneration of KMPs was **13.85%.**

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

(vi) **Affirmation:** It is hereby affirmed that the remuneration paid to KMPs and other employees is as per the recommendation of the Nomination and Remuneration Committee and approval of Board of Directors of the Company.

CORPORATE SOCIAL RESPONSIBILITY REPORT

CORPORATE SOCIAL RESPONSIBILITY REPORT

Introduction:

At CreditAccess Grameen Limited (CA Grameen), we have always aligned business priorities with 'Social Commitments', targeting need-based interventions for community welfare in 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:

For FY 2020-21, CA Grameen had a detailed CSR plan to work on WASH (Water, Sanitation, Hygiene), Susikshana (Children Education Program) and Sugrama (Community Development Program). However, there was a breakout of the Covid-19 Pandemic in early 2020. Considering the seriousness of the situation, and the inevitability of spending towards health care/prevention and treatment of Corona Virus in India, the Govt of India has treated this as a notified disaster and has issued an Order on 23rd March 2020 making the spending of CSR funds for COVID-19, an eligible CSR activity.

Considering this, CA Grameen immediately decided to focus its CSR activities for FY 2020-21 towards the below activities:

- Prevention and Rehabilitation activities
- Support communities in dealing with issues caused by the Corona infection
- Support communities in recovering from the Corona infection

CSR Execution for FY 20-21:

CSR programs which have been conducted in the FY 2020-21 have been monitored and executed by way of various support activities. Two different approaches have been adopted by the organization. They are:

A. Activities directly implemented by the CA Grameen team
B. Activities implemented by partnering with Navya Disha (CSR implementing partner)

A. CSR activities directly implemented by the CA Grameen team:

i. **Covid Support**: Based on the above, CA Grameen CSR Team had detailed discussions with the local Govt authorities, District administrations, PHCs, THCs, DHOs, medical officers and Municipal commissioners to identify the support that can be provided on immediate basis to support the fight against the disease. As outcome of these discussions, the following activities were selected to be executed in the Corona affected areas of various states and districts.

- PPE Kits to be distributed to the District Hospitals where Corona positive cases are being treated. PPE Kits are used by Doctors, Nurses and Frontline support team while treating the CORONA Patients. Each PPE kit consists of mask, sanitizers, hand gloves, shoe cover, spectacles, gown, cotton and spirit.
- Distribution of Health Kits for frontline corona warriors like Police Dept, PHCs, THCs, Asha workers and Anganwadi workers. Each Health kit consists of 50 masks and 50 sanitizers – 100 ml each and 50 pairs of hand gloves.
- Distribution of Grocery Kits (Sugar, Oil, Rava, Salt, Sambar Powder, Dal, Atta) to frontline labourers/Municipal Workers/Corporation Departments, GK Customers and General Public.
- Distribution of Thermal Scanners to Municipal office and Police Station.

CREDITACCESS GRAMEEN LIMITED
Corporate Social Responsibility Report

Item-wise distribution for FY 2020-21:

Type of Activity	Number of Institutions / Locations	Number of Beneficiaries	Number of Kits
Health Kits	10,037	4,94,791	14,650
Grocery Kits	697	10,626	10,563
PPE Kits/Quarantine Centre Items	8	615	195
Thermal Scanners and other Items	352	52,294	350
Total	**11,094**	**5,58,326**	**25,758**

*Includes details for Navya Disha as well

CA Grameen also provided Grocery Kits which have impacted Covid-19 Positive households, and helped them recover and resume with their livelihoods.

ii. **Covid-19 Online Training:** The training sessions on safety recommendations were organized in collaboration with Narayana Health CSR who devised a training module to prepare CA Grameen and MMF staff for a 'new normal' as we returned to life after the lockdown. The training sessions helped in motivating individuals to adopt behavior changes that would protect them, their loved ones, and their community from COVID-19.

The aspects covered during the Training sessions included:

- Introduction to Covid-19: Spread and Symptoms
- Basic precautions and Desirable behaviors
- Safety guidelines for different groups of people: senior citizens, children, pregnant women, differently abled people, people with comorbidities, commuters, etc.
- Nutrition and Food
- FAQs

The staff details of the training program are mentioned in the below table:

Organization	Staff Beneficiaries
CreditAccess Grameen Limited	440
Madura Microfinance	162
Total	**602**

iii. **Additional activities:** In addition to the above activities, CA Grameen also conducted Relief Activities, by responding and providing relief to those affected by floods. CA Grameen distributed Grocery Kits, Ration Items, and other necessities to those affected in the following states:

- Maharashtra - Roha (Nisarga Cyclone)
- Bihar – Muzaffarpur, Motihari
- Karnataka - Kadur

B. CSR activities implemented by partnering with Navya Disha:

CSR programs are implemented jointly by ND and CA Grameen staff at selected branches. CSR programs conducted are:

i) Combating Covid
ii) Sushikshana
iii) Sandbox
iv) Other relief activities

Details of activities implemented by partnering with Navya Disha:

i) Combating Covid:

These programs aim to:

- Build awareness among the communities
- Enhance immunity (Nutrition, Immunity Boosting Food, Kitchen Gardening and Home remedies)
- Support the vulnerable and infected by providing medical support, food essentials, safety equipment, etc.
- Developing partnerships with Government, Local bodies, FMCG & Pharma Companies
- Joint Programs with Anganwadi Workers, Asha Workers, Govt Hospitals, Public Health Institutions, etc.

Activities	Description	Outreach
Awareness to Kendra Members	It's a Kendra level awareness event to individual Kendra members to educate them about the importance of wearing masks, maintaining social distance, importance of hand wash and diet habits to improve immunity.	78,178 members impacted from 7,308 Kendras
Awareness to General Community	It's a street/ward level awareness session conducted jointly with the Health Department team, about the precautionary and preventive measures against Covid.	4,400 village level awareness events, impacting 55,323 beneficiaries
Public Awareness through Audio Broadcasting	This mode of creating awareness is to reach general public of a particular village/ward using loud speaker system attached to a mobilized vehicle and moving in the village.	1,918 Audio Broadcasting events; 750 villages reached
Joint Awareness Programs	The joint awareness programs are conducted in collaboration with the Department of Health, Police Department, Dept. of Women and Child Development and Gram Panchayats.	15 Joint Awareness events; 14 villages reached; 1,636 families reached
Support to Line Departments	In order to deliver several services during COVID pandemic, various departments have requested to extend the man-power to provide services.	300 services provided to PHCs, Police, Municipality, Women & Child Development Dept, Gram Panchayat
Covid Relief Services	As part of extending the support services to the corona warriors and infected families of CA Grameen, distribution of masks, sanitizers, groceries and other necessities have been provided through ND team.	1,25,976 individuals benefitted by 6,863 kits (health kits, groceries and other necessaries)

ii) Susikshana:

Government and Aided schools in select villages are approached and children who are studying in 8th, 9th and 10th standard were provided with awareness on WASH, Financial Literacy, Career Guidance and Combating Covid. The activities include team games, flow charts and live demos. Activities conducted have been listed in the below table:

Activities	Description	Outreach
Awareness on WASH / FL / CG Combating Covid	**Facilitated trainings for school students on pandemic on:** • Basic information on COVID-19 and its facts • Practical demo on maintaining physical and social distancing among students • Hand Wash demo and sharing on importance of Hand Wash • Wearing of face masks and its importance • Presentation on Nutrition and healthy food to boost immunity • Encouraging growing backyard kitchen gardens	78,178 members impacted from 7,308 Kendras

CREDITACCESS GRAMEEN LIMITED
Corporate Social Responsibility Report

i) Sandbox:

Sandbox activities are planned for a short-term tenure. Based on the success of these activities it will be considered for expansion to a larger scale. These programs are implemented by adopting 2 Gram Panchayats covering 26 villages:

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

Activities under Sandbox are as follows:

Activities	No. of Events	No. of Beneficiaries
Creating awareness on COVID	44	1,164
Mask making demonstrations at each Anganwadi level	1	21
Piloting Sushikshana Activates (Combating Covid)	21	564
Awareness on Women Rights	1	62
International Women's day Celebration and Felicitation to Covid Warriors	3	108
Trainings on Kitchen Garden	4	130
Demonstrations on Kitchen Garden and Distribution of Saplings	58	58
Capacity Building of farmers: Trainings and Exposure visits	12	241
Sustainable Agriculture Farm Model	10	10

iv)Other relief activities:

Navya Disha also has supported in other relief activities such as:

- Flood Relief activity in the sates of Karnataka, Bihar, Maharashtra and Madhya Pradesh
- Renovation (painting) of Government School, Arsikere
- Basic necessities to fire accident affected families in Kadur and Sakharayapatna

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

1.Details of the Listed Entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L51216KA1991PLC053425
2.	Name of the Listed Entity	CreditAccess Grameen Limited
3.	Year of incorporation	1991
4.	Registered office address	New No. 49 (Old No725), 46th Cross, 8th Block, Jayanagar, (Next to Rajalakshmi Kalyana Mantap) Bengaluru KA-560071
5.	Corporate address	New No. 49 (Old No725), 46th Cross, 8th Block, Jayanagar, (Next to Rajalakshmi Kalyana Mantap) Bengaluru KA-560071
6.	E-mail	info@cagrameen.in
7.	Telephone	+91 80 22637300
8.	Website	www.creditaccessgrameen.in
9.	Financial year for which reporting is being done	2020-21
10.	Name of the Stock Exchange(s) where shares are listed	BSE, NSE
11.	Paid-up Capital	₹ 1,555.82 million
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mahadev Prakash Head – Compliance, Legal & Company Secretary +91 80 22637300 cs@cagrameen.in
13.	Reporting boundary	The disclosures under this report are made on standalone basis

2. Products / Services

14. Details of business activities (accounting for 90% of the turnover).

Sl. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Entity
1.	Microfinance Services	Providing loans for income generation activities and other lifecycle needs to economically weaker sections	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover).

Sl. No.	Description of Main Activity	NIC Code	% of Turnover of the Entity
1.	Microfinance Services	65923	100%

3. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated.

Location	Number of Branches	Number of offices	Total
National	964	1 Head Office, 15 Regional/ Divisional Offices	980
International	0	0	0

17. Markets served by the entity:
a) Number of locations

Location	Number
National (No. of States)	13 States & 1 Union territory
International (No. of Countries)	0

b) What is the contribution of exports as a percentage of the total turnover of the entity?
Nil

c) A brief on types of customers.
Predominantly women (99.99%) customers from low income households (economically weaker sections) availing loans primarily for income generation activities and for other lifecycle needs.

4. Employees

18. Details as at the end of Financial Year:

a) Employees (including differently abled)

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
1.	Permanent (D)	10,625	9,830	92.52%	795	7.48%
2.	Other than Permanent (E)	0	0	0.00%	0	0.00%
3.	Total employees (D + E)	10,625	9,830	92.52%	795	7.48%

b§) Differently abled Employees

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
1.	Permanent (D)	1	1	0.009%	0	0.00%
2.	Other than Permanent (E)	0	0	0.00%	0	0.00%
3.	Total employees (D + E)	1	1	0.009%	0	0.00%

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	2	25.00%
Key Management Personnel	3	0	0.00%

20. Turnover rate for permanent employees

	FY2021			FY2020			FY2019		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	26.65%	2.58%	29.23%	33.76%	2.93%	36.69%	30.35%	2.41%	32.76%

Turnover rate = (No. of persons who have left the employment of the entity in the FY * 100) / (Persons employed in the category at the beginning of FY + Persons employed in the category at the end of FY) / 2.

5. Holding, Subsidiary and Associate Companies (including joint ventures)

21.Names of holding / subsidiary / associate companies / joint ventures

Sl. No.	Name of the holding/ subsidiary/ associate companies/joint ventures (A)	Indicate whether holding/subsidiary/ associate/joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity?
1	Madura Micro Finance Limited	Subsidiary	76.25%	Yes
2	Madura Micro Education Private Limited	Step-down subsidiary*	-	Yes

* Wholly owned subsidiary of Madura Micro Finance Limited

6. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
(ii) Turnover (in ₹): ₹ 20,311.39 million
(iii) Net worth (in ₹): ₹ 36,348.14 million

7. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place	FY2021			FY2020		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil	Community grievances currently not recorded	Nil	Nil	Community grievances currently not recorded
Investors	Yes	Nil	Nil	-	Nil	Nil	-
Shareholders	Yes	Nil	Nil	-	32	Nil	-
Employees	Yes	8	Nil	-	33	Nil	-
Customers	Yes	2,716	4	-	2,912	Nil	-
Value Chain Partners	No	Nil	Nil	Value Chain Partners grievances currently not recorded	Nil	Nil	Value Chain Partners grievances currently not recorded

24. Overview of the entity's material responsible business conduct issues
Refer to Page 40 of Integrated Annual Report.

SECTION B: GENERAL DISCLOSURES

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1.a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs.	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	y
c. Web Link of the Policies, if available	www.creditaccessgrameen.in								
2. Whether the entity has translated the policy into procedures.	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes / certifications/ labels/ standards adopted by your entity and mapped to each principle.	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.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company strives to be a socially responsible organisation creating a meaningful long-term impact in the lives of customers, employees, communities, and various stakeholders. The Company has ensured that its processes and controls are aligned with the principles of sustainable business practises.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company actively tracks the progress against the action plan to ensure complete compliance with the established norms.								
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) Refer to Page 7 of Integrated Annual Report									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	DIN: 07235226 Name: Udaya Kumar Hebbar Designation: Managing Director and CEO								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. Refer to Question No. 8								
10. Details of Review of NGRBCs by the Company (a) Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y
(b) Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency?	N	N	N	N	N	N	N	N	N
12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:	Not Applicable								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	-	-	-
Key Managerial Personnel	-	-	-
Other Employees	9,757 classroom sessions, 778 through e-learning portal	Ethical Behaviour and Integrity, Code of Conduct, Core Values	92%

2. **Details of fines/ penalties / punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format:**
Nil

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**
Not Applicable

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**
No

5. **Number of Directors/KMPs/employees against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**
FY2021: Nil. FY2020: Nil

6. **Details of complaints with regard to conflict of interest:**
Number of complaints received in relation to issues of Conflict of Interest of the Directors:
FY2021: Nil. FY2020: Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs:
FY2021: Nil. FY2020: Nil

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**
Not Applicable

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics/ principles covered under the training	%age of value chain partners covered under the awareness programmes
-	-	-

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board?**
The Company has a Board approved policy for management of conflict of interest. The objective of the Policy is to i) identify actual or potential conflict of interest of the Company with its directors and employees which may arise during the course of its business activities, ii) implement effective organisational and administrative processes to mitigate and prevent conflicts of interest arising and damaging the interest of various stakeholders, and iii) suggest appropriate safeguards and systems for preventing or managing conflicts and an escalation mechanism. Every director or every employee of the Company shall notify the MD & CEO of any personal conflict of interest relationship which may involve the Company. Every director or employee shall also notify the MD & CEO of any conflict of interest of a non-personal nature involving the Company or its business arrangements. The MD & CEO shall analyse conflict of interest, perceived or otherwise, in order to determine an appropriate course of action.

CREDITACCESS GRAMEEN LIMITED
Business Responsibility & Sustainability Report

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY2021	FY2020	Details of improvements in environmental and social impacts
IT Capex	₹ 107.25 million	₹ 69.66 million	Refer to Page 74 of Integrated Annual Report

2. **a. Does the entity have procedures in place for sustainable sourcing?**
The company conducts all branch procurement from local businesses / suppliers.

b. If yes, what percentage of inputs were sourced sustainably?
100% of Company's branch procurement happens from local businesses / suppliers.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**
Not Applicable

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities. If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**
Not Applicable

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)?**
Not Applicable

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**
Not Applicable

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**
Not Applicable

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**
Not Applicable

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**
Not Applicable

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. Details of measures for the well-being of employees.

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Male	9,830	9,830	100%	0	0%*	0	0%	193	1.96%	We have a creche facility at Head Office	
Female	795	795	100%	0	0%*	18	2.26%	0	0.00%		
Total	10,625	10,625	100%	0	0%*	18	2.26%	193	1.96%		

* The Company has life insurance policy for each employee which provides cover for accidental loss of life. In April 2021, the Company has now covered all its employees under Group Personal Accident Policy which covers permanent total/ partial disability.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY2021		FY2020	
	No. of employees covered as a % of total employees	Deducted and deposited with the authority	No. of employees covered as a % of total employees	Deducted and deposited with the authority
PF	100%	Y	100%	Y
Gratuity	81.04%*	Y	72.74%*	Y
ESI	9,136 out 10,625 employees fall under ESIC and 100% covered	Y	9,750 out of 10,824 employees fall under ESIC and 100% Covered	Y

* Excludes trainee employees

3. Accessibility of workplaces.
Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.
Yes

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.
Yes. It is covered under the Code of Conduct Policy. www.creditaccessgrameen.in

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees	
	Return to work rate	Retention rate
Male	100%	96.37%
Female	Out of 18 women employees, 16.67% returned, 11.11% resigned and remaining 72.22% are still on leave as per policy	

(Total number of employees that did return to work after parental leave in the reporting period * 100)/ (Total number of employees due to return to work after taking parental leave in the reporting period) = Return to work rate

Retention rate = (Total number of employees retained 12 months after returning to work following a period of parental leave * 100)/ (Total number of employees returning from parental leave in the prior reporting period)

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker?
Yes. Refer to Page 68 of Integrated Annual Report

7. Membership of employees in association(s) or Unions recognised by the listed entity:
Not Applicable

8. Details of training given to employees:

Category	FY2021					Health					
	Total (A)	On Health		Accident insurance		Total (D)	On Health and safety measures		On Skill		
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Male	9,830	9,506	96.70%	9,385	95.47%	9,966	5,228	52.46%	8,092	81.20%
Female	795	523	65.79%	593	74.59%	858	640	74.59%	659	76.81%
Total	**10,625**	**10,029**	**94.39%**	**9,978**	**93.91%**	**10,824**	**5,868**	**54.21%**	**8,751**	**80.85%**

9. Details of performance and career development reviews of employees:

Category	FY2021			FY2020		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Male	9,821	6,537	66.46%	7,454	5,086	68.23%
Female	841	512	60.88%	598	350	58.53%
Total	**10,662**	**7,049**	**66.02%**	**8,052**	**5,436**	**67.51%**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? If yes, the coverage such system?
CA Grameen has adopted a systematic approach to control the occupational health and safety risks for field force who need to travel long distances for engaging with customers on daily basis. There are well-defined standard operating procedures, checks, controls and audits to ensure that the field employees take all precautionary measures at work. Regular trainings are conducted to build awareness about occupational health and safety and regular branch and field audits help in capturing any deviations.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?
Regular trainings are conducted to build awareness about occupational health and safety and regular branch and field audits help in capturing any deviations and timely corrective action.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks.
Not Applicable

d. Do the employees of the entity have access to non-occupational medical and healthcare services?
The employees are covered by health insurance and life insurance.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY2021	FY2020
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Not Applicable	Not Applicable
Total recordable work-related injuries	Employees	44	46
No. of fatalities	Employees	6	11
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	2

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Regular trainings are conducted to build awareness about occupational health and safety and regular branch and field audits help in capturing any deviations and timely corrective action.

13. Number of Complaints on the following made by employees:

	FY2021			FY2020		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	-	Nil	Nil	-
Health & Safety	Nil	Nil	-	Nil	Nil	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and Safety Practices	Not Applicable
Working Conditions	Not Applicable

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not Applicable

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of employees.

Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The statutory dues are filed individually by the respective departments, with the concerned government authorities. There is an automated process adopted by the Compliance team generates regular alerts and tracks the timely filing of dues/returns.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY2021	FY2020	FY2021	FY2020
Employees	0	2	-	2

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

Yes

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and Safety Practices	Not Applicable
Working Conditions	Not Applicable

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company is engaged in providing financial services to low-income households in rural India for their lifecycle needs. The key stakeholders of the Company are customers, local communities in the operating regions, shareholders, lenders, investors, regulators, credit rating agencies and other business partners.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Refer to Page 45 of Integrated Annual Report

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The senior management team is in regular communication with the stakeholders and any feedback received from the stakeholders is communicated to the Board as a part of business performance updates on a quarterly basis.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

The Company uses stakeholder consultation as a medium to support the identification and management of environmental and social topics. There were no specific observations made by any stakeholder during the financial year.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Refer to Social Performance Management Report on Page 87

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY2021			FY2020		
	Total (A)	No. employees covered (B)	% (B / A)	Total (C)	No. employees covered (D)	% (C / D)
Permanent	10,625	-	-	10,824	-	-
Other than Permanent	0	-	-	0	-	-
Total Employees	**10,625**	**-**	**-**	**10,824**	**-**	**-**

2. Details of minimum wages paid to employees, in the following format:

Category	FY2021					Health				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Permanent	10,625	2,319	21.83%	8,306	78.17%	10,824	2,375	21.94%	8,449	78.06%
Male	9,830	2,106	21.42%	7,724	78.58%	9,966	2,118	21.25%	7,848	78.75%
Female	795	213	26.79%	582	73.21%	858	257	29.95%	601	70.05%

3. Details of minimum wages paid to employees, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors	-	-	-	-
Key Managerial Personnel	3	84,70,008	0	0
Other Employees	9,827	3,20,232	795	2,66,244

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)
Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.
The Company appreciates that human rights are inherent, universal, indivisible, and interdependent in nature. The Company has a policy on Codes of Conduct applicable to staff, borrowers, and other business partners. Conscious efforts are taken to understand the regulatory aspects of human rights and integrate respect for human rights in management systems, wherever applicable, in particular through assessing and managing human rights impacts of operations. Access to grievance redressal mechanism is set up for all individuals impacted by the business.

6. Number of Complaints on the following made by employees:

	FY2021			FY2020		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil		Nil	Nil	
Discrimination at workplace	Nil	Nil		Nil	Nil	
Child Labour	Nil	Nil		Nil	Nil	
Forced Labour / Involuntary Labour	Nil	Nil		Nil	Nil	
Wages	Nil	Nil		Nil	Nil	
Other human rights related issues	Nil	Nil		Nil	Nil	

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.
No pending concerns under labour compliances, sexual harassment and disciplinary issues.

8. Do human rights requirements form part of your business agreements and contracts?
Yes

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual Harassment	Nil
Discrimination at workplace	Nil
Child Labour	Nil
Forced Labour / Involuntary Labour	Nil
Wages	Nil
Other human rights related issues	Nil

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.
Nil

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.
Nil

2. Details of the scope and coverage of any Human rights due-diligence conducted.
Nil

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?
Yes

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Nil
Discrimination at workplace	Nil
Child Labour	Nil
Forced Labour / Involuntary Labour	Nil
Wages	Nil
Other human rights related issues	Nil

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.
Nil

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:
Not Applicable

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.
Not Applicable

3. Provide details of the following disclosures related to water, in the following format:
Not Applicable

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.
Not Applicable

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:
Not Applicable

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:
Not Applicable

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.
Not Applicable

8. Provide details related to waste management by the entity, in the following format:
Not Applicable

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.
Not Applicable

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:
Not Applicable

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:
Not Applicable

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:
Not Applicable

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:
Not Applicable

2. Provide the following details related to water discharged:
Not Applicable

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):
Not Applicable

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:
Not Applicable

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.
Not Applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:
Not Applicable

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.
Not Applicable

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.
Not Applicable

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.
Not Applicable

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.
b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sl. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Microfinance Institutions Network (MFIN)	National
2	Sa-Dhan	National
3	Association of Karnataka Microfinance Institutions	State
4	Federation of Karnataka Chamber of Commerce and Industry	State
5	Odisha State Association for Financial Inclusion Institutions	State
6	Kerala Association of Microfinance Institutions	State
7	Uttar Pradesh Microfinance Association	State

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.
Nil

Leadership Indicators

1. Details of public policy positions advocated by the entity:
Nil

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.
Nil

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.
Nil

3. Describe the mechanisms to receive and redress grievances of the community.
Refer to Social Performance Management Report on Page 87

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:
Nil

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):
Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:
Refer to Corporate Social Responsibility Report on Page 125

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups?
(b) From which marginalized /vulnerable groups do you procure?
(c) What percentage of total procurement (by value) does it constitute?
100% local procurement

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:
Nil

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.
Nil

6. Details of beneficiaries of CSR Projects.
Refer to Corporate Social Responsibility Report on Page 125

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.
Refer to Social Performance Management Report

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about environmental and social parameters.
Not Applicable

3. Number of consumer complaints in respect of the following:

	FY2021			FY2020		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Unfair Trade Practices	Nil	Nil	-	Nil	Nil	-
Other	2,716	4	-	2,912	Nil	-

4. Details of instances of product recalls on account of safety issues.
Not Applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? If available, provide a web-link of the policy.
Yes. It is covered under Risk Management Policy @ www.creditaccessgrameen.in

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services
Nil

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).
The information on goods and services of the business can be accessed on Company website (www.creditaccessgrameen.in), help desk, centre meetings.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.
The customers are provided with adequate training and assistance to ensure appropriate usage of the loan products available to support various lifecycle needs. At the time of customer on-boarding, Compulsory Group Training is conducted over 5 days to educate customers on responsible usage of various loan products, followed by interaction with branch manager and area manager to ensure customer understanding. Further, at the time of loan disbursement, branch manager reiterates the importance of credit discipline and responsible usage of loan to the customers. Furthermore, the minutes book captures the details on every centre meeting and in case of any deviations identified, corrective steps are taken to educate the customers.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.
Weekly/ bi-weekly centre meetings provide a robust platform to engage with customers and keep them informed about any risk of disruption/ discontinuation of essential services.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)
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. The loan passbook mentions details about the rate of interest, loan tenure, repayment cycle and repayment instalment, processing fees, insurance and other terms & conditions for all loan products.
The Company regularly conducts customer satisfaction surveys relating to its products and services. Refer to Social Performance Report on Page 87 for details on customer surveys.

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact
b. Percentage of data breaches involving personally identifiable information of customers Nil

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS

I. Microfinance Industry: A Broad Perspective

A. Industry Overview:

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, 2021, the industry's total gross loan portfolio was ₹ 2,593,770 million, having witnessed 11.9% YoY growth, with 59.3 million unique borrowers. The NBFC-MFI segment accounted for 31.1% of the microfinance lending, with Banks at 43.7%, SFBs at 15.9%, and NBFCs/Others at 9.4%. As on Mar-21 the industry consisted of 188 lending institutions – 85 NBFC-MFIs, 13 Banks, 8 SFBs, 53 NBFCs and 29 others. The NBFC-MFI segment is governed by Reserve Bank of India (RBI) and two industry self-regulatory organisations (MFIN and Sa-Dhan).

B. NBFC- MFI

As of March 31, 2021, NBFC-MFI segment served 25.9 million customers. The customer base marginally declined by 1.9% compared to the previous financial year. Gross loan portfolio (GLP) of NBFC-MFI segment was ₹ 805,490 million, an increase of 9.2% from the previous year. The decline in customer base was primarily on account of nation-wide outbreak of COVID-19 pandemic. In such uncertain times, the industry took a prudent approach of focussing on existing customer base, improving collection efficiency and providing additional financial support to customers making timely repayments.

The NBFC-MFI segment has 14,652 branches across the country, which provided employment to 119,241 persons. Customers received disbursements of ₹ 557,780 million during FY2021 representing a decline of 27.5% over the previous year. Disbursements were significantly lower during Apr-20 to Sep-20 and improved to near pre-COVID run-rate during Oct-20 to Mar-21.

According to MFIN, NBFC-MFI segment has 55 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 ₹ 5,000 million are classified as Large entities. Companies having GLP between ₹ 1,000 million to ₹ 5,000 million are classified as Medium entities and companies having GLP less than ₹ 1,000 million are classified as Small entities. As per the classification, there are 22 Large, 21 Medium and 12 Small entities. Large entities account for 93.4% of the NBFC-MFI segment GLP.

A profile of NBFC-MFIs is given below:

- Top Ten Large MFIs GLP contribute to 74% of NBFC-MFI segment. As of March 31, 2021, rural portfolio contribution stood at 76%.
- Loans for Agri-Allied activities account for 56.5% of the GLP. Trade/services and manufacturing loans account for 41.6% and household finance loans account for 1.8% of GLP.
- Region wise distribution of portfolio is as provided below
  - o South: 28%
  - o West: 15%
  - o North: 13%
  - o Central: 11%
  - o East and North East: 33%
- Top 5 States - Tamil Nadu, Bihar, Karnataka, Odisha and Madhya Pradesh account for 52% of GLP. Top 10 States account for 82% of the total industry loan amount outstanding.
- The SFB segment, with 8 entities, has a total loan outstanding of ₹ 411,700 million with 14.7 million customer base. Compared to previous year, the loan outstanding of SFBs increased by 1.5%.

CREDITACCESS GRAMEEN LIMITED
Management Discussion & Analysis

II. Competitive Strengths and Strategies

A. Higher rural penetration

As of March 31,2021, borrowers serviced by CreditAccess Grameen Limited (the "Company") in rural areas was 85%. 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 (Consolidated)	FY2017	FY2018	FY2019	FY2020	FY2021
Rural	78%	81%	82%	86%	85%
Urban	22%	19%	18%	14%	15%

B. Market Position

As of March 31, 2021, the Company, on consolidated basis, was the largest MFI in the industry. The Company, on consolidated basis, held 16.9% share of total GLP of the NBFC-MFI segment (16.3% as of March 31, 2020).

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 ₹ 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% 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 30 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 well qualified people who are very experienced in the Management team. 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 way of quick decision-making and effective implementation of strategies.

III. Opportunities and Threats

A. Opportunities

While the microfinance industry has grown by leaps and bounds over past several years, it still continues to remain largely underpenetrated in deep rural areas. Hence, expansion of customer base across existing and new rural areas continues to remain a medium to long term opportunity for the MFI industry. In addition to growing customer base, financial inclusion opportunity can be entirely tapped through holistic development of the entire household. This entails addressing credit as well as non-credit needs of the household.

With regards to credit needs, the current focus is predominantly on income generation activities. However, there is significant opportunity to offer other credit products supporting education, health, consumption, infrastructure etc. leading to overall economic development of the customer base. This can be achieved by analyzing the large pool of data available from existing customer base, along with credit bureau data, customer behaviour and vintage to offer suitable credit products.

In addition to credit products, non-credit products like insurance, savings/ investments, payments etc. play a crucial role in building long-term economic sustainability of low-income underbanked rural households. MFI players have huge opportunity to leverage the last-mile access to their large customer base and offer various non-credit products through exploring partnerships with respective product/service providers. A complete suite of credit and non-credit products can further help the MFI industry to strengthen the customer relationship, customer retention and loyalty over coming years.

On the back of improving digital ecosystem pushed by the government, regulators and other market participants, it is imperative for MFI players to explore collaborations with fintech players to improve the overall product/ service delivery and devise new delivery models to strengthen reach, operating efficiency as well as overall customer experience. Leveraging the massive penetration of smartphones, internet connectivity and data availability in rural India, there is a large opportunity to adopt machine learning and artificial intelligence to offer more customised services and products to rural low-income households over coming years.

B. Threats

The prolonged outbreak of COVID-19 pandemic has put the nation's health infrastructure and administration under massive pressure. With the increasing difficulty in coping with the rising infection rate across the country, there are expected to be a series of intermittent restrictions/ lockdowns imposed by state governments in order to slow down infection transmission rate. If this continues for a longer period of time, it is expected to cause disruption of economic activities of various eco-systems. However, microfinance industry has always shown strong ability to rebound after external disturbances and given the low penetration of credit amongst the target population, the industry is expected to grow at healthy pace over coming years.

Given the strong industry growth prospects and excellent steady state repayment rates, microfinance industry has been witnessing rapid competition over past several years. Further, micro credit borrowers have been increasingly served by diverse set of lending institutions, operating under different regulatory guidelines and adopting diverse lending practices. While this has an impact on the overall customer behaviour and credit discipline, it also leads to overleveraging with multiple lending institutions serving common set of clients and adopting aggressive credit exposure limits to increase their customer wallet share. However, with the introduction of Code for Responsible Lending in 2019 followed by RBI's recent announcement of harmonization of MFI regulations in 2021, it is expected to create a level playing field for various players and ensure protection of interests of the micro credit borrowers.

Increasing occurrence of natural disasters year after year across several parts of the country has been affecting the livelihood and economic activities of the people at the bottom of the pyramid. Given the climate change impacts, we see this threat continuing in the coming years. The possible way of mitigating this risk is to ensure diversification at district level so that the overall exposure to such natural disasters can be contained and its impact can be effectively managed. Further, in such instances it is important for the MFI players to continue providing financial support to the affected borrowers and communities which can help them build resilience and rebound back to normalcy.

IV. New Initiatives

A. New Product Introduction

In order to support the livelihood of customers whose economic activities were temporarily impacted on account of COVID led restrictions/ lockdowns, the company introduced Flexi Supplementary Loan, of up to ₹ 15,000 with 1 year tenure, to enable these customers to rebuild their businesses gradually. Further, the company also introduced a 3-year income generation loan with ticket size ranging from ₹ 51,000 – 100,000 for customers with higher credit needs and healthy cash flows. While the ticket size is higher, longer loan tenure reduces the repayment burden on the customer leading to better loan serviceability.

B. Focus on digitisation

The company successfully digitized all customer touchpoints during the current financial year by equipping the field force with handheld tabs enabling automated/ paperless customer on-boarding, faster KYC verification, instant credit bureau checks, automated loan applications, centre meetings management and paperless collection process, automated flow of collection entries to branch level reconciliation, and same day loan disbursements. This has helped in significant reduction in the turn-around-time with increased responsiveness to customer needs.

The customers have been empowered with various cashless repayment options based on robust UPI payment infrastructure. Further, the company has also introduced and piloted a payment application to allow customers to make secure and easy to undertake cash transactions and bill payments from their bank accounts, and mobile and direct-to-home recharges in cash at customer's doorstep. These transactions will be gradually scaled up starting from FY2022.

C. Opening of new branches

The company opened 35 new branches in March 2021 across Rajasthan (10 branches in 6 districts), Gujarat (5 branches in 3 districts), Bihar (5 branches in 4 districts), Jharkhand (5 branches in 3 districts), Madhya Pradesh (5 branches in 3 districts) and Uttar Pradesh (5 branches in 5 districts). The branch expansion was in line with the company's contiguous district-based expansion strategy, with primary focus on new geographies.

D. Process Integration of Madura Micro Finance Ltd

The company had achieved a major milestone by successfully completing acquisition of Madura Micro Finance Ltd ('MMFL') in March 2020. In the backdrop of COVID-19 pandemic outbreak, the company ensured joint decision making and alignment of leadership thought process in managing the pandemic led crisis situation and effectively controlling the business operations. A detailed process integration roadmap was devised to ensure seamless transition towards the target operating model based on individual business strengths and expected synergies. The integration roadmap outlined the alignment of product and technology architecture, alignment of branch infrastructure, alignment of processes and policies, change management, business unit sensitisation and field force training, manpower assessment and role redeployment, and phase-wise conversion of MMFL branches into CAGL branches. The process integration is expected to be completed in first half of next financial year with a focus on early realisation of integration synergies.

V. The Company's Operational Perspective

A. Customers Profile:

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

Borrower Vintage (Consolidated)	FY2017	FY2018	FY2019	FY2020	FY2021
Less than 1 year	27%	32%	33%	17%	13%
1-3 years	49%	37%	34%	48%	52%
3-6 years	15%	23%	25%	23%	23%
6 years and above	9%	8%	8%	12%	12%

B. Profitability

For the year ended March 31, 2021, the Company's pre-provision operating profit, on consolidated basis, stood at ₹ 9,517.61 million as against ₹ 6,988.75 million in the previous year, an increase of 36.18%. The Company's profit after tax, on consolidated basis, stood at ₹ 1,314.03 million as against ₹ 3,354.88 million in the previous year, a decrease of 60.83%. The Company had created an additional provisioning of ₹ 1,122.10 million on account of COVID-19 impact in the year ended March 31, 2021.

Total revenue from operations, on consolidated basis, for the year ended March 31, 2021, was ₹ 24,660.72 million as against ₹ 17,054.81 million in the previous year, a growth of 44.60%. Total expenses, on consolidated basis, stood at ₹ 22,856.71 million as compared to ₹ 12,438.78 million in previous year, an increase of 83.75%.

C. Financial Performance

As of March 31, 2021, the portfolio yield, on standalone basis, was 18.6% as against 19.4% in the previous financial year. Cost to income ratio, on standalone basis, as of March 31, 2021 was 34.8% as against 36.7% in the previous financial year. Operating Cost to Gross Loan Portfolio ratio, on standalone basis, as of March 31, 2021 was 4.5%, as against 4.9% in the previous financial year.

D. Funding Trends

The changes in the outstanding borrowings from different sources, on consolidated basis, during FY2021 in comparison to last year can be seen in the below table

In Rs Million (Consolidated)	FY2017	FY2018	FY2019	FY2020	FY2021
Public Sector Banks	2,481.66	3,354.75	1,217.06	44,770.53	25,052.30
Private and Foreign Banks	8,450.48	18,812.51	25,460.44	15,897.77	46,017.22
Securitization/ Direct Assignment (sold portion)	-	-	7,073.30	6,186.70	12,685.01
NCDs (FPIs) and ECBs	5,499.00	7,886.50	7,082.00	9,362.48	9,811.94
NBFCs, FIs, Others	8,251.21	5,974.87	13,086.25	24,099.44	27,790.65
CCD	2,000.00	-	-	-	-
Total	**26,682.35**	**36,028.62**	**53,919.05**	**100,316.92**	**121,357.12**

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.

Interest Coverage Ratio	FY2021 Consolidated	FY2020 Standalone
PBT	1,804.01	4,508.86
Interest expense	9,287.25	5,710.28
EBIT	**11,091.27**	**10,219.13**
Interest expense	9,287.25	5,710.28
Interest coverage ratio	1.19	1.79
Debt Equity Ratio		
Debt	109,413.27	78,225.52
Equity (incl. minority interest)	37,963.81	26,690.76
Ratio	**2.88**	**2.93**
Interest income	22,900.32	16,171.87
Income from direct assignment	1,225.72	413.30
Finance cost	9,287.25	5,710.28
Operating Profit (before other expenses)	14,838.79	10,874.89
Total Revenue from operations	24,660.72	16,843.57
Operating profit margin (before operating expenses)	**60.17%**	**64.56%**
Profit after tax	1,314.03	3,275.00
Net Profit margin	**5.33%**	**19.44%**
Current ratio (Taken from ALM)		
Current assets	99,919.02	59,583.75
Current liabilities	64,532.47	45,766.66
Current ratio	**1.55**	**1.30**
Return on Equity (PAT / Average Total Equity)	**3.96%**	**13.01%**
Return on Equity (Adjusted PAT / Average Total Equity)	**7.62%**	**15.40%**

Adjusted PAT excludes the impact of accelerated write offs and additional COVID provisioning and tax impact thereof.

F. Operational Trends

Particulars (Consolidated)	FY2017	FY2018	FY2019	FY2020	FY2021	CAGR* (%)
Branches	393	516	670	1,393	1,424	38.00%
Districts	96	132	157	248	265	28.90%
Borrowers	1,450,298	1,851,324	2,469,837	4,055,486	3,911,619	28.20%
Loans disbursed (INR Millions)	34,026	60,817	82,212	1,038,921[1]	110,112	34.10%
Gross AUM (INR Millions)	30,754	49,747	71,593	119,961	135,869	45.00%
Field Officers	3,668	4,544	5,768	9,688	9,559	27.10%
Total Staff	4,952	6,306	8,064	14,496	14,399	30.60%
Repayment Rate – CAGL	96.54%	96.62%	98.81%	98.61%	93.44%[2]	N/A
Repayment Rate – MMFL				98.35%	86.60%[2]	N/A
PAR (INR Millions) – CAGL	4,520	631	579	1,866	5,908	N/A
PAR (INR Millions) – MMFL				1,805	3,132	N/A
Funds availed during the year (INR Millions)	16,812	26,900	50,931	81,011	80,658	48.00%

1) Since MMFL was acquired on 18th March 2020, loans disbursed in FY2020 pertain only to CAGL
2) Since there was loan moratorium applicable during Apr-20 to Aug-20, FY21 repayment rate is calculated over Sep-20 to Mar-21
*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.

Standalone %	FY2017	FY2018	FY2019	FY2020	FY2021
Borrower Retention Rate	86%	84%	87%	85%	87%

G. Gross AUM and Borrower Distribution:

The Company, on a consolidated basis, has operational presence in Karnataka (KA), Maharashtra (MH), Tamil Nadu (TN), Chhattisgarh (CG), Madhya Pradesh (MP), Kerala (KL), Odisha (OD), Goa (GA), Puducherry (PY), Jharkhand (JH), Gujarat (GJ), Rajasthan (RJ), Bihar (BR), Uttar Pradesh (UP) and West Bengal (WB). The Company has adopted a contiguous district expansion strategy to expand the operations in new geographies.

State wise Gross AUM Distribution

(In Rs Million)	Consolidated Figures									
	FY2017		FY2018		FY2019		FY2020		FY2021	
State	Gross AUM	% age	Gross AUM	% age	Gross AUM	% age	Gross AUM	% age	Gross AUM	% age
KA	18,303	59.50%	28,892	58.10%	37,624	52.60%	48,020	40.00%	51,941	38.20%
MH	8,760	28.50%	13,296	26.70%	18,451	25.80%	28,969	24.10%	31,863	23.50%
TN	1,924	6.30%	3,389	6.80%	7,465	10.40%	23,894	19.90%	25,167	18.50%
MP	1,401	4.60%	3,165	6.40%	5,470	7.60%	9,141	7.60%	11,132	8.20%
OD					371	0.50%	2,408	2.00%	3,380	2.50%
BR							2,028	1.70%	3,156	2.30%
CG	366	1.20%	1,005	2.00%	2,044	2.90%	2,428	2.00%	2,683	2.00%
KL					105	0.10%	1,789	1.50%	2,440	1.80%
JH							394	0.30%	1,207	0.90%
RJ							176	0.10%	660	0.50%
GJ							167	0.10%	601	0.40%
UP							72	0.10%	441	0.30%
WB							42	0.00%	363	0.30%
PY					53	0.10%	413	0.30%	362	0.30%
GA					11	0.00%	19	0.00%	22	0.00%
Total	**30,754**		**49,747**		**71,593**		**119,961**		**135,869**	

State wise Borrowers Distribution

(In Rs Million)	Consolidated Figures									
	FY2017		FY2018		FY2019		FY2020		FY2021	
State	Borrowers	% age	Borrowers	% age	Borrowers	% age	Borrowers	% age	Borrowers	% age
KA	810,306	55.90%	944,262	51.00%	1,135,440	46.00%	1,261,247	31.10%	1,165,415	29.80%
MH	435,821	30.10%	524,315	28.30%	691,999	28.00%	903,757	22.30%	841,370	21.50%
TN	90,416	6.20%	162,168	8.80%	274,521	11.10%	1,113,385	27.50%	996,722	25.50%
MP	91,716	6.30%	168,450	9.10%	256,141	10.40%	323,098	8.00%	325,060	8.30%
OD					14,652	0.60%	121,438	3.00%	139,619	3.60%
BR							93,610	2.30%	130,165	3.30%
CG	22,039	1.50%	52,129	2.80%	91,129	3.70%	100,228	2.50%	89,670	2.30%
KL					3,549	0.10%	85,987	2.10%	98,408	2.50%
JH							14,329	0.40%	37,559	1.00%
RJ							6,182	0.20%	21,286	0.50%
GJ							6,164	0.20%	19,673	0.50%
UP							2,762	0.10%	14,803	0.40%
WB							1,366	0.00%	11,857	0.30%
PY					2,024	0.10%	21,123	0.50%	19,180	0.50%
GA					382	0.00%	810	0.00%	832	0.00%
Total	**1,450,298**		**1,851,324**		**2,469,837**		**4,055,486**		**3,911,619**	**29.80%**

CREDITACCESS GRAMEEN LIMITED
Management Discussion & Analysis

Product wise split of Gross AUM

(In Rs Million)	Consolidated Figures									
	FY2017		FY2018		FY2019		FY2020		FY2021	
Products	Gross AUM	% age	Gross AUM	% age	Gross AUM	% age	Gross AUM	% age	Gross AUM	% age
Income Generation Loans	26,971	87.70%	42,841	86.10%	60,878	85.00%	105,470	87.90%	128,383	94.50%
Family Welfare Loans	1,190	3.90%	1,172	2.40%	928	1.30%	1,678	1.40%	232	0.20%
Home Improvement Loans	2,471	8.00%	5,198	10.40%	6,433	9.00%	7,696	6.40%	3,108	2.30%
Emergency Loans	116	0.40%	22	0.05%	99	0.10%	126	0.10%	17	0.00%
Retail Finance Loans	6	0.02%	513	1.00%	3,255	4.50%	4,991	4.20%	4,128	3.00%
Total	**30,754**		**49,747**		**71,593**		**1,19,961**		**1,35,869**	

Number of Districts – State-wise Distribution

	Consolidated Figures				
	FY2017	FY2018	FY2019	FY2020	FY2021
KA	30	30	30	30	31
MH	26	30	31	32	32
TN	11	25	30	36	37
MP	19	24	30	36	37
OD	0	5	13	24	24
BR	0	0	0	15	18
CG	10	12	17	19	19
KL	0	3	3	8	8
JH	0	0	0	14	17
RJ	0	0	0	11	16
GJ	0	0	0	8	10
UP	0	0	0	7	8
WB	0	0	0	4	4
PY	0	1	1	2	2
GA	0	2	2	2	2
Total	**96**	**132**	**157**	**248**	**265**

Number of Districts – District Exposure As % of Gross AUM

	Consolidated Figures				
	FY2017	FY2018	FY2019	FY2020	FY2021
<0.5%	43	78	105	186	205
0.5-1%	18	22	19	28	28
1-2%	20	17	23	27	27
2-4%	11	11	8	7	5
>4%	4	4	2	0	0
Total	**96**	**132**	**157**	**248**	**265**

Number of Districts – District Exposure As % of Borrowers

	Consolidated Figures				
	FY2017	FY2018	FY2019	FY2020	FY2021
<0.5%	39	70	100	177	195
0.5-1%	19	25	25	40	46
1-2%	23	25	22	27	21
2-4%	11	11	9	4	3
>4%	4	1	1	0	0
Total	**96**	**132**	**157**	**248**	**265**

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 endeavor. 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

- 14,399 permanent employees on a consolidated basis as on March 31, 2021
- CAGL: 10,625 employees, employee attrition rate of 21.86%
- MMFL: 3,774 employees, employee attrition rate of 26.46%
- 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

Training Type	Duration	No. of staff trained
Field Officers Basic Training - completed	15 or 21 days	3,476
Basic Training - BDOs (completed)	9 days	76
Various Functional/Refresher Trainings - GL	4 hours	5,033
Refresher - 2 Days	4 hours (2 Days)	675
Process Workshop -1 Days	1 day	200
Process Workshop - 2Days	2 days	43
Process Workshop -3 Days	3 days	254
Role And Responsibility – QC	4 hours	70
Role And Responsibility – CA	4 hours	72
EL Process Through – UT	2 hours	1,162
DigiAgil	4 hours	5,040
DigiAgil & DFA – RPC	4 hours	229
Guidance on DFA	2 hours	844
DFA Online Trg.	2 hours	241
DFA - Classroom	2 hours	147
Vikas Loan Product - RF Branch	4 hours	427
Towards Thriving Together - Program for Field employees	4 hours	136
Parivartan	2 days	786
Collaborative Leadership Program	4 hours (4 Days)	184

Training Type	Duration	No. of staff trained
Vruddhi Leadership Program – RPC	4 hours	15
PROCESS Trg MMFL Employees	4 days	1,440
Orientation to New Joiners – HO	4 hours	19
Assigned Quiz to field employees on Operational Process (around 5 quiz)		8,250
Instant EL Process Through - LMS (110 branches)		445
UPI Payments Through – LMS		2,356
Corporate Video - Through – LMS		3,922
Road Safety Through – LMS		850
DigiAgil End to end process (Karnataka Branches) Through - LMS		1,782
Email Security Awareness Through – LMS		6,070
Jagruti through digital platform Through - LMS		5,532
Employee Integrity at work Through – LMS		5,842
Same day disbursement process Through - LMS		28
Induction HO employees - Through – LMS		50
COC Both GL & RF Through – LMS		9,474
CPP Both GL & RF Through – LMS		9,778
Introduction to Retail finance- Newly hired RO - Through - LMS		40

MMFL training programs

Training Type	Duration	No. of staff trained
Business Process Induction	2 Days	699
Refresher Training	1 Day	34
Business Support Training	1 Day	54

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 programs 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. Comprehensive credit bureau data is checked to gauge borrower's exposure to various lending products and past credit history. Every loan given by the Company undergoes a credit check with the credit bureaus. The field force is equipped with handheld tabs which enable instant credit bureau verification process at the time of customer onboarding and loan delivery process which helps in increased responsiveness. The Company currently updates the borrower and loan information to respectively bureaus on a daily basis.

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 PowerBI 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

I. 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 Micro-Finance 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 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In addition to the above, Corporate Governance standards for Non-Banking Finance Companies (NBFCs) 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.

II. 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, 2021, the Company's Board comprised of eight (8) Directors, including four (4) 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, Chairman Mr. Massimo Vita Mr. Sumit Kumar
Non-Executive Independent Directors	Mr. George Joseph, Vice-Chairman & Lead Independent Director [w.e.f. Feb 11, 2021] Mr. Manoj Kumar Ms. Sucharita Mukherjee Ms. Lilian Jessie Paul
Executive Directors	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 are given below:

Skills/ Expertise/ Competence	Paolo Brichetti	Massimo Vita	Sumit Kumar	Jessie Paul	George Joseph	Manoj Kumar	Sucharita Mukherjee	Udaya Kumar Hebbar
Banking Operations					✓	✓	✓	✓
Audit & Financial Statements		✓		✓	✓			✓
Financing	✓		✓	✓	✓	✓	✓	✓
Investment	✓		✓			✓	✓	
Risk Management		✓		✓	✓	✓		✓
Entrepreneurship	✓			✓		✓	✓	✓
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 CA 2013 and the Listing Regulations.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Regulations and are Independent of the Management.

Detailed profile of the Directors are available on the website of the Company at www.creditaccessgrameen.in.

CREDITACCESS GRAMEEN LIMITED
Corporate Governance Report

Number of other directorship of Directors and committees in which a Director is a Member or Chairperson.

Name of the Directors	Designation	Number of Directorship in listed entities, excluding CAGL	Name of the Listed Entity/ies excluding CAGL	Number of memberships in Audit/ Stakeholders' Relationship Committee(s)[1]	Number of posts of Chairperson in Audit/ Stakeholders' Relationship Committee held in listed entities[2]
Mr. Paolo Brichetti	Chairman & Nominee Director	0	-	2	0
Mr. Massimo Vita	Nominee Director	0	-	1	0
Mr. Sumit Kumar	Nominee Director	0	-	0	0
Mr. George Joseph	Vice Chairman & Lead Independent Director	1	Wonderla Holidays Limited	4	1
Ms. Sucharita Mukherjee	Independent Director	0	-	2	1
Ms. Jessie Paul	Independent Director	3	Royal Orchid Hotels Limited Expleo Solutions Limited Bajaj Consumer Care Limited	3	0
Mr. Manoj Kumar	Independent Director	-	-	2	0
Mr. Udaya Kumar Hebbar	Managing Director & CEO	-	-	1	0

1. Including Directorship/membership in committees in CreditAccess Grameen Limited and in public companies.
2. Including chairmanship in Committees in CreditAccess Grameen Limited

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 CA 2013 and the Listing Regulations.

b. Board Meetings

The Board met Ten (10) times during the financial year i.e., on May 6, 2020, May 30, 2020, June 16, 2020, Aug 1, 2020, Sep 3, 2020, Sep 23, 2020, Oct 23, 2020, Nov 6, 2020, Jan 29, 2021 and Feb 11, 2021. The time gap between any two of the said meetings had not exceeded one hundred and twenty days.

Due to COVID-19, during the FY21, almost all the Meetings of the Board and the Committees including the Annual General Meeting and the Extraordinary General Meetings were held only through Video Conferencing.

Attendance of each Director at Board Meetings (Meetings held through Video Conference only):

	Paolo Brichetti	Massimo Vita	Kumar Sumit	R. Prabha **	Anal Jain*	George Joseph	Sucharita Mukherjee	Manoj Kumar	B.R. Diwakar ***	Udaya Kumar Hebbar	Jessie Paul $
May 6, 2020	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NA
May 7, 2020	✓	✓	✓	✓	✓	✓	LOA	✓	✓	✓	NA
May 30, 2020	✓	✓	✓	✓	✓	✓	LOA	✓	✓	✓	NA
Jun 16, 2020	✓	✓	✓	✓	✓	✓	LOA	✓	✓	✓	NA
Aug 1, 2020	✓	LOA	✓	✓	NA	✓	LOA	✓	✓	✓	NA
Sep 3, 2020	✓	✓	✓	✓	NA	✓	✓	✓	✓	✓	NA
Sep 23, 2020	✓	✓	✓	✓	NA	✓	LOA	✓	✓	✓	✓
Oct 23, 2020	✓	✓	✓	✓	NA	✓	LOA	✓	✓	✓	✓
Nov 6, 2020	✓	✓	✓	NA	NA	✓	✓	✓	✓	✓	✓
Jan 29, 2021	✓	✓	✓	NA	NA	✓	✓	✓	NA	✓	✓
Feb 11, 2021	✓	✓	✓	NA	NA	✓	LOA	✓	NA	✓	✓

* Resigned with effect from June 25, 2020
** Resigned with effect from November 03, 2020
*** Resigned with effect from November 06, 2020
$ Appointed on September 16, 2020

Attendance of Directors at the previous Annual General Meeting (AGM) and Extraordinary General Meeting (EGM)

	Paolo Brichetti	Massimo Vita	Sumit Kumar	R. Prabha	George Joseph	Sucharita Mukherjee	Manoj Kumar	B.R. Diwakar	Udaya Kumar Hebbar	Jessie Paul
Annual General Meeting										
Aug 11, 2020	✓	-	✓	✓	✓	✓	✓	✓	✓	NA
Extraordinary General Meeting										
Sep 26, 2020	✓	✓	✓	✓	✓	-	✓	✓	✓	✓

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. Anal Jain had resigned from the company w.e.f. June 25, 2020
2. Ms. Jessie Paul was appointed as an Independent Director with effect from September 16, 2020
3. Mr. R. Prabha ceased to be Independent Director w.e.f. November 03, 2020
4. Mr. B R Diwakar has resigned from the company w.e.f. November 06, 2020.
5. Mr. Balakrishna Kamath was appointed as Chief Financial Officer of the Company w.e.f. November 07, 2020

d. Appointment, criteria and tenure of Independent Directors

Pursuant to Sections 149, 150 and 152 of the CA 2013, the Company has four 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 terms and conditions of appointment of Independent directors are available on the website of the Company at www.creditaccessgrameen.in.

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 of the date of the Board/Committee meetings, except for the meetings called at a short notice, if any.

The Board periodically reviews 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 Listing Regulations, the Company has held familiarization programme for the Independent Directors relating to the impact of COVID-19 on Company's operations and Industry by way of sharing updates on Operations, highlights to Risk Management Committee and weekly highlights to ALM Committee during the year.

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

g. Code of conduct for Directors and Senior Management Personnel

In compliance with Regulation 17(5) of the 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 Regulation 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.in.

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, 2021 is given below:

Sl. No	Name of the Directors	No. of equity shares
1	Mr. Paolo Brichetti*	13
2	Mr. George Joseph	1000

*holding as nominee of CreditAccess India NV.

j. Remuneration Policy

Remuneration to 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. The Company's Policy on Remuneration to Directors, KMPs and senior management is available on the website of the Company at the link - https://www.creditaccessgrameen.in.

k. Remuneration paid to Executive Directors

[₹ in Million]

Sl. No	Name of the Directors	Designation	Gross Salary	Commission	Perquisites on account ESOP exercised	Others **	Total Amount
1	Udaya Kumar Hebbar	Managing Director & CEO	21.29	-	10.36	-	31.85
2	B. R. Diwakar*	Director - Finance & CFO	8.84	-	2.40	5.70	11.24

*Resigned on November 06, 2020
** Ex-gratia payment

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

1. Term of agreement: Period effective from June 26, 2020 to June 25, 2023 (Extendable upto two years on mutual consent);
2. Notice period: 60 days written notice for good reason otherwise 120 days written notice.

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;

l. Stock Option details:

Name of the Directors	Options granted	Options exercised, and shares allotted	Options outstanding
Udaya Kumar Hebbar	813,000	410,000	403,000
B. R. Diwakar*	310,000	250,000	60,000

*Resigned on November 06, 2020

m. Remuneration to Non-Executive Directors including Independent Directors

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 payable are given below:

[₹ in Million]

Name of the Directors	Sitting fees	Commission
	2020-21	2020-21
Mr. Paolo Brichetti	0.76	-
Mr. Anal Jain*	0.245	-
Mr. R Prabha*	0.565	-
Mr. George Joseph	0.885	1.20
Ms. Sucharita Mukherjee	0.415	0.76
Mr. Manoj Kumar	0.785	1.00
Mr. Massimo Vita	0.71	-
Mr. Sumit Kumar	0.575	-
Ms. Jessie Paul*	0.3	0.63
Total	**5.24**	**3.59**

Mr. Anal Kumar resigned from the company w.e.f. June 25, 2020.
Ms. Jessie Paul was appointed as an Independent Director w.e.f. September 16, 2020.
Mr. R. Prabha was ceased to be a director w.e.f. November 03, 2020.

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

During FY 2021, 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:

With effect from September 09, 2020, the Board has re-appointed Mr. George Joseph as an Independent Director for a second term of 5 years or attainment of 75 years of age, whichever is earlier, subject to the approval of Shareholders.

On September 16, 2020, the Board of Directors had appointed Ms. Jessie Paul, as Independent & Additional Director.

Both appointment and re-appointment have been approved by the Shareholders through resolution passed by the Postal Ballot notice dated March 08, 2021.

III. COMMITTEES OF THE BOARD – COMPOSITIONS AS ON MARCH 31, 2021

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
h) Executive, Borrowings & Investment Committee

There were no instances during the year, where the Board of Directors of the Company did not accept the recommendation of any of the Committees.

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:

1. AUDIT COMMITTEE

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 8 (Eight) times on Apr 21, 2020, May 5, 2020, May 30, 2020, Aug 1, 2020, Sep 23, 2020, Nov 6, 2020, Jan 29, 2021 and Feb 11, 2021.

As on March 31, 2021, the Audit Committee comprises of Four (4) members including three (3) Independent Directors. Mr. George Joseph is the chairman of the committee.

The composition and the members' attendance details at the Audit Committee meetings are given below:

CREDITACCESS GRAMEEN LIMITED
Corporate Governance Report

	Paolo Brichetti *	Massimo Vita	R. Prabha **	George Joseph	Sucharita Mukherjee	Manoj Kumar
Apr 21, 2020	✓	✓	✓	✓	✓	✓
May 5, 2020	✓	✓	✓	✓	✓	LOA
May 30, 2020	✓	✓	✓	✓	LOA	✓
Aug 1, 2020	✓	LOA	✓	✓	LOA	✓
Sep 23, 2020	✓	✓	✓	✓	✓	✓
Nov 6, 2020	NA	✓	NA	✓	✓	✓
Jan 29, 2021	NA	✓	NA	✓	✓	✓
Feb 11, 2021	NA	✓	NA	✓	LOA	✓

* Ceased to the Member of the Committee w.e.f November 04, 2020
** Resigned as Director with effect from November 03, 2020

Mr. Balakrishna Kamath, Chief Financial Officer, 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.

2. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The grievances of stakeholders and clients were reviewed by Shareholders and Grievance Committee.

As on March 31, 2021, the Stakeholders' Relationship Committee ("SRC") comprises of three (3) members, including two (2) Independent Directors. Ms. Sucharita Mukherjee is the Chairperson of the Committee.

During the year under review, the SRC met Four (4) times on May 22, 2020, Jul 31, 2020, Nov 5, 2020 and Jan 28, 2021. The composition of the Committee along with Details of the attendance are given below:

SRC Meeting Dates	R. Prabha *	George Joseph	Sucharita Mukherjee	Udaya Kumar
May 22, 2020	✓	✓	✓	✓
Jul 31, 2020	✓	✓	LOA	✓
Nov 6, 2020	NA	✓	✓	✓
Jan 28, 2021	NA	✓	LOA	✓

*Resigned as Director with effect from November 03, 2020

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.

Notes:

1. The Shareholders may reach out to the Company Secretary at cs@cagrameen.in for any queries or grievances.
2. The Company has not received any complaints from the Shareholders during the FY2021.

3. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee ("NRC") currently comprises of four (4) members including three (3) Independent Directors. Mr. Manoj Kumar is the Chairman of the committee.

During the year under review, the NRC met Six (6) times, on May 22, 2020, Jun 15, 2020, Jun 23, 2020, Oct 23, 2020, Nov 5, 2020 and Jan 28, 2021. The composition and the attendance of the Members at the NRC meetings are given below:

NRC Meeting Dates	Paolo Brichetti	Anal Jain*	R. Prabha **	Sucharita Mukherjee	Manoj Kumar	Jessie Paul$
May 22, 2020	✓	✓	✓	✓	✓	NA
Jun 15, 2020	✓	✓	✓	✓	✓	NA
Jun 23, 2020	✓	✓	✓	✓	✓	NA
Oct 23, 2020	✓	NA	✓	LOA	✓	NA
Nov 5, 2020	✓	NA	NA	✓	✓	✓
Jan 28, 2021	✓	NA	NA	✓	✓	✓

*Ceased to be Director w.e.f June 25, 2020
**Ceased to be Director w.e.f. November 03, 2020
$Inducted to the Committee on November 04, 2020

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 Director concerned. The performance evaluation of the Non-Executive Directors was carried out by the Independent Director. The evaluation exercise for FY2021 was carried out by external agency, M/s M Damodaran & Associates LLP.

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee ("CSR Committee") comprises of four (4) Members including two (2) Independent Directors. Mr. Udaya Kumar is the Chairman of the committee.

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 four (4) times May 22, 2020, Jun 15, 2020, Nov 5, 2020 and Jan 28, 2021. The composition and details of the attendance of the Members at the CSR Committee meetings are given below:

CSR Meeting Dates	Massimo Vita	Anal Jain*	R. Prabha **	Manoj Kumar	Udaya Kumar	Jessie Paul$
May 22, 2020	✓	✓	✓	✓	✓	NA
Jun 15, 2020	✓	✓	✓	LOA	✓	NA
Nov 5, 2020	✓	NA	NA	✓	✓	✓
Jan 28, 2021	✓	NA	NA	✓	✓	✓

* Ceased to be a Director w.e.f. June 25, 2020
**Ceased to be a Director w.e.f. November 03,2020
$Inducted to the Committee on November 04, 2020

5. 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. Mr. Massimo Vita is the chairman of the committee.

During the year under review, the RMC met 4 (Four) times, May 22, 2020, Jul 31, 2020, Nov 5, 2020 and Jan 28, 2021. The composition and details of the attendance of the Directors at the RMC meetings are given below

RMC Meeting Dates	Paolo Brichetti	George Joseph	Massimo Vita	Udaya Kumar	Sumit Kumar
May 22, 2020	✓	✓	✓	✓	✓
Jul 31, 2020	LOA	✓	✓	✓	✓
Nov 5, 2020	LOA	✓	✓	✓	✓
Jan 28, 2021	✓	✓	✓	✓	✓

6. ASSET AND LIABILITY MANAGEMENT COMMITTEE

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.

The Asset Liability Management Committee ("ALM Committee") comprises of four (4) Members including one (1) Independent Director. Mr. Udaya Kumar Hebbar is the Chairman of the committee.

During the year under review, the ALM Committee met 4 (Four) times, May 22, 2020, Jul 31, 2020, Nov 5, 2020 and Jan 28, 2021. The composition and the details of the attendance of the Directors at the ALM Committee meetings are given below:

ALM Meeting Dates	Paolo Brichetti*	George Joseph	Sumit Kumar	Udaya Kumar	Diwakar B. R.**	Massimo Vita$
May 22, 2020	✓	✓	✓	✓	✓	NA
Jul 31, 2020	✓	✓	✓	✓	✓	NA
Nov 5, 2020	NA	✓	✓	✓	NA	✓
Jan 28, 2021	NA	✓	✓	✓	NA	✓

* Ceased to be a Member of the Committee w.e.f. November 04, 2020.
**Ceased to be a Director w.e.f. November 06, 2020
$Inducted to the Committee on November 04, 2020

7. IT STRATEGY COMMITTEE

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.

The IT Committee comprises of four (4) members including (1) Independent Director. Mr. Manoj Kumar is the Chairman of the committee.

During the year under review, the Committee met Three (3) times, May 6, 2020, Oct 23, 2020 and Jan 28, 2021. The composition and the details of the attendance are given below:

IT Meeting Dates	Massimo Vita	Anal Jain*	Manoj Kumar	Sumit Kumar	Udaya Kumar	Jessie Paul$	Arun Kumar	Sudesh Puthran**	Paolo Brichetti
May 6, 2020	✓	✓	✓	✓	✓	NA	NA	NA	NA
Oct 23, 2020	✓	NA	✓	✓	✓	✓	✓	NA	NA
Jan 28, 2021	NA	NA	✓	✓	✓	✓	NA	✓	✓

*Ceased to be Director w.e.f. June 25, 2020.
** Sudesh Puthran, CTO replaced Mr. Arun Kumar as a member of the Committee w.e.f. Oct 23, 2020
$Inducted to the Committee on September 16, 2020

Independent Directors' Meeting

In compliance with Schedule IV to the CA 2013, the independent directors held their separate meeting on May 23, 2020, without the attendance of non-independent directors and members of Management, inter alia, to discuss the following:

1. review the performance of non-independent directors and the board of directors as a whole;
2. review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;
3. 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.

8. EXECUTIVE, BORROWINGS AND INVESTMENT COMMITTEE (EBI)

The EBI Committee is authorized by the Board of Directors to borrow money or avail credit facilities in any form whatsoever, up to the amount as approved by the Shareholders, to issue securities for raising debt, to invest funds of the Company, to lend money, and to open/Operating /closing of the bank accounts of the Company.

The EBI Committee comprises of Four (4) members including one Independent Director.

During the year under review, the EBI Committee met 34 times on April 21, 2020, April 26, 2020, May 16,2020, May 19, 2020, May 29, 2020, June 04, 2020, June 08, 2020, June 09, 2020, June 19, 2020, June 26, 2020, July 21,2020, July 28, 2020, August 03,2020, August 06,2020, August 11,2020, August 26,2020, September 18, 2020, October 15, 2020, November 06, 2020, November 10,2020, November 12,2020, December 01, 2020, December 04,2020, December 16,2020, December 19,2020, December 29,2020, January 18,2021, January 23, 2021, February 06, 2021, February 25, 2021, March 06,2021, March 13,2021, March 25, 2021, March 30,2021.

EBI Meeting Dates	Paolo Brichetti	Udaya Kumar Hebbar	Balakrishna Kamath**	Manoj Kumar
21.04.2020	LOA	✓	NA	✓
26.04.2020	LOA	✓	NA	✓
16.05.2020	LOA	✓	NA	✓
19.05.2020	LOA	✓	NA	✓
29.05.2020	LOA	✓	NA	✓
04.06.2020	LOA	✓	NA	✓
08.06.2020	LOA	✓	NA	✓
09.06.2020	✓	✓	NA	✓
19.06.2020	LOA	✓	NA	✓
26.06.2020	LOA	✓	NA	✓
21.07.2020	✓	✓	NA	✓
28.07.2020	LOA	✓	NA	✓
03.08.2020	✓	✓	NA	✓
06.08.2020	✓	✓	NA	✓
11.08.2020	✓	✓	NA	✓
26.08.2020	✓	✓	NA	✓
18.09.2020	✓	✓	NA	✓
15.10.2020*	LOA	✓	NA	✓
06.11.2020	✓	✓	NA	✓
10.11.2020	✓	✓	NA	✓
12.11.2020	✓	✓	NA	✓
01.12.2020	✓	✓	NA	✓
04.12.2020	✓	✓	NA	✓
16.12.2020	✓	✓	NA	✓
19.12.2020	✓	✓	NA	✓
29.12.2020	✓	✓	NA	✓
18.01.2021	✓	✓	✓	✓
23.01.2021	✓	✓	✓	✓
06.02.2021	✓	✓	✓	✓
25.02.2021	✓	✓	✓	✓
06.03.2021	✓	✓	✓	✓
13.03.2021	✓	✓	✓	✓
25.03.2021	✓	✓	✓	✓
30.03.2021	✓	✓	✓	✓

*Mr. Diwakar B. R. was a Member of the Committee for one meeting and he attended the meeting on October 15, 2020

**Mr. Balakrishna Kamath was inducted to the committee w.e.f. January 13, 2021

IV. 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
2019-2020	AGM	Registered Office (Video Conferencing)	11.08.2020	03:00 pm	8
2018-2019	AGM	Pai Vista Convention Hall, Bangalore-560004	01.08.2019	10.30 am	6
2017-2018	AGM	The Capitol Rajbhavan Road, Bangalore-560001	21.11.2018	10.00 am	6

Extraordinary General Meeting during the year:

Date	Location of the Meeting	Time	Number of Special Resolutions passed
26.09.2020	Registered Office (Video Conferencing)	03:00 pm	01

CREDITACCESS GRAMEEN LIMITED
Corporate Governance Report

Postal Ballot

Two Resolutions were passed through Postal Ballot during the year under review. The details of the same is as under:

Date of Notice: March 08, 2021
Voting period: March 11, 2021 to April 11, 2021

Item Proposed	Resolution Type	Total Votes	Votes in Favor		Votes Against	
			No. of votes	%	No. of votes	%
Approval for Appointment of Ms. Lilian Jessie Paul (DIN: 02864506) as an Independent Director	Ordinary	136,583,194	136,570,379	99.99	12,815	0.01
Approval for Re-appointment of Mr. George Joseph (DIN: 00253754) as Independent Director for a Second Term	Special	136,583,010	136,550,164	99.98	32,846	0.02

Result was declared on April 12, 2021.

The Company had appointed Mr. C. Dwarakanath, Company Secretary in Practice (FCS No: 7723, CP No. 4847), Bengaluru as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner and in accordance with the law.

Procedure adopted for Postal Ballot:

As per Section 110 and other applicable provisions, if any, of the Companies Act, 2013 as amended (the "Act"), read together with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, as may be amended (the "Rules"), General Circular No. 14/ 2020 dated April 8, 2020, General Circular No.17/ 2020 dated April 13, 2020, General Circular No. 22/ 2020 dated June 15, 2020, General Circular No.33/ 2020 dated September 28, 2020 and General Circular No.39/2020 dated December 31, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 read with rules made thereunder on account of Covid-19" issued by the Ministry of Corporate Affairs (the "MCA"), Government of India (the "MCA Circulars"), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations") and pursuant to other applicable laws and regulations, notice of the Postal Ballot by remote E-voting only ("Postal Ballot/E-Voting"), for the businesses in the notice dated March 8, 2021 was sent to the Members who had registered their email addresses with the Company or depository / depository participants and the communication. For this purpose, the Company had engaged the services of KFin Technologies Private Limited.

Further, the Company has also published the notices in the newspaper declaring the details and requirements as mandated by the Act, Listing Regulations and applicable Rules.

The E-Voting facility started from 9:00 am on Thursday, March 11, 2021 and ended at 5:00 pm on Sunday, April 11, 2021. The Scrutinizer submitted his Report in writing, upon completion of scrutiny of E-voting data provided by KFin Technologies Pvt. Ltd..

The results of E-voting along with the Scrutinizer's Report was declared on April 12, 2021 and displayed on the website of the Company: www.creditaccessgrameen.in the website of KFin at https://www.kfintech.com and also communicated to both NSE and BSE.

Further, as on the date of this report, there is no proposal of passing any Resolution through Postal Ballot during the financial year 2021-22.

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. The Whistle-Blower Policy which is uploaded on the website of the Company can be accessed at www.creditaccessgrameen.in

V. 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.

VI. 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 General Meetings in one English Newspaper (Financial Express) and one Kannada Newspaper (Vishwavani). It also publishes record date and book closure dates in the said newspaper circulating in the city in which the Registered office of the Company is located.

Website:

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 at www.creditaccessgrameen.in

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 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@cagrameen.in exclusively for the investors to communicate their grievances to the Company.

VII. General Shareholder Information:

Day and date	Friday, July 30, 2021
Time	3.00 PM (IST)
Venue	Videoconference
E-voting date	July 27, 2021 - July 29, 2021
Cut-off date	July 23, 2021

Financial Year: April 1, 2021 to March 31, 2022

ii. Dividend: Not proposed to be paid

iii. 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@kfintech.com
Phone No: 040-67162222
Fax No: 040-2300115

iv. 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 April 01, 2019.

v. Plant Locations:

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

vi. 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: cs@cagrameen.in
Phone no: +91.80.22637300
Fax: +91.80.26643433

vii. Stock Market Data from April 1, 2020 to March 31, 2021

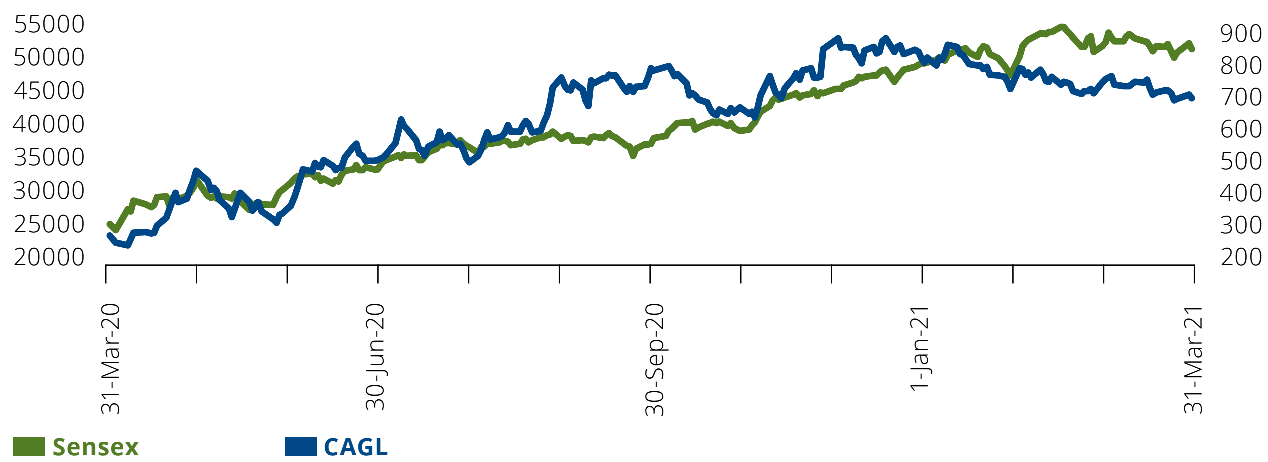
Month	National Stock Exchange		BSE Limited Exchange	
	High Price	Low Price	High Price	Low Price
April	492.0	490.0	495.2	489.9
May	402.0	378.3	401.9	372.0
June	535.0	505.0	537.0	505.0
July	525.0	500.1	525.0	500.4
August	740.0	670.0	739.9	671.5
September	760.0	708.0	759.3	709.1
October	655.0	635.0	654.6	642.7
November	801.3	725.2	802.0	724.8
December	776.4	748.1	776.0	748.8
January	717.0	691.0	739.0	690.5
February	701.0	674.1	700.7	674.0
March	688.0	665.0	687.9	665.0

viii. Distribution of shareholding as on March 31, 2021

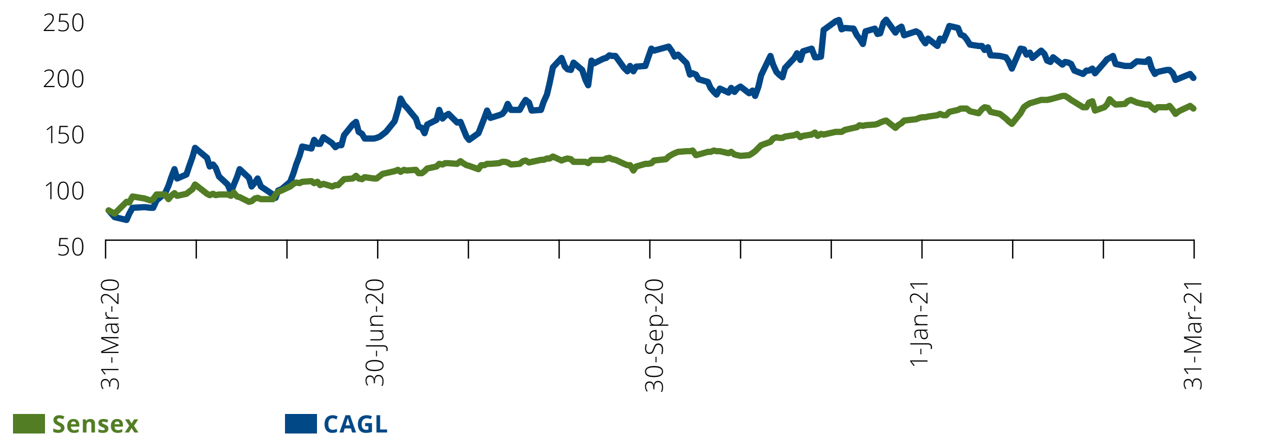
Category	No. of Shares	Percentage
Promoter & Promoter Group	11,51,09,041	73.99
Mutual Fund	1,01,57,951	6.53
Corporates	1,78,429	0.11
Public	48,02,259	3.09
Others	2,53,34,360	16.28
TOTAL	**15,55,82,040**	100.00

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

CAGL vs. BSE Sensex



CAGL vs. BSE Sensex (Normalised to base of 100)



x. Registration details: The Company is registered in the State of Karnataka. CIN of the Company is L51216KA1991PLC053425. The Company being a Non-Banking Finance Company-Micro Finance Institution (NBFC-MFI), is registered with Reserve Bank of India (Certificate of Registration Number: B- 02.00252).

xi. Listing information:

The Company is listed on both BSE Ltd., and National Stock Exchange of India Ltd. 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

VIII. OTHER DISCLOSURES

a. Related Party Transactions

The Company has entered into related party transactions during FY21. 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.in.

b. Policy for determining material subsidiaries

Policy for determining material subsidiary has been uploaded on our website at www.creditaccessgrameen.in.

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 are reported during FY 2021.

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. Details of Mandatory Requirements and Adoption of non-mandatory requirement

All mandatory requirements of the Listing Regulations have been complied with by the Company.

The status of compliance with the discretionary requirements, the Board has appointed separate persons for the post of Chairman of the Board and Managing Director & CEO.

f. Credit Rating

The details with respect to Credit Ratings obtained by the Company are 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 are 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

A consolidated fee of ₹ 15.2 million was paid to the Statutory Auditors by the Company and its subsidiary, Madura Micro Finance Limited for FY 2021.

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

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

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

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

n. 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

o. In case the securities are suspended from trading, the directors report shall explain the reason thereof: NA

p. Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity: NA

Details of utilization of funds raised through qualified Institutions Placement as specified under Regulation 32 (7A).

The Company had raised ₹ 7,999,933,361/- during October 2020 under Qualified Institutional Placements (QIP) and the said amount has been completely utilized for the purposes for which it was raised.

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, 2021

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 2021, 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 2021.

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
FCS No: 7723; CP No: 4847
UDIN: F007723C000440188
Peer Review Certificate No: 674/2020

Place: Bengaluru
Date: June 10, 2021

CREDITACCESS GRAMEEN LIMITED
Corporate Governance Report

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
CreditAccess Grameen Limited
Registered Office: New No.49 (Old No.725), 46th Cross, 8th Block
Jayanagar (Next to Rajalakshmi Kalyana Mantap)
Bangalore – 560071

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of CREDITACCESS GRAMEEN LIMITED having CIN: L51216KA1991PLC053425 and having registered office at New No.49 (Old No.725), 46th Cross, 8th Block, Jayanagar (Next to Rajalakshmi Kalyana Mantap) Bangalore – 560071 Karnataka (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. George Joseph	00253754	09/09/2015
2	Mr. Paolo Brichetti	01908040	27/11/2009
3	Ms. Sucharita Mukherjee	02569078	11/09/2017
4	Mr. Udaya Kumar Hebbar	07235226	15/07/2015
5	Mr. Sumit Kumar	07415525	16/08/2016
6	Mr. Massimo Vita	07863194	25/07/2017
7	Mr. Manoj Kumar	02924675	30/10/2019
8	Ms. Lilian Jessie Paul	02864506	16/09/2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

C. Dwarakanath
Company Secretary in Practice
FCS No: 7723; CP No: 4847
UDIN: F007723C000440188
Peer Review Certificate No: 674/2020

Place: Bengaluru
Date: June 10, 2021

CEO / CFO CERTIFICATION

To
The Board of Directors
CreditAccess Grameen Limited
Bangalore

We hereby certify that:

A. We have reviewed financial statements and the cash flow statement for the FY 2020-21 and that to the best of our knowledge and belief:

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

   ii. 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.

Date: May 06, 2021	**Udaya Kumar Hebbar**	**Balakrishna Kamath**
Place: Bengaluru	Managing Director & CEO	Chief Financial Officer

STANDALONE AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Members of CreditAccess Grameen Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **CreditAccess Grameen Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and 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 financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, total 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 financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note 42 of the standalone financial statements, which describes the continuing uncertainties arising from the COVID 19 pandemic.

Our report 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 financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

CREDITACCESS GRAMEEN LIMITED
Standalone Auditor's Report

<table>
<tr><th>Key Audit Matter</th><th>How the key audit matter was addressed in our Audit</th></tr>
<tr><td colspan="2">(a) Impairment of Loans (expected credit losses)
(as described in note 7 of the standalone Ind AS financial statements)</td></tr>
<tr><td>Management estimates impairment provision using Expected Credit loss (ECL) model for the loan exposure. Recognition and measurement of impairment of loans involve significant management judgement. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Collective impairment allowances are calculated using ECL model which approximate credit conditions on homogenous portfolios of loans.

During the year, the Company has made additional provisions after evaluating the extent to which COVID-19 pandemic may impact its overall operations and performance. Given the uncertainty over the potential macro-economic condition, these additional provisions also involve significant management estimates/ judgements.

Further, the disclosures made in the financial statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL involve increased level of audit focus.

The aforesaid involves significant management estimates/ judgements and hence identified as Key Audit Matter (KAM).</td><td>Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognised in the financial statements were reasonable and the related disclosures in the financial statements made by the management were adequate.

These procedures included, but not limited, to the following:

• We examined Board Policy approving the methodology for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the Company.

• We obtained an understanding of the model adopted by the Company for calculation of expected credit losses including how management calculated the expected credit losses and the appropriateness of the data on which the calculation is based and tested the management controls for it.

• We evaluated the design and operating effectiveness of controls across the processes relevant to ECL. These controls, among others, included controls over the allocation of assets into stages including management's monitoring of the need for post model adjustments, model validation and production of journal entries and disclosures.

• We tested, on samples basis, the input and historical data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records.

• We tested the arithmetical calculation of the workings of the expected credit losses.

• We performed an overall assessment of the ECL provision at each stage including management's assessment on Covid-19 impact to determine if they were reasonable considering the Company's portfolio, risk profile and the macroeconomic environment.

• We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 on ECL especially in relation to judgements used in estimation of ECL provision.</td></tr>
</table>

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management report but does not include the standalone financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

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

- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- When we read the management report, if we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information.'

Management's Responsibility for the Standalone 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 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 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 financial 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 system 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 the 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 standalone 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 financial statements, including the disclosures, and whether the standalone 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 Company to express an opinion on the standalone financial statements.

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

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 financial statements of the current year 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 Matters

The audit of the standalone financial statements of the Company for the year ended March 31, 2020 was carried out by the predecessor auditor. The report of the predecessor auditor on the comparative standalone financial statements dated May 30, 2020 expressed an unmodified opinion.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of 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 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.

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

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

G. K. Subramaniam
(Partner)
(Membership No. 109839)
(UDIN: 21109839AAAAFJ6787)

Place: Mumbai
Date: May 6, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date which includes internal financial controls over financial reporting.

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 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 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

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting 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 **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

G. K. Subramaniam
(Partner)
(Membership No. 109839)
(UDIN: 21109839AAAAFJ6787)

Place: Mumbai
Date: May 6, 2021

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

(b) The property, plant and equipment were physically verified during the year by the management in accordance with a regular program of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.

(ii) The Company does not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable.

(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.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantee or security to any director of the Company and hence the provisions of Section 185 of the Act is not applicable to the Company. The Company has complied with the provisions of Section 186 as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and it did not have any unclaimed deposits at the beginning of the year. Hence reporting under clause (v) of the Order is not applicable.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the CARO 2016 is not applicable.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues where applicable, to it with the appropriate authorities.

(b) There were no arrears in respect of said statutory dues as at March 31, 2021 for a period of more than six months from the date they became payable.

(c) There are no dues of Provident Fund, Employees' State Insurance, Goods and Service Tax, Sales Tax, as on March 31, 2021 on account of disputes. The details of dues of Income tax which have not been deposited as at March 31, 2021 on account of dues are as follows:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹)	Amount Unpaid (₹)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	FY 2016-17	₹ 1.45 crore	₹ 1.16 crore

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks, financial institutions and dues to debenture holders. The Company does not have loans or borrowings from Government.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of further public offer of debt instruments and the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The Company has not raised money by way of initial public offer during the year.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) To the best of our knowledge and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has made preferential allotment of shares during the year under review. In respect of the above issue, we further report that:

a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and

b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into non-cash transactions with its directors or persons connected with the directors and hence provisions of section 192 of the Act are not applicable.

(xvi) In our opinion and according to the information and explanation 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 **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

G. K. Subramaniam
(Partner)
(Membership No. 109839)
(UDIN: 21109839AAAAFJ6787)

Place: Mumbai
Date: May 6, 2021

STANDALONE FINANCIALS

Standalone balance sheet as at March 31, 2021

₹ in crore

Sr. No.	Particulars	Notes	As at March 31, 2021	As at March 31, 2020
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	4	1,874.59	564.62
(b)	Bank balance other than cash and cash equivalents	5	71.38	15.82
(c)	Other receivables	6	-	0.22
(d)	Loans	7	9,717.82	9,172.64
(e)	Investments	8	662.93	661.44
(f)	Other financial assets	9	109.80	45.74
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	29	29.47	17.59
(b)	Deferred tax assets (net)	29	115.01	84.27
(c)	Property, plant and equipment	11 (A)	18.37	24.19
(d)	Right of use assets	11 (A)	66.66	52.93
(e)	Intangible assets	11 (A)	15.73	9.50
(f)	Intangible assets under development	11 (B)	0.62	2.84
(g)	Other non-financial assets	10	14.41	9.86
	Total assets		**12,696.79**	**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		25.19	18.36
	(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		145.07	61.48
(b)	Borrowings			
	- Debt securities	12	1,506.04	655.07
	- Borrowings (other than debt securities)	13	7,249.68	7,142.49
	- Subordinated liabilities	14	25.00	25.00
(c)	Other financial liabilities	15	81.63	65.07
(2)	**Non-financial liabilities**			
(a)	Provisions	17	19.68	16.02
(b)	Other non-financial liabilities	16	9.69	9.09
(3)	**Equity**			
(a)	Equity share capital	18	155.58	143.99
(b)	Other equity	19	3,479.23	2,525.09
	Total liabilities and equity		**12,696.79**	**10,661.66**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

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

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

G K Subramaniam
Partner
Membership No. 109839

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Mumbai
Date: May 06, 2021

Place: Bangalore
Date: May 06, 2021

CREDITACCESS GRAMEEN LIMITED
Standalone Financials

Statement of standalone profit and loss for the year ended March 31, 2021

₹ in crore

Sr. No	Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
	Revenue from operations			
(a)	Interest income	20	1,877.13	1,617.19
(b)	Fees and commission income	21	8.49	4.95
(c)	Net gain on fair value changes	22	130.64	56.15
(d)	Others		11.27	5.20
I	**Total revenue from operations (I)**		**2,027.53**	**1,683.49**
II	**Other income**	**23**	**3.61**	**0.87**
III	**Total income (I+II)**		**2,031.14**	**1,684.36**
	Expenses			
(a)	Finance costs	24	740.07	571.03
(b)	Fee and commission expense		3.01	1.18
(c)	Impairment of financial instruments	25	646.90	238.98
(d)	Employee benefits expenses	26	299.60	259.64
(e)	Depreciation and amortization expenses	27	23.43	19.64
(f)	Other expenses	28	123.84	143.00
IV	**Total expenses (IV)**		**1,836.85**	**1,233.47**
V	**Profit before tax (III-IV)**		**194.29**	**450.89**
	Tax expense	29		
	(1) Current tax		93.44	159.32
	(2) Deferred tax		(41.54)	(35.93)
VI	**Total tax expense (VI)**		**51.90**	**123.39**
VII	**Profit for the year (V-VI)**		**142.39**	**327.50**
VIII	**Other comprehensive income**			
(a)	(1) Items that will not be reclassified to profit or loss			
	- Remeasurement gains / (losses) on defined benefit obligations (net)		**0.22**	**0.05**
	(2) Income tax relating to items that will not be reclassified to profit or loss		(0.05)	(0.01)
	Subtotal (a)		**0.17**	**0.04**
(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		**42.93**	**(34.83)**
	(2) Income tax relating to items that will be reclassified to profit or loss		(10.80)	7.46
	Subtotal (b)		**32.13**	**(27.37)**
	Other comprehensive income / (loss) (VIII = a+b)		**32.30**	**(27.33)**
IX	**Total comprehensive income (VII+VIII) (comprising profit and other comprehensive income for the year)**		**174.69**	**300.17**
X	**Earnings per equity share (EPS) (face value of ₹ 10.00 each)**	**44**		
	Basic (EPS)		9.52	22.78
	Diluted (DPS)		9.46	22.59

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

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

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

G K Subramaniam
Partner
Membership No. 109839

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Mumbai
Date: May 06, 2021

Place: Bangalore
Date: May 06, 2021

Statement of standalone changes in equity for the year ended March 31, 2021

a) Equity share capital

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

Particulars	No of shares	₹ in crore
At March 31, 2019	**14,35,52,261**	**143.55**
Changes in equity share capital during the year	4,33,198	0.43
At March 31, 2020	**14,39,85,459**	**143.99**
Changes in equity share capital during the year	1,15,96,581	11.60
At March 31, 2021	**15,55,82,040**	**155.58**

b) Other Equity

₹ in crore

Particulars	Reserve & Surplus					Other comprehensive income	Total
	Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	Capital reserve (refer Note 19.2)	Securities premium	Share options outstanding account	Retained earnings		
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 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 asset 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**
Profit for the year	-	-	-	-	142.39	-	142.39
Other comprehensive income	-	-	-	-	0.17	32.13	32.30
Premium on equity shares issued during the year	-	-	788.68	-	-	-	788.68
Premium on exercise of stock options	-	-	4.39	(2.05)	-	-	2.34
Transferred to statutory reserves	28.47	-	-	-	(28.47)	-	-
Expenses incurred towards Qualified institutional placement of equity shares	-	-	(13.53)	-	-	-	(13.53)
Employee stock option compensation for the year	-	-	-	1.96	-	-	1.96
As at March 31, 2021	**231.89**	**49.95**	**2,263.13**	**8.52**	**929.68**	**(3.94)**	**3,479.23**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Mumbai
Date: May 06, 2021

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

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

Place: Bangalore
Date: May 06, 2021

M J Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Membership No. ACS-16350

Statement of standalone cash flows for the year ended March 31, 2021

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Cash flow from operating activities:		
Profit before tax	194.29	450.89
Adjustments:		
Interest income on loans	(1,858.17)	(1,611.05)
Interest on deposits with banks and financial institutions	(18.96)	(6.14)
Depreciation and amortisation expenses	23.43	19.64
Finance costs	740.07	571.03
Impairment on financial instruments	646.90	238.98
Gain on derecognition of loans designated at FVTOCI	(112.89)	(41.33)
Net gain on financial instruments at fair value through profit or loss	(17.74)	(14.82)
Share based payments to employees	1.96	2.51
Provision/(Reversal of provision) for other assets	0.20	0.32
	(595.20)	**(840.86)**
Operational cash flows from interest:		
Interest received on loans	1,852.85	1,572.25
Finance costs	(709.74)	(540.41)
Working capital changes:		
(Increase) in loans	(1,143.84)	(2,804.82)
Decrease/ (Increase) in other receivables	0.22	(0.13)
Decrease in other financial assets	48.63	41.97
(Increase) in other non-financial assets	(3.37)	(1.57)
Increase/ (decrease) in trade and other payables	90.42	(23.89)
Increase in provisions	3.88	4.19
Increase in other financial liabilities	2.31	0.95
Increase in other non-financial liabilities	0.60	3.17
	(1,001.15)	**(2,780.13)**
Income tax paid	(105.37)	(163.69)
Net cash flows (used in) Operating activities (A)	**(364.32)**	**(2,301.95)**
Cash flow from investing activities		
Purchase of property, plant and equipment	(3.29)	(14.21)
Proceeds from sale of property, plant and equipment	0.46	0.12
Purchase of Intangible assets and expenditure on Intangible assets under development	(8.50)	(7.44)
(Increase) / Decrease in bank balance other than cash and cash equivalents	(55.55)	25.99
Interest on deposits with banks and financial institutions	18.96	6.14
Purchase of investments at fair value through profit and loss	(7,200.60)	(9,125.63)
Sale of investments at fair value through profit and loss	7,218.34	9,140.45
Investment in equity shares of subsidiary	(1.49)	(661.24)
Net cash flows (used in) investing activities (B)	**(31.67)**	**(635.82)**
Cash flow from financing activities		
Debt securities issued (net)	825.84	88.72
Borrowings other than debt securities issued (net)	108.39	3,012.59
Subordinated liabilities repaid (net)	-	(11.39)
Payment of Lease liability (net)	(17.35)	(5.93)
Financial liability towards securitisation (repaid) (net)	-	(158.92)
Proceeds from issuance of equity share capital including securities premium	799.99	-
Proceeds from the Employee Stock options	2.62	3.59
Expenses incurred towards issuance of equity share capital	(13.53)	-
Net cash flows from financing activities (C)	**1,705.96**	**2,928.66**
Net increase / (decrease) in cash and cash equivalents	**1,309.97**	**(9.11)**
Cash and cash equivalents as at the beginning of the year (Refer Note 4)	**564.62**	**573.73**
Cash and cash equivalents as at the end of the year (Refer Note 4)	**1,874.59**	**564.62**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Mumbai
Date: May 06, 2021

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

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Bangalore
Date: May 06, 2021

Notes to standalone financial statements for the year ended March 31, 2021

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. The financial statements of the Company for the year ended March 31, 2021 were approved for issue in accordance with the resolution of the Board of Directors on May 6, 2021.

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").

The standalone financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crores, except when otherwise indicated. These standalone financial statements have been prepared on a going concern basis.

2.1 Presentation of standalone financial statements

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.

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 Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised.

3.1.5 Dividend Income

Dividend income is recognised at the time when the right to receive is established.

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 cash with an 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 Asset	Useful life (Years)
Furniture and ittings	10
Office equipments	05
Vehicles	08
Buildings	30
Electrical equipments	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 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 "Share 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 statement of profit and loss.

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 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 Company's policy for grouping financial assets measured on a collective basis is explained in Note 40.

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 40). 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 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 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 certain 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 the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are as follows:
i. Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
ii. Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
iii. Level 3 - Unobservable inputs for the asset or liability.

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.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for office premises and servers. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:
(i) the contract involves the use of an identified asset;
(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

3.22 Investments

Investment in subsidiaries
Investment in subsidiaries is recognised at cost. 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.

Other investments
Other Investments in equity instruments are classified as FVTPL, unless the related instruments are not held for trading and the Company irrevocably elects on initial recognition of financial asset on an asset-by-asset basis to present subsequent changes in fair value in other comprehensive income (FVTOCI).

4 Cash and cash equivalents

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Cash in hand	7.96	1.35
Balances with Banks in current accounts	154.95	163.08
Bank deposit with maturity of less than 3 months	1,711.68	400.19
Total	**1,874.59**	**564.62**

5 Bank balance other than cash and cash equivalents

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Fixed deposit with bank not considered as cash and cash equivalents*	71.38	15.82
Total	**71.38**	**15.82**

*Balances with banks to the extent held as margin money or security against the borrowings.

6 Other receivables

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Unsecured, considered good		
Other receivables	-	0.22
Total	**-**	**0.22**

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 crore

Particulars	March 31,2021			March 31, 2020		
	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total
(A) Term loans:						
Joint liability loans	544.21	9,275.37	**9,819.58**	949.00	7,989.03	**8,938.03**
Individual loans	414.03	-	**414.03**	500.36	-	**500.36**
Total - Gross	**958.24**	**9,275.37**	**10,233.61**	**1,449.36**	**7,989.03**	**9,438.39**
Less: Impairment loss allowance	133.75	382.04	**515.79**	42.20	223.55	**265.75**
Total - Net*	**824.49**	**8,893.33**	**9,717.82**	**1,407.16**	**7,765.48**	**9,172.64**
(B) (a) Secured by tangible assets	**6.17**	**-**	**6.17**	**6.18**	**-**	**6.18**
(b) Unsecured	952.07	9,275.37	**10,227.44**	1,443.18	7,989.03	**9,432.21**
Total - Gross	**958.24**	**9,275.37**	**10,233.61**	**1,449.36**	**7,989.03**	**9,438.39**
Less: Impairment loss allowance	133.75	382.04	**515.79**	42.20	223.55	**265.75**
Total - Net*	**824.49**	**8,893.33**	**9,717.82**	**1,407.16**	**7,765.48**	**9,172.64**
(C) (I) Loans in India						
(a) Public sector	-	-	**-**	-	-	**-**
(b) Others	958.24	9,275.37	**10,233.61**	1,449.36	7,989.03	**9,438.39**
Total - Gross	**958.24**	**9,275.37**	**10,233.61**	**1,449.36**	**7,989.03**	**9,438.39**
Less: Impairment loss allowance	133.75	382.04	**515.79**	42.20	223.55	**265.75**
Total - Net*	**824.49**	**8,893.33**	**9,717.82**	**1,407.16**	**7,765.48**	**9,172.64**
(C) (II) Loans outside India	**-**	**-**	**-**	**-**	**-**	**-**
Less: Impairment loss allowance	-	-	**-**	-	-	**-**
Total - Net*	**-**	**-**	**-**	**-**	**-**	**-**

*Includes fair value of loans designated at FVTOCI.

7 (A) Joint Liability loans

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Joint Liability loans (including loans assets measured through FVTOCI):

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at March 31, 2020	**8,782.92**	**22.73**	**132.38**	**8,938.03**
(a) New assets originated or purchased	9,438.90	-	-	9,438.90
(b) Asset derecognised or repaid (Excluding write offs) #	(7,715.11)	(328.74)	(143.80)	(8,187.65)
Assets written off during the year	-	-	(369.70)	(369.70)
Movement between stages				
Transfer from Stage 1	(1,309.11)	1,088.03	221.08	-
Transfer from Stage 2	90.91	(684.21)	593.30	-
Transfer from Stage 3	11.40	4.24	(15.64)	-
Gross carrying value of assets as at March 31, 2021	**9,299.91**	**102.05**	**417.62**	**9,819.58**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at March 31, 2020	**143.12**	**10.11**	**97.91**	**251.14**
(a) New assets originated or purchased	63.93	-	-	63.93
(b) Asset derecognised or repaid (Excluding write offs) #	(52.25)	(141.19)	(107.75)	(301.19)
Assets written off during the year	-	-	(369.70)	(369.70)
Movement between stages				
Transfer from Stage 1	(8.87)	7.37	1.50	-
Transfer from Stage 2	39.04	(293.85)	254.81	-
Transfer from Stage 3	8.54	3.17	(11.71)	-
Impact on ECL on account of movement between stages	(31.51)	436.03	416.32	820.84
ECL allowance as at March 31, 2021*	**162.00**	**21.64**	**281.38**	**465.02**

Represents balancing figure.
* Includes ECL allowance created on loan assets measured through other comprehensive income of ₹ 382.04 crores.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at March 31, 2019	**6,299.14**	**22.59**	**33.03**	**6,354.76**
(a) New assets originated or purchased	9,909.69	-	-	9,909.69
(b) Asset derecognised or repaid (Excluding write offs) #	(7,278.61)	(3.45)	3.29	(7,278.77)
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 March 31, 2020	**8,782.92**	**22.73**	**132.38**	**8,938.03**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at March 31, 2019	**38.45**	**4.26**	**27.66**	**70.37**
(a) New assets originated or purchased	68.40	-	-	68.40
(b) Asset derecognised or repaid (Excluding write offs) #	(50.31)	(1.29)	2.38	(49.22)
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	-	(0.01)	-
Impact on ECL on account of movement between stages	87.57	10.15	111.52	209.24
ECL allowance as at March 31, 2020*	**143.12**	**10.11**	**97.91**	**251.14**

Represents balancing figure.
* Includes ECL allowance created on loan assets measured through other comprehensive income of ₹ 223.55 crores.

7 (B) Individual loans

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Individual loans:

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at March 31, 2020	**484.98**	**5.66**	**9.72**	**500.36**
(a) New assets originated or purchased	192.83	-	-	192.83
(b) Asset derecognised or repaid (Excluding write offs) #	(240.89)	(6.17)	(4.97)	(252.03)
Assets written off during the year	-	-	(27.13)	(27.13)
Movement between stages				
Transfer from Stage 1	(68.64)	34.98	33.66	-
Transfer from Stage 2	1.39	(22.30)	20.91	-
Transfer from Stage 3	0.16	0.08	(0.24)	-
Gross carrying value of assets as at March 31, 2021	**369.83**	**12.25**	**31.95**	**414.03**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at March 31, 2020	**1.80**	**2.97**	**9.84**	**14.61**
(a) New assets originated or purchased	3.86	-	-	3.86
(b) Asset derecognised or repaid (Excluding write offs) #	(4.82)	(3.08)	(4.96)	(12.86)
Assets written off during the year	-	-	(27.13)	(27.13)
Movement between stages				
Transfer from Stage 1	(1.37)	0.70	0.67	-
Transfer from Stage 2	0.69	(11.15)	10.46	-
Transfer from Stage 3	0.16	0.08	(0.24)	-
Impact on ECL on account of movement between stages	12.07	16.65	43.57	72.29
ECL allowance as at March 31, 2021	**12.39**	**6.17**	**32.21**	**50.77**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at March 31, 2019	**323.93**	**0.61**	**0.49**	**325.03**
(a) New assets originated or purchased	425.47	-	-	425.47
(b) Asset derecognised or repaid (Excluding write offs) #	(247.63)	0.14	(0.11)	(247.60)
Assets written off during the year	-	-	(2.54)	(2.54)
Movement between stages				
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 March 31, 2020	**484.98**	**5.66**	**9.72**	**500.36**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at March 31, 2019	**6.11**	**-**	**0.47**	**6.58**
(a) New assets originated or purchased	1.59	-	-	1.59
(b) Asset derecognised or repaid (Excluding write offs) #	(0.92)	0.08	(0.11)	(0.95)
Assets written off during the year	-	-	(2.54)	(2.54)
Movement between stages				
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	(4.92)	2.88	11.97	9.93
ECL allowance as at March 31, 2020	**1.80**	**2.97**	**9.84**	**14.61**

Represents balancing figure.

CREDITACCESS GRAMEEN LIMITED
Standalone Financials

8 Investments

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Investments		
A) In India		
At fair value through profit and loss		
(a) Alpha Microfinance Consultants Private Limited	0.20	0.20
Others		
(a) Subsidiaries	662.73	661.24
Madura Micro Finance Limited (MMFL)		
Total	**662.93**	**661.44**
B) Outside India	-	-
Less: Allowance for impairment loss	-	-
Total	**662.93**	**661.44**

9 Other financial assets

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Receivable from assignment of portfolio (unsecured, considered good)	90.75	27.31
Security deposits (unsecured, considered good)	9.68	9.30
Loans to employees (unsecured, considered good)	7.54	5.85
Other advances		
Unsecured, considered good	1.70	3.18
Unsecured, considered doubtful	0.39	0.16
Less: Provision for doubtful advances	(0.39)	(0.16)
Others	0.13	0.10
Total	**109.80**	**45.74**

10 Other non-financial assets

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Prepaid expenses	5.42	5.18
Advances to employees	0.15	0.14
Capital advance	1.18	-
Other advances		
Unsecured, considered good *	7.66	4.54
Unsecured, considered doubtful	0.98	1.17
Less: Provision for doubtful advances	(0.98)	(1.17)
Total	**14.41**	**9.86**

*Includes License and other service charges receivables from Madura Micro Finance Limited ₹ 1.12 crore (Nil as at March 31, 2020).

11 (A)

₹ in crore

Particulars	Property, plant and equipment							Right of use assets			Intangible assets	
	Computer	Electrical Equipment	Furniture & Fixtures	Leasehold Im-provement	Office equipment	Vehicles	Total	Buildings	Computer	Total	Computer software	Total
Cost:												
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	4.45	**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**
At April 1, 2020												
Additions	1.36	0.02	0.09	0.10	0.53	0.01	2.11	0.32	24.88	**25.20**	10.72	**10.72**
Disposals	(0.43)	(0.05)	(0.19)	(0.16)	(0.61)	-	(1.44)	-	-	**-**	-	**-**
At March 31, 2021	**12.30**	**0.73**	**9.21**	**8.99**	**16.38**	**0.63**	**48.24**	**22.86**	**62.72**	**85.58**	**31.75**	**31.75**
Depreciation / Amortisation:												
At March 31, 2019	**5.32**	**0.51**	**3.89**	**2.40**	**2.72**	**0.32**	**15.16**	**-**	**-**	**-**	**8.06**	**8.06**
Depreciation/Amortisation 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**
Depreciation/Amortisation charge for the year	2.26	0.03	0.52	1.48	3.11	0.07	7.47	3.64	7.83	**11.47**	4.49	**4.49**
Disposals	(0.15)	(0.05)	(0.18)	(0.16)	(0.44)	-	(0.98)	-	-	**-**	-	**-**
At March 31, 2021	**9.30**	**0.69**	**5.94**	**5.23**	**8.24**	**0.47**	**29.87**	**7.43**	**11.49**	**18.92**	**16.02**	**16.02**
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	**4.18**	**0.05**	**3.71**	**5.14**	**10.89**	**0.22**	**24.19**	**18.75**	**34.18**	**52.93**	**9.50**	**9.50**
At March 31, 2021	**3.00**	**0.04**	**3.27**	**3.76**	**8.14**	**0.16**	**18.37**	**15.43**	**51.23**	**66.66**	**15.73**	**15.73**

11 (B) Intangible assets under development

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Opening	2.84	2.36
Additions during the year	2.00	2.96
Less: Capitalised during the year	(4.22)	(2.48)
Closing	**0.62**	**2.84**

CREDITACCESS GRAMEEN LIMITED
Standalone Financials

12 Debt securities (at amortised cost)

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Debentures (secured)	1,506.04	655.07
Total	**1,506.04**	**655.07**
Debt securities in India	811.38	-
Debt securities outside India	694.66	655.07
Total	**1,506.04**	**655.07**

Nature of security

The above debentures are secured by the way of first and exclusive charge over eligible specified book debts of the Company.

Debentures (secured) (at amortised cost) (continued)

Terms of debentures	Number of debentures		Face value	Amount in crore	
	March 31, 2021	March 31, 2020		March 31, 2021	March 31, 2020
11.68% Secured Redeemable Non-convertible Debentures of face value of ₹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	10,00,000	19.48	19.49
11.47% Secured Redeemable Non-convertible Debentures of face value of ₹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	10,00,000	19.47	19.50
11.11% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Three years from the date of allotment i.e. February 28, 2020.	800	800	10,00,000	80.33	80.16
11.80% Secured Redeemable Non-convertible Debentures of face value of ₹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	10,00,000	-	30.72
11.60% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Five 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	10,00,000	100.95	101.52
11.21% Secured Redeemable Non-convertible Debentures of face value of ₹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	10,00,000	-	29.31
10.34% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable (date of allotment being May 31, 2017) from June 2020 in 3 installments ending on 03 June 2022.	905	1,350	10,00,000	93.19	138.88

Terms of debentures	Number of debentures		Face value	Amount in crore	
	March 31, 2021	March 31, 2020		March 31, 2021	March 31, 2020
9.50% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Five years from the date of allotment i.e. November 8, 2019.	2,140	2,140	10,00,000	219.39	218.58
10.20% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Thirty Seven months from the date of allotment i.e. March 13, 2020.	170	170	10,00,000	16.94	16.91
10.42% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Three years from the date of allotment i.e. March 31, 2021.	1,450	-	10,00,000	144.90	-
10.50% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Thirty Four months from the date of allotment i.e. June 29, 2020.	1,208	-	10,00,000	123.74	-
9.81% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Thity Six Months from the date of allotment i.e. July 31, 2020.	250	-	10,00,000	25.31	-
10.00% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Three years from the date of allotment i.e. June 26, 2020.	500	-	10,00,000	53.52	-
10.05% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Three years from the date of allotment i.e. July 3, 2020.	300	-	10,00,000	32.10	-
9.95% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Thirty Four Months from the date of allotment i.e. July 27, 2020.	1,000	-	10,00,000	106.57	-
9.25% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Eighteen months from the date of allotment i.e. August 14, 2020.	500	-	10,00,000	52.84	-
9.25% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Eighteen months from the date of allotment i.e. August 14, 2020.	360	-	10,00,000	37.98	-
9.15% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Eighteen months from the date of allotment i.e. September 23, 2020.	500	-	10,00,000	49.93	-
9.15% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Eighteen months from the date of allotment i.e. September 23, 2020.	500	-	10,00,000	49.97	-
9.15% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Eighteen months from the date of allotment i.e. October 20, 2020.	1,000	-	10,00,000	103.73	-
9.15% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Eighteen months from the date of allotment i.e. November 11, 2020.	250	-	10,00,000	25.80	-
9.15% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Eighteen months from the date of allotment i.e. December 10, 2020.	1,000	-	10,00,000	100.35	-
9.00% Secured Redeemable Market Linked Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Two years from the date of allotment i.e. March 25, 2021.	500	-	10,00,000	49.55	-
Total	**14,723**	**6,450**		**1,506.04**	**655.07**

Note: The rates mentioned above are the original coupons rates as per the individual contracts.

CREDITACCESS GRAMEEN LIMITED
Standalone Financials

13 Borrowings other than debt securities (at amortised cost)

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Term loans (secured)		
Banks	5,115.80	5,088.24
Financials institutions	1,783.72	1,668.89
Non-banking financial companies	124.65	160.95
External commercial borrowings	225.51	224.41
Total	**7,249.68**	**7,142.49**
Borrowings in India	7,024.17	6,918.08
Borrowings outside India	225.51	224.41
Total	**7,249.68**	**7,142.49**

The term loans are covered by unsecured microfinance loans to the extent of minimum 100% of outstanding. Further in respect of term loans drawn during quarter 4 of FY 2020-21 aggregating to ₹ 528.59 crore, the Company will assign the book debts in due course as per the sanction terms. The borrowings have not been guaranteed by directors or others.

13.1 Delay in repayment

For 2020-21

There were no delay in repayment of borrowings as at March 31, 2021.

For 2019-20

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, the delay in payment being 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 crore

Bank / financial institution	Amount (dues delayed) as on the March 31, 2020*	Due date for payment
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**	

The above dues has been subsequently paid off in the current year.

14 Subordinated liabilities (at amortised cost)

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Term Loan (Unsecured)	25.00	25.00
Total	**25.00**	**25.00**
Subordinated Liabilities in India	25.00	25.00
Subordinated Liabilities outside India	-	-
Total	**25.00**	**25.00**

Terms of repayment of borrowings as on March 31, 2021

₹ in crore

Type of instrument / institution	Frequency of repayment	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 install-ments	Amount (in Rupees)	No. of install-ments	Amount (in Rupees)	No. of install-ments	Amount (in Rupees)	No. of install-ments	Amount (in Rupees)	No. of install-ments	Amount (in Rupees)	No. of install-ments	Amount (in Rupees)	
Debentures	Quarterly	1-3 years	9%-9.5%	3	75.00	1	25.00	-	-	-	-	-	-	-	-	100.00
	Half Yearly	1-3 years	10.5%-11%	2	48.33	2	48.33	1	24.17	-	-	-	-	-	-	120.83
		Above 3 years	9.5%-10%	-	-	-	-	2	107.00	2	107.00	-	-	-	-	214.00
	Bullet	1-3 years	9%-9.5%	4	186.00	3	175.00	-	-	-	-	-	-	-	-	361.00
			9.5%-10%	1	8.33	1	8.33	2	108.34	-	-	-	-	-	-	125.00
			10%-10.5%	-	-	-	-	2	80.00	-	-	-	-	-	-	80.00
		Above 3 years	10%-10.5%	-	-	1	17.00	1	145.00	-	-	-	-	-	-	162.00
			11%-11.5%	-	-	1	80.00	1	19.50	-	-	-	-	-	-	99.50
			11.5%-12%	-	-	1	100.00	1	19.50	-	-	-	-	-	-	119.50
	Annually	Above 3 years	10%-10.5%	1	44.55	1	45.90	-	-	-	-	-	-	-	-	90.45
Term loan banks	Monthly	1-3 years	7.5%-8.0%	292	1,061.25	179	532.48	-	-	-	-	-	-	-	-	1,593.73
			8%-8.5%	195	551.31	98	326.21	26	73.78	-	-	-	-	-	-	951.30
			8.5%-9%	99	260.44	25	48.86	-	-	-	-	-	-	-	-	309.30
			9%-9.5%	102	243.45	66	102.14	14	19.69	-	-	-	-	-	-	365.28
			9.5%-10%	1	2.27	-	-	-	-	-	-	-	-	-	-	2.27
		Above 3 years	8%-8.5%	24	116.67	24	116.67	6	29.16	-	-	-	-	-	-	262.50
			8.5%-9%	12	399.96	11	366.21	-	-	-	-	-	-	-	-	766.17
			9%-9.5%	10	7.58	12	9.09	11	8.33	-	-	-	-	-	-	25.00
			9.5%-10%	3	1.82	-	-	-	-	-	-	-	-	-	-	1.82
			10%-10.5%	18	19.26	12	16.68	7	9.69	-	-	-	-	-	-	45.63
	Quarterly	1-3 years	7.5%-8.0%	23	76.79	-	-	-	-	-	-	-	-	-	-	76.79
			8%-8.5%	14	59.00	-	-	-	-	-	-	-	-	-	-	59.00
			8.5%-9%	12	106.00	6	53.25	-	-	-	-	-	-	-	-	159.25
			9%-9.5%	2	16.25	-	-	-	-	-	-	-	-	-	-	16.25
	Half Yearly	1-3 years	7.5%-8.0%	4	70.00	-	-	-	-	-	-	-	-	-	-	70.00
			8%-8.5%	4	74.16	-	-	-	-	-	-	-	-	-	-	74.16
			9.5%-10%	1	10.00	2	20.00	2	20.00	-	-	-	-	-	-	50.00
	Bullet	1-3 years	7.5%-8.0%	12	250.00	-	-	-	-	-	-	-	-	-	-	250.00
			7%-7.5%	-	-	2	32.50	-	-	-	-	-	-	-	-	32.50
			6.5%-7%	1	17.50	-	-	-	-	-	-	-	-	-	-	17.50
Term loan from finan-cial institu-tions	Monthly	1-3 years	6%-6.5%	14	133.00	2	16.00	-	-	-	-	-	-	-	-	149.00
	Half Yearly	1-3 years	7%-7.5%	3	269.00	2	123.50	-	-	-	-	-	-	-	-	392.50
		Above 3 years	10.5%-11%	8	15.00	5	9.50	-	-	-	-	-	-	-	-	24.50
			11.5%-12%	12	280.00	12	325.00	12	405.00	6	180.00	-	-	-	-	1,190.00
Term loan from non-banking finan-cial companies	Monthly	1-3 years	8.5%-9%	17	52.17	9	29.35	-	-	-	-	-	-	-	-	81.52
			9%-9.5%	11	33.48	-	-	-	-	-	-	-	-	-	-	33.48
			9.5%-10%	2	3.33	2	3.33	2	3.34	-	-	-	-	-	-	10.00
External commercial borrowings	Bullet	1-3 years	11%-11.5%	-	-	1	93.44	-	-	-	-	-	-	-	-	93.44
		Above 3 years	10%-10.5%	1	33.80	-	-	-	-	-	-	-	-	-	-	33.80
			10.5%-11%	1	95.00	-	-	-	-	-	-	-	-	-	-	95.00
Sub-debt	Bullet	Above 3 years	14.5%-15%	1	25.00	-	-	-	-	-	-	-	-	-	-	25.00
Grand Total				**910**	**4,645.70**	**481**	**2,723.77**	**90**	**1,072.50**	**8**	**287**	**-**	**-**	**-**	**-**	**8,728.97**

Note: The above amount pertains to the principal outstanding only.

Terms of repayment of borrowings as on March 31, 2020

₹ in crore

Type of instrument / institution	Frequency of repayment	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 install-ments	Amount (in Rupees)	No. of install-ments	Amount (in Rupees)	No. of install-ments	Amount (in Rupees)	No. of in-stallments	Amount (in Rupees)	No. of install-ments	Amount (in Ru-pees)	No. of install-ments	Amount (in Rupees)	
Debentures	Half Yearly	Above 3 years	9.5%-10%	-	-	-	-	-	-	2	107.00	2	107.00	-	-	214.00
	Bullet	Above 3 years	10%-10.5%	-	-	-	-	1	17.00	-	-	-	-	-	-	17.00
			11.00%-11.5%	2	49.50	-	-	1	80.00	-	-	-	-	-	-	129.50
			11.5%-12%	3	149.50	-	-	-	-	-	-	-	-	-	-	149.50
	Annually	Above 3 years	10%-10.5%	1	44.55	1	44.55	1	45.90	-	-	-	-	-	-	135.00
Term loan from banks	Monthly	1-3 years	8.5%-9%	150	945.99	129	875.55	10	279.24	-	-	-	-	-	-	2,100.77
			9%-9.5%	185	762.88	88	324.23	2	4.17	-	-	-	-	-	-	1,091.28
			9.5%-10%	20	65.44	-	-	-	-	-	-	-	-	-	-	65.44
			10%-10.5%	19	43.25	-	-	-	-	-	-	-	-	-	-	43.25
			10.5%-11%	2	4.17	-	-	-	-	-	-	-	-	-	-	4.17
		Above 3 years	9%-9.5%	18	87.50	24	116.67	24	116.67	6	29.17	-	-	-	-	350.00
			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	-	-	-	-	-	-	-	-	566.39
			9%-9.5%	11	96.88	2	16.25	-	-	-	-	-	-	-	-	113.13
	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
Term loan from financial institutions	Monthly	1-3 years	9%-9.5%	3	4.91	-	-	-	-	-	-	-	-	-	-	4.91
			6%-6.5%	12	108.00	12	108.00	2	16.00	-	-	-	-	-	-	232.00
	Half Yearly	Above 3 years	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
Term loan from non-banking financial companies	Monthly	1-3 years	9%-9.5%	12	36.52	11	33.48	-	-	-	-	-	-	-	-	70.00
			9.5%-10%	15	47.55	5	13.04	-	-	-	-	-	-	-	-	60.59
			10%-10.5%	5	10.14	-	-	-	-	-	-	-	-	-	-	10.14
	Quarterly	1-3 years	9.5%-10%	3	20.33	-	-	-	-	-	-	-	-	-	-	20.33
External commercial borrowings	Bullet	Above 3 years	10%-10.5%	-	-	1	33.80	-	-	-	-	-	-	-	-	33.80
			10.5%-11%	-	-	1	95.00	-	-	-	-	-	-	-	-	95.00
			11.00%-11.5%	-	-	-	-	1	93.44	-	-	-	-	-	-	93.44
Sub-debt	Bullet	Above 3 years	14.5%-15%	-	-	1	25.00	-	-	-	-	-	-	-	-	25.00
Grand Total				**589**	**3,818.32**	**336**	**2,155.14**	**59**	**986.92**	**20**	**541.17**	**8**	**287.00**	**-**	**-**	**7,788.55**

Note: The above amount pertains to the principal outstanding only.

CREDITACCESS GRAMEEN LIMITED
Standalone Financials

15 Other financial liabilities

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Lease liabilities	74.36	60.11
Others	7.27	4.96
Total	**81.63**	**65.07**

16 Other non-financial liabilities

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Statutory dues payable	9.69	9.09
Total	**9.69**	**9.09**

17 Provisions

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Provision for employee benefits:		
Gratuity	4.20	3.69
Leave encashment and availment	15.48	12.33
Total	**19.68**	**16.02**

18 Equity share capital

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Authorised		
Equity shares of ₹ 10 each	160.00	160.00
16,00,00,000 (March 31, 2020 : 16,00,00,000) equity shares	**160.00**	**160.00**
	March 31, 2021	**March 31, 2020**
Issued, subscibed and fully paid up 155,582,040 (March 31, 2020: 143,985,459) equity shares of ₹ 10 each fully paid	155.58	143.99

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity shares	March 31, 2021		March 31, 2020	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
At the beginning of the year	14,39,85,459	143.99	14,35,52,261	143.55
Add: Issued during the year				
- On account of Qualified Institutional Placement	1,13,15,323	11.31	-	-
- Employee Stock Option Plan	2,81,258	0.28	4,33,198	0.44
Outstanding at the end of the year	**15,55,82,040**	**155.58**	**14,39,85,459**	**143.99**

Pursuant to the approval accorded by the board of directors of the Company (the "Board"), at its meeting held on September 3, 2020 and the special resolution passed by the members of the Company at the Extraordinary General Meeting (EGM) held on September 26, 2020, the Capital Raising Committee of the Board (the "CRC Committee") has, at its meeting held on October 05, 2020 approved the Qualified institutions placement of equity shares of face value ₹10 each of the Company.

Subsequently, the CRC Committee, at its meeting held on October 8, 2020, approved the allotment of 11,315,323 Equity Shares of face value ₹ 10 each to eligible qualified institutional buyers at the issue price of ₹ 707 per Equity Share (including a premium of ₹ 697 per Equity Share) aggregating to ₹ 799,99,33,361 (Rupees Seven Ninety Nine Crore Ninety Nine Lakh Thirty Three Thousand Three Hundred and Sixty One only).

(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

Equity shares	March 31, 2021		March 31, 2020	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Equity shares of ₹ 10 each fully paid CreditAccess India NV (Formerly known as CreditAccess Asia NV) (Holding Company)	11,51,09,028	73.99%	11,51,09,028	79.94

(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-21 (No. of equity shares)	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)
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	-	-	-	48,90,140	-
Equity shares alloted to CreditAccess India NV (Formerly known as CreditAccess Asia NV) in lieu of conversion of compulsorily convertible debentures	-	-	-	1,29,87,012	-
Total	**-**	**-**	**-**	**1,78,77,152**	**-**

19 Other equity*

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	231.89	203.42
Capital reserve	49.95	49.95
Securities premium	2,263.13	1,483.59
Share options outstanding account	8.52	8.61
Retained earnings	929.68	815.59
Fair valuation of loans through other comprehensive income	(3.94)	(36.07)
Total	**3,479.23**	**2,525.09**

* For detailed movement of reserves refer statement of changes in equity for the year ended March 31, 2021.

Nature and purpose of reserve

19.1 Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

19.2 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.

19.3 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.

19.4 Share option outstanding account

The share option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.

19.5 Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, general reserve or any other such other appropriations to specific reserves.

19.6 Other comprehensive income

Fair valuation of loans through other comprehensive income (FVTOCI).

The Company has elected to recognize changes in the fair value of loans in other comprehensive income. These changes are accumulated as reserve within equity. The Company transfers amount from this reserve to retained earnings when the relevant loans are derecognized.

₹ in crore

Movement of other comprehensive income for the year	March 31, 2021	March 31, 2020
Opening balance	(36.07)	(8.70)
(+) Fair value change during the year	(450.50)	(229.95)
(-) Impairment allowance transferred to statement of profit and loss	482.63	202.58
Closing balance	**(3.94)**	**(36.07)**

20 Interest income

₹ in crore

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	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	1,615.45	242.72	**1,858.17**	1,358.58	252.47	**1,611.05**
Interest on deposits with banks and financial institutions	-	18.96	**18.96**	-	6.14	**6.14**
Total	**1,615.45**	**261.68**	**1,877.13**	**1,358.58**	**258.61**	**1,617.19**

21 Fees and commission income

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Service fees for management of assigned portfolio of loans	0.09	0.26
Service and administration charges	3.01	3.77
Distribution Income	5.39	0.92
Total	**8.49**	**4.95**

22 Net gain on fair value changes

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
(A) Net gain on fair value instruments at fair value through profit or loss		
(i) On portfolio		
- Investments	17.74	14.82
(B) Others		
(i) Gain on derecognition of loans designated at FVTOCI	112.90	41.33
Total Net gain on fair value changes	**130.64**	**56.15**
Fair Value changes:		
- Realised	130.64	56.15
- Unrealised	-	-
Total Net gain on fair value changes	**130.64**	**56.15**

23 Other Income

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Net gain / (loss) on foreign currency transaction and translation (other than considered as finance cost)	(0.01)	(0.03)
Miscellaneous income	3.62	0.90
Total	**3.61**	**0.87**

CREDITACCESS GRAMEEN LIMITED
Standalone Financials

24 Finance costs

₹ in crore

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at amortised cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at amortised cost	Total
Interest on debt securities	-	110.83	**110.83**	-	63.69	**63.69**
Interest on borrowings other than debt securities	-	618.56	**618.56**	-	488.65	**488.65**
Interest on subordinated liabilities	-	3.69	**3.69**	-	3.89	**3.89**
Other interest expense						
-Interest on lease liabilities	-	6.39	**6.39**	-	5.65	**5.65**
-Others	-	0.60	**0.60**	-	9.15	**9.15**
Total Finance costs	**-**	**740.07**	**740.07**	**-**	**571.03**	**571.03**

25 Impairment of Finance instruments

₹ in crore

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	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	482.63	100.98	583.61	202.58	25.83	228.41
Individual loans	-	63.29	63.29	-	10.57	10.57
Total	**482.63**	**164.27**	**646.90**	**202.58**	**36.40**	**238.98**

26 Employee benefit expenses

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Salaries and wages	269.69	231.48
Contribution to provident and other funds	26.33	22.23
Share based payments to employees	1.96	2.51
Staff welfare expenses	1.62	3.42
Total	**299.60**	**259.64**

27 Depreciation and amortization expenses

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
- On property, plant and equipment	7.47	8.21
- On intangible assets	4.49	3.47
- On right of use assets	11.47	7.96
Total	**23.43**	**19.64**

28 Other expenses

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Rental charges payable under operating leases (Refer Note 35)	14.99	12.89
Bank charges	4.60	3.79
Rates and taxes	7.44	4.56
Insurance	1.75	0.86
Repairs and maintenance	7.15	6.97
Electricity	2.99	2.81
Travelling and conveyance	41.29	46.57
Postage and telecommunication	10.50	9.64
Printing and stationery	4.87	6.34
Professional and consultancy charges*	9.64	24.09
Remuneration to directors	0.79	0.58
Auditors remuneration (refer Note below)	0.75	1.18
Training expenses	1.83	6.82
Donations	1.92	0.95
Corporate Social Responsibility expenses**	5.69	5.42
Provision for other assets	0.20	0.32
Miscellaneous expenses	7.44	9.21
Total	**123.84**	**143.00**

Auditors remuneration

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
As auditor		
Audit fee	0.43	0.65
Limited review	0.32	0.28
In other capacity		
Certification services	-	0.19
Reimbursement of expenses	-	0.06
Total	**0.75**	**1.18**

Excludes payment amounting to ₹ 0.68 crore for services in relation to Qualified institutions placement of equity shares, which has been adjusted in securities premium.

***Professional and consultancy charges**

Professional and consultancy charges for the previous year includes acquisition-related costs of ₹ 15.22 crore 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 crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
a) Gross amount required to be spent by the Company during the year	7.61	5.38
b) Amount spent during the year (in cash)		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	5.69	5.42

Note: The Company is in the process of depositing the unspent amount in relation to the CSR expenditure.

29 Income tax

₹ in crore

(A)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Current tax	93.44	159.32
Deferred tax	(41.54)	(35.93)
Total tax charge	**51.90**	**123.39**

(B) Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Profit before tax	194.29	450.89
At India's statutory income tax rate of 25.17% (2020: 25.17%)	48.90	113.49
(a) Non deductible expenses		
Donations	0.48	0.12
CSR	2.02	0.68
Employee stock option cost	0.50	0.63
(b) Change in tax rate	-	8.47
Income tax expense reported in statement of profit and loss	**51.90**	**123.39**

(C) Movement in deferred tax balances for the year ended March 31, 2021

₹ in crore

Particulars	Net balance April 1, 2020	(Charge)/ credit in profit and loss	Recognised in OCI	Recognised in other equity	Net balance March 31, 2021	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Impact of difference between tax depreciation/ amortisation	2.28	0.65	-	-	2.93	2.93	-
Remeasurement gain / (loss) on defined benefit plan	3.14	0.79	-	-	3.93	3.93	-
Provision for donation	0.62	(0.62)	-	-	-	-	-
Impairment allowance for loans	58.05	63.29	-	-	121.34	121.34	-
Expenses incurred on Initial Public Offering	4.38	(1.46)	-	-	2.92	2.92	-
Other items	15.80	(21.11)	(10.80)	-	(16.11)	-	(16.11)
Net Deferred tax assets / (liabilities)	**84.27**	**41.54**	**(10.80)**	**-**	**115.01**	**131.12**	**(16.11)**

(D) Movement in deferred tax balances for the year ended March 31, 2020

₹ in crore

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	2.90	7.46	-	15.80	15.80	-
Net Deferred tax assets / (liabilities)	**43.14**	**35.93**	**7.46**	**(2.26)**	**84.27**	**84.27**	**-**

(E) The following tables provides the details of income tax assets and income tax liabilities as at:

Current tax assets (net)

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Income tax assets	593.58	492.70
Income tax liabilities	564.11	475.11
Total	**29.47**	**17.59**

30 Employee benefits

A. Defined benefit plan

Gratuity

The Company provides for the gratuity, a defined benefit retirement plan covering qualifying employees. Employees who are in continous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service. The gratuity is a funded plan and the Company makes contibutions to Gratuity scheme administered by the insurance company through its Gratuity fund.

B. Defined contribution plan

The Company makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the basic salary to fund the benefits. The contributions payable to these plans by the Company are administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.The Company recognised ₹ 15.31 crores (March 31, 2020: ₹ 12.26 crores) for Provident fund contributions and ₹ 4.75 crores (March 31, 2020: ₹ 4.62 crores) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss.

30.1 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 crore

Particulars	March 31, 2021	March 31, 2020
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	14.26	10.35
Current service cost	4.30	3.61
Interest cost	0.94	0.61
Past service cost	-	-
Benefits settled	(0.79)	(0.38)
Actuarial (gains) / losses recognised in other comprehensive income		
- Changes in experience adjustments	0.27	(1.21)
- Changes in demographic assumptions	0.48	(0.69)
- Changes in financial assumptions	(1.18)	1.97
Obligation at the end of the year	**18.28**	**14.26**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	10.57	6.21
Interest income on plan assets	0.82	0.49
Re-measurement- actuarial gain	(0.21)	0.12
Return on plan assets recognised in other comprehensive income	-	-
	3.69	4.13
Contributions		
Benefits settled	(0.79)	(0.38)
Plan assets at the end of the year, at fair value	**14.08**	**10.57**
Net defined benefit liability	**4.20**	**3.69**

30.2 Expenses recognised in statement of profit or loss

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Current service cost	4.30	3.61
Interest cost	0.12	0.12
Net gratuity cost	**4.42**	**3.73**

30.3 Re-measurement recognised in other comprehensive income

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Re-measurement of the net defined benefit liability		
- Changes in experience adjustments	0.27	(1.21)
- Changes in demographic assumptions	0.48	(0.69)
- Changes in financial assumptions	(1.18)	1.97
Re-measurement of the net defined benefit asset		
Return on plan assets (greater)/ less than discount rate	0.21	(0.12)
Total actuarial gain / (losses) included in OCI	**(0.22)**	**(0.05)**

CREDITACCESS GRAMEEN LIMITED
Standalone Financials

30.4 Plan assets

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Funds managed by insurer	100%	100%

30.5 Defined benefit obligation - Actuarial assumptions

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.79%	6.03%
Future salary growth	10.00%	10.00%
Attrition rate	22.85%	24.80%
Average term of liabilty (in years)	7.79	9.05

30.6 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 crore

Particulars	March 31, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.45)	1.72	(1.13)	1.34
Future salary growth (1% movement)	1.48	(1.29)	1.13	(0.99)
Attrition rate (1% movement)	(0.48)	0.54	(0.41)	0.47

30.7

Expected contribution to the plan for the next annual reporting period is ₹5.74 crores. The weighted average duration of the defined benefit obligation is 7.79 years (March 2020-9.47 years). The expected maturity analysis of undiscounted gratuity is as follows:

₹ in crore

Particulars	Less than a year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	Between 5-10 years	Beyond 10 years	Total
31 March, 2021								
Gratuity	2.17	1.67	1.41	1.22	1.02	3.57	29.17	40.23
Total	**2.17**	**1.67**	**1.41**	**1.22**	**1.02**	**3.57**	**29.17**	**40.23**
31 March, 2020								
Gratuity	1.72	1.24	1.03	0.86	0.75	2.45	20.10	28.15
Total	**1.72**	**1.24**	**1.03**	**0.86**	**0.75**	**2.45**	**20.10**	**28.15**

30.8

Through its defined benefit plans the company is exposed to a number of risks, the most significant of which are detailed below:

Demographic risks

This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the defined benefit obligations depend upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward.

Change in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Inflation risk

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Life expectancy

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

C. Code on Social Security

The Indian Parliament has approved the Code on Social Security, 2020 (the "Code") which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

31 Maturity analysis of assets and liabilities

(A) Maturity analysis of assets and liabilities as at March 31, 2021

₹ in crore

Sr. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	1,874.59	-	**1,874.59**
(b)	Bank balance other than cash and cash equivalents	11.02	60.36	**71.38**
(c)	Other receivables	-	-	**-**
(d)	Loans	6,122.49	3,595.33	**9,717.82**
(e)	Investments	-	662.93	**662.93**
(f)	Other financial assets	85.27	24.53	**109.80**
(2)	**Non-financial assets**			**-**
(a)	Current tax assets (net)	-	29.47	**29.47**
(b)	Deferred tax assets (net)	-	115.01	**115.01**
(c)	Property, plant and equipment	-	18.37	**18.37**
(d)	Right to use assets	-	66.66	**66.66**
(e)	Intangible assets	-	15.73	**15.73**
(f)	Intangible assets under development	-	0.62	**0.62**
(g)	Other non-financial assets	13.27	1.14	**14.41**
	Total assets	**8,106.64**	**4,590.15**	**12,696.79**
	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	25.19	-	**25.19**
	(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	145.07	-	**145.07**
(b)	Borrowings *			
	- Debt securities	400.45	1,105.59	**1,506.04**
	- Borrowings (other than debt securities)	4,284.26	2,965.42	**7,249.68**
	- Subordinated liabilities	25.00	-	**25.00**
(c)	Other financial liabilities	15.15	66.48	**81.63**
(2)	**Non-financial liabilities**			
(a)	Provisions	8.52	11.16	**19.68**
(b)	Other non-financial liabilities	9.69	-	**9.69**
(3)	**Equity**			
(a)	Equity share capital	-	155.58	**155.58**
(b)	Other equity	-	3,479.23	**3,479.23**
	Total liabilities and equity	**4,913.33**	**7,783.46**	**12,696.79**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.

(B) Maturity analysis of assets and liabilities as at March 31, 2020

₹ in crore

Sr. 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	5,349.99	3,822.65	**9,172.64**
(e)	Investments	-	661.44	**661.44**
(f)	Other financial assets	34.76	10.98	**45.74**
(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	-	24.19	**24.19**
(d)	Right to use assets	-	52.93	**52.93**
(e)	Intangible assets	-	9.50	**9.50**
(f)	Intangible assets under development	-	2.84	**2.84**
(g)	Other non-financial assets	6.00	3.86	**9.86**
	Total assets	**5,958.38**	**4,703.30**	**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	18.36	-	**18.36**
	(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	61.48	-	**61.48**
(b)	Borrowings			
	- Debt securities	298.17	356.90	**655.07**
	- Borrowings (other than debt securities)	4,167.83	2,974.66	**7,142.49**
	- Subordinated liabilities	-	25.00	**25.00**
(c)	Other financial liabilities	14.21	50.86	**65.07**
(2)	**Non-financial liabilities**			
(a)	Provisions	7.53	8.49	**16.02**
(b)	Other non-financial liabilities	9.09	-	**9.09**
(3)	**Equity**			
(a)	Equity share capital	-	143.99	**143.99**
(b)	Other equity	-	2,525.09	**2,525.09**
	Total liabilities and equity	**4,576.67**	**6,084.99**	**10,661.66**

32 Transfer of financial assets

(a) Transferred financial assets that are not derecognised in their entirety.

The Company has not transferred any assets that are not derecognised in their entirety.

(b) Transferred financial assets that are derecognised.

The Company has assigned loans (earlier measured at FVTOCI) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 85%-95% of the assets transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets measured at fair value and the gain/(loss) on derecognition during the year:

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Direct assignments		
Carrying amount of derecognised financial assets	1,203.83	649.64
Gain from derecognition	100.14	45.96

Since the Company transferred the above financial asset in a transfer that qualified for derecognition in its entirety, therefore the whole of the interest spread (over the expected life of the asset) is recognised on the date of derecognition itself as 'Receivable from assignment of portfolio' with a corresponding profit on derecognition of financial asset.

(c) Transferred financial assets that are derecognised in their entirety.

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

33 Contingent liabilities

Contingent liabilities not provided for in respect of the below:

₹ in crore

(a)

Particulars	March 31, 2021	March 31, 2020
Performance security provided by the Company pursuant to service provider agreement	0.11	0.12

(b) Pertaining to Assessment Year 2017-18 (Financial year 2016-17)

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.

(c) In addition, the Company is involved in other legal proceedings and claims, which have arisen in the ordinary course of business. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and result of operations.

34 Capital commitments

Estimated amounts of contracts remaining to be executed on capital account (net of capital advances) and not provided:

₹ in crore

Particulars	March 31, 2021	March 31, 2020
For purchase / development of computer software	0.87	1.23

35 Leases

35.1 Company as a leasee

The company's leased assets mainly comprise office building and servers taken on lease. Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The term of property leases ranges from 1-10 years and server leases are ranging from 1-10 years. The Company has applied short term lease exemption for leasing arrangements where the period of lease is less than 12 months.

35.2 Total lease liabilities are analysed as follows:

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Current	7.88	9.25
Non-current	66.48	50.86
Total	**74.36**	**60.11**

35.3 Amounts recognised in the statement of profit and loss

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Depreciation charge of right-of-use assets		
Buildings	3.64	3.79
Computers	7.83	3.66
Total	**11.47**	**7.45**
Expense relating to short-term leases (included in other expenses)	14.99	12.89
Interest on lease liabilities (included in finance costs)	6.39	5.65

35.4 Total cash outflow for leases and commitments for short-term leases

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Total cash outflow for leases	28.93	28.07
Total commitments for short-term leases	6.44	6.77

35.5 The Company had committed to leases which had not commenced. The total future cash outflows for leases that had not yet commenced were as follows:

₹ in crore

Type of asset	March 31, 2021	March 31, 2020
Computers	7.59	-

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 crore

Maturity analysis:	March 31, 2021	March 31, 2020
Less than 1 year	15.22	13.59
Between 1 and 2 years	14.83	11.60
Between 2 and 5 years	41.00	33.20
More than 5 years	37.65	37.26
Total	**108.70**	**95.65**

35.7 The following is the movement in lease liabilities during the year.

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Balance as at April 1, 2020	60.11	48.58
Additions during the period	25.20	11.80
Finance cost incurred during the period	6.39	5.65
Payment of lease liabilities	(17.34)	(5.92)
Balance as of March 31, 2021	**74.36**	**60.11**

Note: Refer Note 11 (A) 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
Key management personnel - Director-Finance (w.e.f June 14, 2020) & CFO and Additional Director (w.e.f. March 18, 2020)	Mr. Diwakar B R (Resigned on November 06, 2020)
Holding Company	CreditAccess India NV (Formerly known as CreditAccess Asia NV)
Subsidiary Company	Madura Micro Finance Limited (From March 18, 2020)
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 (Cessation of office on November 03, 2020)
Independent Director	Mr. Anal Kumar Jain (upto June 25, 2020)
Independent Director	Ms. Sucharita Mukherjee
Vice Chairman & Lead Independent Director (w.e.f. February 11, 2021)	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
Additional & Independent Director	Ms. Lilian Jessie Paul (from September 16, 2020)

₹ in crore

Particulars	Key management personnel	
	March 31, 2021	March 31, 2020
Transactions during the year		
Mr. Udaya Kumar Hebbar		
Salary and perquisites	2.21	1.97
Employee Stock Options exercised	0.11	0.41
Mr. Diwakar B R		
Salary and perquisites	1.46	1.09
Employee Stock Options exercised	0.07	0.34

Provisions for gratuity and leave benefits are made for the Group as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.

Sitting fees	March 31, 2021	March 31, 2020
Mr. R Prabha	0.06	0.08
Mr. Paolo Brichetti	0.08	0.04
Mr. Sumit Kumar	0.06	0.02
Mr. Massimo Vita	0.07	0.02
Mr. Anal Kumar Jain	0.02	0.04
Mr. M N Gopinath	-	0.01
Ms. Sucharita Mukherjee	0.04	0.02
Mr. George Joseph	0.09	0.07
Mr. Manoj Kumar	0.08	0.01
Ms. Lilian Jessie Paul	0.03	-

Commission	Other related parties	
	March 31, 2021	March 31, 2020
Mr. R Prabha	0.07	0.07
Mr. Anal Kumar Jain	0.06	0.08
Mr. M N Gopinath	(0.08)	0.03
Ms. Sucharita Mukherjee	0.07	0.03
Mr. George Joseph	0.07	0.08
Mr. Manoj Kumar	0.06	0.02

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Transactions during the year		
Holding Company		
Arranger fee	-	1.75
Subsidiary Company		
Investment in subsidiary *	1.49	661.24
Transfer of license	0.48	-
Other services	0.64	-

* Represents acquisition of controlling stake from previous shareholders of Madura Micro Finance Limited.

₹ in crore

Particulars	Holding Company	
	March 31, 2021	March 31, 2020
Balances at the end of the year		
Subsidiary Company		
Investment in subsidiary	662.73	661.24

Sitting fees payable	Other related parties	
	March 31, 2021	March 31, 2020
Mr. Paolo Brichetti	0.02	0.04
Mr. Massimo Vita	0.02	0.02
Mr. Sumit Kumar	0.01	0.02

Commission payable	Other related parties	
	March 31, 2021	March 31, 2020
Mr. R Prabha	0.07	0.08
Mr. Anal Kumar Jain	0.06	0.06
Mr. M N Gopinath	-	0.08
Ms. Sucharita Mukherjee	0.06	0.05
Mr. George Joseph	0.07	0.07
Mr. Manoj Kumar	0.03	-

License and other service charges receivables	Subsidiary company	
	March 31, 2021	March 31, 2020
Madura Micro Finance Limited	1.12	-

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,VI and VII represent different grants made under the plan. During year ended March 31, 2021, the following stock option grant were in operation:

₹ in crore

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI	Tranche VII
Date of grant	Apr 1, 2012	Oct 1, 2013	Jun 1, 2014	Jul 1, 2016	Jan 1, 2017	Jan 1, 2018	Jan 1, 2021
Date of Board / Compensation Committee approval	Oct 15, 2011	Aug 22, 2012	Jul 30, 2014	Jun 29, 2016	May 17, 2017	Jan 24, 2018	Jul 08, 2020
Number of Options granted	7,16,676	6,31,339	4,43,000	4,31,000	5,21,000	9,71,000	3,75,900
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Graded vesting period:							
Day following the expiry of 12 months from grant	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 24 months from grant	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 36 months from grant	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 48 months from grant	25%	25%	25%	25%	25%	25%	25%
Exercise period	48 months from date of vesting						36 months from the date of vesting
Vesting conditions	Employee to be in service at the time of vesting						
Weighted average remaining contractual life (years)							
-I	-	-	-	0.25	0.76	2.76	4.76
-II	-	-	-	1.25	1.76	3.76	5.76
-III	-	-	0.17	2.25	2.76	3.76	6.76
-IV	0.00	0.50	1.17	3.25	3.76	4.76	7.76
Weighted average exercise price per option (₹)	27.00	27.00	39.86	63.90	84.47	120.87	786.91
Weighted average fair value of options (₹)	-	18.73	38.46	75.78	61.95	86.27	224.32

Additional disclosures for Tranche VII - granted during the current year:

Particulars	Tranche VII
Share price on the date of Grant (in ₹)	768.85
Expected volatility (%)	
I	58.89%
II	52.16%
III	49.37%
IV	49.82%
Risk free interest rate (%)	
I	4.34%
II	4.99%
III	5.62%
IV	6.03%
Fair value per option (in ₹)	
I	184.06
II	207.75
III	235.30
IV	270.19

CREDITACCESS GRAMEEN LIMITED
Standalone Financials

Reconciliation of options:

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Tranche I		
Options outstanding at the beginning of the year	-	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	-	-
Exercisable at the end of the year	-	-
Tranche II		
Options outstanding at the beginning of the year	7,500	11,500
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	2,000	2,500
Expired during the year	1,500	1,500
Outstanding at the end of the year	4,000	7,500
Exercisable at the end of the year	4,000	7,500
Tranche III		
Options outstanding at the beginning of the year	38,500	1,39,250
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	29,500	99,250
Expired during the year	1,500	1,500
Outstanding at the end of the year	7,500	38,500
Exercisable at the end of the year	7,500	38,500
Tranche IV		
Options outstanding at the beginning of the year	2,52,250	3,36,750
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	69,000	84,500
Expired during the year	-	-
Outstanding at the end of the year	1,83,250	2,52,250
Exercisable at the end of the year	1,83,250	1,44,500
Tranche V		
Options outstanding at the beginning of the year	3,56,300	4,36,550
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	34,850	80,250
Expired during the year	7,500	-
Outstanding at the end of the year	3,13,950	3,56,300
Exercisable at the end of the year	3,13,950	2,26,050
Tranche VI		
Options outstanding at the beginning of the year	6,88,525	8,79,080
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	1,45,908	1,62,198
Expired during the year	22,274	28,357
Outstanding at the end of the year	5,20,343	6,88,525
Exercisable at the end of the year	3,16,591	2,52,489
Tranche VII		
Options outstanding at the beginning of the year	-	-
Granted during the year	3,75,900	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	3,75,900	-
Exercisable at the end of the year	-	-

38 Revenue from contracts with customers

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
(A) Type of services		
Service fees for management of assigned portfolio of loans	0.09	0.26
Service and administration charges	3.01	3.77
Distribution Income	5.39	0.92
Total	**8.49**	**4.95**

(B) Geographical markets

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
India	8.49	4.95
Outside India	-	-
Total	**8.49**	**4.95**

(C) Timing of revenue recognition

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Services transferred at a point in time	8.49	4.95
Services transferred over time	-	-
Total	**8.49**	**4.95**

Receivables

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Distribution income	1.07	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 crore

Financial assets (assets measured at fair value)	March 31,2021			March 31, 2020		
	Fair value			Fair value		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Loans (measured at FVOCI)	-	-	8,893.33	-	-	7,765.48
Investments *	-	-	0.20	-	-	0.20
Total	**-**	**-**	**8,893.53**	**-**	**-**	**7,765.68**

* Investment above does not include investment in subsidiary, which is measured at cost in accordance with Ind AS 27.

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 crore

Fair value of financial assets and liabilities measured at amortised cost	March 31, 2021				March 31, 2020			
	Amortised cost	Fair value			Amortised cost	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Loans	824.49	-	-	834.33	1,407.16	-	-	1,377.06
Total	**824.49**	**-**	**-**	**834.33**	**1,407.16**	**-**	**-**	**1,377.06**
Debt securities	1,506.04	-	-	1,539.94	655.07	-	-	437.21
Borrowings (other than debt securities)	7,249.68	-	-	7,319.46	7,142.49	-	-	7,304.04
Subordinated liabilities	25.00	-	-	25.93	25.00	-	-	26.33
Lease Liability	74.36	-	-	74.74	60.11	-	-	60.11
Total	**8,855.08**	**-**	**-**	**8,960.07**	**7,882.67**	**-**	**-**	**7,827.69**

Note:
The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, other receivables, other financial assets/liabilities and trade and other payables approximate the fair value because of their short-term nature.

There were no transfers between Level 3 and Level 1/Level 2 during the current year.

Fair values of Loans measured at amortised cost have been measured based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest. The Significant Unobservable Input is the Discount rate, determined using the cost of lending of the company.

Valuation methodologies of financial instruments not measured at fair value
Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Loans (measured at amortised cost)
Fair values of Loans measured at amortised cost have been measured based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest. The Significant Unobservable Input is the Discount rate, determined using the cost of lending of the company.

Financial liabilities measured at amortised cost
The fair value of fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rate being charged for new borrowings. The fair value of floating rate borrowing is deemed to equal its carrying value.

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 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 Risk Management committee 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.

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 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.

40.1.d Risk Management Strategies

Excessive risk concentrations

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.

Credit risk

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument, whether a customer or otherwise, fails to meet its contractual obligations towards the Company. Credit risk is the core business risk of the Company. The Company therefore has high appetite for this risk but low tolerance and the governance structures including the internal control systems are particularly designed to manage and mitigate this risk. The Company is mainly exposed to credit risk from loans to customers (including loans transferred to SPVs under securitization agreements, excluding loans sold under assignment presented as off-balance sheet assets).

The credit risk may arise due to, over borrowing by customers or over lending by other financial institutions competitors, gaps in joint-liability collateral and repayment issues due to external factors such as political, community influence, regulatory changes and natural disasters (storm, earthquakes, fires, floods) and intentional default by customers.

To address credit risk, the Company has stringent credit policies for customer selection. To ensure the credit worthiness of the customers, stringent underwriting policies such as credit investigation, both in-house and field credit verification, is in place. In addition, the company follows a systematic methodology in the selection of new geographies where to open branches considering factors such as the portfolio at risk and over indebtedness of the proposed area/region, potential for micro-lending and socio-economic risk evaluation (e.g., the risk of local riots or natural disasters). Loan sanction and rejections are carried out at the head office. A credit bureau rejections analysis is also regularly carried out in company.

Credit risk is being managed by continuously monitoring the borrower's performance if borrowers are paying on time based on their amortization dues. The company ensures stringent monitoring and quality operations through both field supervision (branch/area/region staff supervision, quality control team supervision) and management review. Management at each company's head office closely monitors credit risk through system generated reports (e.g., PAR status and PAR movement, portfolio concentration analysis, vintage analysis, flow-rate analysis) and Key Risk Indicators (KRIs) which include proactive actionable thresholds limits (acceptable, watch and breach) developed by CRO, revised at the the MLRC and at the Risk Committee at the Board level.

Some of the main strategies to mitigate credit risk are:
1. Maintain stringent customer enrolment process,
2. Undertake systematic customer awareness activities/ programs,
3. Reduce geographical concentration of portfolio,
4. Maximum loan exposure to member as determined from time to time,
5. Modify product characteristics if needed (e.g., longer maturity for group clients in case the loan is above a certain threshold),
6. Carry out due diligence of new employees and adequate training at induction,
7. Decrease field staff turnover,
8. Supporting technologies: credit bureau checks, GPS, automated KYC checks and biometric.

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the country in which the customers are located, as these factors may have an influence on the credit risk

40.2 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.

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 i.e. SICR).
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 60 / 90 days on any material credit obligation to the company.

Further, the RBI on March 27, 2020, April 17, 2020 and May 23, 2020, announced 'COVID-19 Regulatory Package' on asset classification and provisioning. In terms of these RBI guidelines, the Company granted a moratorium on the repayment of all Installments and/or Interest, as applicable, due between March 1, 2020 and August 31, 2020 to all eligible borrowers. In respect of such accounts that were granted moratorium, the moratorium period has been excluded from determining overdue days.

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting date by considering the change in the risk of default occurring over the remaining life of the financial instrument.

(i) Joint liability loans (JLG)

Unlike banks which have more of monthly repayments, the Company offers products with primarily 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).

40.2.b Probability of Default ('PD')

(i) Joint Liability Loans (JLG)

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.

(ii) Individual loans

Individual loans is a relatively new portfolio that was started in November 2016. Performance history of matured vintage loan is not available in adequate number to build PD or LGD model. The ECL estimation for Individual loans portfolio is carried out using a which is based on management judgement.

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.

(i) Joint liability loans (JLG)

LGD is computed as below:

The Company determines its expectation of lifetime loss by estimating recoveries towards its loan through analysis of historical information. The Company determines its recovery rates by analysing the recovery trends over different periods of time after a loan has defaulted. LGD is the difference between the exposure at default and its recovery rate.

In estimating LGD, the Company reviews macro-economic developments taking place in the economy. A select group of Stage 2 and Stage3 loans exhibiting specific payment pattern has been applied an LGD which is lower than the regular LGD estimate.

(ii) Individual loans

Individual loans is a relatively new portfolio that was started in November 2016. Performance history of matured vintage loan is not available in adequate number to build PD or LGD model. The ECL estimation for individual loans portfolio is carried out using a methodology which is based on management judgement.

40.2.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) which are different from those of Individual loans (IL). Therefore, JLG and IL are treated as two separate groups for the purpose of determining impairment allowance.

40.2.f The Company's Loan book consists of a large number of customers spread over diverse geographical area, hence the Company is not exposed to concentration risk with respect to any particular customer.

40.2.g 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/ LGD 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 is reviewed regularly so that there is minimum difference between expected loss and the actual loss expenses. Refer Note 42.

40.3 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 objectives when managing capital are to

• safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

• Maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities.

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 of 15%. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

(ii) Regulatory capital

Particulars	As at March 31, 2021	As at March 31, 2020
Tier I CRAR	30.50%	22.30%
Tier II CRAR	1.25%	1.30%
	31.75%	**23.60%**

40.4 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 its 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 the 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 40.3 with respect to regulatory capital of the Company as at the reporting dates.

Liquidity assessment as on March 31, 2021 ₹ in crore

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	3.13	12.84	59.23	104.03	321.27	1,150.04	114.63	-	**1,765.17**
Borrowings (other than debt securities)	400.29	329.89	445.35	1,206.75	2,352.27	3,036.07	192.87	-	**7,963.49**
Subordinated liabilities	0.30	0.31	0.30	0.93	25.63	-	-	-	**27.47**
Total	**403.72**	**343.04**	**504.88**	**1,311.71**	**2,699.17**	**4,186.11**	**307.50**	**-**	**9,756.13**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.

Liquidity assessment as on March 31, 2020 ₹ in crore

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**

40.5 Market Risk

40.5.1 Market risk

Market risk is 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.

40.5.2 Interest rate risk

Interest rate risk is the risk where changes in market interest rates might adversely affect CAGL's financial condition. 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 some of the 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.

The following table demonstrates the sensitivity to a reasonably possible charge in interest rates (all other variables being constant) of the Company's profit and loss statement.

₹ in crore

Particulars	Basis points	Effect on profit / loss and equity for the year 2020-21	Effect on profit / loss and equity for the year 2019-20
Borrowings			
Increase in basis points	+ 25	(11.21)	(7.82)
Decrease in basis points	- 25	11.21	7.82

40.5.3 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. The Company currently does not have any exposure to Foreign currency.

40.5.4 Changes in liabilities arising from financing activities

₹ in crore

Particulars	As at March 31,2020	Cash flows	Others	As at March 31, 2021
Debt securities	655.07	825.84	25.13	1,506.04
Borrowings (other than debt securities)	7,142.49	108.39	(1.20)	7,249.68
Subordinated liabilities	25.00	-	0.00	25.00
Lease liabilities	60.11	(17.35)	31.60	74.36
Total liabilities from financing activities	**7,882.67**	**916.88**	**55.53**	**8,855.08**

₹ in crore

Particulars	As at March 31,2019	Cash flows	Others	As at March 31, 2020
Debt securities	556.16	88.72	10.19	655.07
Borrowings (other than debt securities)	4,114.50	3,012.59	15.40	7,142.49
Subordinated liabilities	37.07	(11.39)	(0.68)	25.00
Lease liabilities	-	(5.93)	66.04	60.11
Total liabilities from financing activities	**4,707.73**	**3,084.00**	**90.94**	**7,882.67**

41 Operating segments

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company. The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure. No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended March 31, 2021 or March 31, 2020.

42 Impact of COVID 19

(a) Expected Credit Losses

The COVID -19 pandemic continues to spread across the globe and India, which has contributed to a significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The potential impact of the COVID-19 pandemic on the Company's financial performance are dependent on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the second wave of COVID-19 pandemic and any action to contain its spread or mitigate its impact whether Government mandated or elected by the Company and its subsequent impact on the recoverability's on the Company's assets. The Company has, based on current available information and based on the policy approved by the board, determined the provision for impairment of financial assets including the additional overlay of approximately ₹ 103 crore for uncertainty over the potential macro-economic impact of the pandemic.

Based on the current indicators of future economic conditions, the Company considers this provision to be adequate and expects to recover the carrying amount of these financial assets. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statement and the Company will continue to closely monitor any material changes to future economic conditions.

(b) Payment of Ex-gratia benefit

The Government of India, Ministry of Finance, vide its notification dated 23 October 2020, had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest ("differential amount") for six months to borrowers in specified loan accounts ("the Scheme"), as per the eligibility criteria and other aspects specified therein and irrespective of whether RBI moratorium was availed or not. The Company has not charged compound interest to any of its customers except 151 cases of Individual lending, wherein the differential amount of ₹ 0.03 cores has been credited on November 5, 2020 to the respective customer account.

(c) Interest on interest

In accordance with the instructions in the circular RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021, the Company shall refund / adjust 'interest on interest' to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount of such 'interest on interest' has been finalised by the Indian Banks Association (IBA) in consultation with other industry participants / bodies, on April 19, 2021. The Company does not have any such refund/interest reversal liability as at March 31, 2021.

43 Business combination

During the previous year, the Company has completed the acquisition of a controlling stake (76.08%) in the paid-up equity share capital of Madura Micro Finance Limited (MMFL), an NBFC-MFI registered with the Reserve Bank of India (RBI) which will subsequently be followed by an amalgamation of MMFL's business with the Company, subject to obtaining necessary approvals from various regulatory authorities. During the current year, the Company has further acquired 12,241 equity shares, representing 0.17% of the paid-up equity share capital of MMFL, taking the aggregate shareholding of the Company in MMFL to 76.25 %.

44 Earnings per share (EPS)

The following reflects the profit after tax and equity share data used in the basic and diluted EPS calculations:

₹ in crore

Particulars	As at March 31, 2021	As at March 31, 2020
Net profit after tax as per statement of profit and loss (₹ in crores)	142.39	327.50
Net profit as above for calculation of basic EPS and diluted EPS (₹ in crores)	142.39	327.50
Weighted average number of equity shares in calculating basic EPS	14,95,40,013	14,37,65,813
Stock options granted under ESOP	10,03,028	12,28,624
Weighted average number of equity shares in calculating dilutive EPS	15,05,43,041	14,49,94,437
Earnings per share	9.52	22.78
Dilutive earnings per share	9.46	22.59
Nominal value per share	10.00	10.00

45 Disclosures pursuant to the Master Direction- Non-Banking Financial Company-Systematically Important Non- Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time ('the Master Directions') issued by the RBI

a. Capital to risk assets ratio ('CRAR'):

₹ in crore

Particulars	March 31, 2021	March 31, 2020
CRAR-Tier I Capital (%)	30.50%	22.30%
CRAR-Tier II Capital (%)	1.25%	1.30%
Amount of subordinated debt raised as Tier II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

b. Investments

₹ in crore

Particulars	March 31, 2021	March 31, 2020
1. Value of Investments		
(i) Gross value of investments		
(a) in India	662.93	661.44
(b) outside India	-	-
(ii) Provisions for depreciation		
(a) in India	-	-
(b) outside India	-	-
(iii) Net value of investments		
(a) in India	662.93	661.44
(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, 2021 (March 31, 2020: Nil).

d. Disclosure related to securitization

During the year the Company has not transferred any loans through securitization.

₹ in crore

Particulars	March 31, 2021	March 31, 2020
No of SPVs sponsored by the NBFC for securitization transactions	-	1
Amount of securitized assets as per books of SPV sponsored by NBFC	-	110.35
Amount of exposures retained by NBFC to comply with MRR as on the date of balance sheet	-	11.59
a. Off-balance sheet exposure		
· First loss	-	-
· Others	-	-
b. On-balance sheet exposure		
· First loss – cash collateral	-	4.97
· 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, 2020: 4 transactions).

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Number of loans assigned	3,93,980	3,37,660
Aggregate value (net of provision) of accounts sold	1,203.83	649.64
Aggregate consideration*	1,203.83	649.64
Aggregate gain over net book value	100.14	45.96

* 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.

CREDITACCESS GRAMEEN LIMITED
Standalone Financials

h. Asset liability management

Maturity pattern of assets and liabilities as on March 31, 2021:

₹ in crore

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	35.58	139.28	199.83	300.09	459.18	1,138.10	2,437.65	3,784.47	286.54	-	**8,780.72**
Advances	142.24	122.97	319.24	552.07	637.23	1,603.34	2,843.95	3,494.21	126.78	-	**9,842.03**
Investments	-	-	-	-	-	-	-	-	-	662.93	**662.93**

Note applicable for FY 2020-21

1. All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.
2. For the purpose of above disclosure, Advances include aggregate outstanding balance of Loans, Other Financial Assets and Other Non-Financial Assets.

Maturity pattern of assets and liabilities as on March 31, 2020:

₹ in crore

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	828.17	-	**7,822.56**
Advances	0.51	0.22	3.58	2.48	325.45	1,860.95	3,148.45	3,848.41	33.23	5.18	**9,228.46**
Investments	-	-	-	-	-	-	-	-	-	661.44	**661.44**

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. 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.
3. For the purpose of above disclosure, Advances include aggregate outstanding balance of Loans, Other Financial Assets and Other Non-Financial Assets.

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. Details of Financing of Parent Company Products

The Company was not involved in the financing of Parent Company products.

k. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / Group Borrower Limit (GBL) during the year.

l. 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

m. Disclosure of penalties imposed by RBI and other regulators:

No penalties were imposed by RBI and other regulators during current and previous year.

n. 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	29-Dec-20	[ICRA]A+(Stable)/ [ICRA] A+(Stable)	3,500.00	31-May-21
Long-term debt	India Ratings and Research	20-Nov-20	Ind A+ Stable /Ind A+ Stable	2,000.00	19-Nov-21
Long-term debt	CRISIL	31-Dec-20	CRISIL A+ Stable/NA	2,000.00	31-Dec-21
Non-convertible debentures	ICRA	24-Mar-21	[ICRA]A+(Stable)/ [ICRA] A+(Stable)	1,065.28	31-May-21
Non-convertible debentures	ICRA	23-Mar-21	[ICRA]A+(Stable)/ NA	89.00	31-May-21
Non-convertible debentures	India Ratings and Research	20-Nov-20	Ind A+ Stable/ Ind A+ Stable	100.00	19-Nov-21
Non-convertible debentures	CRISIL	31-Dec-20	CRISIL A+ Stable/NA	25.00	31-Dec-21
Non-convertible debentures	Brickwork Ratings	30-Nov-20	BWR A+ Positive/NA	100.00	29-Nov-21
Commercial paper	ICRA	23-Mar-21	[ICRA]A1+ / [ICRA]A1+	500.00	31-May-21
PP-MLD	ICRA	27-Mar-21	PP-MLD[ICRA]AA+(CE) (Stable)/NA	50.00	26-Mar-22
Organization grading	CRISIL	16-Oct-20	M1C1/M1C1	NA	15-Oct-21

o. Provisions and contingencies (shown under the head expenditure in statement of profit and loss):

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Impairment of financial instruments	646.90	238.98
Provision for income tax	93.44	159.32
Provision for gratuity	4.42	0.05
Provision for leave encashment and availment	15.48	12.33
Provision fraud and misappropriation (net of recoveries)	0.91	1.05
Provision for other assets (net)	0.20	0.32
Total	**761.35**	**412.05**

p. Drawdown from reserves:

There has been no draw down from reserves during the year ended March 31, 2021 (previous year: Nil).

q. Concentration of advances, exposures and NPAs *

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Concentration of advances		
Total advances to twenty largest borrowers	0.82	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	0.82	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	**0.14**	**0.06**

r. Sector-wise NPAs *

₹ in crore

Particulars	Percentage of NPAs to Total Advances in that sector as at March 31, 2021	Percentage of NPAs to Total Advances in that sector as at March 31, 2020
Agriculture and allied activities	2.46%	1.29%
MSME	-	-
Corporate borrowers	-	-
Services	1.35%	1.84%
Others	0.34%	1.60%
Unsecured personal loans	0.24%	0.98%
Auto loans	0.00%	1.30%
Other personal loans	-	-

s. Movement of NPAs *

₹ in crore

Particulars	March 31, 2021	March 31, 2020
(i) Net NPAs to Net Advances (%)	**1.37%**	**0.37%**
(ii) Movement of NPAs (Gross):		
Opening balance	142.10	38.54
Additions during the year	868.95	153.90
Reductions during the year	561.48	50.34
Closing balance	**449.56**	**142.10**
(iii) Movement of Net NPAs		
Opening balance	34.35	10.89
Additions during the year	141.62	23.49
Reductions during the year	39.99	0.03
Closing balance	**135.98**	**34.35**
(iv) Movement of provisions for NPAs		
Opening balance	107.75	27.65
Provisions made during the year	727.33	130.41
Write-off / write-back of excess provisions	521.49	50.31
Closing balance	**313.59**	**107.75**

* Represents Stage-III loans

t. The net interest margin (NIM)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Average interest (a)	18.94%	19.61%
Average effective cost of borrowing (b)*	9.15%	9.79%
Net interest margin (a-b)	9.79%	9.82%

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.

u. Overseas Assets

The Company does not have any subsidiary / Joint venture abroad.

v. Off Balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The Company does not have SPVs sponsored (which are required to be consolidated as per accounting norms).

w. Disclosure of customer complaints

Sl No	Particulars	As at March 31, 2021	As at March 31, 2020
(a)	No. of complaints pending at the beginning of the year	-	3
(b)	No. of complaints received during the year	2,716	2,912
(c)	No. of complaints redressed during the year	2,712	2,915
(d)	No. of complaints pending at the end of the year	4	-

x. Information on instances of fraud

Instances of fraud reported during the year ended March 31, 2021:

₹ in crore

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount provided
Cash Embezzlement	7	0.12	0.07	0.05

Instances of fraud reported during the year ended March 31, 2020:

₹ in crore

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount provided
Cash Embezzlement	1	0.02	0.00	0.02

y. Public disclosure on Liquidity risk management

(i) Funding concentration based on significant Counterparty *(both deposits and borrowings)

As at March 31, 2021

Number of significant counterparties	Amount (₹ in Crore)	% of Total Deposits	% of Total Liabilities
23	7,756.31	NA	85.59%

As at March 31, 2020

Number of significant counterparties	Amount (₹ in Crore)	% of Total Deposits	% of Total Liabilities
23	7,477.92	NA	93.56%

(ii) Top 20 large deposits (amount in ₹ 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 ₹ Crore and % of total borrowings)

As at March 31, 2021 ₹ in crore

Amount (Rs in Crore)	% of Total Borrowings
5,891.45	67.10%

As at March 31, 2020 ₹ in crore

Amount (Rs in Crore)	% of Total Borrowings
5,722.29	73.15%

(iv) Funding concentration based on significant instrument / product*

₹ in crore

Name of the instrument/ product	March 31, 2021	% of Total Liabilities	March 31, 2020	% of Total Liabilities
Term loans from Banks	5,115.80	56.45%	5,088.24	63.66%
Term Loans from Financial Institutions	1,783.72	19.68%	1,668.89	20.88%
Non Convertible Debentures	1,506.04	16.62%	655.07	8.20%
External commercial borrowings	225.51	2.49%	224.41	2.81%
Term Loans from Non banking Financial Companies	124.65	1.38%	160.95	2.01%

(v) Stock Ratios

As at March 31, 2021

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	3.07%	2.25%	1.60%

As at March 31, 2020

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, 2021.

z. Asset classification as per IRAC norms

As at March 31, 2021 ₹ in crore

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 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	9,669.74	174.39	9,495.35	39.42	134.97
	Stage II	114.30	27.81	86.49	1.04	26.77
Subtotal		**9,784.04**	**202.20**	**9,581.84**	**40.46**	**161.74**
Non-Performing Assets (NPA)						
Substandard	Stage III	449.57	313.59	135.98	68.50	245.09
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		**449.57**	**313.59**	**135.98**	**68.50**	**245.09**
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**	**9,669.74**	**174.39**	**9,495.35**	**39.42**	**134.97**
	Stage II	**114.30**	**27.81**	**86.49**	**1.04**	**26.77**
	Stage III	**449.57**	**313.59**	**135.98**	**68.50**	**245.09**
	Total	**10,233.61**	**515.79**	**9,717.82**	**108.96**	**406.83**

Notes:

1. Figures under this columns Represents provisions determined in accordance with the Asset classification and provisioning norms as stipulated under Master Directions.

As at March 31, 2020 ₹ in crore

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	13.08	15.31	1.42	11.66
Subtotal		**9,296.29**	**158.00**	**9,138.29**	**65.97**	**92.03**
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**	**13.08**	**15.31**	**1.42**	**11.66**
	Stage III	**142.10**	**107.75**	**34.35**	**27.29**	**80.46**
	Total	**9,438.39**	**265.75**	**9,172.64**	**93.26**	**172.49**

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 notification dated April 17, 2020 on accounts classifieds as standard but over-due as at February 29, 2020

aa. Disclosures pursuant to RBI Notification - RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated 17th April, 2020 on 'COVID-19 Regulatory Package - Asset Classification and Provisioning' in respect of SMA/overdue categories, where the moratorium/deferment was extended.

₹ in crore

Asset classification as per Ind AS 109	31-Mar-21	31-Mar-20
I) Respective amounts In SMA/Overdue categories. where the Moratorium/ deferment was extended *	9.95	178.48
Ii) Respective amount where asset classification benefits is extended $	2.82	18.91
iii) Provision made on the cases where asset classification benefit is extended #	NA	NA
iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions	NA	NA

Note: amount represents principal outstanding only.

* Outstanding as on March 31, 2021 and March 31, 2020 respectively on account of all cases in SMA / overdue categories where moratorium benefit was extended by the Company as at March 31, 2020.

$ Represents outstanding balances as on March 31, 2021 and March 31, 2020 with respect to accounts which were not classified as Stage III (non-performing assets) as at March 31, 2020 due to moratorium.

The Company has made adequate provision for impairment loss allowance (as per ECL model) for the year ended March 31, 2021 and March 31, 2020. No specific loan level provisioning is made with respect to loan to which asset classification benefit was extended.

ab. The Company has not disbursed any loans against the security of gold.

ac. Disclosure of Resolution plan invoked under RBI's "Resolution Framework for COVID-19-related Stress" Guidelines.

During the year, to relieve COVID-19 pandemic related stress, the Company has invoked resolution plans for eligible borrowers based on the parameters laid down in accordance with the resolution policy approved by the Board of Directors of the Company and in accordance with the guidelines issued by the RBI on 6 August 2020. The Disclosure as per format prescribed under notification no. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 for the year ended 31 March 2021 is as follows:

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan (₹ in crore)	(C) Of (B), aggregate amount of debt that was converted into other securities (₹ in crore)	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation (₹ in crore)	(E) Increase in provisions on account of the implementation of the resolution plan (₹ in crore)
Personal Loans *	13,300	49.57	-	27.50	$
Corporate persons	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**13,300**	**49.57**	**-**	**27.50**	**-**

Note: amount represents principal outstanding only.

* Includes joint liability group loan (JLG) and individual loan (IL).
$ Management has considered above restructured loans as Stage3 loans (NPA) and adequate provision is made as per the ECL model.

ad. Liquidity Coverage Ratio Disclosure

Institutional set-up for liquidity risk management

The RBI has issued final guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019. As per the said guidelines, LCR requirement shall be binding on all non-deposit taking systemically important NBFCs with asset size of ₹ 10,000 crore and above from December 1, 2020, with the minimum LCR to be 50%, progressively increasing, till it reaches the required level of 100%, by December 1, 2024.

The Company follows the criteria laid down by RBI for calculation of High Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-day period. HQLA predominantly comprises cash and balance with other banks in current account. All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation template.

The disclosure on Liquidity Coverage Ratio of the Company for the year ended March 31, 2021 is as under:

As at March 31, 2021 ₹ in crore

	Particulars	Total unweighted value (average) @	Total weighted value (average) $
High Quality Liquid Assets			
1	Total High Quality Liquid Assets (HQLA)	-	-
	Cash and bank balance	204.53	204.53
	Short term fixed deposit	-	-
		204.53	**204.53**
Cash outflows			
2	Deposits (for deposit taking companies)	-	-
3	Unsecured wholesale funding	-	-
4	Secured wholesale funding	-	-
5	Additional requirements, of which		
	(i) Outflows related to derivative exposures and other collateral requirements	-	-
	(ii) Outflows related to loss of funding on debt products	-	-
	(iii) Credit and liquidity facilities	-	-
6	Other contractual funding obligations	525.47	604.29
7	Other contingent funding obligations	-	-
8	**TOTAL CASH OUTFLOWS**	**525.47**	**604.29**
Cash inflows			
9	Secured lending	-	-
10	Inflows from fully performing exposures	733.50	550.13
11	Other cash inflows #	1,547.79	1,160.84
12	**TOTAL CASH INFLOWS**	**2,281.29**	**1,710.97**
13	Total HQLA		204.53
14	Total net cash outflows		151.07
15	Liquidity Coverage Ratio (%)		135.39%

@ Unweighted values calculated as outstanding balances maturing or callable within one month (for inflows and outflows). Averages are calculated basis simple average of month-end observations for Q4-FY2021.
$ Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow (75%) and outflow (115%).
# Other cash inflows includes Fixed deposit placed with banks and proceeds from redemption of mutual funds.

ae. Schedule to the Balance Sheet of a Non-Banking Financial Company as required under Master Direction - Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended:

₹ in crore

	Particulars	March 31, 2021		March 31, 2020	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
1)	**Liabilities side :**				
	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
	(a) Debentures : Secured	1,506.04	-	655.07	-
	: Unsecured	-	-	-	-
	(other than falling within the meaning of public deposits)				
	(b) Deferred Credits	-	-	-	-
	(c) Term Loans	7,274.68	-	7,167.48	-
	(d) Inter-corporate loans and borrowing	-	-	-	-
	(e) Commercial Paper	-	-	-	-
	(f) Other Loans (Working Capital Loans from Banks)	-	-	-	-

₹ in crore

	Particulars	March 31, 2021	March 31, 2020
		Amount Outstanding	Amount Outstanding
	Assets side :		
2)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below] (net carrying value):**		
	(a) Secured	5.74	6.10
	(b) Unsecured	9,712.08	9,166.54
3)	**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities**		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
4)	**Break-up of Investments :**		
	Current Investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Certificate of Deposits and Commercial Paper)	-	-
	Long Term investments :		
	1. Quoted :		
	(i) Shares : (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-
	2. Unquoted :		
	(i) Shares : (a) Equity	662.93	661.44
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of mutual funds	-	-
	(iv) Government Securities	-	-
	(v) Others (please specify)	-	-

CREDITACCESS GRAMEEN LIMITED
Standalone Financials

5) Borrower group-wise classification of assets financed as in (2) and (3) above :

₹ in crore

Category	March 31, 2021			March 31, 2020		
	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	5.74	9,712.08	9,717.82	6.10	9,166.54	9,172.64
Total	**5.74**	**9,712.08**	**9,717.82**	**6.10**	**9,166.54**	**9,172.64**

6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

₹ in crore

Category	March 31, 2021		March 31, 2020	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **				
(a) Subsidiaries	755.53	662.73	661.24	661.24
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	NA	0.20	NA	0.20
Total		**662.93**		**661.44**

** As per Ind AS

7) Other information

₹ in crore

Category	March 31, 2021			March 31, 2020		
	Secured	Unsecured	Total	Secured	Unsecured	Total
(i) Gross Non-Performing Assets						
(a) Related parties	-	-	-	-	-	-
(b) Other than related parties	0.26	449.30	449.56	0.02	142.08	142.10
(ii) Net Non-Performing Assets						
(a) Related parties	-	-	-	-	-	-
(b) Other than related parties	-	135.98	135.98	-	34.35	34.35
(iii) Assets acquired in satisfaction of debt	**-**	**-**	**-**	**-**	**-**	**-**

46 Previous year figures have been regrouped/rearranged, wherever considered necessary, to conform to the classification / disclosure adopted in the current year.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Mumbai
Date: May 06, 2021

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

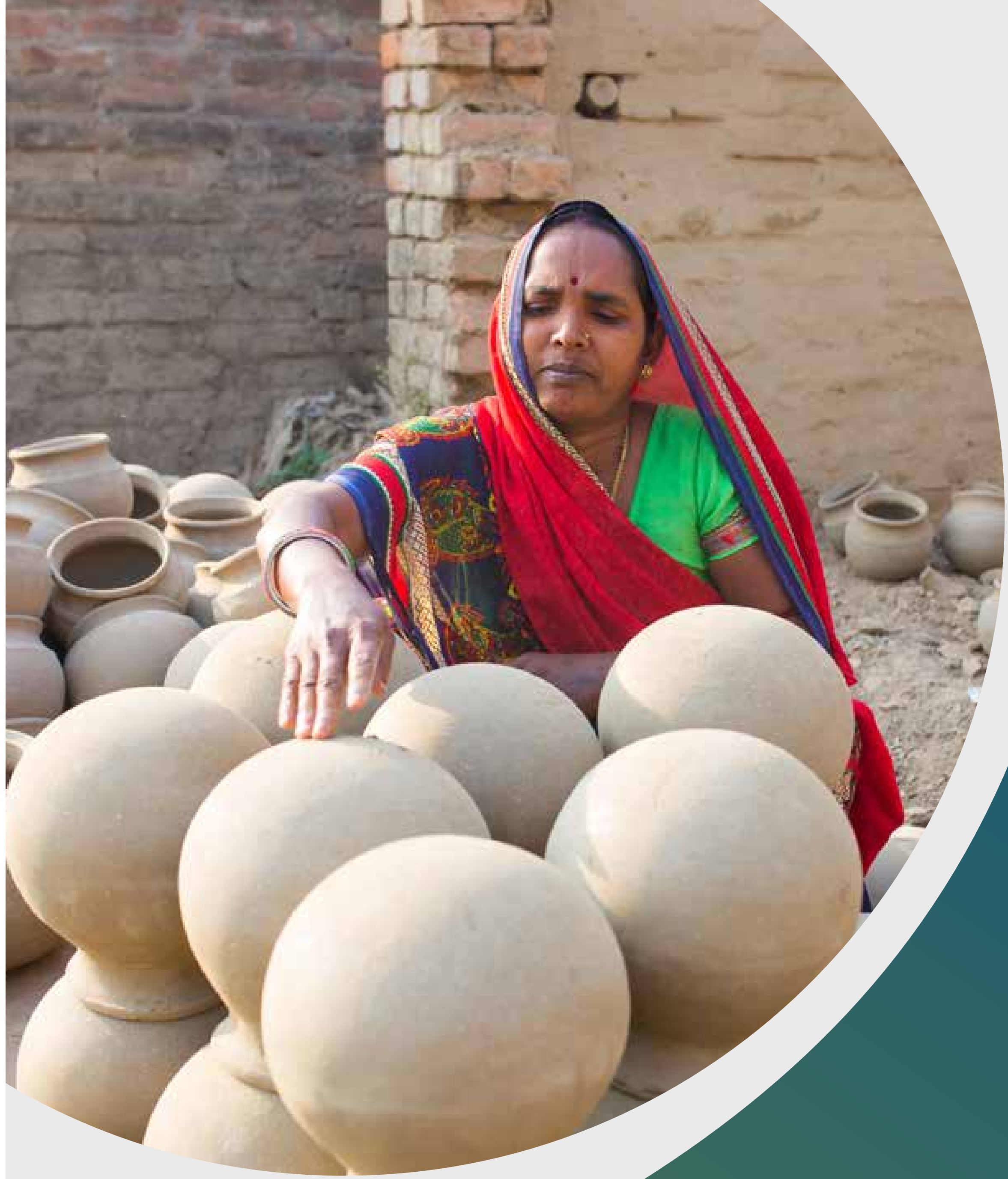
Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Bangalore
Date: May 06, 2021



CONSOLIDATED AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Members of CreditAccess Grameen Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **CreditAccess Grameen Limited** (the "Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and 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, and based on the consideration of reports of the other auditors on separate financial statements referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated 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 (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 42 to the consolidated financial statements, which describes the continuing uncertainties arising from the COVID 19 pandemic.

Our report 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the key audit matter was addressed in our Audit
(a). Impairment of financial assets (expected credit losses) (as described in note 7 of the consolidated Ind AS financial statements)	
Management estimates impairment provision using Expected Credit loss model for the loan exposure. Recognition and measurement of impairment of loans involve significant management judgement. The Group's impairment allowance is derived from estimates including the historical default and loss ratios. Collective impairment allowances are calculated using ECL model which approximate credit conditions on homogenous portfolios of loans. During the year, the Group has made additional provisions after evaluating the extent to which COVID-19 pandemic may impact its overall operations and performance. Given the uncertainty over the potential macroeconomic condition, these additional provisions also involve significant management estimates/ judgements. Further, the disclosures made in the financial statements for ECL especially in relation to judgements and estimates by the Management in determination of the ECL involve increased level of audit focus. The aforesaid involves significant management estimates/ judgements and hence identified as Key Audit Matter (KAM).	Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognised in the financial statements were reasonable and the related disclosures in the financial statements made by the management were adequate. These procedures included, but not limited, to the following: • We examined Board Policy approving the methodology for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the Group. • We obtained an understanding of the model adopted by the Group for calculation of expected credit losses including how management calculated the expected credit losses and the appropriateness of the data on which the calculation is based and tested the management controls for it. • We evaluated the design and operating effectiveness of controls across the processes relevant to ECL. These controls, among others, included controls over the allocation of assets into stages including management's monitoring of the need for post model adjustments, model validation and production of journal entries and disclosures. • We tested, on samples basis, the input and historical data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records. • We tested the arithmetical calculation of the workings of the expected credit losses. • We performed an overall assessment of the ECL provision at each stage including management's assessment on Covid-19 impact to determine if they were reasonable considering the Group's portfolio, risk profile and the macroeconomic environment. • We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 on ECL especially in relation to judgements used in estimation of ECL provision.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Management report is expected to be made available to us after the date of this auditor's report.

- Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available, compare with the financial statements of the subsidiaries, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.

- When we read the management report, if we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information.'

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. 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 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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 financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The 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 Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 financial 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 Parent has adequate internal financial controls system 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 the 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 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 financial statements, including the disclosures, and whether the consolidated 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 to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the 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.

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated 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 financial statements of the current period 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 Matters

(i) We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of ₹ 2,598.28 crore as at March 31, 2021, total revenues of ₹ 117.93 crore and net cash inflows amounting to ₹ 405.27 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated 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 subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above 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.

(ii) The audit of the consolidated financial statements of the Group for the year ended March 31, 2020 was carried out by the predecessor auditor. The report of the predecessor auditor on the comparative consolidated financial statements dated May 30, 2020 expressed an unmodified opinion

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

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 the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable 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 of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

CREDITACCESS GRAMEEN LIMITED
Consolidated Auditor's Report

e) On the basis of the written representations received from the directors of the Parent and taken on record by the Board of Directors of the Parent, and the reports of the statutory auditors of its subsidiaries, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and its subsidiaries. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiaries.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

G. K. Subramaniam
(Partner)
(Membership No. 109839)
(UDIN: 21109839AAAAFK5122)

Place: Mumbai
Date: May 6, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 Ind AS financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of CreditAccess Grameen Limited (hereinafter referred to as the "Parent") and its subsidiaries as of date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiaries, 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 respective Companies 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 (ICAI). 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiaries, which are companies incorporated in India, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, 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 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 of the subsidiaries 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 system over financial reporting of the Parent and its subsidiaries.

CREDITACCESS GRAMEEN LIMITED
Consolidated Auditor's Report

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 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

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting 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 to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiaries have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the respective companies 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 Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiaries is based solely on the corresponding reports of the auditors of such companies.

Our opinion is not modified in respect of the above matter.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

G. K. Subramaniam
(Partner)
(Membership No. 109839)
(UDIN: 21109839AAAAFK5122)

Place: Mumbai
Date: May 6, 2021

CONSOLIDATED FINANCIALS

Consolidated balance sheet as at March 31, 2021

₹ in crore

Sr. No.	Particulars	Notes	As at March 31, 2021	As at March 31, 2020
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	4	2,360.09	644.87
(b)	Bank balance other than cash and cash equivalents	5	124.29	72.77
(c)	Other receivables	6	-	0.22
(d)	Loans	7	11,720.48	11,098.91
(e)	Investments	8	0.54	45.56
(f)	Other financial assets	9	132.05	58.36
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	29	30.84	22.11
(b)	Deferred tax assets (net)	29	104.09	57.44
(c)	Property, plant and equipment	11 (A)	24.15	31.69
(d)	Right of use assets	11 (A)	67.50	54.60
(e)	Goodwill on consolidation		317.58	317.58
(f)	Intangible assets	11 (A)	163.54	172.63
(g)	Intangible assets under development	11 (B)	0.62	2.84
(h)	Other non-financial assets	10	13.47	10.63
	Total assets		**15,059.24**	**12,590.21**
	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		62.55	41.19
	(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		139.14	67.46
(b)	Borrowings			
	- Debt securities	12	1,674.95	792.58
	- Borrowings (other than debt securities)	13	9,163.68	8,644.06
	- Subordinated liabilities	14	102.70	103.03
(c)	Other financial liabilities	15	82.94	67.20
(2)	**Non-financial liabilities**			
(a)	Provisions	17	25.53	20.31
(b)	Other non-financial liabilities	16	11.37	11.21
(3)	**Equity**			
(a)	Equity share capital	18	155.58	143.99
(b)	Other equity	19	3,535.97	2,590.23
(c)	Non-controlling interests		104.83	108.95
	Total liabilities and equity		**15,059.24**	**12,590.21**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Mumbai
Date: May 06, 2021

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

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Bangalore
Date: May 06, 2021

Statement of consolidated profit and loss for the year ended March 31, 2021

₹ in crore

Sr. No.	Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
I	**Revenue from operations**			
(a)	Interest income	20	2,290.03	1,633.39
(b)	Fees and commission income	21	8.50	5.00
(c)	Net gain on fair value changes	22	132.90	56.35
(d)	Others		29.31	9.57
	Total revenue from operations (I)		**2,460.74**	**1,704.31**
II	**Other income**	**23**	**5.33**	**1.17**
III	**Total income (I+II)**		**2,466.07**	**1,705.48**
IV	**Expenses**			
(a)	Finance costs	24	928.72	578.34
(b)	Fee and commission expense		3.01	1.18
(c)	Impairment of financial instruments	25	771.36	237.27
(d)	Employee benefits expenses	26	379.99	262.05
(e)	Depreciation and amortization expenses	27	44.07	20.37
(f)	Other expenses	28	158.52	144.67
	Total expenses (IV)		**2,285.67**	**1,243.88**
V	**Profit before tax (III-IV)**		**180.40**	**461.60**
VI	**Tax expense**	29		
	(1) Current tax		106.44	160.47
	(2) Deferred tax		(57.44)	(34.36)
	Total tax expense (VI)		**49.00**	**126.11**
VII	**Profit for the year (V-VI)**		**131.40**	**335.49**
VIII	**Other comprehensive income**			
(a)	(1) Items that will not be reclassified to profit or loss			
	- Remeasurement gains/(losses) on defined benefit obligations (net)		0.17	0.02
	(2) Income tax relating to items that will not be reclassified to profit or loss		(0.04)	(0.01)
	Subtotal (a)		**0.13**	**0.01**
(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		42.93	(34.83)
	(2) Income tax relating to items that will be reclassified to profit or loss		(10.80)	7.46
	Subtotal (b)		**32.13**	**(27.37)**
	Other comprehensive income / (loss) (VIII = a+b)		**32.26**	**(27.36)**
IX	**Total comprehensive income (VII+VIII) (comprising profit and other comprehensive income for the year)**		**163.66**	**308.13**
X	**Profit attributable to:**			
	Owners of the Company		134.02	333.55
	Non-controlling interest		(2.62)	1.94
XI	**Other comprehensive income attributable to:**			
	Owners of the Company		32.27	(27.35)
	Non-controlling interest		(0.01)	(0.01)
XII	**Total comprehensive income attributable to:**			
	Owners of the Company		166.29	306.19
	Non-controlling interest		(2.63)	1.94
XIII	**Earnings per equity share** (EPS) (face value of ₹10.00 each)	45		
	Basic (EPS)		8.96	23.20
	Diluted (DPS)		8.90	23.00

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Mumbai
Date: May 06, 2021

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

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Bangalore
Date: May 06, 2021

Statement of consolidated changes in equity for the year ended March 31, 2021

a) Equity share capital

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

Particulars	No of shares	₹ in crore
At March 31, 2019	**14,35,52,261**	**143.55**
Changes in equity share capital during the year	4,33,198	0.43
At March 31, 2020	**14,39,85,459**	**143.99**
Changes in equity share capital during the year	1,15,96,581	11.60
At March 31, 2021	**15,55,82,040**	**155.58**

b) Other Equity

₹ in crore

Particulars	Reserve & Surplus: Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	Capital reserve (Refer Note 19.2)	Securities premium	Share options outstanding account	Retained earnings	Other comprehensive income	Total Other Equity (A)	Non Controlling interests (B)	Total (A)+(B)
As at March 31, 2019	**137.92**	**49.95**	**1,480.00**	**8.79**	**553.55**	**(8.70)**	**2,221.51**	**-**	**2,221.51**
Profit for the year	-	-	-	-	333.56	-	333.56	1.94	335.49
Other comprehensive income	-	-	-	-	0.01	(27.37)	(27.36)	-	(27.36)
Premium on exercise of stock options	-	-	5.85	(2.69)	-	-	3.16	-	3.16
Acquired from MMFL	60.52	-	-	-		-	60.52	109.44	169.96
Transferred to statutory reserves	67.18	-	-	-	(66.77)	-	0.41	(0.41)	-
Equity adjustment on account of subsequent acquisition in subsidiary	-	-	-	-	(1.81)	-	(1.81)	(2.02)	(3.83)
Effect of tax rate change on the carrying value of deferred tax assets recognised through equity	-	-	(2.26)	-	-	-	(2.26)	-	(2.26)
Employee stock option compensation for the year	-	-	-	2.51	-	-	2.51	-	2.51
As at March 31, 2020	**265.61**	**49.95**	**1,483.59**	**8.61**	**818.54**	**(36.07)**	**2,590.23**	**108.95**	**2,699.18**
Profit for the year	-	-	-	-	134.04	-	134.04	(2.63)	131.40
Other comprehensive income	-	-	-	-	0.13	32.13	32.26	-	32.26
Premium on equity shares issued during the year	-	-	788.68	-	-	-	788.68	-	788.68
Premium on exercise of stock options	-	-	4.39	(2.05)	-	-	2.34	-	2.34
Transferred to statutory reserves	28.48	-	-	-	(28.48)	-	-	-	-
Expenses incurred towards Qualified institutional placement of equity shares	-	-	(13.53)	-	-	-	(13.53)	-	(13.53)
Employee stock option compensation for the year	-	-	-	1.96	-	-	1.96	-	1.96
Equity adjustment on account of subsequent acquisition in subsidiary	-	-	-	-	-	-	-	(1.49)	(1.49)
As at March 31, 2021	**294.09**	**49.95**	**2,263.13**	**8.52**	**924.22**	**(3.94)**	**3,535.97**	**104.83**	**3,640.80**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Mumbai
Date: May 06, 2021

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

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

Place: Bangalore
Date: May 06, 2021

M J Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Membership No. ACS-16350

Statement of consolidated cash flows for the year ended March 31, 2021

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Cash flow from operating activities:		
Profit before tax	180.40	461.60
Adjustments for:		
Interest income on loans	(2,264.41)	(1,632.85)
Interest on deposits with banks and financial institutions	(25.62)	(6.34)
Depreciation and amortisation expenses	44.07	20.37
Finance costs	928.72	578.34
Impairment on financial instruments	771.36	237.27
Net gain on financial instruments at fair value through profit or loss	(20.01)	(15.02)
Gain on derecognition of loans designated at FVTOCI	(112.89)	(41.33)
Other Income	(9.68)	(4.19)
Share based payments to employees	1.96	2.51
Provision for other assets	0.20	0.32
	(686.30)	**(860.92)**
Operational cash flows from interest:		
Interest income on loans	2,235.18	1,587.43
Finance costs	(896.09)	(558.50)
Working capital changes:		
(Increase) in loans	(1,311.08)	(2,742.42)
Decrease / (Increase) in other receivables	0.22	(0.13)
Decrease in other financial assets	39.18	38.43
(Increase) in other non-financial assets	(2.98)	(1.57)
Increase / (Decrease) in trade and other payables	94.17	(23.33)
Increase in other financial liabilities	2.31	0.88
Increase in provisions	5.39	4.19
Increase in other non-financial liabilities	0.15	4.62
Decrease in derivative financial instruments	-	1.10
	(1,172.64)	**(2,718.23)**
Income tax paid (net of refunds)	**(115.22)**	**(164.02)**
Net cash flows (used in) operating activities (A)	**(454.67)**	**(2,252.64)**
Cash flow from investing activities:		
Purchase of property, plant and equipment	(4.74)	(14.36)
Proceeds from sale of property, plant and equipment	0.46	0.12
Purchase of Intangible assets and expenditure on Intangible assets under development	(9.82)	(7.44)
Interest on deposits with banks and financial institutions	25.62	6.34
Decrease / (increase) in bank balance other than cash and cash equivalents	(51.52)	23.85
Purchase of investments	(8,206.90)	(9,240.63)
Sale of investments	8,271.92	9,285.72
Investment in equity shares of subsidiary	(1.49)	(661.24)
Net cash flows from / (used in) investing activities (B)	**23.53**	**(607.64)**
Cash flow from financing activities:		
Debt securities issued (net)	853.42	88.72
Borrowings other than debt securities issued (net)	522.19	2,839.72
Subordinated liabilities repaid (net)	-	(11.39)
Payment of Lease liability (net)	(18.33)	(5.93)
Proceeds from issuance of equity share capital including securities premium	799.99	3.59
Proceeds from the Employee Stock options	2.62	-
Expenses incurred towards issuance of equity shares	(13.53)	-
Net cash flows from financing activities (C)	**2,146.36**	**2,914.71**
Net increase in cash and cash equivalents	**1,715.22**	**54.43**
Cash and cash equivalents as at the beginning of the year	644.87	590.44
Cash and cash equivalents as at the end of the year	**2,360.09**	**644.87**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Mumbai
Date: May 06, 2021

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

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

M J Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Membership No. ACS-16350

S Balakrishna Kamath
Chief Financial Officer

Place: Bangalore
Date: May 06, 2021

1. Corporate information

CreditAccess Grameen Limited (Formerly known as Grameen Koota Financial Services Private Limited) ('the Holding 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 Holding Company along with its subsidiaries (the "Group") 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. The financial statements of the Holding Company for the year ended March 31, 2021 were approved for issue in accordance with the resolution of the Board of Directors on May 6, 2021.

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 consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crore, except when otherwise indicated. These consolidated financial statements have been prepared on a going concern basis.

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.

Details of Companies Consolidated in these consolidated financial statements:

Name of the Company	Type	Country of Incorporation	Holding as at March 31, 2021	Holding as at March 31, 2021
CreditAccess Grameen Limited	Holding Company	India	Holding Company	Holding Company
Madura Micro Finance Limited	Subsidiary Company	India	76.25%	76.08%

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 Holding Company and its subsidiary, 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 consistency 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.

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 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.

3.1.4 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.

3.1.5 Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised.

3.1.6 Dividend Income

Dividend income is recognised when the right to receive payment is established.

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 cash with an 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 asset	Useful life (Years)
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 and Impairment of Goodwill

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. Customer relationship is amortised over the 10 years. The useful lives of intangible assets are reviewed at each financial year
and adjusted.

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, 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 "Share 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 statement of profit and loss.

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 3.15.2). 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 Group 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 certain 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 the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Unobservable inputs for the asset or liability

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 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.

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 noncontrolling 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 noncontrolling 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.

The Group as a lessee
The Group's lease asset classes primarily consist of leases for office premises and servers. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:
(i) the contract involves the use of an identified asset; (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease; and (iii) the Group has the right to direct the use of the asset.
At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

3.22 Investments

Investments in equity instruments are classified as FVTPL, unless the related instruments are not held for trading and the Group irrevocably elects oninitial recognition of financial asset on an asset-by-asset basis to present subsequent changes in fair value in other comprehensive income (FVTOCI). All other investments are classified and measured as FVTPL only.

4 Cash and cash equivalents

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Cash in hand	8.24	1.38
Balances with Banks in current accounts	217.03	203.25
Bank deposit with maturity of less than 3 months	2,134.82	440.24
Total	**2,360.09**	**644.87**

5 Bank balance other than cash and cash equivalents

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Fixed deposit with bank not considered as cash and cash equivalents*	124.29	72.77
Total	**124.29**	**72.77**

*Balances with banks to the extent held as margin money or security against the borrowings.

6 Other receivables

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Unsecured, considered good		
Other receivables	-	0.22
Total	**-**	**0.22**

The above does not include the debts due by directors or other officers of the Group 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 crore

Particulars	March 31, 2021			March 31, 2020		
	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total
(A) Term loans:						
Group lending **	2,650.95	9,275.37	11,926.32	2,915.95	7,989.03	10,904.98
Individual loans	416.79	-	416.79	506.31	-	506.31
Total - Gross	**3,067.74**	**9,275.37**	**12,343.11**	**3,422.26**	**7,989.03**	**11,411.29**
Less: Impairment loss allowance	240.59	382.04	622.63	88.83	223.55	312.38
Total - Net*	**2,827.15**	**8,893.33**	**11,720.48**	**3,333.43**	**7,765.48**	**11,098.91**
(B) (a) Secured by tangible assets	6.35	-	6.35	6.43	-	6.43
(b) Unsecured	3,061.40	9,275.37	12,336.76	3,415.83	7,989.03	11,404.86
Total - Gross	**3,067.74**	**9,275.37**	**12,343.11**	**3,422.26**	**7,989.03**	**11,411.29**
Less: Impairment loss allowance	240.59	382.04	622.63	88.83	223.55	312.38
Total - Net*	**2,827.15**	**8,893.33**	**11,720.48**	**3,333.43**	**7,765.48**	**11,098.91**
(C) (I) Loans in India						
(a) Public sector	-	-	-	-	-	-
(b) Others	3,067.74	9,275.37	12,343.11	3,422.26	7,989.03	11,411.29
Total - Gross	**3,067.74**	**9,275.37**	**12,343.11**	**3,422.26**	**7,989.03**	**11,411.29**
Less: Impairment loss allowance	240.59	382.04	622.63	88.83	223.55	312.38
Total - Net*	**2,827.15**	**8,893.33**	**11,720.48**	**3,333.43**	**7,765.48**	**11,098.91**
(C) (II) Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total - Net*	-	-	-	-	-	-

*Includes fair value of loans designated at FVOCI.

** Group Lending includes both Joint Liability Loans and Self Help Group Loans

CREDITACCESS GRAMEEN LIMITED
Consolidated Financials

7 (A) Group lending loans

An analysis of changes in the gross carrying amount and the corresponding ECL allowances (including loans measured at FVTOCI) in relation to Group ending loans:

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2020	**10,681.17**	**59.77**	**164.04**	**10,904.98**
(a) New assets originated or purchased	9,659.05	-	-	9,659.05
(b) Asset derecognised or repaid (Excluding write offs) #	(7,715.11)	(339.09)	(149.74)	(8,203.94)
Assets written off during the year	-	-	(433.77)	(433.77)
Movement between stages				
Transfer from Stage 1	(1,527.79)	1,195.07	332.72	-
Transfer from Stage 2	91.34	(709.75)	618.41	-
Transfer from Stage 3	11.40	4.24	(15.64)	-
Gross carrying value of assets as at 31st March 2021	**11,200.06**	**210.24**	**516.02**	**11,926.32**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2020	**162.08**	**17.48**	**118.13**	**297.69**
(a) New assets originated or purchased	66.10	-	-	66.10
(b) Asset derecognised or repaid (Excluding write offs) #	(52.25)	(143.28)	(111.00)	(306.53)
Assets written off during the year	-	-	(433.77)	(433.77)
Movement between stages				
Transfer from Stage 1	(11.37)	8.44	2.93	-
Transfer from Stage 2	39.13	(298.97)	259.84	-
Transfer from Stage 3	8.54	3.17	(11.71)	-
Impact on ECL on account of movement between stages	(30.20)	455.08	523.12	948.00
ECL allowance as at 31st March 2021 *	**182.03**	**41.92**	**347.54**	**571.49**

Represents balancing figure.
* Includes ECL allowance created on loan assets measured through othecomprehensive income of ₹382.04 crores

₹ in crore

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**
(a) New assets originated or purchased	9,909.69	-	-	9,909.69
(b) Asset derecognised or repaid (Excluding write offs) #	(7,340.30)	(3.87)	3.38	(7,340.79)
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	0.78	(8.84)	8.06	-
Transfer from Stage 3	0.01	0.01	(0.02)	-
Gross carrying value of assets as at 31st March 2020	**10,681.17**	**59.77**	**164.04**	**10,904.98**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2019	**58.01**	**11.96**	**48.17**	**118.14**
(a) New assets originated or purchased	68.40	-	-	68.40
(b) Asset derecognised or repaid (Excluding write offs) #	(50.83)	(1.37)	2.43	(49.77)
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)	3.04	-
Transfer from Stage 3	0.01	0.01	(0.02)	-
Impact on ECL on account of movement between stages	87.33	10.01	111.23	208.57
ECL allowance as at 31st March 2020*	**162.08**	**17.48**	**118.13**	**297.69**

Represents balancing figure.
* Includes ECL allowance created on loan assets measured through other comprehensive income of ₹223.55 crores.

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 crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2020	**490.89**	**5.66**	**9.76**	**506.31**
(a) New assets originated or purchased	192.83	-	-	192.83
(b) Asset derecognised or repaid (Excluding write offs) #	(243.90)	(6.12)	(5.02)	(255.04)
Assets written off during the year	-	-	(27.30)	(27.30)
Movement between stages				
Transfer from Stage 1	(69.87)	35.37	34.50	-
Transfer from Stage 2	1.39	(22.36)	20.97	-
Transfer from Stage 3	0.16	0.08	(0.24)	-
Gross carrying value of assets as at 31st March 2021	**371.50**	**12.63**	**32.67**	**416.80**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2020	**1.86**	**2.97**	**9.86**	**14.69**
(a) New assets originated or purchased	3.86	-	-	3.86
(b) Asset derecognised or repaid (Excluding write offs) #	(4.83)	(3.08)	(4.98)	(12.89)
Assets written off during the year			(27.30)	(27.30)
Movement between stages				
Transfer from Stage 1	(1.86)	0.70	1.16	-
Transfer from Stage 2	0.69	(11.19)	10.50	-
Transfer from Stage 3	0.16	0.08	(0.24)	-
Impact on ECL on account of movement between stages	12.53	16.69	43.57	72.79
ECL allowance as at 31st March 2021	**12.41**	**6.17**	**32.57**	**51.15**

Represents balancing figure.

₹ in crore

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**
(a) New assets originated or purchased	425.47	-	-	425.47
(b) Asset derecognised or repaid (Excluding write offs) #	(247.68)	0.14	(0.11)	(247.65)
Assets written off during the year	-	-	(2.54)	(2.54)
Movement between stages				
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	**490.89**	**5.66**	**9.76**	**506.31**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2019	**6.17**	**0.00**	**0.49**	**6.66**
(a) New assets originated or purchased	1.59	-	-	1.59
(b) Asset derecognised or repaid (Excluding write offs) #	(0.92)	0.08	(0.11)	(0.95)
Assets written off during the year	-	-	(2.54)	(2.54)
Movement between stages				
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	(4.92)	2.88	11.97	9.93
ECL allowance as at 31st March 2020	**1.86**	**2.97**	**9.86**	**14.69**

Represents balancing figure.

8 Investments

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Investments		
A) In India		
At fair value through profit and loss		
(a) Alpha Microfinance Consultants Private Ltd	0.54	0.54
(b) Mutual funds	-	45.02
Total	**0.54**	**45.56**
B) Outside India	-	-
Less: Allowance for impairment loss	-	-
Total	**0.54**	**45.56**

9 Other financial assets

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Receivable from assignment of portfolio (unsecured, considered good)	105.48	35.77
Security deposits (unsecured, considered good)	11.73	11.42
Loans and advances to employees (unsecured, considered good)	8.17	6.57
Other advances		
Unsecured, considered good	1.72	3.19
Unsecured, considered doubtful	0.39	0.16
Less: Provision for doubtful advances	(0.39)	(0.16)
Others	4.95	1.41
Total	**132.05**	**58.36**

10 Other non-financial assets

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Prepaid expenses	5.41	5.18
Advances to employees	-	0.14
Capital Advance	1.18	-
Other advances		
Unsecured, considered good	6.88	5.31
Unsecured, considered doubtful	0.98	1.17
Less: Provision for doubtful advances	(0.98)	(1.17)
Total	**13.47**	**10.63**

11(A)

₹ in crore

Particulars	Property, plant and equipment								Total	Right of use assets		Total	Intangible assets		
	Computer	Electrical Equipment	Furniture & Fixtures	Leasehold Improvement	Office equipment	Vehicles	Freehold land	Buildings		Buildings	Computer		Computer software	Customer relationship	Total
Cost:															
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	0.17	0.21	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**	**0.17**	**0.21**	**55.17**	**24.23**	**37.85**	**62.08**	**21.94**	**162.82**	**184.76**
At April 1, 2020															
Additions	2.15	0.03	0.13	0.10	1.17	0.01	-	-	3.59	0.31	24.88	25.19	12.02	-	12.02
Disposals	(0.56)	(0.05)	(0.20)	(0.16)	(0.63)	-	-	-	(1.60)	(0.11)	-	(0.11)	(0.24)	-	(0.24)
At March 31, 2021	**17.44**	**0.91**	**10.57**	**9.24**	**17.99**	**0.63**	**0.17**	**0.21**	**57.16**	**24.43**	**62.73**	**87.16**	**33.72**	**162.82**	**196.54**
Depreciation/Amortisation:															
At March 31, 2019	**5.32**	**0.51**	**3.89**	**2.40**	**2.72**	**0.32**	**-**	**-**	**15.16**	**-**	**-**	**-**	**8.06**	**-**	**8.06**
Depreciation/Amortisation 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
Depreciation/Amortisation charge for the year	**4.68**	**0.05**	**0.69**	**1.51**	**3.68**	**0.07**	**-**	**0.01**	**10.69**	**4.43**	**7.83**	**12.26**	**4.75**	**16.37**	**21.12**
Disposals	(0.30)	(0.05)	(0.19)	(0.16)	(0.46)	-	-	-	(1.16)	(0.08)	-	(0.08)	(0.25)	-	(0.25)
At March 31, 2021	**11.65**	**0.71**	**6.11**	**5.26**	**8.80**	**0.47**	**0.00**	**0.01**	**33.01**	**8.17**	**11.49**	**19.66**	**16.05**	**16.95**	**33.00**
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	0.17	0.21	31.69	20.41	34.19	54.60	10.39	162.24	172.63
At March 31, 2021	5.79	0.20	4.46	3.98	9.19	0.16	0.17	0.20	24.15	16.26	51.24	67.50	17.67	145.87	163.54

11(B) Intangible assets under development

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Opening	2.84	2.36
Additions during the year	2.00	2.96
Less: Capitalised during the year	(4.22)	(2.48)
Closing	**0.62**	**2.84**

12 Debt securities (at amortised cost)

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Debentures (secured)	1,659.94	792.58
Debentures (unsecured)	15.01	-
Total	**1,674.95**	**792.58**
Debt securities in India	980.29	137.51
Debt securities outside India	694.66	655.07
Total	**1,674.95**	**792.58**

Nature of security

The above debentures are secured by the way of first and exclusive charge over eligible specified book debts of the Group.

Debentures (secured) (at amortised cost)

Terms of debentures	Number of debentures		Face value	Amount in crore	
	March 31, 2021	March 31, 2020		March 31, 2021	March 31, 2020
11.68% Secured Redeemable Non-convertible Debentures of face value of ₹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 year) 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	10,00,000	19.48	19.49
11.47% Secured Redeemable Non-convertible Debentures of face value of ₹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	10,00,000	19.47	19.50
11.11% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Three years) from the date of allotment i.e. February 28, 2020.	800	800	10,00,000	80.33	80.16
11.80% Secured Redeemable Non-convertible Debentures of face value of ₹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	10,00,000	-	30.72
11.60% Secured Redeemable Non-convertible Debentures of face value of ₹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. Re-deemable on maturity if option not excercised or communication for roll-over received from lender.	1,000	1,000	10,00,000	100.95	101.52
11.21% Secured Redeemable Non-convertible Debentures of face value of ₹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	10,00,000	-	29.31
10.34% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable (date of allotment being May 31, 2017) from June 2020 in 3 installments ending on 03 June 2022.	905	1,350	10,00,000	93.19	138.88

Terms of debentures	Number of debentures		Face value	Amount in crore	
	March 31, 2021	March 31, 2020		March 31, 2021	March 31, 2020
9.50% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Five years from the date of allotment i.e. November 8, 2019.	2,140	2,140	10,00,000	219.39	218.58
10.5% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Thirty Four Months from the date of allotment i.e. June 29, 2020.	1,208	-	10,00,000	123.74	-
9.81% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Thirty Five Months from the date of allotment i.e. July 31, 2020.	250	-	10,00,000	25.31	-
10% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Three years from the date of allotment i.e. June 26, 2020.	500	-	10,00,000	53.52	-
10.05% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Three years from the date of allotment i.e. July 3, 2020.	300	-	10,00,000	32.10	-
9.95% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Three years from the date of allotment i.e. July 27, 2020.	1,000	-	10,00,000	106.57	-
10.20% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Thirty Seven months from the date of allotment i.e. March 13, 2020.	170	170	10,00,000	16.94	16.91
9.25% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Eighteen months from the date of allotment i.e. August 14, 2020.	500	-	10,00,000	52.84	-
9.25% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Eighteen months from the date of allotment i.e. August 14, 2020.	360	-	10,00,000	37.98	-
9.15% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Eighteen months from the date of allotment i.e. September 23, 2020.	500	-	10,00,000	49.93	-
9.15% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Eighteen months from the date of allotment i.e. September 23, 2020.	500	-	10,00,000	49.97	-
9.15% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Eighteen months from the date of allotment i.e. October 20, 2020.	1,000	-	10,00,000	103.73	-
9.15% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Eighteen months from the date of allotment i.e. November 11, 2020.	250	-	10,00,000	25.80	-
9.15% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Eighteen months from the date of allotment i.e. December 10, 2020.	1,000	-	10,00,000	100.35	-
8.65% Secured Redeemable Market Linked Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Two years from the date of allotment i.e. March 25, 2021.	500	-	10,00,000	49.55	-

Terms of debentures	Number of debentures		Face value	Amount in crore	
	March 31, 2021	March 31, 2020		March 31, 2021	March 31, 2020
10.4189% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Three years from the date of allotment i.e. March 31, 2021.	1,450	-	10,00,000	144.89	-
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 has redeemed in one bullet payment on 31-July-2020.	-	400	10,00,000	-	40.76
14.15% Non-convertible Debentures - Privately placed, Listed. Secured by hypothecation of loans granted to Self Help Groups. 99.99% is redeemed on 13-Sep-2019 and balance has redeemed on maturity date i.e. 13-Sep-2020.	-	366	10,00,000	-	-
11.40% Non-convertible Debentures - Privately placed, Un-listed, Secured by exclusive charge on loans created out of the proceeds of the debentures and immovable properties. The NCD has redeemed in one bullet payment on 05-Dec-2020.	-	330	10,00,000	-	34.34
11.40% 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 has redeemed in one bullet payment on 31-Dec-2020.	-	250	10,00,000	-	24.96
10.11% Non-convertible Debentures - Privately placed, Listed. Secured by hypothecation of loans granted to Self Help Groups. The maturity date of the Debentures is 30-Jun-2022, with redeemed in four equal installment on 04-Oct-2021, 31-Dec-2021, 31-Mar-2022 and balance redeemed on 30-Jun-2022.	250	-	10,00,000	25.01	-
10.50% Non-convertible Debentures - Privately placed, Listed Secured by exclusive charge on loans created out of the proceeds of the debentures. The NCD is redeemable in one bullet payment on 17-Feb-2022.	500	-	10,00,000	53.26	-
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	360	10,00,000	37.46	37.24
9.80% Non-convertible Debentures - Privately placed, Listed. Secured by hypothecation of loans granted to Self Help Groups. The maturity date of the Debentures is 23-Apr-2024, with 99.99% redeemed on 22-Apr-2022 and balance redeemed on 23-Apr-2024.	3,750	-	1,00,000	38.12	-
Total *	**19,583**	**8,156**		**1,659.88**	**792.37**

* The above excludes the impact of fair valuation of debt securities on acquisition.

Debentures (unsecured) at amortised cost

Terms of debentures	Number of debentures		Face value	Amount in crore	
	March 31, 2021	March 31, 2020		March 31, 2021	March 31, 2020
13.00% Non-Convertible Debentures - Privately placed, listed, unsecured .The NCD is redeemable on 16-Aug-2021.	150	-	10,00,000	15.01	-

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 crore

Particulars	March 31, 2021	March 31, 2020
Term loans (secured)		
Banks	6,256.24	6,037.69
Financials institutions	2,132.53	1,994.13
Non-banking financial companies	490.12	307.49
External commercial borrowings	225.51	223.77
Cash Credit - Banks	-	0.01
Term loans (unsecured)		
Non banking financial companies	50.11	-
Collateralised borrowings from Banks	**9.17**	**80.97**
(arising on account of securitisation)		
Total	**9,163.68**	**8,644.06**
Borrowings in India	8,938.17	8,419.65
Borrowings outside India	225.51	224.41
Total	**9,163.68**	**8,644.06**

The term loans are covered by unsecured microfinance loans to the extent of minimum 100%. Further in respect of Term loans drawn during quarter 4 of FY 2020-21 aggregating to ₹622.35 crore, the Group will assign the book debts in due course as per the sanction terms. The borrowings have not been guaranteed by directors or others.

13.1 Delay in repayment

For 2020-21

There were no delay in principal repayment as at March 31, 2021.

For 2019-20

As per Reserve Bank of India circular dated March 27, 2020 on Covid-19 Regulatory package, the Group 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, the delay in payment being less than 3 days in each individual case, pending moratorium approval from Banks. The Group'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 crore

Bank / financial institution	Amount (dues delayed) as on the March 31, 2020*	Due date for payment
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**	

The above dues has been subsequently paid off in the current year.

14 Subordinated liabilities (at amortised cost)

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Term Loan	50.26	50.23
Debentures	52.44	52.80
Total	**102.70**	**103.03**
Subordinated Liabilities in India	102.70	103.03
Subordinated Liabilities outside India	-	-
Total	**102.70**	**103.03**

CREDITACCESS GRAMEEN LIMITED
Consolidated Financials

Terms of repayment of borrowings as on March 31, 2021

₹ in crore

Type of instrument / institution	Frequency of repayment	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)	
Debentures	**Quarterly**	**1-3 years**	10% - 10.5%	3	18.75	1	6.25	-	-	-	-	-	-	-	-	25.00
			9%-9.5%	3	75.00	1	25.00	-	-	-	-	-	-	-	-	100.00
	Half Yearly	**1-3 years**	10.5%-11%	2	48.33	2	48.33	1	24.17	-	-	-	-	-	-	120.83
		Above 3 years	9.5%-10%	-	-	-	-	2	107.00	2	107.00	-	-	-	-	214.00
	Bullet	**1-3 years**	9%-9.5%	4	186.00	3	175.00	-	-	-	-	-	-	-	-	361.00
			9.5%-10%	1	8.33	1	8.33	2	108.34	-	-	-	-	-	-	125.00
			10%-10.5%	1	50.00	-	-	2	80.00	-	-	-	-	-	-	130.00
			12.5% - 13%	1	15.00	-	-	-	-	-	-	-	-	-	-	15.00
		Above 3 years	9.5% - 10%	1	50.00	-	-	-	-	-	-	-	-	-	-	50.00
			10%-10.5%	-	-	1	17.00	1	145.00	-	-	-	-	-	-	162.00
			10.5% - 11%	2	36.00	-	-	-	-	-	-	-	-	-	-	36.00
			11%-11.5%	-	-	1	80.00	1	19.50	-	-	-	-	-	-	99.50
			11.5%-12%	-	-	1	100.00	1	19.50	-	-	-	-	-	-	119.50
	Annually	**Above 3 years**	10%-10.5%	1	44.55	1	45.90	-	-	-	-	-	-	-	-	90.45
Term loan banks	**Monthly**	**1-3 years**	7.5%-8.0%	292	1,061.25	179	532.48	-	-	-	-	-	-	-	-	1,593.73
			8%-8.5%	195	551.31	98	326.21	26	73.78	-	-	-	-	-	-	951.30
			8.5%-9%	162	480.03	58	119.19	-	-	-	-	-	-	-	-	599.22
			9%-9.5%	130	308.65	89	156.94	14	19.69	-	-	-	-	-	-	485.28
			9.5%-10%	13	7.27	12	5.00	12	5.00	-	-	-	-	-	-	17.27
			10% - 10.5%	52	87.02	23	43.18	-	-	-	-	-	-	-	-	130.20
			10.5% - 11%	62	67.58	3	3.57	-	-	-	-	-	-	-	-	71.15
			11% - 11.5%	52	74.62	19	30.33	-	-	-	-	-	-	-	-	104.95
		Above 3 years	8%-8.5%	24	116.67	24	116.67	6	29.16	-	-	-	-	-	-	262.50
			8.5%-9%	24	410.87	14	368.78	-	-	-	-	-	-	-	-	779.65
			9%-9.5%	22	11.00	24	12.51	17	10.33	-	-	-	-	-	-	33.84
			9.5%-10%	16	11.49	-	-	-	-	-	-	-	-	-	-	11.49
			10%-10.5%	66	49.57	48	42.27	11	10.80	-	-	-	-	-	-	102.64
			10.5% - 11%	36	20.42	11	9.57	-	-	-	-	-	-	-	-	29.99
			11% - 11.5%	19	6.17	-	-	-	-	-	-	-	-	-	-	6.17
			11.5% - 12%	24	56.52	14	34.36	-	-	-	-	-	-	-	-	90.88
	Quarterly	**1-3 years**	7.5%-8.0%	23	76.79	-	-	-	-	-	-	-	-	-	-	76.79
			8%-8.5%	14	59.00	-	-	-	-	-	-	-	-	-	-	59.00
			8.5%-9%	12	106.00	6	53.25	-	-	-	-	-	-	-	-	159.25
			9%-9.5%	2	16.25	-	-	-	-	-	-	-	-	-	-	16.25
			9.5% - 10%	4	12.50	-	-	-	-	-	-	-	-	-	-	12.50
			10% - 10.5%	2	12.50	-	-	-	-	-	-	-	-	-	-	12.50
			10.5% - 11%	3	28.57	-	-	-	-	-	-	-	-	-	-	28.57
		Above 3 years	10.5% - 11%	1	0.83	-	-	-	-	-	-	-	-	-	-	0.83
	Half Yearly	**1-3 years**	7.5%-8.0%	4	70.00	-	-	-	-	-	-	-	-	-	-	70.00
			8%-8.5%	4	74.16	-	-	-	-	-	-	-	-	-	-	74.16
			9.5%-10%	1	10.00	2	20.00	2	20.00	-	-	-	-	-	-	50.00
	Bullet	**1-3 years**	7.5%-8.0%	12	250.00	-	-	-	-	-	-	-	-	-	-	250.00
			7%-7.5%	-	-	2	32.50	-	-	-	-	-	-	-	-	32.50
			6.5%-7%	1	17.50	-	-	-	-	-	-	-	-	-	-	17.50
			8.5% - 9%	2	60.00	-	-	-	-	-	-	-	-	-	-	60.00
			9.5% - 10%	2	80.00	-	-	-	-	-	-	-	-	-	-	80.00

Terms of repayment of borrowings as on March 31, 2021

₹ in crore

Type of instrument / institution	Frequency of repayment	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)	
Term loan from financial institutions	Monthly	1-3 years	6%-6.5%	25	142.82	2	16.00	-	-	-	-	-	-	-	-	158.82
			6.5% - 7%	2	20.00	-	-	-	-	-	-	-	-	-	-	20.00
			7% - 7.5%	11	9.82	-	-	-	-	-	-	-	-	-	-	9.82
			11.5% - 12%	2	2.48	-	-	-	-	-	-	-	-	-	-	2.48
		Above 3 years	6.5% - 7%	6	7.33	-	-	-	-	-	-	-	-	-	-	7.33
			12.5% - 13%	12	40.00	-	-	-	-	-	-	-	-	-	-	40.00
	Quarterly	Above 3 years	9% - 9.5%	4	28.00	4	28.00	4	28.00	4	8.00	4	8.00	-	-	100.00
			11.5% - 12%	4	15.00	4	12.25	4	2.50	3	1.50	-	-	-	-	31.25
	Half Yearly	1-3 years	7%-7.5%	3	269.00	2	123.50	-	-	-	-	-	-	-	-	392.50
			6.5% - 7%	2	50	1	25	-	-	-	-	-	-	-	-	74.99
		Above 3 years	10.5%-11%	14	20.60	8	12.30	-	-	-	-	-	-	-	-	32.90
			11% - 11.5%	1	1	-	-	-	-	-	-	-	-	-	-	0.63
			11.5%-12%	18	305.20	18	331.90	16	409.15	6	180.00	-	-	-	-	1,226.25
Term loan from non-banking financial companies	Monthly	1-3 years	8.5%-9%	17	52.17	9	29.35	-	-	-	-	-	-		-	81.52
			9%-9.5%	11	33.48	-	-	-	-	-	-	-	-		-	33.48
			9.5%-10%	23	22.22	14	13.82	2	3.34	-	-	-	-		-	39.38
			10% - 10.5%	80	150.61	46	65.93	-	-	-	-	-	-	-	-	216.54
			10.5% - 11%	12	13.19	3	4.21	-	-	-	-	-	-	-	-	17.40
			11% - 11.5%	20	10.23	-	-	-	-	-	-	-	-	-	-	10.23
			11.5% - 12%	3	50.00	-	-	-	-	-	-	-	-	-	-	50.00
		Above 3 years	9% - 9.5%	8	6.06	12	9.09	12	9.09	1.00	0.76	-	-	-	-	25.00
			10% - 10.5%	2	1.82	-	-	-	-	-	-	-	-	-	-	1.82
			11% - 11.5%	2	0.71	-	-	-	-	-	-	-	-	-	-	0.71
	Quarterly	1-3 years	10% - 10.5%	4	8.33	4	8.33	4	8.33	-	-	-	-	-	-	24.99
			11.5% - 12%	4	5.45	3	4.09	-	-	-	-	-	-	-	-	9.54
		Above 3 years	11.5% - 12%	7	6.50	-	-	-	-	-	-	-	-	-	-	6.50
	Half Yearly	1-3 years	10% - 10.5%	2	25.00	-	-	-	-	-	-	-	-	-	-	25.00
External commercial borrowings	Bullet	1-3 years	11%-11.5%	-	-	1	93.44	-	-	-	-	-	-	-	-	93.44
		Above 3 years	10%-10.5%	1	33.80	-	-	-	-	-	-	-	-	-	-	33.80
			10.5%-11%	1	95.00	-	-	-	-	-	-	-	-	-	-	95.00
Sub-debt	Bullet	Above 3 years	14.5%-15%	1	25.00	-	-	-	-	-	-	-	-	-	-	25.00
Grand Total				**1,597.00**	**6,176.95**	**769**	**3,189.82**	**140**	**1,132.67**	**16**	**297.26**	**4.00**	**8.00**	**-**	**-**	**10,804.71**

Note: The above amount pertains to the principal outstanding only.

Terms of repayment of borrowings as on March 31, 2020

₹ in crore

Type of instrument / institution	Frequency of repayment	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)	
Debentures	Half-Yearly	Above 3 years	9.5%-10%	-	-	-	-	-	-	2	107.00	2	107.00	-	-	214.00
	Bullet	1-3 years	11% - 11.5%	3	98.00	-	-	-	-	-	-	-	-	-	-	98.00
		Above 3 years	11.00%-11.5%	2	49.50	-	-	1	80.00	-	-	-	-	-	-	129.50
			10%-10.5%	-	-	-	-	1	17.00	-	-	-	-	-	-	17.00
			10.5% - 11%	-	-	2	36.00	-	-	2	0.00	-	-	-	-	36.00
			14% - 14.5%	1	0.00	-	-	-	-	-	-	-	-	-	-	0.00
			11.5%-12%	3	149.50	-	-	-	-	-	-	-	-	-	-	149.50
	Annually	Above 3 years	10%-10.5%	1	44.55	1	44.55	1	45.90	-	-	-	-	-	-	135.00
Term loan banks	Monthly	1-3 years	8.5%-9%	150	945.99	129	875.55	10	279.24	-	-	-	-	-	-	2,100.78
			9%-9.5%	185	762.88	88	324.23	2	4.17	-	-	-	-	-	-	1,091.28
			9.5%-10%	34	75.44	12	10.91	-	-	-	-	-	-	-	-	86.35
			10%-10.5%	57	98.10	17	24.01	11	16.67	-	-	-	-	-	-	138.78
			10.5%-11%	191	199.17	108	135.21	24	25.95	-	-	-	-	-	-	360.33
			11% - 11.5%	83	75.63	50	37.65	6	3.40	-	-					116.68
			11.5% - 12%	20	11.11	7	2.64	-	-	-	-					13.75
		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	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
			10% - 10.5%	7	37.86	2	12.50	-	-	-	-	-	-	-	-	50.36
			10.5% - 11%	16	81.07	5	25.09	-	-	-	-	-	-	-	-	106.16
		Above 3 years	10.5% - 11%	4	3.33	1	0.83	-	-	-	-	-	-	-	-	4.16
	Bullet	1-3 years	10.5% - 11%	7	140.00	-	-	-	-	-	-	-	-	-	-	140.00
			11% - 11.5%	1	20.00	-	-	-	-	-	-	-	-	-	-	20.00
			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

CREDITACCESS GRAMEEN LIMITED
Consolidated Financials

Terms of repayment of borrowings as on March 31, 2020

₹ in crore

Type of instrument / institution	Frequency of repayment	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)	
Term loan from financial institutions	Monthly	1-3 years	9%-9.5%	3	4.91	-	-	-	-	-	-	-	-	-	-	4.91
			6.5% - 7%	12	14.52	6	7.33	-	-	-	-	-	-	-	-	21.85
			7% - 7.5%	12	10.72	11	9.82	-	-	-	-	-	-	-	-	20.54
			11.5% - 12%	12	16.08	2	2.48	-	-	-	-	-	-	-	-	18.56
			12.5% - 13%	12	40.00	12	40.00	-	-	-	-	-	-	-	-	80.00
			6%-6.5%	24	118.72	23	117.82	2	16.00	-	-	-	-	-	-	252.54
	Quarterly	Above 3 years	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	10.5%-11%	8	28.00	8	15.00	5	9.50	-	-	-	-	-	-	52.50
			11% - 11.5%	2	1.25	1	0.63	-	-	-	-	-	-	-	-	1.88
			11.5%-12%	18	208.50	18	305.20	18	331.90	16	409.15	6	180.00	-	-	1,434.75
Term loan from non-banking financial companies	Monthly	1-3 years	9%-9.5%	12	36.52	11	33.48	-	-	-	-	-	-	-	-	70.00
			9.5%-10%	15	47.55	5	13.04	-	-	-	-	-	-	-	-	60.59
			10%-10.5%	29	26.73	12	7.06	-	-	-	-	-	-	-	-	33.79
			10.5% - 11%	42	35	9	9.37	-	-	-	-	-	-	-	-	44.79
			11% - 11.5%	39	26	30	21.56	1	1.17	-	-	-	-	-	-	48.46
	Quarterly	1-3 years	9.5%-10%	3	20.33	-	-	-	-	-	-	-	-	-	-	20.33
			11% - 11.5%	2	8.57	-	-	-	-	-	-	-	-	-	-	8.57
			11.5% - 12%	12	12.79	9	10.12	2	2.73	-	-	-	-	-	-	25.64
External commercial borrowings	Bullet	Above 3 years	10%-10.5%	-	-	1	33.80	-	-	-	-	-	-	-	-	33.80
			10.5%-11%	-	-	1	95.00	-	-	-	-	-	-	-	-	95.00
			11.00%-11.5%	-	-	-	-	1	93.44	-	-	-	-	-	-	93.44
Sub-debt	Bullet	Above 3 years	14% - 14.5%							1	50.00					50.00
Sub Debt - Term loan	Bullet	Above 3 years	13.5% - 14%											2	25.00	25.00
			14.5%-15%	-	-	1	25.00	-	-	-	-	-	-	-	-	25.00
Grand Total				**1,202**	**4,805.25**	**697**	**2,608.60**	**138**	**1,062.77**	**35**	**598.93**	**11**	**288.50**	**2.00**	**25.00**	**9,389.05**

Note: The above amount pertains to the principal outstanding only.

CREDITACCESS GRAMEEN LIMITED
Consolidated Financials

15 Other financial liabilities

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Lease liabilities	75.34	61.90
Others	7.60	5.30
Total	**82.94**	**67.20**

16 Other non-financial liabilities

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Statutory dues payable	11.37	11.21
Total	**11.37**	**11.21**

17 Provisions

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Provision for employee benefits:		
Gratuity	7.56	6.27
Leave encashment and availment	17.97	14.04
Total	**25.53**	**20.31**

18 Equity share capital

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Authorised		
Equity shares of ₹10 each	160.00	160.00
16,00,00,000 (March 31, 2020 : 16,00,00,000) Equity shares	**160.00**	**160.00**
	March 31, 2021	**March 31, 2020**
Issued, subscibed and fully paid up		
155,582,040 (March 31, 2020: 143,985,459) equity shares of ₹10 each fully paid	155.58	143.99

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity shares	31-Mar-21		31-Mar-20	
	No. of Shares	Amount (₹in crore)	No. of Shares	Amount (₹ in crore)
At the beginning of the year	14,39,85,459	143.99	14,35,52,261	143.55
Add: Issued during the year				
- On account of Qualified Institutional Placement	1,13,15,323	11.31	-	-
- Employee Stock Option Plan	2,81,258	0.28	4,33,198	0.44
Outstanding at the end of the year	**15,55,82,040**	**155.58**	**14,39,85,459**	**143.99**

Pursuant to the approval accorded by the board of directors of the Company (the "Board"), at its meeting held on September 3, 2020 and the special resolution passed by the members of the Company at the Extraordinary General Meeting (EGM) held on September 26, 2020, the Capital Raising Committee of the Board (the "CRC Committee") has, at its meeting held on October 05, 2020 approved the Qualified institutions placement of equity shares of face value ₹10 each of the Company.

Subsequently, the CRC Committee, at its meeting held on October 8, 2020, approved the allotment of 11,315,323 Equity Shares of face value ₹10 each to eligible qualified institutional buyers at the issue price of ₹ 707 per Equity Share (including a premium of ₹697 per Equity Share) aggregating to ₹799,99,33,361 (Rupees Seven Ninety Nine Crore Ninety Nine Lakh Thirty Three Thousand Three Hundred and Sixty One only).

(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	31-Mar-21		31-Mar-20	
	No. of Shares	Amount (₹in crore)	No. of Shares	Amount (₹ in crore)
Equity shares of INR 10 each fully paid				
CreditAccess India NV (Formerly known as CreditAccess Asia NV)	11,51,09,028	73.99%	11,51,09,028	79.94

(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-21 (No. of equity shares)	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)
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	-	-	-	48,90,140	-
Equity shares alloted to CreditAccess India NV (Formerly known as CreditAccess Asia NV) in lieu of conversion of compulsorily convertible debentures	-	-	-	1,29,87,012	-
Total	**-**	**-**	**-**	**1,78,77,152**	**-**

19 Other equity*

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	294.09	265.61
Capital reserve	49.95	49.95
Securities premium	2,263.13	1,483.59
Share options outstanding account	8.52	8.61
Retained earnings	924.22	818.54
Fair valuation of loans through other comprehensive income	(3.94)	(36.07)
Total	**3,535.97**	**2,590.23**

* For detailed movement of reserves refer statement of changes in equity for the year ended March 31, 2021.

Nature and purpose of reserve

19.1 Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

19.2 Capital reserve

During the year ended 2018, the Holding 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.

19.3 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.

19.4 Share option outstanding account

The share option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.

19.5 Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to statutory reserve, general reserve or any other such other appropraitions to specific reserves.

19.6 Other comprehensive income

Fair valuation of loans through other comprehensive income (FVTOCI)

The Group has elected to recognize changes in the fair value of loans in other comprehensive income. These changes are accumulated as reserve within equity. The Group transfers amount from this reserve to retained earnings when the relevant loans are derecognized.

₹ in crore

Movement of other comprehensive income for the year	March 31, 2021	March 31, 2020
Opening balance	(36.07)	(8.70)
(+) Fair value change during the year	(450.50)	(229.95)
(-) Impairment allowance transferred to statement of profit and loss	482.63	202.58
Closing balance	**(3.94)**	**(36.07)**

20 Interest income

₹ in crore

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	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	1,615.45	636.00	2,251.45	1,358.58	240.88	1,599.46
Income from securitisation	-	12.96	12.96	-	27.59	27.59
Interest on deposits with banks and financial institutions	-	25.62	25.62	-	6.34	6.34
Total	**1,615.45**	**674.58**	**2,290.03**	**1,358.58**	**274.81**	**1,633.39**

21 Fees and commission income

₹ in crore

Fees and commission income	For the year ended	
	March 31, 2021	March 31, 2020
Service fees for management of assigned portfolio of loans	0.10	0.31
Service and administration charges	3.01	3.77
Distribution Income	5.39	0.92
Total	**8.50**	**5.00**

22 Net gain on fair value changes

₹ in crore

Fees and commission income	For the year ended	
	March 31, 2021	March 31, 2020
(A) Net gain on fair value instruments at fair value through profit or loss		
(i) On portfolio		
- Investments	20.01	15.02
(B) Others		
(i) Gain on derecognition of loans designated at FVTOCI	112.89	41.33
Total Net gain on fair value changes (C)	**132.90**	**56.35**
Fair Value changes:		
- Realised	132.90	56.35
- Unrealised	-	-
Total Net gain on fair value changes	**132.90**	**56.35**

23 Other Income

₹ in crore

Fees and commission income	For the year ended	
	March 31, 2021	March 31, 2020
Net gain / (loss) on foreign currency transaction and translation (other than considered as finance cost)	(0.01)	0.06
Miscellaneous income	5.34	1.11
Total	**5.33**	**1.17**

24 Finance costs

₹ in crore

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	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 debt securities	-	127.95	127.95	-	64.24	64.24
Interest on borrowings other than debt securities	-	773.61	773.61	-	494.69	494.69
Interest on subordinated liabilities	-	14.44	14.44	-	4.27	4.27
Other interest expense						
-Interest on lease liabilities	-	6.56	6.56	-	5.65	5.65
-Others	-	1.93	1.93	-	9.17	9.17
On financial liability towards securitisation (re-recognised on balance sheet)		4.23	4.23		0.32	0.32
Total Finance costs	-	**928.72**	**928.72**	**-**	**578.34**	**578.34**

25 Impairment of Financial Instruments

₹ in crore

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	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
Group lending loans	482.63	225.44	708.07	202.58	24.12	226.70
Individual loans	-	63.29	63.29	-	10.57	10.57
Total	**482.63**	**288.73**	**771.36**	**202.58**	**34.69**	**237.27**

26 Employee benefit expenses

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Salaries and wages	340.21	225.17
Contribution to provident and other funds	35.37	29.36
Share based payments to employees	1.96	2.51
Staff welfare expenses	2.45	5.01
Total	**379.99**	**262.05**

27 Depreciation and amortization expenses

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
-On property, plant and equipment	10.69	8.83
-On intangible assets	21.12	4.08
-On right of use assets	12.26	7.48
Total	**44.07**	**20.37**

CREDITACCESS GRAMEEN LIMITED
Consolidated Financials

28 Other expenses

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Rental charges payable under operating leases (Refer Note 35)	19.28	12.93
Bank charges	4.60	3.79
Rates and taxes	7.62	4.56
Insurance	1.86	0.89
Repairs and maintenance	10.68	7.12
Electricity	3.47	2.82
Travelling and conveyance	49.79	47.07
Postage and telecommunication	13.40	9.80
Printing and stationery	6.30	6.40
Professional and consultancy charges*	16.99	24.46
Remuneration to directors	1.15	0.58
Auditors remuneration (refer Note below)	1.52	1.31
Training expenses	1.86	6.83
Donations	1.92	0.95
Corporate Social Responsibility expenses	7.81	5.55
Provision for other assets	0.20	0.32
Miscellaneous expenses	10.07	9.29
Total	**158.52**	**144.67**

Auditors remuneration

₹ in crore

Particulars	For the year ended	
	March 31, 2021#	March 31, 2020
As auditor		
Audit fee	0.88	0.78
Limited review	0.45	0.28
Others	0.10	-
In other capacity		
Certification services	0.09	0.19
Reimbursement of expenses	-	0.06
Total	**1.52**	**1.31**

Excludes payment amounting to ₹ 0.68 crore for services in relation to Qualified institutions placement of equity shares, which has been adjusted in securities premium.

***Professional and consultancy charges**

Professional and consultancy charges for the previous year includes Acquisition-related costs of ₹ 15.22 crore 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 crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
a) Gross amount required to be spent by the Group during the year	9.73	5.55
b) Amount spent during the year (in cash)		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	6.66	5.55

Note: The Group is in the process of depositing the unspent amount in relation to the CSR expenditure.

29 **Income tax**

(A)

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Current tax	106.44	160.47
Deferred tax	(57.44)	(34.36)
Total tax charge	**49.00**	**126.11**

(B) **Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate**

₹ in crore

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Profit before tax	180.40	461.60
At India's statutory income tax rate of 25.17% (2020: 25.17%)	45.41	116.16
(a) Non deductible expenses		
Interest	0.15	-
Donations	0.48	0.12
CSR	2.47	0.70
Employee stock option cost	0.49	0.63
(b) Change in tax rate	-	8.50
Income tax expense reported in statement of profit and loss	**49.00**	**126.11**

(C) **Movement in deferred tax balances for the year ended March 31, 2021**

₹ in crore

Particulars	Net balance April 1, 2020	(Charge)/ credit in profit and loss	Recognised in OCI	Recognised in other equity	Net balance March 31, 2021	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Impact of difference between tax depreciation/ amortisation	2.86	0.74	-	-	3.60	3.60	-
Remeasurement gain / (loss) on defined benefit plan	4.22	1.18	0.01	-	5.41	5.41	-
Provision for donation	0.61	(0.62)	-	-	(0.01)	-	(0.01)
Impairment allowance for loans	69.11	79.40	-	-	148.51	148.51	-
Expenses incurred on Initial Public Offering	4.37	(1.46)	-	-	2.91	2.91	-
Other items	15.33	(25.43)	(10.80)	-	(20.90)	-	(20.90)
On account of acquisition of MMFL	(39.06)	3.63	-	-	(35.43)	-	(35.43)
Net Deferred tax assets / (liabilities)	**57.44**	**57.44**	**(10.79)**	**-**	**104.09**	**160.43**	**(56.34)**

(D) **Movement in deferred tax balances for the year ended March 31, 2021**

₹ in crore

Particulars	Net balance April 1, 2019	(Charge)/ credit in profit and loss	Recognised in OCI Recognised in OCI	Recognised in other equity	Arising through business combination	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	-	-	-	2.86	2.86	-
Remeasurement gain / (loss) on defined benefit plan	3.81	0.41	-	-	-	4.22	4.22	-
Provision for donation	0.70	(0.08)	-	-	-	0.61	0.61	-
Impairment allowance for loans	35.82	33.29	-	-	-	69.11	69.11	-
Expenses incurred on Initial Public Offering	8.10	(1.46)	-	(2.26)	-	4.37	4.37	-
Other items	6.33	1.54	7.46	-	-	15.33	15.33	-
On account of acquisition of MMFL	-	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)**

(E) The following tables provides the details of income tax assets and income tax liabilities as at:

Current tax assets (net)

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Income tax assets	595.94	497.39
Income tax liabilities	565.10	475.28
Total	**30.84**	**22.11**

30 **Employee benefits**

A. Defined benefit plan

The Group provides for the gratuity, a defined benefit retirement plan covering qualifying employees . Employees who are in continous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service. The gratuity is a funded plan for Holding Company and unfunded plan for Subsidiary Company and the Company makes contibutions to Gratuity scheme administered by the insurance company through its Gratuity fund.

B. Defined contribution plan

The Group makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of the basic salary to fund the benefits. The contributions payable to these plans by the Group are administered by the Government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation.The Group recognised ₹20.68 crore (March 31, 2020: ₹16.70) for Provident fund contributions and ₹5.88 crore (March 31, 2020: ₹5.59 crore) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss.

30.1 **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 crore

Particulars	March 31, 2021	March 31, 2020
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	16.84	12.10
Current service cost	5.22	4.25
Interest cost	1.08	0.73
Past service cost	-	-
Benefits settled	(1.11)	(0.60)
Actuarial (gains)/ losses recognised in other comprehensive income	-	-
- Changes in experience adjustments	0.31	(1.09)
- Changes in demographic assumptions	0.48	(0.69)
- Changes in financial assumptions	(1.17)	2.14
Obligation at the end of the year	**21.65**	**16.84**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	10.57	6.21
Interest income on plan assets	0.82	0.49
Re-measurement- actuarial gain	(0.21)	0.12
Return on plan assets recognised in other comprehensive income	-	-
Contributions	3.69	4.13
Benefits settled	(0.78)	(0.38)
Plan assets at the end of the year, at fair value	**14.08**	**10.57**
Net defined benefit liability	**7.56**	**6.27**

30.2 **Expenses recognised in statement of profit or loss**

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Current service cost	5.22	4.25
Interest cost	0.26	0.24
Net gratuity cost	**5.48**	**4.48**

30.3 Re-measurement recognised in other comprehensive income

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Re-measurement of the net defined benefit liability		
- Changes in experience adjustments	0.31	(1.21)
- Changes in demographic assumptions	0.48	(0.69)
- Changes in financial assumptions	(1.17)	2.00
Re-measurement of the net defined benefit asset		
Return on plan assets (greater)/ less than discount rate	0.21	(0.12)
Total Actuarial (gains) / losses included in OCI	**(0.17)**	**(0.02)**

30.4 Plan assets

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Funds managed by insurer	100%	100%

30.5 Defined benefit obligation - Actuarial assumptions

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Discount rate	4.85% - 6.79%	4.90% - 6.03%
Future salary growth	10.00%	10.00%
Attrition rate	22.85% - 30.00%	24.8% - 30.00%
Normal retirement age	60 years	60 years
Average term of liabilty (in years)	7.79	9.05

30.6 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 crore

Particulars	March 31, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(4.68)	5.22	(3.62)	4.04
Future salary growth (1% movement)	4.97	(4.52)	3.81	(3.48)
Attrition rate (1% movement) (In case of MMFL 50% movement)	(3.19)	5.29	(2.53)	4.07
Mortality Rate (- / + 10% of mortality rates)	3.36	3.36	2.58	2.58

30.7 Expected contribution to the plan for the next annual reporting period is ₹ 5.74 crore.
The weighted average duration of the defined benefit obligation of Holding Company is 7.79 years & of Subsidiary Company is 4 years. [March 2020 - 9.47 years (Holding Company) and 4 years (Subsidiary Company)]. The expected maturity analysis of undiscounted gratuity is as follows:

₹ in crore

Particulars	Less than a year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	Between 5-10 years	Beyond 10 years	Total
31 March, 2021								
Gratuity	2.90	2.17	1.87	1.66	1.36	4.46	29.17	43.59
Total	2.90	2.17	1.87	1.66	1.36	4.46	29.17	43.59
31 March, 2020								
Gratuity	2.33	1.64	1.43	1.21	1.10	3.48	20.10	31.29
Total	**2.33**	**1.64**	**1.43**	**1.21**	**1.10**	**3.48**	**20.10**	**31.29**

30.8 Through its defined benefit plans the company is exposed to a number of risks, the most significant of which are detailed below:

Demographic risks
This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the defined benefit obligations depend upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward.

Change in bond yields
A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments

Inflation risk
The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Life expectancy

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

C. Code on Social Security
The Indian Parliament has approved the Code on Social Security, 2020 (the "Code") which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

31 Maturity analysis of assets and liabilities

(A) Maturity analysis of assets and liabilities as at March 31, 2021

₹ in crore

Sl. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	2,360.09	-	**2,360.09**
(b)	Bank balance other than cash and cash equivalents	46.17	78.12	**124.29**
(c)	Other receivables	-	-	**-**
(d)	Loans	7,466.68	4,253.80	**11,720.48**
(e)	Investments	-	0.54	**0.54**
(f)	Other financial assets	106.63	25.42	**132.05**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	30.84	**30.84**
(b)	Deferred tax assets (net)	-	104.09	**104.09**
(c)	Property, plant and equipment	-	24.15	**24.15**
(d)	Right of use assets	-	67.50	**67.50**
(e)	Goodwill on consolidation	-	317.58	**317.58**
(f)	Intangible assets	-	163.54	**163.54**
(g)	Intangible assets under development	-	0.62	**0.62**
(h)	Other non-financial assets	12.33	1.14	**13.47**
	Total assets	**9,991.90**	**5,067.34**	**15,059.24**
	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	62.55	-	**62.55**
	(II) Other payables			
	(i) Total outstanding dues of micro enter prises and small enterprises	-	-	**-**
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	139.14	-	**139.14**
(b)	Borrowings			
	- Debt securities	525.63	1,149.32	**1,674.95**
	- Borrowings (other than debt securities)	5,660.80	3,502.88	**9,163.68**
	- Subordinated liabilities	27.79	74.91	**102.70**
(c)	Other financial liabilities	15.99	66.95	**82.94**
(2)	**Non-financial liabilities**			
(a)	Provisions	10.04	15.49	**25.53**
(b)	Other non-financial liabilities	11.31	0.06	**11.37**
(3)	**Equity**			
(a)	Equity share capital	-	155.58	**155.58**
(b)	Other equity	-	3,535.97	**3,535.97**
(c)	Non controlling Interest	-	104.83	**104.83**
	Total liabilities and equity	**6,453.25**	**8,605.99**	**15,059.24**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.

CREDITACCESS GRAMEEN LIMITED
Consolidated Financials

(B) Maturity analysis of assets and liabilities as at March 31, 2020

₹ in crore

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)	Other receivables	0.22	-	**0.22**
(d)	Loans	6,563.51	4,535.40	**11,098.91**
(e)	Investments	45.02	0.54	**45.56**
(f)	Other financial assets	46.64	11.72	**58.36**
(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	-	31.69	**31.69**
(d)	Right of use assets	-	54.60	**54.60**
(e)	Goodwill on consolidation	-	317.58	**317.58**
(f)	Intangible assets	-	172.63	**172.63**
(g)	Intangible assets under development	-	2.84	**2.84**
(h)	Other non-financial assets	6.77	3.86	**10.63**
	Total assets	**7,338.13**	**5,252.08**	**12,590.21**
	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	41.19	-	**41.19**
	(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	67.46		**67.46**
(b)	Borrowings			
	- Debt securities	416.76	375.82	**792.58**
	- Borrowings (other than debt securities)	5,139.71	3,504.35	**8,644.06**
	- Subordinated liabilities	0.01	103.02	**103.03**
(c)	Other financial liabilities	15.13	52.07	**67.20**
(2)	**Non-financial liabilities**			
(a)	Provisions	12.62	7.69	**20.31**
(b)	Other non-financial liabilities	11.21	-	**11.21**
(3)	**Equity**			
(a)	Equity share capital	-	143.99	**143.99**
(b)	Other equity	-	2,590.23	**2,590.23**
(c)	Non-controlling interests	-	108.95	**108.95**
	Total liabilities and equity	**5,704.09**	**6,886.12**	**12,590.21**

32 Transfer of financial assets

(A) Transferred financial assets that are not derecognised in their entirety.

The following table provides 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 derecognition, together with the associated liabilities.

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Securitisations		
Carrying amount of transferred assets	15.89	98.14
Carrying amount of associated liabilities (debt securities - measured at amortised cost)	9.15	80.79
Net position at amortised cost	**6.74**	**17.35**

(B) Transferred financial assets that are derecognised in their entirety.

The Group has assigned loans (earlier measured at FVTOCI/amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 85%-95% of the assets transferred to the buyer, the assets have been de-recognised from the Group's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets measured at fair value and the gain/(loss) on derecognition during the year:

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Direct assignments		
Carrying amount of derecognised financial assets	1,329.36	649.64
Gain from derecognition	109.82	45.96

Since the Group transferred the above financial asset in a transfer that qualified for derecognition in its entirety, therefore the whole of the interest spread (over the expected life of the asset) is recognised on the date of derecognition itself as 'Receivable from assignment of portfolio' with a corresponding profit on derecognition of financial asset.

(C) Transferred financial assets that are derecognised in their entirety.

The Group has not transferred any assets that are derecognised in their entirety where the Group continues to have continuing involvement.

33 Contingent liabilities

(A) Contingent liabilities not provided for in respect of the below:

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Performance security provided by the Holding Company pursuant to service provider agreement	0.11	0.12
Demand under Employee Provident Fund Act, 1952	0.25	0.25

Guarantees excluding financial guarantees

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Indemnity undertaking given to Life Insurance Company Limited for insurance claims	-	0.20

(B) Pertaining to Assessment Year 2017-18 (Financial year 2016-17)

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 Holding 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.

(C) In addition, the Holding Company is involved in other legal proceedings and claims, which have arisen in the ordinary course of business. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Holding Company's financial position and result of operations.

34 Capital commitments

Estimated amounts of contracts remaining to be executed on capital account (net of capital advances) and not provided:

₹ in crore

Particulars	March 31, 2021	March 31, 2020
For purchase / development of computer software	0.87	1.23

CREDITACCESS GRAMEEN LIMITED
Consolidated Financials

35 Leases

35.1 Group as a lessee

The Group's leased assets mainly comprise office building and servers taken on lease. Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The term of property leases ranges from 1-10 years and server leases are ranging from 1-10 years. The Group has applied short term lease exemption for leasing arrangements where the period of lease is less than 12 months.

35.2 Total lease liabilities are analysed as follows:

₹ in crore

Lease liabilities	March 31, 2021	March 31, 2020
Current	8.72	10.04
Non-current	66.62	51.86
Total	**75.34**	**61.90**

35.3 Amounts recognised in the statement of profit and loss

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Depreciation charge of right-of-use assets		
Buildings	4.43	3.82
Servers	7.83	3.66
	12.26	**7.48**
Expense relating to variable lease payments		
Expense relating to short-term leases (included in other expenses)	19.28	12.89
Interest on lease liabilities (included in finance costs)	6.56	5.65

₹ in crore

35.4

Particulars	March 31, 2021	March 31, 2020
Total cash outflow for leases	34.21	28.14
Total commitments for short-term leases as on	7.77	7.81

35.5 The Group had committed to leases which had not commenced. The total future cash outflows for leases that had not yet commenced were as follows:

₹ in crore

Type of asset	March 31, 2021	March 31, 2020
Buildings	7.59	-

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 crore

Maturity analysis	March 31, 2021	March 31, 2020
Less than 1 year	16.08	18.25
Between 1 and 2 years	15.02	12.67
Between 2 and 5 years	41.00	33.20
More than 5 years	37.87	37.26
Total	**109.97**	**101.37**

35.7 The following is the movement in lease liabilities during the year.

₹ in crore

Particulars	March 31, 2021	March 31, 2020
Balance as at April 1, 2020	**61.90**	**50.44**
Additions during the period	25.21	11.80
Finance cost incurred during the period	6.56	5.65
Terminatiion of lease during the period	(0.05)	-
Payment of lease liabilities	(18.28)	(5.99)
Balance as of March 31, 2021	**75.34**	**61.90**

Note: Refer Note 11(A) for movement in right of use of assets.

36 Related party transactions

Names of the related parties (as per IndAS – 24)

Holding Company	CreditAccess India NV (Formerly known as CreditAccess Asia NV)
Key management personnel and Additional Director of MMFL (w.e.f March 18, 2020)	Mr. Udaya Kumar Hebbar, Managing Director & CEO
Key management personnel - Director- Finance (w.e.f June 14, 2020) & CFO and Additional Director (w.e.f. March 18, 2020)	Mr. Diwakar B R (Resigned on November 06, 2020)
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 (Cessation of office on November 03, 2020)
Independent Director	Mr. Anal Kumar Jain (upto June 25, 2020)
Independent Director	Ms. Sucharita Mukherjee
Vice Chairman & Lead Independent Director (w.e.f. February 11, 2021)	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
Additional & Independent Director	Ms. Lilian Jessie Paul (from September 16, 2020)

₹ in crore

Particulars	Key management personnel	
	March 31, 2021	March 31, 2020
Transactions during the year		
Mr. Udaya Kumar Hebbar		
Salary and perquisites	2.21	1.97
Employee Stock Options exercised	0.11	0.41
Mr. Diwakar B R		
Salary and perquisites	1.46	1.09
Employee Stock Options exercised	0.07	0.34

Sitting fees	March 31, 2021	March 31, 2020
Mr. R Prabha	0.06	0.08
Mr. Paolo Brichetti	0.08	0.04
Mr. Sumit Kumar	0.06	0.02
Mr. Massimo Vita	0.07	0.02
Mr. Anal Kumar Jain	0.02	0.04
Ms. Sucharita Mukherjee	0.04	0.02
Mr. George Joseph	0.17	0.07
Mr. Manoj Kumar	0.14	0.01
Ms. Lilian Jessie Paul	0.03	-

Commission	Other related parties	
	March 31, 2021	March 31, 2020
Mr. R Prabha	0.07	0.07
Mr. Anal Kumar Jain	0.06	0.08
Mr. M N Gopinath	(0.08)	0.03
Ms. Sucharita Mukherjee	0.07	0.03
Mr. George Joseph	0.07	0.08
Mr. Manoj Kumar	0.06	0.02

Provisions for gratuity and leave benefits are made for the Group as a whole and the amounts pertaining to the key management Personnel are not specifically identified and hence are not included above.

Sitting fees payable	Other related parties	
	March 31, 2021	March 31, 2020
Mr. Paolo Brichetti	0.02	0.04
Mr. Massimo Vita	0.02	0.02
Mr. Sumit Kumar	0.01	0.02

Commission	Other related parties	
	March 31, 2021	March 31, 2020
Mr. R Prabha	0.07	0.08
Mr. Anal Kumar Jain	0.06	0.06
Mr. M N Gopinath	-	0.08
Ms. Sucharita Mukherjee	0.06	0.05
Mr. George Joseph	0.07	0.07
Mr. Manoj Kumar	0.03	-

37 Employee stock options

Stock options: The Holding 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 , VI and VII represent different grants made under the plan. During year ended March 31, 2021, the following stock option grant were in operation:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI	Tranche VII
Date of grant	Apr 1, 2012	Oct 1, 2013	Jun 1, 2014	Jul 1, 2016	Jan 1, 2017	Jan 1,2018	Jan 1,2021
Date of Board / Compensation Committee approval	Oct 15, 2011	Aug 22, 2012	Jul 30, 2014	Jun 29, 2016	May 17, 2017	Jan 24, 2018	Jul 08, 2020
Number of Options granted	716,676	631,339	443,000	431,000	521,000	971,000	375,900
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Graded vesting period:							
Day following the expiry of 12 months from grant	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 24 months from grant	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 36 months from grant	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 48 months from grant	25%	25%	25%	25%	25%	25%	25%
Exercise period	48 months from date of vesting						36 months from date of vesting
Vesting conditions	Employee to be in service at the time of vesting						
Weighted average remaining contractual life (years)							
-I	-	-	-	0.25	0.76	2.76	4.76
-II	-	-	-	1.25	1.76	3.76	5.76
-III	-	-	0.17	2.25	2.76	3.76	6.76
-IV	0.00	0.50	1.17	3.25	3.76	4.76	7.76
Weighted average exercise price per option (₹)	27.00	27.00	39.86	63.90	84.47	120.87	786.91
Weighted average fair value of options (₹)	-	18.73	38.46	75.78	61.95	86.27	218.61

Additional disclosures for Tranche VII - granted during the current year:

Particulars	Tranche VII
Share price on the date of Grant (in ₹)	769.70
Expected volatility (%)	
I	58.89%
II	52.16%
III	49.37%
IV	49.82%
Risk free interest rate (%)	
I	3.76%
II	4.02%
III	4.34%
IV	4.66%
Fair value per option (in ₹)	
I	182.32
II	203.46
III	227.91
IV	260.76

Reconciliation of options:

Particulars	March 31, 2021	March 31, 2020
Tranche I		
Options outstanding at the beginning of the year	-	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	-	-
Exercisable at the end of the year	-	-
Tranche II		
Options outstanding at the beginning of the year	7,500	11,500
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	2,000	2,500
Expired during the year	1,500	1,500
Outstanding at the end of the year	4,000	7,500
Exercisable at the end of the year	4,000	7,500
Tranche III		
Options outstanding at the beginning of the year	38,500	1,39,250
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	29,500	99,250
Expired during the year	1,500	1,500
Outstanding at the end of the year	7,500	38,500
Exercisable at the end of the year	7,500	38,500
Tranche IV		
Options outstanding at the beginning of the year	2,52,250	3,36,750
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	69,000	84,500
Expired during the year	-	-
Outstanding at the end of the year	1,83,250	2,52,250
Exercisable at the end of the year	1,83,250	1,44,500
Tranche V		
Options outstanding at the beginning of the year	3,56,300	4,36,550
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	34,850	80,250
Expired during the year	7,500	-
Outstanding at the end of the year	3,13,950	3,56,300
Exercisable at the end of the year	3,13,950	2,26,050
Tranche VI		
Options outstanding at the beginning of the year	6,88,525	8,79,080
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	1,45,908	1,62,198
Expired during the year	22,274	28,357
Outstanding at the end of the year	5,20,343	6,88,525
Exercisable at the end of the year	3,16,591	2,52,489
Tranche VII		
Options outstanding at the beginning of the year	-	-
Granted during the year	3,75,900	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	3,75,900	-
Exercisable at the end of the year	-	-

38 Revenue from contracts with customers

₹ in crore

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(A)	**Type of services**		
	Service fees for management of assigned portfolio of loans	0.10	0.31
	Service and administration charges	3.01	3.77
	Distribution Income	5.39	0.92
	Advertisement display income	2.24	1.11
	Total	**10.74**	**6.11**

(B) Geographical markets

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
India	10.74	6.11
Outside India	-	-
Total	**10.74**	**6.11**

(C) Timing of revenue recognition

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Services transferred at a point in time	10.74	6.11
Services transferred over time	-	-
Total	**10.74**	**6.11**

(D) Receivables

₹ in crore

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Distribution income	1.07	0.55

39 Financial instruments – fair values

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 crore

Financial assets (assets measured at fair value)	March 31, 2021			March 31, 2020		
	Fair value			Fair value		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Loans (measured at FVOCI)	-	-	8,893.33	-	-	7,765.48
Investments	-	-	0.54	-	-	45.56
Total	**-**	**-**	**8,893.87**	**-**	**-**	**7,811.04**

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 crore

Fair value of financial assets and liabilities measured at amortised cost	March 31, 2021				March 31, 2020			
	Amortised cost	Fair value			Amortised cost	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Loans	2,840.27	-	-	2,870.87	3,014.10	-	-	3,335.53
Total	**2,840.27**	**-**	**-**	**2,870.87**	**3,014.10**	**-**	**-**	**3,335.53**
Debt securities	1,674.95	-	-	1,710.68	792.58	-	-	577.45
Borrowings (other than debt securities)	9,163.68	-	-	9,229.93	8,644.06	-	-	8,732.10
Subordinated liabilities	102.70	-	-	113.61	103.03	-	-	111.42
Lease liabilities	75.34	-		75.72	61.90	-	-	61.90
Total	**11,016.67**	**-**	**-**	**11,129.94**	**9,601.57**	**-**	**-**	**9,482.87**

Note: The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, other receivables, other financial assets and payables are considered to be the same as their fair values, due to their short-term nature.

There was no transfer between Level 3 and Level 1 / Level 2 during the current year.

Fair values of Loans measured at amortised cost have been measured based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest. The significant unobservable input is the discount rate, determined using the cost of lending of the Group.

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Loans (measured at amortised cost)

Fair values of Loans measured at amortised cost have been measured based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest. The significant unobservable input is the discount rate, determined using the cost of lending of the Group.

Financial liabilities measured at amortised cost

The fair value of fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rate being charged for new borrowings. The fair value of floating rate borrowing is deemed to equal its carrying value.

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 Group. 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 Group 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 Risk Management committee 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 Group's policy is that risk management processes throughout the Group are audited quarterly by the Internal Audit function, which examines both the adequacy of the procedures and the Group'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 Group. 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 Group 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.

CREDITACCESS GRAMEEN LIMITED
Consolidated Financials

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 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 Group 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."

40.1.d Risk Management Strategies
Excessive risk concentrations

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 Group 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.

Credit risk
Credit risk is the risk of financial loss to the Group if the counterparty to a financial instrument, whether a customer or otherwise, fails to meet its contractual obligations towards the Group. Credit risk is the core business risk of the Group. The Group therefore has high appetite for this risk but low tolerance and the governance structures including the internal control systems are particularly designed to manage and mitigate this risk. The Group is mainly exposed to credit risk from loans to customers (including loans transferred to SPVs under securitization agreements, excluding loans sold under assignment presented as off-balance sheet assets).

The credit risk may arise due to, over borrowing by customers or over lending by other financial institutions competitors, gaps in joint-liability collateral and repayment issues due to external factors such as political, community influence, regulatory changes and natural disasters (storm, earthquakes, fires, floods) and intentional default by customers.

To address credit risk, the Group has stringent credit policies for customer selection. To ensure the credit worthiness of the customers, stringent underwriting policies such as credit investigation, both in-house and field credit verification, is in place. In addition, the group follows a systematic methodology in the selection of new geographies where to open branches considering factors such as the portfolio at risk and over indebtedness of the proposed area/region, potential for micro-lending and socio-economic risk evaluation (e.g., the risk of local riots or natural disasters). Loan sanction and rejections are carried out at the head office. A credit bureau rejections analysis is also regularly carried out in group.

Credit risk is being managed by continuously monitoring the borrower's performance if borrowers are paying on time based on their amortization dues. The group ensures stringent monitoring and quality operations through both field supervision (branch/area/region staff supervision, quality control team supervision) and management review. Management at each Group's head office closely monitors credit risk through system generated reports (e.g., PAR status and PAR movement, portfolio concentration analysis, vintage analysis, flow-rate analysis) and Key Risk Indicators (KRIs) which include proactive actionable thresholds limits (acceptable, watch and breach) developed by CRO, revised at the the MLRC and at the Risk Committee at the Board level.

CREDITACCESS GRAMEEN LIMITED
Consolidated Financials

Some of the main strategies to mitigate credit risk are:
1. Maintain stringent customer enrolment process,
2. Undertake systematic customer awareness activities/ programs,
3. Reduce geographical concentration of portfolio,
4. Maximum loan exposure to member as determined from time to time,
5. Modify product characteristics if needed (e.g., longer maturity for group clients in case the loan is above a certain threshold),
6. Carry out due diligence of new employees and adequate training at induction,
7. Decrease field staff turnover,
8. Supporting technologies: credit bureau checks, GPS, automated KYC checks and biometric.

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the country in which the customers are located, as these factors may have an influence on the credit risk.

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 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 i.e. SICR).
Stage 3: includes default loans. A loan is considered default at the earlier of (i) the Group considers that the obligor is unlikely to pay its credit obligations to the company in full, without recourse by the Group 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 Group.

Further, the RBI on March 27, 2020, April 17, 2020 and May 23, 2020, announced 'COVID-19 Regulatory Package' on asset classification and provisioning. In terms of these RBI guidelines, the Group granted a moratorium on the repayment of all Installments and/or Interest, as applicable, due between March 1, 2020 and August 31, 2020 to all eligible borrowers. In respect of such accounts that were granted moratorium, the moratorium period has been excluded from determining overdue days.

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting date by considering the change in the risk of default occurring over the remaining life of the financial instrument.

i. Staging classification of Group Lending loans of Holding Company
Unlike banks which have more of monthly repayments, the Holding Company offers products with primarily weekly repayment frequency, whereby 15 and above Days past due ('DPD') means already 2 missed instalments from the borrower, and accordingly, the Holding Company has identified the following stage classification to be the most appropriate for such products :
Stage 1: 0 to 15 DPD.
Stage 2: 16 to 60 DPD (SICR).
Stage 3: above 60 DPD (Default).

ii. Staging classification of Subsidiary Company
The Subsidiary Company has identified the following stage classification to be the most appropriate for its loans as these loans are mainly on monthly repayment basis:
Stage 1: 0 to 30 DPD.
Stage 2: 30 to 90 DPD (SICR).
Stage 3: Above 90 DPD (Default).

iii. Staging classification of Individual Loans of the Holding Company
For monthly repayment model, the Group 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).

40.2.b Probability of Default ('PD')

(i) Group lending

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.

(ii) Individual Loans

Individual loans is a relatively new portfolio that was started in November 2016. Performance history of matured vintage loan is not available in adequate number to build PD or LGD model. The ECL estimation for Individual loans portfolio is carried out using a which is based on management judgement.

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.

i. Joint liability loans (JLG)

LGD is computed as below:

The Group determines its expectation of lifetime loss by estimating recoveries towards its loan through analysis of historical information. The Group determines its recovery rates by analysing the recovery trends over different periods of time after a loan has defaulted. LGD is the difference between the exposure at default and its recovery rate.

In estimating LGD, the Group reviews macro-economic developments taking place in the economy. A select group of Stage 2 and Stage3 loans of the Holding Company exhibiting specific payment pattern has been applied an LGD which is lower than the regular LGD estimate.

ii. Individual loans

Individual loans is a relatively new portfolio that was started in November 2016. Performance history of matured vintage loan is not available in adequate number to build PD or LGD model. The ECL estimation for individual loans portfolio is carried out using a methodology which is based on management judgement.

40.2.e Grouping financial assets measured on a collective basis

The Group believes that the Group Lending loans (GL) have shared risk characteristics (i.e. homogeneous) and Individual loans (IL) have not shared risk characteristics. Therefore, GL and IL are treated as two separate groups for the purpose of determining impairment allowance.

40.2.f The Group's Loan book consists of a large number of customers spread over diverse geographical area, hence the Group is not exposed to concentration risk with respect to any particular customer.

40.2.g 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/ LGD 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 is reviewed regularly so that there is minimum difference between expected loss and the actual loss expenses. Refer Note 42.

CREDITACCESS GRAMEEN LIMITED
Consolidated Financials

40.3 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.

Capital management

The Group's objectives when managing capital are to
• safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
• Maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities.

Planning

The Group'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 Group monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis through its Assets Liability Management Committee (ALCO).

The Group endeavours to maintain its CRAR higher than the mandated regulatory norm of 15%. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

40.4 Liquidity risk and funding management

Liquidity risk arises due to the unavailability of adequate amount of funds at an appropriate cost and tenure. The Group may face an asset-liability mismatch caused by a difference in the maturity profile of its 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 the 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 the Group. 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 Group, to support desired balance sheet growth and the realization of new business; and to provide a cushion against unexpected losses. Refer Note 40.3 with respect to regulatory capital of the Group as at the reporting dates.

Liquidity assessment as on March 31, 2021

₹ in crore

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	3.29	50.96	61.44	124.85	394.50	1,193.79	114.63	-	**1,943.46**
Borrowings (other than debt securities)	548.35	428.95	558.61	1,618.28	3,070.60	3,590.12	212.94	-	**10,027.85**
Subordinated liabilities	0.59	0.61	0.59	1.81	34.98	72.23	19.06	12.94	**142.81**
Total	**552.23**	**480.52**	**620.64**	**1,744.94**	**3,500.08**	**4,856.14**	**346.63**	**12.94**	**12,114.12**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.

Liquidity assessment as on March 31, 2020

₹ in crore

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	0.38	14.39	54.29	223.75	120.93	305.60	246.98	-	**966.32**
Borrowings (other than debt securities)	411.97	252.21	515.10	1,452.33	2,518.13	3,823.43	692.25	-	**9,665.42**
Subordinated liabilities	0.60	0.61	0.59	1.81	11.17	49.69	64.61	28.50	**157.58**
Total	**412.95**	**267.21**	**569.98**	**1,677.89**	**2,650.23**	**4,178.72**	**1,003.84**	**28.50**	**10,789.32**

40.5 Market Risk

40.5.1 Market risk

Market risk is 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.

40.5.2 Interest rate risk

Interest rate risk is the risk where changes in market interest rates might adversely affect the Group's financial condition. 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 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 some of the 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.

The following table demonstrates the sensitivity to a reasonably possible charge in interest rates (all other variables being constant) of the Group's profit and loss statement.

₹ in crore

Particulars	Basis points	Effect on profit / loss and equity for the year 2020-21	Effect on profit / loss and equity for the year 2019-20
Borrowings			
Increase in basis points	+ 25	(14.46)	(9.22)
Decrease in basis points	- 25	14.46	9.22

40.5.3 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 Group manages its foreign currency risk by entering in to cross currency swaps and forward contract. The Group currently does not have any exposure to Foreign currency.

40.5.4 Changes in liabilities arising from financing activities

₹ in crore

Particulars	As at March 31,2020	Cash flows	Changes in fair value	Exchange difference	Others	As at March 31, 2021
Debt securities	792.37	853.43	-	-	29.16	1,674.95
Borrowings (other than debt securities)	8,560.13	522.19	-	-	81.35	9,163.68
Subordinated liabilities	99.89	0.00	-	-	2.80	102.70
Lease liabilities	61.90	(18.33)	-	-	31.76	75.34
Total liabilities from financing activities	**9,514.29**	**1,357.29**	**-**	**-**	**145.08**	**11,016.67**

₹ in crore

Particulars	As at March 31,2019	Cash flows	Changes in fair value	Exchange difference	Others	As at March 31, 2020
Debt securities	556.16	88.72	-	-	147.70	792.58
Borrowings (other than debt securities)	4,114.50	2,839.72	-	-	1,689.84	8,644.06
Subordinated liabilities	37.07	(11.39)	-	-	77.36	103.03
Lease liabilities	-	(5.93)	-	-	67.83	61.90
Total liabilities from financing activities	**4,707.73**	**2,911.12**	**-**	**-**	**1,982.73**	**9,601.58**

41 Operating segments

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Group. The Group operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure. No revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue in year ended March 31, 2021 or March 31, 2020.

42 Impact of COVID 19

(a) on Expected Credit Losses

The COVID -19 pandemic continues to spread across the globe and India, which has contributed to a significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The potential impact of the COVID-19 pandemic on the Group's financial performance are dependent on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the second wave of COVID-19 pandemic and any action to contain its spread or mitigate its impact whether Government mandated or elected by the Group and its subsequent impact on the recoverability's on the Group's assets. The Group has, based on current available information and based on the policy approved by the board, determined the provision for impairment of financial assets including the additional overlay of approximately ₹ 111.78 crore for uncertainty over the potential macro-economic impact of the pandemic.

Based on the current indicators of future economic conditions, the Group considers this provision to be adequate and expects to recover the carrying amount of these financial assets. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statement and the Group will continue to closely monitor any material changes to future economic conditions.

(b) Payment of Ex-gratia benefit

The Government of India, Ministry of Finance, vide its notification dated 23 October 2020, had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest ("differential amount") for six months to borrowers in specified loan accounts ("the Scheme"), as per the eligibility criteria and other aspects specified therein and irrespective of whether RBI moratorium was availed or not. The Holding Company has not charged compound interest to any of its customers except 151 cases of Individual lending, wherein the differential amount of ₹ 0.03 cores has been credited on November 5, 2020 to the respective customer account. The Subsidiary Company had earlier debited interest on interest to various borrowers which was however not taken to income as it was accrued and provided for in books. However, based on GoI scheme, the amounts debited to borrowers was claimed. The Subsidiary Company has credited the accounts of borrowers and received refund of Rs 10.36 crores claimed from the government under this scheme.

(c) Interest on interest

In accordance with the instructions in the circular RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 07, 2021, the Group shall refund / adjust 'interest on interest' to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount of such 'interest on interest' has been finalised by the Indian Banks Association (IBA) in consultation with other industry participants / bodies, on April 19, 2021. The Group does not have any such refund/interest reversal liability as at March 31, 2021.

43 Business combination

During the previous year, the Company has completed the acquisition of a controlling stake (76.08%) in the paid-up equity share capital of Madura Micro Finance Limited (MMFL), an NBFC-MFI registered with the Reserve Bank of India (RBI) which will subsequently be followed by an amalgamation of MMFL's business with the Company, subject to obtaining necessary approvals from various regulatory authorities. Pursuant to this acquisition, MMFL has become subsidiary of the Company.

During the current year, the Company has further acquired 12,241 equity shares, representing 0.17% of the paid-up equity share capital of MMFL, taking the aggregate shareholding of the Company in MMFL to 76.25 %.

44 Additional Information as required under Schedule III of Companies Act, 2013, of enterprises consolidated as subsdiary.

Particulars	Net assets, i.e total assets minus total liabilities	
	As % of consolidated net assets	Amount (₹ in crores)
Holding Company		
CreditAccess Grameen Limited	95.74%	3,634.81
Subsidiary		
Madura Micro Finance Limited	4.26%	161.57
Total	**100.00%**	**3,796.38**

Particulars	Share in profit or loss account		Share in total comprehensive income	
	As % of consolidated profit or loss	Amount (₹ in crores)	As % of consolidated other comprehensive Income	Amount (₹ in crores)
Holding Company				
CreditAccess Grameen Limited	108.36%	142.39	100.10%	32.30
Subsidiary				
Madura Micro Finance Limited	-8.36%	(10.99)	-0.10%	(0.03)
Total	**100.00%**	**131.40**	**100.00%**	**32.26**

CREDITACCESS GRAMEEN LIMITED
Consolidated Financials

45 Earnings per share (EPS)

The following reflects the profit after tax and equity share data used in the basic and diluted EPS calculations:

Particulars	March 31, 2021	March 31, 2020
Net profit after tax as per statement of profit and loss (₹ in crores)	134.02	333.55
Net profit as above for calculation of basic EPS and diluted EPS (₹ in crores)	134.02	333.55
Weighted average number of equity shares in calculating basic EPS	14,95,40,013	14,37,65,813
Stock options granted under ESOP	10,03,028	12,28,624
Weighted average number of equity shares in calculating dilutive EPS	15,05,43,041	14,49,94,437
Earnings per share	8.96	23.20
Dilutive earnings per share	8.90	23.00
Nominal value per share	10.00	10.00

46 Previous year figures have been regrouped/rearranged, wherever considered necessary, to conform to the classification / disclosure adopted in the current year.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Mumbai
Date: May 06, 2021

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

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Bangalore
Date: May 06, 2021

INDEPENDENT ASSURANCE REPORT

Deloitte Haskins & Sells LLP

Chartered Accountants
One International Centre,
Tower 3, 27th-32nd Floor,
Senapati Bapat Marg,
Elphinstone Road (West),
Mumbai - 400 013,
Maharashtra, India

Phone: +91 22 6185 4000
Fax: +91 22 6185 4101

Independent Limited Assurance Statement on key performance indicator disclosures in the Integrated Report of CreditAccess Grameen Limited for the financial year ended March 31, 2021

The Board of Directors of CreditAccess Grameen Limited

We have been engaged by the Management of CreditAccess Grameen Limited ("the Company"), to provide a Limited Assurance Statement on key performance indicators ("KPIs") described below and presented in the Integrated Report ("the Report") of CreditAccess Grameen Limited for the year ended March 31, 2021.

Subject Matter

We are required to provide limited assurance on the following KPIs, presented in the Report, in accordance with management's basis of preparation, the audited financial statements, the audited books of account and other relevant records for the year ended March 31, 2021.

The terms of management's basis of preparation comprise the criteria by which the Company's compliance is to be evaluated for purposes of our limited assurance engagement.

The subject matter includes the following:

Category	KPI	Unit of measure	Scope coverage*
Human Capital	New employee hires[#]	Number	Consolidated
	Confirmed employee turnover[#]	%	Consolidated
	Employees availing parental leaves[#]	Number	Consolidated
	Average training hours per employee[#]	Number	Consolidated
	% of employees receiving regular performance and career development reviews[#]	%	Consolidated
	Number of employees[@]	Number	Consolidated
	% of young workforce (18-35 years)[@]	%	Consolidated
	% of women workforce[@]	%	Consolidated
	% of employees from local community[@]	%	Consolidated
	% of eligible field workforce receiving incentives during pandemic[#]	%	Standalone

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

**Deloitte
Haskins & Sells LLP**

Category	KPI	Unit of measure	Scope coverage*
	State-wise breakup of employees@	Number	Standalone
	% of confirmed employees under ESOP scheme@	%	Consolidated
	Employees trained on virtual platform#	Number	Standalone
	Man-hours training#	Number	Consolidated
	Number of new members inducted under safety induction initiative#	Number	Standalone
	Employee grievance queries – Grand Total#	Number	Standalone
	Employee - gender parity@	Number, %	Consolidated
	Gender parity across Employee grades@	%	Consolidated
Intellectual Capital	Products per customer@	Number	Standalone
	Customer retention rate@	%	Standalone
	Branch audits performed through automated digital application#	Number	Standalone
Manufactured Capital	Number of branches@	Number	Consolidated
	Number of districts@	Number	Consolidated
	Presence in states and Union Territory@	Number	Consolidated
	Number of regional/divisional offices/ processing centres@	Number	Consolidated
Financial Capital	Gross Assets Under Management@	Rs. in Million	Consolidated
	Active Borrowers@	Number	Consolidated
	Cost-to-Income Ratio#	%	Consolidated
	Opex/AUM#	%	Consolidated
	Debt/Equity@	%	Consolidated
	Return on Assets#	%	Consolidated
	Return on Equity#	%	Consolidated
	Adjusted PAT#	%	Consolidated
	Adjusted ROA#	%	Consolidated
	Adjusted ROE#	%	Consolidated
	Asset Quality (% of Gross AUM)@ PAR 0+ % PAR 60+ % PAR 90+ %	%	Standalone
	Repayment Rate#	%	Consolidated
	Write-offs#	Rs. in Million	Consolidated
	Liability Mix: Source Wise@	%	Consolidated
	Liability Mix: Tenure Wise@	%	Consolidated

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

**Deloitte
Haskins & Sells LLP**

Category	KPI	Unit of measure	Scope coverage*
Social and Relationship Capital	Total institutions provided direct COVID support#	Number	Consolidated
	Customer Grievances#	Number	Standalone
Natural Capital	% of environmental and social loans@	%	Consolidated

*Consolidated includes the Company and its subsidiary.
@ As at the year end
# For the year ended

Responsibility of the Directors

The Company's management is responsible for the selection, preparation and presentation of the KPIs for the year ended March 31, 2021, in accordance with the criteria mentioned above. This responsibility includes the identification of KPIs, preparation in accordance with the management's basis of preparation, the identification of stakeholders and stakeholder requirements, material matters and for commitments with respect to sustainability performance. The management is also responsible for design, implementation and maintenance of adequate internal controls to facilitate collection, calculation, aggregation and validation of the data, relevant to the KPIs and preparation of the Report, that is free from material misstatement, whether due to fraud or error.

Our Independence, Ethical Requirements and Quality Control

We have complied with independence policies of Deloitte Haskins and Sells LLP, which address the requirements of the International Federation of Accountants ("IFAC") Code of Ethics for Professional Accountants in the role as independent auditors. We have complied with the relevant applicable requirements of the International Standard on Quality Control ("ISQC") 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

We also confirm that we have maintained our independence in the Report and there were no events or prohibited services related to the Assurance Engagement which could impair our independence.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the KPIs, set out in the subject matter paragraph, as disclosed in the Report for the year ended March 31, 2021, based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance in accordance with International Standard on Assurance Engagement 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information (herein referred as "ISAE 3000") issued by the IFAC. This standard requires us to comply with ethical requirements and to plan and perform our

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

**Deloitte
Haskins & Sells LLP**

limited assurance engagement to obtain sufficient appropriate evidence about whether the KPIs are free from material misstatement.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal controls, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgment and included inquiries, observation of process followed, inspection of documents, analytical procedures, evaluating appropriateness of quantification methods, agreeing or reconciling with underlying data, etc.

In performing the procedures listed above, we:

- Interviewed key personnel including senior executives to understand the governance, systems, internal control environment, risk assessment process and information systems during the reporting period, relevant to the KPIs set out in the subject matter paragraph;
- Analysed and reviewed key structures, systems, processes, procedures relating to collation, aggregation, validation and reporting of the KPIs on sample basis; and
- Tested data, performed analytical procedures, reviewed records and relevant documents and agreed information with the audited financial statements submitted by the Company, to support the relevant KPIs.

We have relied on the information, documents, records and explanations provided by the Company for the purpose of our review.

Our procedures do not include detailed testing of source data or the operating effectiveness of processes or internal controls or review of the Company's financial performance and any other KPIs for years prior to financial year 2020-21.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the KPIs have been presented, in all material respects, in accordance with management's basis of preparation.

Further, a limited assurance engagement does not constitute an audit or review of any of the underlying information in accordance with International Standards on Auditing or International Standards on Review Engagements and accordingly, we do not express an audit opinion or review conclusion.

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

Our Conclusion

The procedures we have performed and the documents and records that were made available to us and the information and explanations provided to us by the Company in

**Deloitte
Haskins & Sells LLP**

connection to the review of the KPIs, set out in the subject matter paragraph, as disclosed in the Report for the year ended March 31, 2021, provide an appropriate basis for our conclusion.

Based on the procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the KPIs set out in the subject matter paragraph for the year ended March 31, 2021, are not prepared, in all material respects, in accordance with the management's basis of preparation.

Other Matters

Our report does not extend to any disclosures or assertions relating to future performance plans and/or strategies disclosed in the reports. The maintenance and integrity of the Company's website is the responsibility of its management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information on the website, the reports or our independent assurance report that may have occurred since the initial date of presentation.

Restriction on use and distribution

Our work has been undertaken to enable us to express a limited assurance conclusion on the KPI disclosures to the directors of the Company in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than the entity, for our work, for this report, or for the conclusion we have reached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Pratiq Shah
Partner
(Membership No. 111850)

Place: Mumbai
Date: July 2, 2021

UDIN Number: 21111850AAAAAC9496

General Disclosures

GRI Standard	Disclosure	Page Number
GRI 102-1	Name of the Organization	2
GRI 102-2	Activities, brands, products, and services	13-14
GRI 102-3	Location of the headquarters	11
GRI 102-4	Location of operations	72
GRI 102-5	Ownership and legal form	11
GRI 102-6	Markets served	11
GRI 102-7	Scale of the organization	11
GRI 102-8	Information on employees and other workers	62-69
GRI 102-12	External initiatives	61
GRI 102-13	Membership of association	22-24
GRI 102-14	Statement from senior decision maker	6-8
GRI 102-15	Key impacts, risk and opportunities	28-41
GRI 102-16	Values, principle, standards and norms of behavior	12
GRI 102-17	Mechanism for advice and concern about ethics	19-21
GRI 102-18	Governance Structure	22-27
GRI 102-21	Consulting stakeholders on economic, environmental and social topics	45
GRI 102-22	Composition of the highest governance body and its commit-tees	21-24
GRI 102-23	Chair of the highest governance body	6
GRI 102-24	Nominating and selecting the highest governance body	21
GRI 102-26	Role of highest governance body in setting purpose, values, and strategy	19-21
GRI 102-29	Identifying and managing economic, environmental, and social impact	48-83
GRI 102-30	Effectiveness of risk management processes	35-41
GRI 102-31	Review of economic, environmental, and social topics	48-83
GRI 102-33	Communicating critical concerns	47
GRI 102-34	Nature and total number of critical concerns	47
GRI 102-40	List of stakeholder groups	45
GRI 102-42	Identifying and selecting stakeholders	45
GRI 102-43	Approach to stakeholder engagement	45
GRI 102-44	Key topics and concerns raised	47
GRI 102-46	Defining report content and topic Boundaries	2
GRI 102-47	List of material topics	47
GRI 102-50	Reporting period	2
GRI 102-51	Date of most recent report	2
GRI 102-52	Reporting cycle	2
GRI 102-54	Claims of reporting in accordance with the GRI Standard	2
GRI 102-55	GRI content index	336
GRI 102-56	External Assurance	330

GRI 201: Economic Performance		
GRI 103-1	Explanation of the material topic and its Boundary	47
GRI 103-2	The management approach and components	52
GRI 103-3	Evaluation of the management approach	54
GRI 201-2	Financial implications and other risks and opportunities due to climate change	40
GRI 203: Indirect Economic Impacts		
GRI 103-1	Explanation of the material topic and its Boundary	47
GRI 103-2	The management approach and components	52,58,64,72,76,82
GRI 103-3	Evaluation of the management approach	57,63
GRI 203-2	Significant indirect economic impacts	56-83
GRI 401: Employment		
GRI 103-1	Explanation of the material topic and its Boundary	47
GRI 103-2	The management approach and components	64
GRI 103-3	Evaluation of the management approach	63
GRI 401-1	New employee hires and employee turnover	63
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	66
GRI 401-3	Parental leave	68

GRI 404: Training and Education		
GRI 103-1	Explanation of the material topic and its Boundary	47
GRI 103-2	The management approach and components	63
GRI 103-3	Evaluation of the management approach	63
GRI 404-1	Average hours of training per year per employee	63
GRI 404-2	Programs for upgrading employee skills and transition assistance programmes	67
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	63
GRI 405: Diversity and Inclusion		
GRI 103-1	Explanation of the material topic and its Boundary	47
GRI 103-2	The management approach and components	63
GRI 103-3	Evaluation of the management approach	63
GRI 405-1	Diversity of governance bodies and employees	69
GRI 413: Local Communities		
GRI 103-1	Explanation of the material topic and its Boundary	47
GRI 103-2	The management approach and components	60
GRI 413 -1	Operations with local community engagement, impact assessments, and development programs	61,65,82

CORPORATE INFORMATION

CORPORATE INFORMATION

Directors

Mr. Paolo Brichetti	Chairman and Nominee Director
Mr. Udaya Kumar Hebbar	Managing Director & Chief Executive Officer
Mr. George Joseph	Vice Chairman & Lead Independent Director
Ms. Sucharita Mukherjee	Independent Director
Mr. Manoj Kumar	Independent Director
Mr. Sumit Kumar	Nominee Director
Mr. Massimo Vita	Nominee Director
Ms. Jessie Paul	Independent Director (from Sept.16, 2020)
Mr. Anal Kumar Jain	Independent Director (up to June 25, 2020)
Mr. R. Prabha	Independent Director (up to Nov.03, 2020)
Mr. Diwakar B. R.	Director-Finance & CFO (up to Nov. 06, 2020)

Chief Financial Officer

Mr. Balakrishna Kamath (from Nov.07, 2020)

Company Secretary & Compliance Officer

Mr. M. J. Mahadev Prakash

Board Committees

Audit Committee

Mr. George Joseph (Chairman)
Ms. Sucharita Mukherjee
Mr. Manoj Kumar
Mr. Massimo Vita

Stakeholders' Relationship Committee

Mr. George Joseph (Chairman)
Ms. Sucharita Mukherjee
Mr. Udaya Kumar

Corporate Social Responsibility Committee

Mr. Udaya Kumar (Chairman)
Mr. Massimo Vita
Mr. Manoj Kumar
Ms. Jessie Paul

Nomination & Remuneration Committee

Mr. Manoj Kumar (Chairman)
Mr. Paolo Brichetti
Ms. Sucharita Mukherjee
Ms. Jessie Paul

Risk Management Committee

Mr. Massimo Vita (Chairman)
Mr. George Joseph
Mr. Paolo Brichetti
Mr. Sumit Kumar
Mr. Udaya Kumar

Asset & Liability Management Committee

Mr. Udaya Kumar (Chairman)
Mr. George Joseph
Mr. Sumit Kumar
Mr. Massimo Vita

IT Strategy Committee

Mr. Manoj Kumar (Chairman)
Mr. Paolo Brichetti
Ms. Jessie Paul
Mr. Sumit Kumar
Mr. Udaya Kumar
Mr. Sudesh Puthran

Statutory Auditors

Deloitte Haskins & Sells LLP
Chartered Accountants

Debenture Trustees

Beacon Trusteeship Limited
4C, Siddhivinayak Chambers,
Kala Nagar Bandra (E), Mumba – 400 051
Phone: 022-26558759
Email: Contact&beacontrustee.co.in

Catalyst Trusteeship Limited
GDA House, Plot No. 85,
Bhusari Colony (Right), Paud Road
Pune – 411 038
Phone: 020 25280081
Email: dt@ctltrustee.com

SBICAP Trustee Company Limited
202, Maker Tower 'E', Cuffe Parade
Colaba, Mumbai – 400 005
Phone: 022 43025500
Email: Helpdesk@sbicaptrustee.com

Axis Trustee Services Limited
Axis House, Bombay Dyeing Mills
Compound, Pandhurang Budhkar
Marg Worli, Mumbai – 400 025
Phone: 022 62300451
Email: debenturetrustee@axistrustee.in

IDBI Trusteeship Services Limited
Asian Building, 17, R. Kamani Road
Ballard Estate, Fort Mumbai – 400 001
Phone: 022 40807000
Email: itsl@idbitrustee.com

Executive, Borrowings & Investment Committee

Mr. Udaya Kumar (Chairman)
Mr. Manoj Kumar
Mr. Paolo Brichetti
Mr. Balakrishna Kamath

Secretarial Auditor

Mr. Dwarakanath C.
Practising Company Secretary

Registrar and Transfer Agent

Kfin Technologies Private Limited
Selenium Tower B, Plot 31-32 Gachibowli
Financial District Nanakramguda,
Hyderabad – 500 032
Phone: 040 67162222
Email: einward.ris@kfintech.com

Registered Office

No.49, 46th Cross, 8th Block, Jayanagar
Bangalore – 560 070

Corporate Identification Number (CIN):

L51216KA1991PLC053425

Website:

www.creditaccessgrameen.in

Great Place To Work®
Certified
FEB 2021–JAN 2022
INDIA

Financial Products

GrameenKoota
Micro Finance

GrameenKoota
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@cagrameen.in
CIN: L51216KA1991PLC053425

Follow us:
www.creditaccessgrameen.in
www.facebook.com/creditaccessgrameen
www.twitter.com/cagrameen
www.youtube.com/creditaccessgrameen