CREDITACCESS GRAMEEN LIMITED

Registered and Corporate Office: New No. 49 (Old No. 725), 46th Cross, 8th Block, Jayanagar, Next to Rajalakshmi Kalyana Mantap, Bengaluru 560 070, Karnataka
Tel: +91 80 2263 7300 | **Fax**: +91 80 2664 3433 | **E-mail**: csinvestors@creditaccessgrameen.com | **Website**: www.creditaccessgrameen.com | **CIN**: L51216KA1991PLC053425

Our Company was incorporated as Sanni Collection Private Limited ("**SCPL**") on June 12, 1991 at Calcutta, West Bengal, India as a private limited company under the Companies Act, 1956. Our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at the EGM held on November 27, 2017 and the name of our Company was changed to Grameen Koota Financial Services Limited ("**GFSL**"). A fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the RoC on December 18, 2017. Subsequently, pursuant to a resolution passed by our Shareholders at the EGM held on January 2, 2018, the name of our Company was changed to CreditAccess Grameen Limited, and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on January 12, 2018. For further details in relation to the changes in our name, constitution and registration with the RBI, see "*Organisational Structure*" and "*General Information*" on pages 189 and 249, respectively.

Our Company is issuing 11,315,323 Equity Shares (as defined below) at a price of ₹707 per Equity Share (the "**Issue Price**"), including a premium of ₹697 per Equity Share, aggregating to ₹7,999.93 million the "**Issue**"). For further details, see "*Summary of the Issue*" on page 28.

ISSUE IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, (THE "SEBI REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, AND THE RULES MADE THEREUNDER

The equity shares of our Company of face value of ₹10 each (the "**Equity Shares**") are listed on National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**", together with NSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on BSE and NSE as on October 7, 2020 was ₹737.15 and ₹ 737.10 per Equity Share, respectively. Our Company has received in-principle approvals under Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for listing of the Equity Shares to be issued pursuant to the Issue from BSE and NSE, both dated October 5, 2020. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or of the Equity Shares.

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE ISSUE.

A copy of the Preliminary Placement Document and a copy of this Placement Document (which includes disclosures prescribed under Form PAS-4) have been delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the Registrar of Companies, Bengaluru situated at Karnataka (the "**RoC**"), within the stipulated period as prescribed under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014. This Placement Document has not been reviewed by SEBI, the Reserve Bank of India (the "**RBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs (as defined hereinafter). The Preliminary Placement Document and this Placement Document has not been, and shall not be, filed as a prospectus with the RoC, and will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

THE ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBS IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER AND CHAPTER VI OF THE SEBI REGULATIONS. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR. THE ISSUE DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OR CATEGORY OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBs. THIS PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENT OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN VIOLATION OF THE SEBI REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION "*RISK FACTORS*" BEGINNING ON PAGE 53 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT. PROSPECTIVE INVESTORS OF THE EQUITY SHARES OFFERED SHOULD CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES, THE COMPANY AND SUBSIDIARIES. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to the Preliminary Placement Document together with the Application Form (as defined hereinafter) and this Placement Document (as defined hereinafter) and the Confirmation of Allocation Note (as defined hereinafter). For further details, see "*Issue Procedure*" beginning on page 209. The distribution of this Placement Document or the disclosure of its contents without our Company's prior consent to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act ("**Rule 144A**")) ("**U.S. QIBs**") pursuant to applicable exemptions under the U.S. Securities Act, and (b) outside the United States, in an "offshore transaction" (as defined in Regulation S) in reliance upon Regulation S. Prospective purchasers in the United States are hereby notified that our Company is relying on the exemption under Section 4(a)(2) of the Securities Act. The Equity Shares are transferable only in accordance with the restrictions described under "*Transfer Restrictions and Purchaser Representations*" on page 228. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Placement Document as "QIBs". For further information, see "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 221 and 228, respectively.

The information on the websites of our Company or Subsidiaries or any website directly or indirectly linked to the websites of our Company or Subsidiaries or the websites of the BRLMs or their respective affiliates does not constitute nor form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

This Placement Document is dated October 8, 2020.

BOOK RUNNING LEAD MANAGERS			
ICICI SECURITIES LIMITED	CLSA INDIA PRIVATE LIMITED	NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED	SBI CAPITAL MARKETS LIMITED

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all the information contained in this Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to our Company and its Subsidiaries and the Equity Shares which is material in the context of the Issue. The statements contained in this Placement Document relating to our Company and its Subsidiaries and the Equity Shares are, in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Placement Document with regard to our Company and its Subsidiaries and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Company. There are no other facts in relation to our Company and its Subsidiaries and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements.

ICICI Securities Limited, CLSA India Private Limited, Nomura Financial Advisory And Securities (India) Private Limited and SBI Capital Markets Limited ("**BRLMs**") have not separately verified all of the information contained in this Placement Document, and the BRLMs and their respective shareholders, employees, counsels, officers, directors, representatives, agents or affiliates do not make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by any of the BRLMs and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents or affiliates, as to the accuracy or completeness of the information contained in this Placement Document or any other information (financial, legal or otherwise) supplied in connection with our Company and its Subsidiaries and the Equity Shares. Each person receiving this Placement Document acknowledges that such person has not relied on either the BRLMs or on any of their respective shareholders, employees, counsels, officers, directors, representatives, agents or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company and its Subsidiaries and the merits and risks involved in investing in the Equity Shares to be issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by, or on behalf of, our Company or by, or on behalf of, the BRLMs. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares to be issued pursuant to the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction including the United States Securities and Exchange Commission, any other federal or state authorities in the United States the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in certain jurisdictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable state securities laws of the United States and, unless so registered, may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

Within the United States, this Placement Document is being provided only to persons who are U.S. QIBs. Distribution of this Placement Document to any person other than the offeree specified by the BRLM or their respective representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorised, and any disclosure of its contents, without prior written consent of our Company, is prohibited. Any reproduction or distribution of this Placement Document in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited. The Equity Shares are transferable only in accordance with the restrictions described in "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 221 and 228, respectively.

The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs specified by the BRLMs or their representatives, and those retained by such Eligible QIBs to advise them with respect to their subscription to the Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and make no copies of this Placement Document or any documents referred to in this Placement Document.

The distribution of this Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, except for India, no action has been taken by our Company and the BRLMs that would permit an offering of the Equity Shares or distribution of this Placement Document in any jurisdiction, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction with respect to distribution or publication. The subscribers of the Equity Shares offered in the Issue will be deemed to have made the representations, warranties, acknowledgments and agreements set forth in "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 2, 5, 221 and 228 respectively.

In making an investment decision, the prospective investors must rely on their own examination of our Company and its Subsidiaries, the Equity Shares and the terms of the Issue, including the merits and risks involved. Prospective investors should not construe the contents of this Placement Document as legal, tax, accounting or investment advice. Prospective investors should consult their own counsels and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, our Company and the BRLMs are not making any representation to any offeree or subscriber of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or subscriber under applicable legal, investment or similar laws or regulations.

Each subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under Indian law, including Chapter VI of the SEBI Regulations, Section 42 of the Companies Act, 2013, other provisions of the Companies Act, 2013 and the rules made thereunder, and that it is not prohibited by SEBI or any other regulatory, statutory or judicial authority from buying, selling or dealing in the securities including the Equity Shares.

This Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such document.

The information on our Company's website, viz., www.creditaccessgrameen.com, the website of MMFL, viz www.maduramicrofinance.com, any website directly or indirectly linked to the website of our Company, MMFL or on the websites of the BRLMs and of their respective affiliates, does not constitute nor form part of this Placement Document. Prospective investors should not rely on such information contained in, or available through, any such websites.

CERTAIN U.S. MATTERS

THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR ANY OTHER APPLICABLE STATE SECURITIES LAWS OF THE UNITED STATES AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE EQUITY SHARES ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO PERSONS WHO ARE "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A) PURSUANT TO SECTION 4(a)(2) UNDER THE U.S. SECURITIES ACT, AND (B) OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE UPON REGULATION S AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES ARE MADE. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON TRANSFER OF THE EQUITY SHARES, SEE "*TRANSFER RESTRICTIONS AND PURCHASER REPRESENTATIONS*" ON PAGE 228.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED WITH, OR APPROVED OR DISAPPROVED BY, THE SEC OR ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER UNITED STATES REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT PASSED ON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THIS PLACEMENT DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289 OF SINGAPORE)

Singapore Securities and Futures Act Product Classification − Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**"), our Company has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations) 2018.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

For information relating to investors in certain other jurisdictions, see the sections "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 221 and 228, respectively.

AVAILABLE INFORMATION

Our Company has agreed that, for so long as any Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, our Company will, during any period in which it is neither subject to Section 13 or 15 (d) of the U.S. Securities Exchange Act of 1934, as amended nor exempt from reporting pursuant to Rule 12g3 -2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act, subject to compliance with applicable provisions of Indian law.

The Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

REPRESENTATIONS BY INVESTORS

References herein to "you" or "your" are to the prospective investors in the Issue. By Bidding for and/or subscribing to any Equity Shares in the Issue, you are deemed to have represented, warranted, acknowledged and agreed to our Company and the BRLMs, as follows:

- You are a "qualified institutional buyer" as defined in Regulation 2(1)(ss) of the SEBI Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI Regulations, FEMA and the FEMA Rules having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allocated to you in accordance with Chapter VI of the SEBI Regulations, the Companies Act and all other applicable laws; and (ii) comply with the SEBI Regulations, the Companies Act and all other applicable laws, including any reporting obligations, if any;

- You are eligible to invest in India under applicable law, including the FEMA Rules, and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India;

- If you are not a resident of India, but a QIB, you are an Eligible FPI having a valid and existing registration with SEBI under the applicable laws in India, and are eligible to invest in India under applicable law, including the SEBI FPI Regulations, the FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws;

- You confirm that you are not an FVCI;

- If you are an Eligible FPI as defined in this Placement Document, you confirm that you will participate in the Issue only under and in conformity with Schedule II of the FEMA Rules. Further, you acknowledge that (i) Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) in our Company shall be less than 10% of the post-Issue total paid-up equity capital of our Company on a fully diluted basis, and (ii) the aggregate limit for total holdings of all FPIs put together, including any other direct and indirect foreign investments in the Indian company by FPIs permitted under the FEMA Rules, shall be the sectoral cap applicable to our Company, as laid down in Schedule I of the FEMA Rules.

- You will provide the information as required under the provisions of the Companies Act, 2013, for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number and bank account details;

- If you are Allotted Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the Stock Exchanges. Further, additional restrictions are applicable if you are within the United States and certain other jurisdictions. For further details in this regard, see *Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 221 and 228, respectively;

- If you are within the United States, you are a U.S. QIB, and are acquiring the Equity Shares for your own account or for the account of an institutional investor who also meets the requirements of a U.S. QIB, for investment purposes only, and not with a view to, or for reoffer or resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part and are not an affiliate of our Company or a person acting on behalf of such affiliate;

- If you are outside the United States, you are subscribing for the Equity Shares in an "offshore transaction" within the meaning of Regulation S and are not our Company's or the BRLM's affiliate or a person acting on behalf of such an affiliate;

- You are not acquiring or subscribing for the Equity Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the U.S. Securities Act) or directed selling efforts (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the Securities Act provided by Section 4(a)(2) of the Securities Act, Rule 144A or another available exemption from registration under the Securities Act, and the Equity Shares may not be eligible for resale under Rule 144A thereunder. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 221 and 228, respectively;

- If you are a purchaser in the United States, you agree, on your own behalf and on behalf of any accounts for which you are acting, that you will not reoffer, resell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S, or pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act. For non-United States based purchasers, you agree, on your own behalf and on behalf of any accounts for which you are acting, that you will not reoffer, resell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S;

- If you are within the United States, you are a U.S. QIB, and are acquiring the Equity Shares for your own account or for the account of an institutional investor who also meets the definition of a U.S. QIB, for investment purposes only, and not with a view to, or for resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part and are not an affiliate of our Company or a person acting on behalf of such an affiliate. If you are outside the United States, you are subscribing for the Equity Shares in an offshore transaction within the meaning of Regulation S, and are not our Company's or the BRLM's affiliate or a person acting on behalf of such an affiliate;

- You are aware that the Preliminary Placement Document and this Placement Document have not been, and will not be, filed or registered as, or through, a prospectus with the RoC under the Companies Act, 2013, the SEBI Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. The Preliminary Placement Document and this Placement Document (which includes disclosures prescribed under Form PAS-4) have not been reviewed or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs;

- The Preliminary Placement Document and this Placement Document have been filed with the Stock Exchanges and the Preliminary Placement Document and this Placement Document will be displayed on the websites of our Company and the Stock Exchanges;

- You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations and complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;

- Our Company, the BRLMs, and their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are not making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the BRLMs. The BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates do not have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the "**Company Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations:

(a) you understand and acknowledge that the BRLMs may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLMs have advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material or price sensitive information relating to our Company and the Issue that was not publicly available;

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made on the basis of any information relating to our Company or our Subsidiaries or the Issue which is not set forth in the Preliminary Placement Document and this Placement Document;

- You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, and the Companies Act, 2013;

- All statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our Company's or its Subsidiaries' financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company's business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Company's or Subsidiaries' present and future business strategies and environment in which our Company will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Placement Document or the respective dates indicated in this Placement Document. Neither our Company nor the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assume any responsibility to update any of the forward-looking statements contained in this Placement Document;

- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, and the Allotment of the same shall be at the sole discretion of our Company, in consultation with the BRLMs;

- You are aware that in terms of the requirements of the Companies Act, upon Allocation, the Company has disclosed names and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document. However, disclosure of such details in relation to the proposed Allottees in this Placement Document does not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs;

- You are aware that if you are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;

- You have been provided a serially numbered copy of the Preliminary Placement Document and this Placement Document, respectively, and have read it in its entirety, including in particular, "*Risk Factors*" on page 53;

- In making your investment decision, you have (i) relied on your own examination of our Company and its Subsidiaries, the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made your own assessment of our Company and its Subsidiaries, the Equity Shares and the terms of the Issue based solely on and in reliance of the information contained in the Preliminary Placement Document and this Placement Document and no other disclosure or representation by our Company, its Subsidiaries or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and its Subsidiaries and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Equity Shares to be issued pursuant to the Issue;

- Neither the Company nor the BRLMs or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents nor affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Company, the BRLMs or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against the Company, the BRLMs or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You understand that our Company, for U.S. federal income tax purposes, may be considered a "passive foreign investment company" for the current taxable year and that there will be certain consequences under U.S. tax laws resulting from an investment in the Equity Shares, and you will make such investigation and consult such tax and other advisors with respect thereto as you deem appropriate. You will satisfy yourself concerning, without limitation, the effects of U.S. federal, state and local income tax laws and foreign tax laws on your investment in the Equity Shares.

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not look to our Company and/or any of the BRLMs or any of their respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, and (iv) have no need for liquidity with respect to the investment in the Equity Shares, (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares and (vi) are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute. You are aware that investment in Equity Shares involves a high degree of risk and that the Equity Shares are, therefore a speculative investment;

- If you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and hereby make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- You are not a "promoter" (as defined under the Companies Act, 2013 and the SEBI Regulations) of our Company and are not a person related to our Promoter, either directly or indirectly, and your Bid does not directly or indirectly represent the "Promoter", or "Promoter Group" (as defined under the SEBI Regulations) of our Company or persons related to our Promoter;

- You have no rights under a shareholders' agreement or voting agreement with our Promoter or members of the Promoter Group or persons related to the Promoter, no veto rights or right to appoint any nominee director on our Board, other than the rights acquired, if any, in the capacity of a lender not holding any Equity Shares;

- You agree that our Company shall make necessary filings with the RoC, in connection with the Issue, as may be required under the Companies Act, 2013;

- You will have no right to withdraw your Bid or revise your Bid downwards after the Bid/Issue Closing Date (as defined hereinafter);

- You are eligible to Bid for and hold the Equity Shares so Allotted, together with any Equity Shares held by you prior to the Issue. Further, you confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable regulation;

- The Bid made by you would not result in triggering an open offer under the Takeover Regulations;

- The number of Equity Shares Allotted to you under the Issue, together with other Allottees that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue. For the purposes of this representation:

  (a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and

  (b) "Control" shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Regulations;

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares are issued by the Stock Exchanges;

- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares to be issued pursuant to the Issue and for trading of such Equity Shares on the Stock Exchanges, were made and an in-principle approval has been received by our Company from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final listing and trading approvals for listing of the Equity Shares will be obtained in time or at all. Neither our Company nor the BRLMs nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the BRLMs have entered into a Placement Agreement with our Company whereby the BRLMs have, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use their reasonable efforts to procure subscription for the Equity Shares on the terms and conditions set forth therein;

- The contents of this Placement Document are exclusively the responsibility of our Company, and that neither the BRLMs nor any person acting on their behalf or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Placement Document or otherwise. By accepting a participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in the Preliminary Placement Document and this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the BRLMs or our Company or any other person, and the BRLMs or our Company or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the BRLMs and their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

- You understand that the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including the non-performance by our Company or any of its obligations or any breach of any representations or warranties by us, whether to you or otherwise;

- You are able to purchase the Equity Shares in accordance with the restrictions described in "*Selling Restrictions*" on page 221 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" on page 221;

- You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "*Transfer Restrictions and Purchaser Representations*" on page 228 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Transfer Restrictions and Purchaser Representations*" on page 228;

- You understand that our Company has not been and will not be registered under the U.S. Investment Company Act and you will not be entitled to the benefits of the U.S. Investment Company Act;

- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Bengaluru, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;

- You agree to indemnify and hold our Company, the BRLMs and their respective shareholders, directors, officers, employees, counsel, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in this Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- You acknowledge that the Preliminary Placement Document and this Placement Document do not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

- Our Company, the BRLMs, their respective shareholders, directors, officers, employees, counsels, representatives, agents and affiliates will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given by you to the BRLMs on their own behalf and on behalf of our Company, and are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the BRLMs; and

- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**P-Notes**"), for which they may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by the Board and subject to compliance with such other conditions as may be specified from the SEBI. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been and are not being offered or sold pursuant to this Placement Document. This Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control,) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis. The SEBI has, vide a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the above mentioned restrictions shall also apply to subscribers of offshore derivative instruments and two or more subscribers of offshore derivative instruments having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the offshore derivative instruments. Further, in the event a prospective investor has investments as an FPI and as a subscriber of offshore derivative instruments, these investment restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated August 28, 2017. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

Affiliates of the BRLMs which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLMs do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLMs and does not constitute any obligations of or claims on the BRLMs.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, copies of the Preliminary Placement Document and this Placement Document, respectively, have been submitted to each of the Stock Exchanges.

The Stock Exchanges do not in any manner:

- warrant, certify or endorse the correctness or completeness of the contents of the Preliminary Placement Document and this Placement Document; or
- warrant that the Equity Shares issued pursuant to the Issue will be listed or will continue to be listed on the Stock Exchanges; or
- take any responsibility for the financial or other soundness of our Company, its Promoter, its management or any scheme or project of our Company;

and it should not, for any reason be deemed or construed to mean that the Preliminary Placement Document and this Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

DISCLAIMER CLAUSE OF THE RBI

The Company is having a valid certificate of registration dated January 19, 2018 issued by the Reserve Bank of India under Section 45 IA of the Reserve Bank of India Act, 1934. However, the Reserve Bank of India does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for repayments of deposits/ discharge of liabilities by the Company.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor' are to the Eligible QIBs and references to 'CAGL', the 'Company' and 'Issuer' are to CreditAccess Grameen Limited on a standalone basis, reference to 'MMFL' is to MMFL together with its subsdidiary (Madura Micro Education Private Limited), and references to 'we', 'us' or 'our' are to CreditAccess Grameen Limited on a standalone basis (prior to the acquisition of MMFL on March 18, 2020), and to CreditAccess Grameen Limited, together with its Subsidiaries, on a consolidated basis (post the acquisition of MMFL on March 18, 2020).

In this Placement Document, references to 'US$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America, references to '₹', 'INR', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of the Republic of India. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to "India" are to the Republic of India and its territories and possessions and all references herein to the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

References to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable. All the numbers in this Placement Document have been presented in million or whole numbers, unless stated otherwise. The amounts derived from financial statements and the Financial Statements included in this Placement Document are presented in Rupees million.

In this Placement Document, references to "Lakh" represents "100,000", "million" represents "1,000,000", "crore" represents "10,000,000", and "billion" represents "1,000,000,000".

Non-GAAP Financial Measures

We have included certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance (together, "**Non-GAAP Financial Measures**" and each, a "**Non-GAAP Financial Measure**") in this Placement Document, for example, in "*Selected Statistical Information*" on page 41. These Non-GAAP Financial Measures are not required by or presented in accordance with Previous GAAP or Ind AS. We compute and disclose such Non-GAAP Financial Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such Non-GAAP Financial Measures and other statistical and operational information when reporting their financial results. However, note that these non-GAAP financial measures and other statistical information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other financial services companies.

Where Non-GAAP Financial Measures are referred to as being "under Ind AS", this means the numbers have been derived using underlying Ind AS numbers.

Financial and Other Information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular 'Fiscal Year' or 'fiscal' or "financial year" or 'FY' are to the 12 months period ended on March 31 of that year.

Our Company publishes its financial statements in Indian Rupees. We have prepared our audited standalone and consolidated financial statements in accordance with Previous GAAP and Ind AS, as applicable, in accordance with applicable guidelines issued by the RBI, the Companies Act, 2013 and under applicable law. As required under applicable regulations, we have included the following in this Placement Document: (i) the audited standalone financial statements of the Company as at and for the year ended March 31, 2018 prepared in accordance with Previous GAAP, the Companies Act, 2013 and applicable guidelines issued by RBI; (ii) the audited standalone financial statements of the Company as at and for the year ended March 31, 2019 prepared in accordance with Ind AS, the Companies Act, 2013 and applicable guidelines issued by RBI; (iii) the audited standalone financial statements of the Company as at and for the year ended March 31, 2020 prepared in accordance with Ind AS, the Companies Act, 2013 and applicable guidelines issued by RBI; (iv) the audited consolidated financial statements of the Group as at and for the year ended March 31, 2020 prepared in accordance with Ind AS, the Companies Act, 2013 and applicable guidelines issued by RBI; (v) the unaudited standalone Ind AS financial results of the Company for the three months ended June 30, 2020 prepared in accordance with Regulation 33 of SEBI Listing Regulations; (vi) the unaudited consolidated Ind AS financial results of the Group for the three months ended June 30, 2020 prepared in accordance with Regulation 33 of SEBI Listing Regulations; (vii) the unaudited special purpose interim condensed consolidated financial information of the Group for the four month period ended July 31, 2020, prepared in accordance with Ind AS, the Companies Act, 2013 and applicable guidelines issued by RBI; (viii) the audited consolidated financial statements of MMFL as at and for the year ended March 31, 2020 prepared in accordance with Ind AS, the Companies Act, 2013 and applicable guidelines issued by RBI; (ix) the special purpose interim condensed consolidated financial results of MMFL for the three month period ended June 30, 2020, prepared in accordance with Ind AS, the Companies Act, 2013 and applicable guidelines issued by RBI; and (x) the unaudited special purpose interim condensed consolidated financial information of MMFL for the four month period ended July 31, 2020, prepared in accordance with Ind AS, the Companies Act, 2013 and applicable guidelines issued by RBI.

Deloitte Haskins & Sells, Chartered Accountants, our Statutory Auditor as required by the Companies Act, have been appointed pursuant to our Shareholders' approval at the annual general meeting held on August 11, 2020, for a period of five years. Our unaudited special purpose interim condensed consolidated financial information for the four month period ended July 31, 2020, as included in this Placement Document in "*Financial Statements*" on page 251, have been subjected to a limited review by Deloitte Haskins & Sells, Chartered Accountants.

Our standalone and consolidated financial statements, as applicable, for Fiscal 2018, Fiscal 2019 and Fiscal 2020, as included in this Placement Document in "*Financial Statements*" on page 251, have been audited by our previous auditor, S. R. Batliboi & Co. LLP, Chartered Accountants. Further, our unaudited standalone and consolidated financial results for the three months ended June 30, 2020 prepared in accordance with Regulation 33 of SEBI Listing Regulations, as included in this Placement Document in "*Financial Statements*" on page 251, have been subjected to a limited review by S. R. Batliboi & Co. LLP.

This Placement Document includes the unaudited proforma consolidated financial information of the Group for the year ended March 31, 2020, prepared to illustrate the impact of the acquisition of MMFL on the consolidated statement of profit and loss had the acquisition occurred on April 1, 2019. See "*Risk Factors - The proforma financial information included in this Placement Document is prepared for illustrative purposes only.*" on page 61.

In this Placement Document, certain monetary thresholds have been subjected to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Prior to April 1, 2018, we prepared our financial statements in accordance with Previous GAAP. Therefore, our audited financial statements as at and for the year ended March 31, 2018 are prepared under Previous GAAP. Thereafter, the Companies (Indian Accounting Standard Rules), 2015, as amended ("**IAS Rules**") enacted the Ind AS which converge into IFRS with some differences. The IAS Rules provide that the financial statements of the companies to which they apply shall be prepared in accordance with Ind AS. The Ministry of Corporate Affairs ("**MCA**") vide its notification dated March 30, 2016, mandated NBFCs having net worth of ₹5,000 million or more to comply with the Ind AS in preparation of their financial statements for the accounting periods beginning on or after April 1, 2018 with effective transition date of April 1, 2017. Further, the MCA amended Schedule III to the Companies Act, 2013, which also introduced a new division - 'Division III' financial statement format for NBFCs with effect from October 11, 2018. Accordingly, our Company prepared its Ind AS compliant financial statements as at and for the year ended March 31, 2019.

Previous GAAP differs in certain material respects from Ind AS which is applicable to our Company for financial periods commencing April 1, 2018. Given that Ind AS differs in many respects from Previous GAAP, the financial statements as of and for the financial year ended March 31, 2020 and March 31, 2019, the financial results for the three month period ended June 30, 2020 prepared in accordance with Regulation

33 of SEBI Listing Regulations, and the financial information for the four month period ended July 31, 2020, are not comparable with the previous years' financial information as per Previous GAAP. See "*Risk Factors – Significant differences exist between Indian GAAP, Ind AS and other accounting principles, such as IFRS, which may be material to investors' assessments of the Group's financial condition.*" on page 78.

INDUSTRY AND MARKET DATA

Information included in this Placement Document regarding market position, growth rates and other industry data pertaining to the Company's businesses consists of estimates based on data and reports compiled by government bodies, professional organizations, industry publications and analysts, data from other external sources and knowledge of the markets in which we compete. The statistical information included in this Placement Document relating to the various sectors in which we operate has been reproduced from various trade, industry and regulatory/ government publications and websites, more particularly described in "*Industry Overview*" on page 139.

The information disclosed in the "*Industry Overview*" section of this Placement Document is based on the reports of (i) MicroFinance Institutions Network, titled "*Issue 33, Micrometer (Data as on 31 March 2020)";* (ii) ICRA Limited, titled "*Covid-19 led disruptions continue to hound MFIs: gradual ramp-up in collections provides some comfort*" dated July 2020 and "*Credit quality of ICRA-rated pass-through certificates to remain sensitive to pace of collection recovery and extent of credit enhancement utilisation post moratorium*" dated September 2020; and (iii) CRIF High Mark Credit Information Services Private Limited titled "*MicroLend, Vol XI - Mar 2020*". This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Neither our Company, nor the BRLMs have independently verified this industry and third-party data and make any representation regarding the accuracy or completeness of such data. Similarly, while we believe that our internal estimates are reasonable, such estimates have not been verified by any independent sources, and neither our Company nor any of the BRLMs can assure potential investors as to their accuracy. For risks in this regard, see "*Risk Factors – Third party industry and industry-related statistical data in this Placement Document may be incomplete, out of date, incorrect or unreliable."* on page 78.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company and our Subsidiaries are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's and our Subsidiaries' business strategy, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts. These forward-looking statements contained in this Placement Document (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company and our Subsidiaries that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

- uncertainty of the extent of impact of the receent COVID-19 outbreak on our business, results of operations and financial condition;
- our operations being concentrated in Karnataka, Maharashtra and Tamil Nadu;
- our microfinance loans being unsecured and susceptible to certain operation and credit risks;
- our portfolio and management of NPAs and/ or our provisions;
- ability to manage our growth, financial, accounting, administration and infrastructure effectively;
- interest rate risk and volatility in interest rates; and
- our credit ratings, our borrowing costs and access to capital and loan markets

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry Overview*" and "*Our Business*" and on pages 53, 103, 139 and 147, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections.

The forward-looking statements contained in this Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and neither our Company nor the BRLMs undertake any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. Most of our Directors and Key Managerial Personnel named herein are residents of India and a substantial portion of our assets are located in India. It may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce against them judgments of courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A, respectively, of the Civil Procedure Code. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except:

(a) where the judgment has not been pronounced by a court of competent jurisdiction;

(b) where the judgment has not been given on the merits of the case;

(c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;

(d) where the proceedings in which the judgment was obtained were opposed to natural justice;

(e) where the judgment has been obtained by fraud; and

(f) where the judgment sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom, Singapore, United Arab Emirates and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws.

EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information with respect to the exchange rates between the Rupee and the U.S. Dollar (in ₹ per US$), for or as of the end of the periods indicated. The exchange rates are based on the reference rates released by the RBI/ FBIL, which are available on the website of the RBI/FBIL. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

(Per US$)

	Period end(1)	**Average(2)**	**High(3)**	**Low(4)**
Fiscal Year:				
2020	75.39	70.88	76.15	68.37
2019	69.17	69.89	74.39	64.93
2018	65.04	64.45	65.76	63.35
Month ended:				
September 30, 2020	73.80	73.48	73.92	72.82
August 31, 2020	73.60	74.67	75.09	73.35
July 31, 2020	74.77	74.99	75.58	74.68
June 30, 2020	75.53	75.73	76.21	75.33
May 31, 2020	75.64	75.66	75.93	75.39
April 30, 2020	75.12	76.24	76.81	75.12

Period end, high, low and average rates are based on the RBI/FBIL reference rates and rounded off to two decimal places.
Source: www.rbi.org.in for a period prior to July 10, 2018 and www.fbil.org.in for a period post July 10, 2018
Notes:
(1) Represents the average of the official rate for each working day of the relevant period.
(2) Maximum of the official rate for each working day of the relevant period.
(3) Minimum of the official rate for each working day of the relevant period.
(4) In case of holiday, the official rate for previous working day has been considered.

DEFINITIONS AND ABBREVIATIONS

This Placement Document uses the definitions and abbreviations set forth below which you should consider when reading the information contained herein.

The following list of certain capitalised terms used in this Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Placement Document shall have the meaning as defined hereunder. References in this Placement Document to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act or regulation, rules, guidelines and policies as amended from time to time.

The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI Regulations, the SCRA, the Depositories Act, or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the section "*State of Special Tax Benefits*", "*Industry Overview*", "*Financial Statements*" and "*Legal Proceedings*" on pages 236, 139, 251 and 243, respectively, shall have the meaning given to such terms in such sections.

General terms

Term	Description
"Issuer", "CAGL" and "Company"	CreditAccess Grameen Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at New No. 49 (Old No. 725), 46th Cross, 8th Block, Jayanagar, Next to Rajalakshmi Kalyana Mantap, Bengaluru 560 070, Karnataka, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to CreditAccess Grameen Limited on a standalone basis (prior to the acquisition of MMFL on March 18, 2020), and to CreditAccess Grameen Limited together with its Subsidiaries, on a consolidated basis (post the acquisition of MMFL on March 18, 2020).

Company related terms

Term	Description
Articles or Articles of Association	Articles of association of our Company, as amended from time to time
Audit Committee	Audit committee of the Board, constituted in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations, guidelines issued by the RBI from time to time, and as described in "*Board of Directors and Senior Management*" on page 191
"Board of Directors" or "Board"	The board of directors of our Company or any duly constituted committee thereof
CAI	CreditAccess India N.V.
Corporate Social Responsibility Committee	Corporate social responsibility committee of the Board constituted in accordance with the applicable provisions of the Companies Act, 2013, and as described in "*Board of Directors and Senior Management*" on page 191
Director(s)	The directors of our Company
Equity Share(s)	The equity shares of our Company having a face value of ₹ 10 each
ESOP Plan 2011 or ESOP Plan	The CreditAccess Grameen Limited Employee Stock Option Plan, 2011, as amended from time to time
Financial Statements	Collectively, (i) the audited standalone financial statements of the Company as at and for the year ended March 31, 2018 prepared in accordance with Previous GAAP, the Companies Act, 2013 and applicable guidelines issued by RBI; (ii) the audited standalone financial statements of the Company as at and for the year ended March 31, 2019 prepared in accordance with Ind AS, the Companies Act, 2013 and applicable guidelines issued by RBI; (iii) the audited standalone financial statements of the Company as at and for the year ended March 31, 2020 prepared in accordance with Ind AS, the Companies Act, 2013 and applicable guidelines issued by RBI; (iv) the audited consolidated financial statements of the Group as at and for the year ended March 31, 2020 prepared in accordance with

Term	Description
	Ind AS, the Companies Act, 2013 and applicable guidelines issued by RBI; (v) the unaudited standalone Ind AS financial results of the Company for the three months ended June 30, 2020 prepared in accordance with Regulation 33 of SEBI Listing Regulations; (vi) the unaudited consolidated Ind AS financial results of the Group for the three months ended June 30, 2020 prepared in accordance with Regulation 33 of SEBI Listing Regulations; (vii) the unaudited special purpose interim condensed consolidated financial information of the Group for the four month period ended July 31, 2020, prepared in accordance with Ind AS, the Companies Act, 2013 and applicable guidelines issued by RBI; (viii) the audited consolidated financial statements of MMFL as at and for the year ended March 31, 2020 prepared in accordance with Ind AS, the Companies Act, 2013 and applicable guidelines issued by RBI; (ix) the special purpose interim condensed consolidated financial results of MMFL for the three month period ended June 30, 2020, prepared in accordance with Ind AS, the Companies Act, 2013 and applicable guidelines issued by RBI; and (x) the unaudited special purpose interim condensed consolidated financial information of MMFL for the four month period ended July 31, 2020, prepared in accordance with Ind AS, the Companies Act, 2013 and applicable guidelines issued by RBI.
Group	Collectively, the Company and its Subsidiaries
IT Strategy Committee	IT strategy committee of the Board, as described in "*Board of Directors and Senior Management*" on page 191
Key Managerial Personnel	Key managerial personnel of our Company identified in terms of Section 203 of the Companies Act, 2013
Memorandum or Memorandum of Association	Memorandum of association of our Company, as amended from time to time
MMFL	Madura Micro Finance Limited, a Subsidiary of our Company
Nomination and Remuneration Committee	Nomination and remuneration committee of the Board, constituted in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations, guidelines issued by the RBI from time to time, and as described in "*Board of Directors and Senior Management*" on page 191
Promoter	CreditAccess India N.V. (formerly, CreditAccess Asia N.V.)
Proposed Scheme of Amalgamation	Proposed scheme of amalgamation under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 between our Company, MMFL, and their respective shareholders and creditors, pursuant to which the undertaking of MMFL is proposed to be transferred to and vested in our Company as a going concern
Registered and Corporate Office	New No. 49 (Old No. 725), 46th Cross, 8th Block, Jayanagar, Next to Rajalakshmi Kalyana Mantap, Bengaluru 560 070, Karnataka
Risk Management Committee	Risk management committee of the Board, constituted in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations, guidelines issued by the RBI from time to time, and as described in "*Board of Directors and Senior Management*" on page 191
RoC	Registrar of Companies, Bengaluru situated at Karnataka
Shareholders	The equity shareholders of our Company, from time to time
Senior Managerial Personnel	Senior managerial personnel of our Company as described in "*Board of Directors and Senior Management*" on page 191
Stakeholders' Relationship Committee	Stakeholders' relationship committee of the Board, constituted in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations, guidelines issued by the RBI from time to time, and as described in "*Board of Directors and Senior Management*" on page 191
Statutory Auditor	Our Company's current statutory auditors, namely Deloitte Haskins & Sells, Chartered Accountants
Subsidiaries	Subsidiaries of our Company as of the date of this Placement Document, namely, Madura Micro Finance Limited and Madura Micro Education Private Limited

Issue related terms

Term	Description
Allocated/ Allocation	The allocation of Equity Shares by our Company, in consultation with the BRLMs, following the determination of the Issue Price to Eligible QIBs on the basis of the Application Forms submitted by them, in compliance with Chapter VI of the SEBI Regulations
Allot/ Allotment/ Allotted	Unless, the context otherwise requires, allotment of Equity Shares to be issued pursuant to the Issue
Allottees	Eligible QIBs to whom Equity Shares are Allotted pursuant to the Issue
Application Form	The form (including any revisions thereof) which was submitted by an Eligible QIB for registering a Bid in the Issue during the Bid/ Issue Period
Bid(s)	Indication of an Eligible QIB's interest, including all revisions and modifications thereto, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly
Bid Amount	With respect to each Bidder, the amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by such Bidder
Bid/Issue Closing Date	October 8, 2020
Bid/Issue Opening Date	October 5, 2020
Bid/Issue Period	Period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days during which Eligible QIBs could submit their Bids along with the Bid Amount
Bidder	Any prospective investor, being an Eligible QIB, who made a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
Book Running Lead Managers or BRLMs	ICICI Securities Limited, CLSA India Private Limited, Nomura Financial Advisory And Securities (India) Private Limited and SBI Capital Markets Limited
CAN or Confirmation of Allocation Note	Note or advice or intimation to Successful Bidders confirming Allocation of Equity Shares to such Successful Bidders after determination of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e. on or about October 8, 2020
Designated Date	The date of credit of Equity Shares to the Allottees' demat accounts pursuant to the Issue, as applicable to the relevant Allottees
Eligible FPI(s)	FPIs that are eligible to participate in this Issue in terms of applicable law, other than individuals, corporate bodies and family offices
Eligible QIB(s)	A qualified institutional buyer, as defined in Regulation 2(1)(ss) of the SEBI Regulations which (i) is not restricted from participating in the Issue under the applicable laws, and (ii) is a resident of India or is an Eligible FPI participating through Schedule II of the FEMA Rules
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, opened with the Escrow Agent, subject to the terms of the Escrow Agreement, into which the Bid Amount shall be deposited by the respective Bidders and from which refunds, if any, shall be remitted
Escrow Agent	ICICI Bank Limited
Escrow Agreement	The escrow agreement dated October 5, 2020 entered into amongst our Company, the Escrow Agent and the BRLMs for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
Floor Price	The price of ₹707.69 per Equity Share, calculated in accordance with Chapter VI of the SEBI Regulations. Our Company has offered a discount of 0.10% amounting to ₹0.69, on the Floor Price, in terms of the SEBI Regulations.
Issue	The offer, issue and Allotment of 11,315,323 Equity Shares to Eligible QIBs pursuant to Chapter VI of the SEBI Regulations and the provisions of the Companies Act, 2013, and the rules made thereunder
Issue Price	₹707 per Equity Share
Issue Size	The issue of 11,315,323 Equity Shares aggregating to ₹7,999.93 million
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996

Term	Description
Placement Agreement	The placement agreement dated October 5, 2020 entered into amongst our Company and the BRLMs
Placement Document	This placement document dated October 8, 2020 issued by our Company in accordance with Chapter VI of the SEBI Regulations and Section 42 of the Companies Act, 2013 and the rules made thereunder
Preliminary Placement Document	The preliminary placement document cum application form dated October 5, 2020 issued in accordance with Chapter VI of the SEBI Regulations and Section 42 of the Companies Act, 2013 and the rules made thereunder
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI Regulations
QIP	Qualified institutions placement under Chapter VI of the SEBI Regulations
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all, or part of, the Bid Amount submitted by such Bidder pursuant to the Issue
Relevant Date	October 5, 2020, which is the date of the meeting of our Board, or any committee duly authorised by our Board, deciding to open the Issue
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Bid Amount along with the Application Form and who are Allocated Equity Shares pursuant to the Issue
Wilful Defaulter	A 'wilful defaulter' in terms of regulation 2(1)(lll) of the SEBI Regulations
Working day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

Industry Related and Technical Terms

Term	Description
Active Customer Retention Rate	The ratio of number of customers who were Active Customers at the beginning of the period and remained Active Customers at the end of the period to the Active Customers at the beginning of the period
BDOs	Business Development Officers
CGT	Compulsory group training
CROs	Customer Relationship Officers
Disbursements	Disbursements represent the aggregate of all loan amounts extended to our Customers in the relevant period.
Gross AUM	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 our 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.
GRT	Group recognition test
HO	Head Office
IRF	Individual Retail Finance
JLG	Joint liability group
KYC	Know Your Customer
PAR 0+	Accounts in respect of which principal repayment is overdue for more than 0 days
PAR30+	Accounts in respect of which principal repayment is overdue for more than 30 days
PAR90+	Accounts in respect of which principal repayment is overdue for more than 90 days
PD	Personal discussion
NACH	National Automated Clearing House

Term	Description
NPS	National Pension Scheme
QCOs	Quality Control Officers
DB Kit	Disbursement Kit
Total Active Loan Accounts	Total Active Loan Accounts represent the aggregate number of loan accounts outstanding as of the end of the relevant period including loan accounts 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.

Conventional and General Terms/Abbreviations

Term	Description
"Fiscal Year" or "financial year" or "FY" or "Fiscal"	Period of 12 months ended March 31 of that particular year, unless otherwise stated
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AY	Assessment year
BSE	BSE Limited
Calendar Year	Year ending on December 31
CIN	Corporate identity number
Civil Procedure Code	The Code of Civil Procedure, 1908
Companies Act	The Companies Act, 1956 or the Companies Act, 2013, as applicable
Companies Act, 2013	The Companies Act, 2013 and the rules made thereunder
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
Depository Participant	A depository participant as defined under the Depositories Act
ECB	External commercial borrowing
ECS	Electronic clearing service
EEA	European Economic Area
EGM	Extraordinary general meeting
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999, and the rules and regulations issued thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FIR	First information report
Form PAS-4	Form PAS-4, as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPI(s)	'Foreign portfolio investors' as defined under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GAAP	Generally Accepted Accounting Principles
GIR	General index registrar
GoI/Government	Government of India, unless otherwise specified
GST	Goods and services tax
HUF	Hindu undivided family

Term	Description
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
Ind AS	Indian accounting standards, as per the roadmap issued by the Ministry of Corporate Affairs, Government of India, notified by the MCA under section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015, as amended
IPC	Indian Penal Code, 1860
IT Act	The Income Tax Act, 1961
Master Directions	Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
MCA	Ministry of Corporate Affairs
MoU	Memorandum of understanding
NEAT	National Exchange for Automated Trading
NSE	The National Stock Exchange of India Limited
PAN	Permanent account number
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014
Previous GAAP	Accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006, as amended, specified under section 133 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
Rs./Rupees/INR/₹	Indian Rupees
Rule 144A	Rule 144A under the U. S. Securities Act
S& P CNX NIFTY	Index of 50 stocks traded on the NSE representing the largest and most liquid listed securities
S&P	Standard & Poor’s Rating Services
SCR (SECC) Rules	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI ESOP Regulations	The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SENSEX	Index of 30 stocks traded on the BSE representing a sample of large and liquid listed companies
Stock Exchanges	The BSE and the NSE
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
U.K. or United Kingdom	United Kingdom of Great Britain and Northern Ireland
U.S. QIBs	Qualified institutional buyers as defined in Rule 144A

Term	Description
U.S. Securities Act	The U.S. Securities Act of 1933
US$/U.S. dollar	United States Dollar, the legal currency of the United States of America
USA/U.S./United States	The United States of America
VCF	A venture capital fund (as defined and registered with SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including the sections "*Risk Factors*", "*Use of Proceeds*", "*Placement and Lock-Up*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 53, 91, 220, 209 and 234, respectively.

Issuer	CreditAccess Grameen Limited
Face Value	₹10 per Equity Share
Issue Price	₹707 per Equity Share
Floor Price	₹707.69 per Equity Share calculated on the basis of Regulation 176 of the SEBI Regulations. In terms of the SEBI Regulations, the Issue Price cannot be lower than the Floor Price. However, our Company has offered a discount of 0.10% amounting to ₹0.69, on the Floor Price, in accordance with the approval of the shareholders of our Company accorded through their resolution dated September 26, 2020 and in terms of Regulation 176(1) of the SEBI Regulations.
Issue Size	Issue of 11,315,323 Equity Shares, aggregating to ₹7,999.93 million A minimum of 10% of the Issue Size, i.e., at least 1,131,533 Equity Shares shall be available for Allocation to Mutual Funds only, and the balance 10,183,790 Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation to Mutual Funds, such undersubscribed portion may be Allocated to other Eligible QIBs.
Date of Board Resolution	September 3, 2020
Date of Shareholders' Resolution	September 26, 2020
Eligible Investors	Eligible QIBs, to whom the Preliminary Placement Document and the Application Form were delivered and who were eligible to Bid and participate in the Issue. For further details, see "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 209, 221 and 228, respectively. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form has been delivered was determined by our Company in consultation with the BRLMs.
Equity Shares subscribed, paid-up and outstanding immediately prior to the Issue	144,112,255 Equity Shares
Equity Shares subscribed, paid-up and outstanding immediately after the Issue	155,427,578 Equity Shares*
Issue Procedure	The Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, 2013, read with rules made thereunder and Chapter VI of the SEBI Regulations. For further details, see "*Issue Procedure*" beginning on page 209.
Listing	Our Company has obtained in-principle approvals dated October 5, 2020 from BSE and NSE in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue. Our Company will make applications to each of the Stock Exchanges for the final listing and trading approval after Allotment and credit of Equity Shares to the respective beneficiary accounts of the successful Bidders, maintained with a Depository Participant.
Lock-up	For details of the lock-up, see "*Placement – Lock-up*" on page 220.
Transferability Restrictions	The Equity Shares Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange. For details in relation to other transfer restrictions, see "*Transfer Restrictions and Purchaser Representations*" on page 228.
Use of Proceeds	The gross proceeds from the Issue aggregate to approximately ₹7,999.93 million. The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, are expected to be approximately ₹ 7,864.57 million.

	See "*Use of Proceeds*" on page 91 for information regarding the use of net proceeds from the Issue.	
Risk Factors	See "*Risk Factors*" beginning on page 53 for a discussion of risks you should consider before investing in the Equity Shares.	
Closing Date	The Allotment is expected to be made on or about October 8, 2020.	
Ranking	The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company, including rights in respect of dividends. The shareholders of our Company (who hold Equity Shares as on the record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, the SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act. See sections "*Dividends*" and "*Description of the Equity Shares*" on pages 102 and 234, respectively.	
Security Codes for the Equity Shares	ISIN	INE741K01010
	BSE Code	541770
	NSE Code	CREDITACC

* *Assuming Allotment of Equity Shares to the proposed Allottees pursuant to the Issue.*

SELECTED FINANCIAL INFORMATION

The following selected financial information is extracted from and should be read in conjunction with, the Financial Statements of our Company and Group prepared in accordance with Companies Act, Ind AS included elsewhere in this Placement Document.

Unless the context requires otherwise, the financial information in this section has been derived from the following sources:

- *All financial information for the four month period ended July 31, 2020 presented in this section has been derived from the unaudited, reviewed special purpose interim financial information for the four month period ended July 31, 2020*
- *All financial information for Fiscal Year 2020 presented in this section has been derived from the audited IND AS standalone/consolidated financial statements for Fiscal Year 2020, as applicable.*
- *All financial information for Fiscal Year 2019 presented in this section has been derived from the comparative financial information presented in the audited IND AS standalone financial statements for Fiscal Year 2020.*
- *All financial information for Fiscal Year 2018 presented in this section has been derived from the comparative financial information presented in the audited IND AS standalone financial statements for Fiscal Year 2019.*
- *All financial information in respect of profit and loss for the three month period ended June 30, 2020 is derived from the unaudited Ind AS standalone/consolidated financial results for the three months ended June 30, 2020, as applicable, prepared in accordance with Regulation 33 of SEBI Listing Regulations. Information on assets and liabilities as at June 30, 2020 is derived from unaudited management accounts, which have not been subjected to a limited review.*
- *All financial information in respect of profit and loss for the three month period ended June 30, 2019 is derived from the comparatives of the unaudited IND AS standalone financial results for the three month ended June 30, 2020 prepared in accordance with Regulation 33 of SEBI Listing Regulations. Information on assets and liabilities as at June 30, 2019 is derived from unaudited management accounts, which have not been subjected to a limited review.*

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SUMMARY CONSOLIDATED BALANCE SHEET

(₹ in million)

Particulars	As at July 31, 2020
ASSETS	
Financial assets	
Cash and cash equivalents	4,958.60
Bank balance other than cash and cash equivalents	1,160.90
Other receivables	2.20
Loans	
- Loan portfolio (excluding securitised assets)	105,202.90
- Securitised assets re-recognised on balance sheet	834.20
Investments	9,140.80
Other financial assets	557.70
Non-financial assets	
Current tax assets (net)	87.90
Deferred tax assets (net)	875.00
Property, plant and equipment	282.90
Right to use of assets	645.20
Goodwill on consolidation	3,175.80
Intangible assets	1,681.50
Intangible assets under development	32.50
Other non-financial assets	156.30
Total assets	**128,794.40**
LIABILITIES AND EQUITY	
Financial liabilities	
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	374.60
(II) Other payables	
(i) Total outstanding dues of micro enterprises and small enterprises	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,066.10
Borrowings	
- Debt securities	10,079.70
- Borrowings (other than debt securities)	84,265.10
- Subordinated liabilities	1,054.80
Financial liability towards securitisation	614.00
Other financial liabilities	702.10
Non-financial liabilities	
Current tax liabilities (net)	506.10
Provisions	250.10
Other non-financial liabilities	134.60
Equity	
Equity share capital	1,440.80
Other equity	27,188.60
Non-controlling interests	1,117.80
Total liabilities and equity	**128,794.40**

SUMMARY CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in million)

Particulars	For the four months ended July 31, 2020
Revenue from operations	
Interest income	
- Interest on loans	7,808.80
- Income on securitisation (re-recognised on balance sheet)	71.20
- Interest on deposits with banks and financial institutions	45.90
- Income from portfolio purchased under assignment	4.50
Fees and commission	4.80
Net gain on fair value changes	229.80
Others	6.70
Total revenue from operations (I)	**8,171.70**
Other income (II)	7.10
Total income (I+II)	**8,178.80**
Expenses	
Finance costs	
- On borrowings	3,101.00
- On financial liability towards securitisation (re-recognised on balance sheet)	21.60
Impairment of financial instruments	1,637.90
Employee benefits expenses	1,296.70
Depreciation, amortisation and impairment	142.00
Other expenses	351.50
Total expenses (IV)	**6,550.70**
Profit before tax (III-IV)	**1,628.10**
Tax expense	
(1) Current tax	747.20
(2) Deferred tax	(331.50)
Total tax expense (VI)	**415.70**
Profit for the period (V-VI)	**1,212.40**
Other comprehensive income	
(1) Items that will not be reclassified to profit or loss	
- Remeasurement (losses) and gains on defined benefit obligations (net)	(1.20)
(2) Income tax relating to items that will not be reclassified to profit or loss	0.40
Subtotal (a)	**(0.80)**
(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	122.40
(2) Income tax relating to items that will be reclassified to profit or loss	(30.80)
Subtotal (b)	**91.60**
Other comprehensive income (VIII = a+b)	**90.80**
Total comprehensive income (VII+VIII) (comprising profit and other comprehensive income for the period)	**1,303.20**

SUMMARY STANDALONE BALANCE SHEET

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
ASSETS			
Financial assets			
Cash and cash equivalents	5,646.24	5,737.28	1,300.31
Bank balance other than cash and cash equivalents	158.23	418.18	130.34
Other receivables	2.22	0.90	54.65
Loans	91,726.38	66,028.25	48,955.30
Investments	6,614.44	2.00	2.00
Other financial assets	428.65	467.01	125.55
Non-financial assets			
Current tax assets (net)	175.92	132.30	48.42
Deferred tax assets (net)	842.66	431.40	300.02
Property, plant and equipment	241.91	187.44	94.80
Right to use of assets	529.34	-	-
Intangible assets under development	28.38	23.60	10.63
Intangible assets	95.01	60.14	66.81
Other non-financial assets	127.26	82.91	46.86
Total assets	**1,06,616.64**	**73,571.41**	**51,135.69**
LIABILITIES AND EQUITY			
Financial liabilities			
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	132.74	80.85	40.45
(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	665.74	956.38	310.31
Borrowings			
- Debt securities	6,381.60	5,561.63	7,864.07
- Borrowings (other than debt securities)	71,593.95	41,145.01	27,544.64
- Subordinated liabilities	249.97	370.70	825.94
- Financial liability towards securitisation (re-recognised on balance sheet)	-	1,588.36	-
Other financial liabilities	601.14	-	-
Non-financial liabilities			
Current tax liabilities (net)	-	-	-
Provisions	160.24	118.84	65.28
Other non-financial liabilities	140.54	99.04	110.24
Equity			
Equity share capital	1,439.85	1,435.52	1,284.27
Other equity	25,250.87	22,215.08	13,090.49
Total liabilities and equity	**1,06,616.64**	**73,571.41**	**51,135.69**

SUMMARY STANDALONE STATEMENT OF PROFIT AND LOSS

(₹ in million)

Particulars	For the three months ended June 30, 2020	For the year ended March 31, 2020	For the three months ended June 30, 2019	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations					
Interest income					
- Interest on loans	4,877.90	15,887.99	3,525.41	11,560.87	8,531.50
- Income on securitisation (re-recognised on balance sheet)	-	222.54	102.45	552.38	-
- Interest on deposits with banks and financial institutions	12.79	61.43	14.34	69.89	65.36
- Income from portfolio purchased under assignment	-	-	-	-	-
Fees and commission	3.38	49.46	7.07	13.41	0.02
Dividend income	-	-	-	-	1.74
Net gain on fair value changes	205.47	561.49	100.12	565.55	41.14
Bad Debt Recovery	1.44	51.95	15.19	60.47	66.07
Total revenue from operations (I)	**5,100.98**	**16,834.86**	**3,764.58**	**12,822.57**	**8,705.83**
Other income	5.84	8.70	2.38	10.58	9.49
Total income (I+II)	**5,106.82**	**16,843.56**	**3,766.96**	**12,833.15**	**8,715.32**
Expenses					
Finance costs					
- On borrowings	1,851.04	5,638.94	1,200.74	3,986.76	3,536.50
- On financial liability towards securitisation (re-recognised on balance sheet)	-	87.75	35.49	180.68	-
Impairment of financial instruments	1,389.69	2,389.82	154.68	748.55	(134.16)
Employee benefits expenses	767.09	2,596.44	586.37	1,860.54	1,304.37
Depreciation, amortisation and impairment	54.83	196.35	32.72	77.94	51.72
Other expenses	188.75	1,425.36	275.67	1,001.31	674.66
Total expenses (IV)	**4,251.40**	**12,334.66**	**2,285.67**	**7,855.78**	**5,433.09**
Profit before tax (III-IV)	**855.42**	**4,508.90**	**1,481.29**	**4,977.37**	**3,282.23**
Tax expense					
(1) Current tax	478.78	1,593.15	562.46	1,763.54	547.99
(2) Deferred tax	(259.40)	(359.28)	(39.51)	(3.72)	609.04
(3) Tax of earlier period	-	-	-	-	0.37
Total tax expense (VI)	**219.38**	**1,233.87**	**522.95**	**1,759.82**	**1,157.40**
Profit / (loss) for the year (V-VI)	**636.04**	**3,275.03**	**958.34**	**3,217.55**	**2,124.83**
Other comprehensive income					
(1) Items that will not be reclassified to profit or loss					
- Remeasurement (losses) and gains on defined benefit obligations (net)	(1.40)	0.53	2.59	(19.09)	13.54
(2) Income tax relating to items that will not be reclassified to profit or loss	0.36	(0.13)	(0.90)	6.72	(4.70)
Subtotal (a)	**(1.04)**	**0.40**	**1.69**	**(12.37)**	**8.84**
(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	116.37	(348.32)	(59.15)	(133.64)	(34.74)
(2) Income tax relating to items that will be reclassified to profit or loss	(29.28)	74.60	20.66	46.73	12.00
Subtotal (b)	**87.09**	**(273.72)**	**(38.49)**	**(86.91)**	**(22.74)**
Other comprehensive income (VIII = a+b)	**86.05**	**(273.32)**	**(36.80)**	**(99.28)**	**(13.90)**

Particulars	For the three months ended June 30, 2020	For the year ended March 31, 2020	For the three months ended June 30, 2019	For the year ended March 31, 2019	For the year ended March 31, 2018
Total comprehensive income (VII+VIII) (comprising profit / (loss) and other comprehensive income for the year)	**722.09**	**3,001.71**	**921.54**	**3,118.27**	**2,110.93**

SUMMARY STANDALONE STATEMENT OF CASH FLOWS

(₹ in million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2018
Net cash flows used in operating activities	(22,758.68)	(13,780.93)	(17,255.86)
Net cash flows (used in) / from investing activities	(6,679.48)	(71.41)	536.44
Net Cash flows from financing activities	29,347.10	18,289.31	14,696.98
Net increase / (decrease) in cash and cash equivalents	**(91.06)**	**4,436.97**	**(2,022.44)**
Cash and cash equivalents as at the beginning of the year	5,737.28	1,300.31	3,322.75
Cash and cash equivalents as at the end of the year	**5,646.25**	**5,737.28**	**1,300.31**

SUMMARY CONSOLIDATED BALANCE SHEET

(₹ in million)

Particulars	As at March 31, 2020
	Consolidated
ASSETS	
Financial assets	
Cash and cash equivalents	6,448.66
Bank balance other than cash and cash equivalents	727.68
Other receivables	2.22
Loans	
- Loan portfolio (excluding securitised assets)	1,10,043.10
- Securitised assets re-recognised on balance sheet	946.04
Investments	455.56
Other financial assets	554.82
Non-financial assets	
Current tax assets (net)	221.12
Deferred tax assets (net)	574.39
Property, plant and equipment	316.91
Right to use assets	545.96
Goodwill	3,175.78
Intangible assets under development	28.38
Intangible assets	1,726.31
Other non-financial assets	129.00
Total assets	**1,25,895.93**
LIABILITIES AND EQUITY	
Financial liabilities	
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	355.98
(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	730.50
Borrowings	
- Debt securities	7,756.69
- Borrowings (other than debt securities)	85,799.95
- Subordinated liabilities	1,030.34
- Financial liability towards securitisation (re-recognised on balance sheet)	809.73
Other financial liabilities	621.84
Non-financial liabilities	
Current tax liabilities (net)	-

Particulars	As at March 31, 2020
	Consolidated
Provisions	203.10
Other non-financial liabilities	156.14
Equity	
Equity share capital	1,439.85
Other equity	25,902.34
Non-controlling interests	1,089.47
Total liabilities and equity	**1,25,895.93**
	-

SUMMARY CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in million)

Particulars	For the three months ended June 30,2020	For the year ended 31 March 2020
	Consolidated	**Consolidated**
Revenue from operations		
Interest income		
- Interest on loans	5,892.18	16,039.44
- Income on securitisation (re-recognised on balance sheet)	53.77	230.62
- Interest on deposits with banks and financial institutions	24.91	63.35
- Income from portfolio purchased under assignment	3.50	0.49
Fees and commission	3.60	50.01
Dividend income	-	-
Net gain on fair value changes	211.76	563.46
Bad Debt Recovery	3.21	53.83
Others	-	41.94
Total revenue from operations (I)	**6,192.93**	**17,043.14**
Other income	5.75	11.66
Total income (I+II)	**6,198.68**	**17,054.80**
Expenses		
Finance costs		
- On borrowings	2,310.49	5,708.86
- On financial liability towards securitisation (re-recognised on balance sheet)	16.46	90.94
Impairment of financial instruments	1,551.00	2,372.67
Employee benefits expenses	972.19	2,620.48
Depreciation, amortisation and impairment	106.59	203.73
Other expenses	237.34	1,442.09
Total expenses (IV)	**5,194.07**	**12,438.77**
Profit before tax (III-IV)	**1,004.61**	**4,616.03**
Tax expense		
(1) Current tax	533.02	1,604.66
(2) Deferred tax	(274.58)	(343.55)
(3) Tax of earlier period	-	-
Total tax expense (VI)	**258.44**	**1,261.11**
Profit / (loss) for the year (V-VI)	**746.17**	**3,354.92**
Other comprehensive income		
(1) Items that will not be reclassified to profit or loss		
- Remeasurement (losses) and gains on defined benefit obligations (net)	(1.18)	0.23
(2) Income tax relating to items that will not be reclassified to profit or loss	0.39	(0.07)
Subtotal (a)	**(0.79)**	**0.16**
(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	116.37	(348.33)
(2) Income tax relating to items that will be reclassified to profit or loss	(29.29)	74.55
Subtotal (b)	**87.08**	**(273.78)**
Other comprehensive income (VIII = a+b)	**86.29**	**(273.62)**
Total comprehensive income (VII+VIII) (comprising profit / (loss) and other comprehensive income for the year)	**832.46**	**3,081.30**

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

(₹ in million)

Particulars	For the year ended 31 March 2020
	Consolidated
Net cash flows used in operating activities	(22,284.84)
Net cash flows (used in) / from investing activities	(6,378.68)
Net Cash flows from financing activities	29,207.79
Net increase / (decrease) in cash and cash equivalents	**544.27**
Cash and cash equivalents as at the beginning of the year	5,904.39
Cash and cash equivalents as at the end of the year	**6,448.66**

SELECTED STATISTICAL INFORMATION

The following information is included for analytical purposes and should be read in conjunction with our Financial Statements on page 251, as well as "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 147 and 103, respectively.

Unless the context requires otherwise, the financial information in this section has been derived from the following sources:

- *All financial information for the four month period ended July 31, 2020 presented in this section has been derived from the unaudited, reviewed special purpose interim financial information for the four month period ended July 31, 2020*
- *All financial information for Fiscal Year 2020 presented in this section has been derived from the audited IND AS standalone/consolidated financial statements for Fiscal Year 2020, as applicable.*
- *All financial information for Fiscal Year 2019 presented in this section has been derived from the comparative financial information presented in the audited IND AS standalone financial statements for Fiscal Year 2020.*
- *All financial information for Fiscal Year 2018 presented in this section has been derived from the comparative financial information presented in the audited IND AS standalone financial statements for Fiscal Year 2019.*
- *All financial information in respect of profit and loss for the three month period ended June 30, 2020 is derived from the unaudited Ind AS standalone/consolidated financial results for the three months ended June 30, 2020, as applicable, prepared in accordance with Regulation 33 of SEBI Listing Regulations. Information on assets and liabilities as at June 30, 2020 is derived from unaudited management accounts, which have not been subjected to a limited review.*

Our financial information as of and for the year ended March 31, 2020 presented in this section are on a consolidated basis and are therefore not comparable to our financial information as of and for the year ended March 31, 2019 and 2018 which have been prepared on a standalone basis. Please refer to "Risk Factors - In this Placement Document, we have compared consolidated financial information as of and for the year ended March 31, 2020 with our standalone financial information as of and for the year ended March 31, 2019 and March 31, 2018. These periods may not be comparable to each other." on page 60.

*Further, our unaudited financial results for the three months ended June 30, 2020 do not include a balance sheet as of June 30, 2020. Hence, we are unable to provide various statistical information and ratios as of/for the three months ended June 30, 2020 in this section (such information and ratios below are indicated with a "**").*

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Placement Document. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. However, note that these non-GAAP financial measures and other statistical information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other financial services companies. See also "Risk Factors - In this Placement Document, we have included certain non-GAAP financial measures and certain other selected statistical information related to our operations and financial performance. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the financial services industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other financial services companies" on page 78.

Return on Equity and Assets

The following table sets forth, for the periods indicated selected financial information relating to the return on equity and assets for our Company:

	As of/ for the				
	Three months ended June 30, 2020* (Consolidated)	Three months ended June 30, 2020 (Standalone)	Year ended March 31, 2020 (Standalone)	Year ended March 31, 2019 (Standalone)	Year ended March 31, 2018 (Standalone)
Profit After Tax (₹ in million) [1]..............	746.17	636.04	3,275.03	3,217.55	2,124.83
Total Assets (₹ in million) [2]	**	**	106,616.64	73,571.41	51,135.69
Gross AUM (₹ in million) [3]....................	117,240.33	96,804.98	98,964.14	71,593.30	49,746.61
Quarterly Average Gross AUM	118,600.62	97,884.56	82,904.53	58,962.61	39,605.11
Net Worth (₹ in million) [4]	**	**	26,690.71	23,650.60	14,374.76
Quarterly Average Net Worth (₹ in million)	**	**	25,431.13	19,696.31	9572.28
Total Borrowings (₹ in million) [5]............	**	**	78,225.52	48,665.70	36,234.65
Return on Quarterly Average Gross AUM (%) [6]	**	**	3.95%	5.46%	5.37%
Return on Quarterly Average Net Worth (%) [7]	**	**	12.88%	16.34%	22.20%
Borrowings / Net Worth	**	**	2.93	2.06	2.52
Net Worth / Gross AUM..........................	**	**	0.27	0.33	0.29
Basic Earnings Per Share (₹) [8]................	5.00	4.42	22.78	23.37	20.91
Diluted Earnings Per Share (₹) [9].............	4.97	4.39	22.59	23.14	20.65
Net Assets Value per equity share (₹) [10]...	**	**	185.37	164.75	111.12

Figures disclosed in the above table, except "Profit after Tax", "Total Assets", "Total Borrowings" and "Basic and Diluted Earnings Per Share" are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

The figures appearing as of/for three months ended June 30, 2020 are on consolidated basis and are hence not comparable with figures appearing for other periods in the table. These figures for respective periods have been presented together for the convenience of the readers.

** The figures disclosed as of/for the three months ended June 30, 2020 are on a consolidated basis and incorporate the impact of the acquisition of MMFL on March 18, 2020.*

*** Our unaudited financial results for the three months ended June 30, 2020 does not include a balance sheet as of June 30, 2020. Hence, we are unable to provide various balance sheet figures, statistical information and ratios as of/for the three months ended June 30, 2020 in this section*

[1]Profit After Tax represents our profit/(loss) for the period.
[2]Total Assets represents our total assets as of the last day of the relevant period.
[3]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.
[4]Net Worth represents sum of other equity and equity share capital as of the last day of the relevant period.
[5]Total Borrowings represents the aggregate of debt securities, borrowings (other than debt securities), subordinated liabilities and financial liability towards securitisation (re-recognised on balance sheet).
[6]Return on Quarterly Average Gross AUM is calculated as our Profit After Tax for the relevant period as a percentage of our Quarterly Average Gross AUM in such period.
[7]Return on Annual Average Net Worth is calculated as our Profit After Tax for the relevant period as a percentage of our Quarterly Average Net Worth (as defined herein above) in such period.

[8]Basic Earnings Per Share = $\frac{\text{Profit/(loss) after tax}}{\text{Weighted average number of equity shares outstanding}}$

[9] Diluted Earnings Per Share = $\frac{\text{Profit/(loss) after tax}}{\text{Weighted average number of equity shares outstanding, adjusted for stock option granted under ESOP}}$

[10]Net Asset Value per equity share = $\frac{\text{Net Worth as of the last day of the relevant period}}{\text{Number of equity shares outstanding at the end of the period}}$

Financial Ratios

The following table sets forth, for the periods indicated, certain financial ratios for our Company:

	As of/ for the				
	Three months ended June 30, 2020* (Consolidated)	Three months ended June 30, 2020 (Standalone)	Year ended March 31, 2020 (Standalone)	Year ended March 31, 2019 (Standalone)	Year ended March 31, 2018 (Standalone)
	(₹ in million, except percentages and numbers)				
Gross AUM [1]	117,240.33	96,804.98	98,964.14	71,593.30	49,746.61
Gross AUM Growth (%) [2]	53.87%	27.05%	38.23%	43.92%	61.75%
Monthly Average Gross AUM	1,14,564.42	98,419.91	82,257.25	58,219.22	39,095.96
Quarterly Average Gross AUM	118,600.62	97,884.56	82,904.53	58,962.61	39,605.11
Direct Assignment (Sold Portion) AUM [3]	7,171.35	5,929.11	4,131.49	4,511.35	0.00
Securitized AUM [4]	949.81	0.00	0.00	2,012.04	0.00
Gross AUM (Excl. Sold Portion of Direct Assignment)	110,068.98	90,875.87	94,832.65	67,081.96	49,746.61
Quarterly Average Gross AUM (Excl. sold portion of Direct Assignment)	112,325.55	92,854.26	78,461.22	57,190.93	39,605.26
Disbursements [5]	465.66	461.60	103,892.21	82,211.63	60,817.22
Disbursement Growth (%) [6]	N.M.	N.M.	26.37%	35.18%	78.74%
Active Customers	4,010,862	2,876,202	2,905,036	2,469,837	1,851,324
Total Active Loan Accounts [7]	6,737,670	5,449,753	5,522,582	4,141,329	3,190,543
Revenue from Operations [8]	6,192.93	5,100.98	16,834.86	12,822.57	8,705.83
Other Income [9]	5.75	5.84	8.70	10.58	9.49
Total Income [10]	6,198.68	5,106.82	16,843.56	12,833.15	8,715.32
Finance cost [11]	2,326.95	1,851.04	5,726.69	4,167.44	3,536.50
Net Interest Income [12]	3,832.23	3,224.50	10,858.59	8,475.73	5,060.36
Net Interest Margin (%) [13]	12.40%	12.56%	12.14%	12.71%	11.50%
Total Expenses [14]	5,194.07	4,251.40	12,334.66	7,855.78	5,433.09
Operating Expense [15]	1,316.12	1,010.67	4,066.04	2,939.79	2,030.75
Operating Expense / Quarterly Average Gross AUM	4.44%	4.13%	4.90%	4.99%	5.13%
Cost to Income Ratio [16]	33.99%	31.04%	36.57%	33.92%	39.21%
Impairment of financial instruments [17]	1,551.00	1,389.69	2,389.82	748.55	(134.16)
Impairment of financial instruments / Quarterly Average Gross AUM (Excl. sold portion of Direct Assignment)	1.38%	1.50%	3.05%	1.31%	-0.34%
Gross Stage 3 Assets [18]	1,713.15	1,401.05	1,420.99	335.15	374.70
Gross Stage 3 Assets Ratio (Gross) (%) [19]	1.53%	1.51%	1.51%	0.50%	0.76%
Total Impairment Allowance [20]	4.14%	4.35%	2.82%	1.15%	1.27%

Figures disclosed in the above table, except "Revenue from Operations", "Other Income", "Total Revenue", "Interest Expense and Other Borrowing Cost" "Total Expenses", are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

The figures appearing as of/for three months ended June 30, 2020 are on consolidated basis and are hence not comparable with figures appearing for other periods in the table. These figures for respective periods have been presented together for the convenience of the readers.

** The figures disclosed as of/for the three months ended June 30, 2020 are on a consolidated basis and incorporate the impact of the acquisition of MMFL on March 18, 2020.*

"N.M." refers to not meaningful. As we significantly reduced disbursements during the three months ended June 30, 2020 (which was within the Moratorium Period), we believe providing disbursement growth will not be meaningful for this period.

[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.
[2] Gross AUM Growth represents percentage growth in Gross AUM for the relevant period over Gross AUM of the previous period.
[3] Direct Assignment (Sold Portion) AUM represents aggregate of future principal outstanding and overdue principal outstanding, if any, for loan assets which have been transferred by our Company by way of assignment and outstanding as of the last day of the relevant period.
[4] Securitized AUM represents aggregate of future principal outstanding and overdue principal outstanding, if any, for loan assets which have been transferred by our Company by way of securitization and outstanding as of the last day of the relevant period.
[5] Disbursements represent the aggregate of all loan amounts extended to our customers in the relevant period.
[6] Disbursement Growth represents percentage growth in disbursement for the relevant period over disbursement of the previous

period.
[7]Total Active Loan Accounts represent the aggregate number of loan accounts outstanding as of the end of the relevant period including loan accounts 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.
[8]Revenue from Operations represents our revenue from operations for the period.
[9]Other Income represents our other income for the period.
[10]Total Income represents our total revenue for the period.
[11]Finance cost represents our finance costs for the period, comprising interest on debt securities, interest on borrowings other than debt securities, interest on subordinated liabilities, interest on other finance costs and interest on finance lease obligations and on Financial liability towards securitisation (re-recognised on balance sheet).
[12]Net Interest Income represents Interest Income plus Gain on derecognition of loans designated at FVTOCI reduced by Finance costs in such period.
[13]Net Interest Margin = (Net Interest Income reduced by (loan processing fees, interest on deposits, income from direct assignment) and plus finance lease charges) / Quarterly Average AUM (Excl. sold portion of Direct Assignment).
[14] Total Expenses represents our total expenses for the relevant period. Total Expenses comprise employee benefits expenses, finance costs, depreciation and amortization expenses, other expenses and provisions and write offs.
[15]Operating Expense represents aggregate of employee benefits expense, depreciation and amortization expense and other expenses. For the year ending March 31, 2020, operating expense excludes MMFL transaction expense (non-recurring expense) of ₹152.17 million.
[16]Cost to income ratio represents operating expense (defined as above) divided by NII and other income.
[17]Impairment of financial instruments implies credit costs.
[18]Gross Stage 3 Assets are based on CAGL's asset classification in accordance with Ind-AS, as of the last day of the relevant period.
[19]Gross Stage 3 Assets Ratio represents Gross Stage 3 Assets (as defined above) as a percentage of total portfolio loans outstanding (gross) in accordance with Ind-AS accounting standards, as of the last day of the relevant period.
[20]Total Impairment Allowance represents the impairment on total portfolio loans based on the ECL methodology as a percentage of total loans, as of the last day of the relevant period.

Yield and Cost of Funds

The following table sets forth, for the periods indicated, yields and cost of funds for our Company:

	As of/ for the				
	Three months ended June 30, 2020* (Consolidated)	Three months ended June 30, 2020 (Standalone)	Year ended March 31, 2020 (Standalone)	Year ended March 31, 2019 (Standalone)	Year ended March 31, 2018 (Standalone)
Quarterly Average Yield on Gross AUM (%) [1]	20.62%	20.47%	19.44%	19.99%	20.43%
Average Yield on Disbursement (%) [2]	19.76%	19.75%	19.94%	19.60%	21.29%
Monthly Average Cost of Borrowings [3]	N/A	N/A	9.92%	10.50%	11.51%

Figures disclosed in the above table are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

The figures appearing as of/for three months ended June 30, 2020 are on consolidated basis and are hence not comparable with figures appearing for other periods in the table. These figures for respective periods have been presented together for the convenience of the readers.

** The figures disclosed as of/for the three months ended June 30, 2020 are on a consolidated basis and incorporate the impact of the acquisition of MMFL on March 18, 2020.*

[1]Quarterly Average Yield on Gross AUM is the annually weighted average Yield on Gross AUM, weights being AUM of each loan outstanding as of the last day of the relevant period.
[2]Average Yield on Disbursement is the weighted average Yield on Disbursement, weights being Disbursement of each loan disbursed during the relevant period.
[3]Monthly Average Cost of Borrowings is the simple average of monthly weighted average interest cost on borrowings, weights being quarterly average borrowings. Borrowings represents the aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities.

Interest Coverage Ratio

Our interest coverage ratio for the year ended March 31, 2020 (on a consolidated basis) was 1.80. Our interest coverage ratio for the years ended March 31, 2020, 2019 and 2018 (on a standalone basis) was 1.79, 2.19 and 1.93 respectively.

Productivity Ratios

The following table sets forth, for the periods indicated, certain productivity ratios for our Company:

	As of/ for the				
	Three months ended June 30, 2020* (Consolidated)	Three months ended June 30, 2020 (Standalone)	Year ended March 31, 2020 (Standalone)	Year ended March 31, 2019 (Standalone)	Year ended March 31, 2018 (Standalone)
Number of branches [(1)]	1,388	929	929	670	516
Number of employees [(2)]..........................	14,213	10,576	10,824	8,064	6,306
Number of loan officers [(3)].......................	9,471	6,165	9,688	5,768	4,544
Gross AUM per branch [(4)] (₹ in million)....	84.47	104.20	106.53	106.86	96.41
Gross AUM per employee [(5)] (₹ in million)	8.25	9.15	9.14	8.88	7.89
Gross AUM per loan officer [(6)] (₹ in million)..	12.38	12.90	12.83	12.41	10.95
Gross AUM per active customer [(7)] (₹)......	29,231	33,657	34,066	28,987	26,871
Disbursement per branch [(8)] (₹ in million) .	0.34	0.50	111.83	122.70	117.86
Disbursement per employee [(9)] (₹ in million)..	0.03	0.04	9.60	10.19	9.64
Disbursement per loan officer [(10)] (₹ in million)..	0.05	0.07	10.72	14.25	13.38

Figures disclosed in the above table are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

The figures appearing as of/for three months ended June 30, 2020 are on consolidated basis and are hence not comparable with figures appearing for other periods in the table. These figures for respective periods have been presented together for the convenience of the readers.

** The figures disclosed as of/for the three months ended June 30, 2020 are on a consolidated basis and incorporate the impact of the acquisition of MMFL on March 18, 2020.*

[(1)]Number of branches represents aggregate number of branches of our Company as of the last day of relevant period.
[(2)]Number of employees represents aggregate number of employees of our Company as of the last day of relevant period.
[(3)]Number of loan officers represents aggregate number of loan officers of our Company as of the last day of relevant period
[(4)]Gross AUM per branch represents Gross AUM as of last day of the relevant period divided by Number of branches.
[(6)]Gross AUM per employee represents Gross AUM as of the last day of the relevant period divided by Number of employees.
[(7)]Gross AUM per active loan officer represents Gross AUM as of the last day of the relevant period divided by Number of loan officers.
[(8)]Disbursement per branch represents Disbursements in the relevant period divided by Number of branches.
[(9)]Disbursement per employee represents Disbursements in the relevant period divided by Number of employees.
[(10)]Disbursement per loan officer represents Disbursements in the relevant period divided by Number of loan officers.

Geographical Spread of Active Customers

The following table sets forth the geographic spread of our Company based on the number of Active Customers:

	Number of Active Customers									
	Three months ended June 30, 2020* (Consolidated)		Three months ended June 30, 2020 (Standalone)		Year ended March 31, 2020 (Standalone)		Year ended March 31, 2019 (Standalone)		Year ended March 31, 2018 (Standalone)	
State/ Union Territory	No. of active customers	% of Total	No. of active customers	% of Total	No. of active customers	% of Total	No. of active customers	% of Total	No. of active customers	% of Total
Karnataka	12,47,728	31.11%	11,97,965	41.65%	12,10,662	41.67%	11,35,440	45.97%	9,44,262	51.00%
Maharashtra....	8,94,504	22.30%	7,97,444	27.73%	8,05,366	27.72%	6,91,999	28.02%	5,24,315	28.32%
Madhya Pradesh	3,19,560	7.97%	3,19,560	11.11%	3,23,098	11.12%	2,56,141	10.37%	1,68,450	9.10%
Tamil Nadu.....	10,99,116	27.40%	3,63,301	12.63%	3,66,395	12.61%	2,74,521	11.11%	1,62,168	8.76%
Chhattisgarh ...	98,934	2.47%	98,934	3.44%	1,00,228	3.45%	91,129	3.69%	52,129	2.82%
Odisha............	1,20,764	3.01%	35,387	1.23%	35,574	1.22%	14,652	0.59%	-	-
Kerala	84,712	2.11%	15,410	0.54%	15,476	0.53%	3,549	0.14%	-	-
Goa.................	804	0.02%	804	0.03%	810	0.03%	382	0.02%	-	-
Bihar	93,041	2.32%	14,306	0.50%	14,315	0.49%	-	0.00%	-	-
Jharkhand	14,319	0.36%	14,319	0.50%	14,329	0.49%	-	0.00%	-	-
Gujarat...........	6,160	0.15%	6,160	0.21%	6,164	0.21%	-	0.00%	-	-
Rajasthan	6,180	0.15%	6,180	0.21%	6,182	0.21%	-	0.00%	-	-
Uttar Pradesh..	2,760	0.07%	2,760	0.10%	2,762	0.10%	-	0.00%	-	-
West Bengal ...	1,356	0.03%	-	-	-	-	-	-	-	-
Puducherry	20,924	0.52%	3,672	0.13%	3,675	0.13%	2,024	0.08%	-	-
Total..............	**40,10,862**	**100%**	**28,76,202**	**100%**	**29,05,036**	**100%**	**24,69,837**	**100%**	**1,851,324**	**100%**

** The figures disclosed as of/for the three months ended June 30, 2020 are on a consolidated basis and incorporate the impact of the acquisition of MMFL on March 18, 2020. The figures appearing as of/for three months ended June 30, 2020 are on consolidated basis and are hence not comparable with figures appearing for other periods in the table. These figures for respective periods have been presented together for the convenience of the readers.*

Geographical Spread of Gross AUM

The following table sets forth the state-wise spread of our Gross AUM:

	Gross AUM									
	As of June 30, 2020* (Consolidated)		As of June 30, 2020 (Standalone)		As of March 31, 2020 (Standalone)		As of March 31, 2019 (Standalone)		As of March 31, 2018 (Standalone)	
State	Gross AUM	% of Total	Gross AUM	% of Total	Gross AUM	% of Total	Gross AUM	% of Total	Gross AUM	% of Total
	(₹ in million, except percentages)									
Karnataka	46,913.67	40.01%	45,926.89	47.44%	46,973.28	47.46%	37,624.29	52.55%	28,891.67	58.08%
Maharashtra....	28,372.99	24.20%	26,217.70	27.08%	26,760.71	27.04%	18,450.72	25.77%	13,296.26	26.73%
Madhya Pradesh	8,917.33	7.61%	8,917.33	9.21%	9,141.25	9.24%	5,470.49	7.64%	3,164.62	6.36%
Tamil Nadu.....	23,336.8	19.91%	10,864.12	11.22%	11,070.44	11.19%	7,464.87	10.43%	3,388.82	6.81%
Chhattisgarh ...	2,355.83	2.01%	2,355.83	2.43%	2,428.25	2.45%	2,043.68	2.85%	1,005.25	2.02%
Odisha............	2,350.78	2.01%	739.93	0.76%	764.11	0.77%	370.51	0.52%	-	-
Kerala	1,759.44	1.50%	431.34	0.45%	438.84	0.44%	104.77	0.15%	-	-
Goa.................	18.08	0.02%	18.08	0.02%	18.53	0.02%	10.78	0.02%	-	-
Bihar	1,981.08	1.69%	462.66	0.48%	473.74	0.48%	0.00	0.00%	-	-
Jharkhand	381.80	0.33%	381.80	0.39%	394.19	0.40%	0.00	0.00%	-	-
Gujarat...........	163.80	0.14%	163.80	0.17%	167.12	0.17%	0.00	0.00%	-	-
Rajasthan	171.00	0.15%	171.00	0.18%	175.64	0.18%	0.00	0.00%	-	-
Uttar Pradesh..	70.06	0.06%	70.06	0.07%	71.70	0.07%	0.00	0.00%	-	-
West Bengal ...	41.43	0.04%	-	-	-	-	-	-	-	-
Puducherry	406.23	0.35%	84.45	0.09%	86.33	0.09%	53.18	0.07%	-	-
Total..............	**117,240.33**	**100%**	**96,804.98**	**100%**	**98,964.14**	**100%**	**71,593.30**	**100%**	**49,74.61**	**100%**

** The figures disclosed as of/for the three months ended June 30, 2020 are on a consolidated basis and incorporate the impact of the acquisition of MMFL on March 18, 2020. The figures appearing as of June 30, 2020 are on consolidated basis and are hence not comparable with figures appearing for other periods in the table. These figures for respective periods have been presented together for the convenience of the readers.*

Exposure of Districts

The following table sets forth our exposure to the districts in which we have a presence, measured through the percentage contribution of the Loan portfolio from the district to our total loan portfolio:

Exposure of Districts	As of/ for the Three months ended June 30, 2020* (Consolidated)		Three months ended June 30, 2020 (Standalone)		Year ended March 31, 2020 (Standalone)		Year ended March 31, 2019 (Standalone)		Year ended March 31, 2018 (Standalone)	
% Contribution to total loan portfolio	No. of Districts	% of Total Districts	No. of Districts	% of Total Districts	No. of Districts	% of Total Districts	No. of Districts	% of Total Districts	No. of Districts	% of Total Districts
< 0.5%	187	75%	179	78%	179	78%	105	78%	78	59%
0.5% - 1%	26	11%	19	8%	19	8%	19	8%	22	17%
1% - 2%	28	11%	22	10%	22	10%	22	10%	17	13%
2% - 4%	7	3%	9	4%	9	4%	9	4%	11	8%
> 4%	0	0%	1	0%	1	0%	1	0%	4	3%
Total...............	**248**	**100%**	**230**	**100%**	**230**	**100%**	**157**	**100%**	**132**	**100%**

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Borrowing Profile

The following table sets out our borrowing profile:

	As at June 30, 2020* (Consolidated)		June 30, 2020 (Standalone)		March 31, 2020 (Standalone)		March 31, 2019 (Standalone)		March 31, 2018 (Standalone)	
	₹ in Mn	% of Total	₹ in Mn	% of Total	₹ in Mn	% of Total	₹ in Mn	% of Total	₹ in Mn	% of Total
Non-Convertible Debentures (including Sub Debt)…………….....	**	**	**	**	6,631.56	8.48%	5,932.33	12.19%	8,690.01	23.98%
Term Loans	**	**	**	**						
- Indian rupee loan from banks	**	**	**	**	50,882.36	65.05%	26,674.34	54.81%	22,148.55	61.13%
- Indian rupee loan from financial Institutions	**	**	**	**	16,688.92	21.33%	11,126.95	22.86%	4,863.58	13.42%
- Indian rupee loan from non-banking finance companies............	**	**	**	**	1,609.47	2.06%	1,863.96	3.83%	363.09	1.00%
-Indian rupee loan from others	**	**	**	**	2,413.20	3.08%	1,479.74	3.04%	169.42	0.47%
Compulsorily convertible debentures …...........	**	**	**	**	-	-	-	-	-	-
Short-term borrowings................	**	**	**	**	-	-	-	-	-	-
Financial liability towards...	**	**	**	**						
securitisation (re-recognised	**	**	**	**						
on balance sheet) ….	**	**	**	**	-	-	1,588.36	3.26%	-	-
Total........................	**	**	**	**	**78,225.52**	**100.00%**	**48,665.70**	**100.00%**	**36,234.65**	**100.00%**

The figures appearing as of June 30, 2020 are on consolidated basis and are hence not comparable with figures appearing for other periods in the table. These figures for respective periods have been presented together for the convenience of the readers.

Classification of Assets The Master Directions prescribed by the RBI, among other matters, require us to observe the classification of our assets; treatment of NPAs; and provisioning against NPAs. For further information, see "*Key Regulations and Policies*" on page and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 178 and 103, respectively.

The following table sets forth certain information regarding classification of our assets and provisioning:

	As at				
Asset Classification	June 30, 2020* (Consolidated)	June 30, 2020 (Standalone)	March 31, 2020 (Standalone)	March 31, 2019 (Standalone)	March 31, 2018 (Standalone)
	(₹ in million)				
Loans outstanding (Gross) (A)					
Stage 1	1,09,895.34	90,832.55	92,678.99	66,230.71	49,082.04
Stage 2	566.03	296.93	283.90	232.04	126.13
Stage 3	1,713.15	1,401.05	1,420.99	335.15	374.66
Loans outstanding (Gross)	**1,12,174.52**	**92,530.53**	**94,383.88**	**66,797.90**	**49,582.83**
Impairment loss allowance (B)					
Stage 1	3,207.07	2,835.87	1,449.24	445.64	238.51
Stage 2	189.14	132.44	130.77	42.64	30.79
Stage 3	1,253.01	1,053.21	1,077.51	281.26	358.30
Total Impairment loss allowance (C = A – B)	**4,649.22**	**4,021.52**	**2,657.52**	**769.54**	**627.60**
Loans outstanding (Net)					
Stage 1	1,06,688.27	87,996.68	91,229.75	65,785.07	48,843.53
Stage 2	376.89	164.49	153.13	189.40	95.34
Stage 3	460.14	347.84	343.48	53.89	16.36
Loans outstanding (Net)	**1,07,525.30**	**88,509.01**	**91,726.36**	**66,028.36**	**48,955.23**

Loans include group lending loans and individual loans.

The figures disclosed as of/for the three months ended June 30, 2020 are on a consolidated basis and incorporate the impact of the acquisition of MMFL on March 18, 2020. The figures appearing as at June 30, 2020 are on consolidated basis and are hence not comparable with figures appearing for other periods in the table. These figures for respective periods have been presented together for the convenience of the readers.

Capital Adequacy

Under the Master Direction – Non-Banking Financial Company –Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, we are required to maintain a minimum capital adequacy ratio consisting of Tier I and Tier II capital, which shall not be less than 15.00% of our aggregate risk weighted assets. The following table sets forth certain information relating to the CRAR of our Company based on our financial position as of the periods indicated:

	As at			
Particulars	June 30, 2020 (Standalone)	March 31, 2020 (Standalone)	March 31, 2019 (Standalone)	March 31, 2018 (Standalone)
Tier I Capital	21,389.67	21,627.58	23,087.96	13,977.31
Tier II Capital	1,244.08	1,262.54	593.19	682.08
Total Capital	**22,633.75**	**22,890.12**	**23,681.15**	**14,659.39**
Total Risk Weighted Assets	**95,526.09**	**97,003.00**	**67,167.55**	**49,485.70**
Capital Adequacy Ratio / Capital to Risk Weighted Assets Ratio				
CRAR - Tier I capital (%)	22.39%	22.30%	34.38%	28.07%
CRAR - Tier II capital (%)	1.30%	1.30%	0.88%	0.87%
CRAR (%)	**23.69%**	**23.60%**	**35.26%**	**28.94%**

Note: The CRAR numbers above are as per the reported CRAR numbers in respective financial statements. March 31, 2018 CRAR is based on Previous GAAP.

Provisioning and Write-offs

Set forth below is a summary of our provisioning policy for the periods indicated:

For the year ended March 31, 2018, 2019 and 2020:

With the introduction of Ind AS from 1 April 2018, we started recognising provisions based on the expected credit loss model ("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.

The mechanics of the ECL method are summarised below:

Stage 1: The 12 month Expected Credit Loss ("**12mECL**") is calculated as the portion of Long Term Expected Credit Loss ("**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 (Exposure at Default) and multiplied by the expected LGD (Loss Given Default).

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%.

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.

Non-GAAP Measures Reconciliations

Set forth below are reconciliations of the non-GAAP measures presented in this Placement Document:

	Three months ended June 30, 2020* (Consolidated)	Three months ended June 30, 2020 (Standalone)	Year ended March 31, 2020 (Standalone)	Year ended March 31, 2019 (Standalone)	Year ended March 31, 2018 (Standalone)
Gross AUM (excluding sold portion of Direct Assignment) (A)	110,068.98	90,875.87	94,832.65	67,081.96	49,746.61
Sold Portion of Direct Assignment (B)	7,171.35	5,929.11	4,131.49	4,511.35	-
Gross AUM (A+B)	**117,240.33**	**96,804.98**	**98,964.14**	**71,593.30**	**49,746.61**
Gross AUM (A)	117,240.33	96,804.98	98,964.14	71,593.30	49,746.61
Gross AUM for previous FY (B)	76,192.83	76,192.83	71,593.30	49,746.61	30,754.43
Gross AUM Growth (A/B)	**53.87%**	**27.05%**	**38.23%**	**43.92%**	**61.75%**
Quarterly Average Gross AUM	118,600.62	97,884.56	82,904.53	58,962.61	39,605.11
Quarterly Average Gross AUM (excluding sold portion of Direct Assignment)	112,325.55	92,854.26	78,461.22	57,190.93	39,605.26
Interest Income	5,974.33	4,890.69	16,171.96	12,183.14	8,596.86
Gain on derecognition of loans designated at FVTOCI	184.85	184.85	413.32	460.03	-
Less: Finance Costs	-2,326.95	-1,851.04	-5,726.69	-4,167.44	-3,536.50
Net Interest Income	**3,832.23**	**3,224.50**	**10,858.59**	**8,475.73**	**5,060.36**
Net interest income	3,832.23	3,224.50	10,858.59	8,475.73	5,060.36
Less: Processing fees	-170.40	-140.01	-857.18	-678.33	-440.50
Less: Interest on deposits	-24.91	-12.79	-61.43	-69.89	-65.36
Less: Gain on derecognition of loans designated at FVTOCI	-184.85	-184.85	-413.30	-460.03	0.00
Add: Finance Lease Charges	20.10	19.59	56.40	0.00	0.00
Adjusted Net Interest Income (A)	3,472.16	2,906.44	9,583.13	7,267.49	4,554.49
Quarterly Average Gross AUM (excluding sold portion of Direct Assignment) (B)	112,325.55	92,854.26	78,461.22	57,190.93	39,605.26

Net Interest Margin (A/B)	**12.36%**	**12.52%**	**12.21%**	**12.71%**	**11.50%**
Employee benefits expenses (A)	972.19	767.09	2,596.44	1,860.54	1,304.37
Depreciation & amortisation expenses (B)	106.59	54.83	196.42	77.94	51.72
Other expenses (C)	237.34	188.75	1,425.36	1,001.31	674.66
Total Operating Expense (D= A + B + C)	1,316.12	1,010.67	4,218.22	2,939.79	2,030.75
MMFL transaction expense (non-recurring expense) (E)	-	-	152.17	-	-
Operating Expense (F = D - E)	**1,316.12**	**1,010.67**	**4,066.04**	**2,939.79**	**2,030.75**
Operating Expense (F = D - E)	1,316.12	1,010.67	4,066.04	2,939.79	2,030.75
Quarterly Average Gross AUM (G)	118,600.62	97,884.56	82,904.53	58,963.27	39,605.26
Operating Expense / Quarterly Average Gross AUM (F/G)	**4.44%**	**4.13%**	**4.90%**	**4.99%**	**5.13%**
Impairment of Financial Instruments (A)	1,551.00	1,389.69	2,389.82	748.55	-134.16
Quarterly Average Gross AUM (excluding sold portion of Direct Assignment) (B)	112,325.55	92,854.26	78,461.22	57,190.93	39,605.26
Impairment of Financial Instruments/ Quarterly Average Gross AUM (excluding sold portion of Direct Assignment) (A/B)	**1.38%**	**1.50%**	**3.05%**	**1.31%**	**-0.34%**
Provisioning (A)	4,767.45	4,139.83	2,735.81	790.04	661.26
Total Loan Assets (B)	113,268.32	93,556.12	95,704.42	67,406.38	49,975.66
Provisioning % (A/B)	**4.21%**	**4.42%**	**2.86%**	**1.17%**	**1.32%**
Gross NPA (A)	1,837.77	1,525.91	1,505.98	417.08	409.16
Total Loan Assets (B)	113,268.32	93,556.12	95,704.42	67,406.38	49,975.66
Gross NPA Ratio (A/B)	**1.62%**	**1.63%**	**1.57%**	**0.62%**	**0.82%**
Equity Share Capital (A)	--	1,440.57	1,439.85	1,435.52	1,435.52
Other Equity (B)	--	25,983.40	25,250.86	22,215.08	22,215.08
Standalone Networth (A+B)	**--**	**27,423.97**	**26,690.71**	**23,650.61**	**14,374.76**
Equity Share Capital (A)	1,440.57				
Other Equity (B)	26,724.16				
Non Controlling Interests (C)	1,110.66				
Consolidated Networth (A+B+C)	**29,275.39**				
Gross NPA	**1,837.96**	**1,525.91**	**1,506.16**	**417.08**	**409.41**
Reclassification due to change in ECL Policy	0.00	0.00	0.00	-57.26	0.00
Stage 3 ECL Net-Off	-117.41	-117.41	-78.36	-20.43	-33.81
Fair Valuation	0.00	0.00	0.00	0.00	0.00
Other Adjustments	-0.97	-1.02	-1.19	-3.20	0.17
Unamortised PF Adjustment	-6.43	-6.43	-5.62	-1.04	-1.08
Stage 3 Assets (As disclosed in Asset Classification)	**1,713.15**	**1,401.05**	**1,420.99**	**335.15**	**374.70**

The figures appearing as of/ for three months ended June 30, 2020 are on consolidated basis and are hence not comparable with figures appearing for other periods in the table. These figures for respective periods have been presented together for the convenience of the readers.

Interest Coverage Ratio:

Reconciliation	**For the year ended March 31, 2020** **Consol**	**For the year ended March 31, 2020** **Standalone**	**For the year ended March 31, 2019** **Standalone**	**For the year ended March 31, 2018** **Standalone**
	(Rs. millions)			
Profit After tax (A)	3,354.92	3,275.03	3,217.55	2,124.83
Tax expense (B)	1,261.11	1,233.87	1,759.82	1,157.40
Finance costs (C)	5,799.80	5,726.69	4,167.44	3,536.50
Earnings before interest and tax (EBIT) (D)	**10,415.83**	**10,235.59**	**9,144.81**	**6,818.73**

Earnings before interest and tax (EBIT) (D)	10,415.83	10,235.59	9,144.81	6,818.73
Finance costs (E)	5,799.80	5,726.69	4,167.44	3,536.50
Interest coverage ratio (D/E)	**1.80**	**1.79**	**2.19**	**1.93**

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the (i) financial years ended March 31, 2020 and March 31, 2019 as per the requirements under Ind AS 24, as notified under section 133 of the Companies Act, 2013 read with IAS Rules, and (ii) financial year ended March 31, 2018; as per the requirements under AS 18 as notified under section 133 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, see "*Financial Statements"* beginning of page 251.

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Placement Document, including the risks and uncertainties described below, before making an investment in the Equity Shares. You should read this section together with "Industry Overview", "Our Business", "Selected Statistical Information", "Key Regulations and Policies" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 139, 147, 41, 178 and 103, respectively, as well as the financial statements, including the notes thereto, and other financial information included elsewhere in this Placement Document. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

Unless the context requires otherwise, the financial information in this section has been derived from the following sources:

- *All financial information for the four month period ended July 31, 2020 presented in this section has been derived from the unaudited, reviewed special purpose interim financial information for the four month period ended July 31, 2020.*
- *All financial information for Fiscal Year 2020 presented in this section has been derived from the audited IND AS standalone/consolidated financial statements for Fiscal Year 2020, as applicable.*
- *All financial information for Fiscal Year 2019 presented in this section has been derived from the comparative financial information presented in the audited IND AS standalone financial statements for Fiscal Year 2020.*
- *All financial information for Fiscal Year 2018 presented in this section has been derived from the comparative financial information presented in the audited IND AS standalone financial statements for Fiscal Year 2019.*
- *All financial information in respect of profit and loss for the three month period ended June 30, 2020 is derived from the unaudited Ind AS standalone/consolidated financial results for the three months ended June 30, 2020, as applicable, prepared in accordance with Regulation 33 of SEBI Listing Regulations. Information on assets and liabilities as at June 30, 2020 is derived from unaudited management accounts, which have not been subjected to a limited review.*

The degree to which the financial information prepared in accordance with Ind AS will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also materially adversely affect our business, prospects, financial condition and results of operations and cash flows. If any or some combination of the following risks, or other risks that we do not currently know about or believe to be material, actually occur, our business, financial condition and results of operations and cash flows could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved.

This Placement Document also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this document.

INTERNAL RISK FACTORS

Risks Relating to our Business.

1. ***The extent to which the recent coronavirus (COVID-19) outbreak impacts our business, cash flows, results of the operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted.***

   The rapid and diffused spread of the recent coronavirus (COVID-19) and global health concerns relating to this outbreak have had a severe negative impact on, among other things, financial markets, liquidity, economic conditions and trade and could continue to do so or could worsen for an unknown period of time, that could in turn have a material adverse impact on our business, cash flows, results of operations and financial condition, including liquidity, asset quality and growth. The extent to which the COVID-19 outbreak impacts our business, cash flows, results of operations and financial condition will depend on future developments, including the timelines and effectiveness of actions taken or not taken to contain and mitigate the effects of COVID-19 both in India and internationally by governments, central banks, healthcare providers, health system participants, other businesses and individuals, which are highly uncertain and cannot be predicted. There is currently substantial medical uncertainty regarding COVID-19 and no government-certified treatment or vaccine is available. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and are likely to be severe. The Government of India announced a strict 40-day nation-wide lockdown to contain the spread of the virus till May 3, 2020, which was further extended till May 31, 2020. This has led to significant disruptions and dislocations for individuals and businesses, impacting Company's regular operations including lending and collection activities due to inability of employees to physically reach borrowers. Subsequently, while the nation-wide lockdown was revoked, restrictions on non-essential activities/ travel were imposed until August 31, 2020 in multiple states across specific districts which were witnessing increase in COVID-19 cases. Beginning from September 1, 2020 the Government of India notified all the states to allow the economic activities to function normatively, while continuing with restrictions only in containment zones.

The COVID-19 pandemic may affect us in a number of ways, and we expect the potential magnitude and duration of each to be severe:

- Our customers may default on loan and other payments or other commitments due to factors such as inaccessibility of branches located in containment zones, suspension of business activities of customers due to lockdowns and restrictions on travel. Our delinquency ratios may substantially increase and our asset quality may deteriorate;

- our loans are unsecured and not supported by collateral. Accordingly, in the event of non-payment by borrowers under these loans, we may be unable to collect the unpaid balance, leading to a deterioration in asset quality;

- most of the states where we have operations have been significantly impacted by the Covid-19 and have had a significant number of cases. A further increase in cases in these states will adversely affect our business;

- Pursuant to RBI's directions, we granted full or partial moratorium on payment of all instalments falling due between March 1, 2020 and August 31, 2020 (the "**Moratorium Period**") to all eligible borrowers who requested the moratorium. Further, the Supreme Court pursuant to an interim order passed on various petitions filed by borrowers, has extended the moratorium period introduced by the RBI until appropriate decisions have been taken. The RBI has also clarified that accounts which benefit from the Moratorium Period will not be classified as NPAs if the accounts have any instalments that fall overdue during the Moratorium Period. For details of our month-wise percentage of loan book under moratorium and collection efficiencies over the months of April to August 2020, please see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors Affecting Results of Operations – Impact of Covid-19*". There is no assurance that the payments due on such loans will be made or these loans will not be classified as NPAs in the future. We may be required to recognise higher loan loss provisions in future periods, on account of the uncertainty in the external environment due to COVID-19, which may adversely impact our asset quality and profitability in future periods As of March 31, 2020, we had recorded a management overlay allowance of ₹ 927.5 million as part of our expected credit loss estimate, to reflect, among other things, an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic based on the information available till that point in time. Further, during the period ended July 31, 2020, we have re-assessed the provisions made having regard to the continued disruption and its likely impact over a period further than that anticipated as of March 31, 2020 taking into account all internal and external factors based on information available. Accordingly, we have provided an additional management overlay of ₹ 1,519.9 million for the current period, taking the total provision for expected credit losses as at July 31, 2020 to ₹ 4,736.9 million (including total management overlay for COVID-19 of ₹ 2,447.4 million). Since these estimates as at March 31, 2020 and July 31, 2020 were based on various variables and assumptions, the actual credit losses can be different than those estimated;

- During the period of lockdown (until May 31, 2020) we were unable to hold group meetings and were thus unable to undertake collection activities. A re-imposition of the lockdown will impact the process of collection;

- There may be reduction in demand for our products due to lockdown or other travel restrictions, economic hardship, or illness, which may impact our revenue and market share.

- In the event a member or members of our management team contracts COVID-19, it may potentially affect our operations;

- There is no guarantee that we and the Indian financial services industry in general, notwithstanding measures taken by the government, will be able to maintain sufficient liquidity given the uncertain scope and duration of the COVID-19 outbreak. Further, if as a consequence of COVID-19, certain banks, NBFCs or MFIs are unable to meet their market commitments, this can impact investor confidence in NBFCs and MFIs generally and result in a loss to investors in us. A liquidity shortage for the industry as a whole may also adversely impact our short to medium term cash flows.;

- Our branch level and other operations will be disrupted by social distancing, split-team, work from home and quarantine measures. Further, on account of the restrictions ordered by the Government of India, a number of our offices and employees have been working from home/ different locations utilising remote working technologies. As these are unforeseen circumstances, it may give rise to risks that we may not have anticipated. In particular, we face heightened cyber-security risks with a large proportion of our employees working from home.

- The requirement to work from home has required changes to be made to certain operating procedures, which are relatively new. Any unforeseen weaknesses in these processes exposes us to operational risk.

- Our ability to meet our ongoing disclosure obligations might be adversely affected, despite our best efforts.

- If any of our employees or customers are suspected to have been infected or identified as a possible source of COVID-19, we may be required to quarantine the employees as well as any others that had come into contact with them and may also be required to disinfect the affected bank branches or other offices and therefore suffer a temporary suspension of business operations. As of August 31, 2020, 126 of our employees had tested positive for COVID-19.

- Our stress testing, changes in loan disbursement, and other measures to address the effects of the COVID-19 pandemic may fail; and

- Our strategic projects may be severely delayed or postponed indefinitely.

Further, we generate all of our revenue in India. As India is a developing country with limited medical resources and certain places with dense populations, the effects of COVID-19 in India may be of a greater magnitude, scope and duration than those experienced to date in other countries. For the three months ended June 30, 2020, as per provisional estimates released by Ministry of Statistics and Programme Implementation, India's GDP contracted by 23.9%, primarily on account of the nationwide lockdown imposed by the Government to curb the spread of COVID-19.

It is possible that COVID-19 will lead to a prolonged global economic crisis or recession. We believe that the COVID-19 outbreak will present at least the following challenges to India's financial services industry this year: (1) uncertainties over the duration and the severity of the COVID-19 pandemic; (2) a downturn in the global economy and impact to India's economy; (3) weakening purchasing power because of weak economic growth; and (4) worsening asset quality due to weak economic condition. The full extent of impact of the pandemic on the Company's operations and financial metrics (including impact on impairment allowances for loan portfolio and the assumptions used in testing the impairment of the carrying value of goodwill) will depend on future developments including governmental and regulatory measures and the Group's responses thereto, which are highly uncertain at this time.

Further, our previous auditors and Statutory Auditors have included emphasis of matters in their audit reports on our standalone and consolidated financial statements for Fiscal Year 2020, in their review report for our financial results for the quarter ending June 30, 2020 and in their review report for the four months ended July 31, 2020, noting our business and financial results will depend on future developments, which are highly uncertain and the actual credit loss could be different from that estimated as of the date of our financial statements.

Any of these factors could have a material adverse effect on our results of operations, cash flows and financial condition, including its revenues, costs structure, liquidity, cash flows, asset quality and growth.

2. ***Certain consents that are required to be obtained from our lenders under our financing documents for undertaking any further issue of Equity Shares, including for this Issue, have not been obtained, which may constitute a default under such financing documents.***

Under the terms of certain of our financing documents, we require the consent of our lenders to undertake this Issue. Although we have sought such consents from all relevant lenders from whom such consents were required, certain consents have not been obtained as of the date of this Placement Document. As of September 9, 2020, the aggregate principal amounts outstanding under the loan facilities in respect of which lender consent is required for this Issue aggregated to ₹52,616.74 million and accounting for 61.87% of the aggregate principal amount of our outstanding indebtedness as at such date. Out of such facilities, the aggregate principal amounts outstanding under facilities for which lenders' consents are required but have not been obtained aggregated to ₹14,678.39 million as of September 9, 2020, representing 17.26% of our total outstanding indebtedness at such date. Further, the consent received from one our lenders, under whose facility the aggregate principal amount outstanding is ₹250 million as of September 9, 2020, is subject to consent received from all of our lenders. Post September 9, 2020, our Company availed certain facilities aggregating to ₹2,675 million, out of which we are yet to obtain consents from lenders with whom we have an outstanding indebtedness aggregating ₹1,000 million. The consequences of a default under the loan facilities in respect of which we have not obtained requisite consents for this Issue include, *inter alia*, an increase in our cost of borrowing, imposition of penal interest rates on our Company, the relevant lenders' gaining the right to appoint nominee directors on our Board, or a recall of the facilities by one or more of our lenders. Further, a default under even one of the relevant loan facilities may result in cross-default under several other loan facilities availed by us. There can be no assurance that we will be able to obtain consents from all the relevant lenders for undertaking the Issue, or that they will not resort to the actions described herein, as a result of consequence of default. Defaults under, or the acceleration of, our loans or debentures arising from not obtaining the relevant consents to undertake this Issue or as a consequence of the operation of cross-default or cross-acceleration clauses may, individually or in the aggregate, have a material adverse effect on our business, prospects, financial condition, credit ratings, results of operations and reputation.

3. ***Our operations are concentrated in Karnataka, Maharashtra and Tamil Nadu. Any adverse developments in these states could have an adverse effect on our business, results of operations, financial condition and cash flows.***

As of June 30, 2020, we conducted our operations through 1,388 branches in India, of which 298 branches were located in Karnataka, 279 branches were located in Maharashtra and 381 branches were located in Tamil Nadu. As of June 30, 2020, 40.01% of our Gross AUM originated in Karnataka, 24.20% of our Gross AUM originated in Maharashtra and 19.91% of our Gross AUM originated in Tamil Nadu. In the event of a regional slowdown in the economic activity in these states or a sustained adverse impact of COVID-19 in these states, or any other developments including political unrest, disruption or sustained economic downturn that make our products in these states less beneficial, we may experience an adverse impact on our financial condition, cash flows and results of operations, which are largely dependent on the performance and other prevailing conditions affecting the economies of these states. The market for our products or general business conditions in these states may perform differently from, and be subject to, market and regulatory developments that are different from the requirements in other states of India. For example, due to the impact of COVID-19 and the related lockdowns imposed by the government, our collection efficiencies in Maharashtra were lower, as compared to other states.

There can be no assurance that the demand for our products will grow or will not decrease in the future in these states. Further, in the past, there have been instances of irregularities in the functioning of certain NBFCs in the southern states of India, specifically, Andhra Pradesh. While NBFC-MFIs are currently regulated by the RBI, the respective state government of these states may pass laws which impact the business of NBFC-MFIs. There can be no assurance that any such actions taken by the state governments in Karnataka, Maharashtra or Tamil Nadu will not impact our business, cash flows, financial condition and results of operations.

4. ***Microfinance loans are unsecured and are susceptible to various operational and credit risks which may result in increased levels of NPAs, thereby adversely affecting our business, results of operation, cash flows and financial condition.***

The focus customer segment for our micro-loan is women with an annual household income of ₹200,000 or less in Urban Areas and ₹125,000 or less in Rural Areas (as required under the Master Directions). Our customers typically have limited sources of income, savings and credit histories and as a result, are usually adversely affected by declining economic conditions. Further, our JLG Customers do not provide any collateral or security for their borrowings as the RBI has mandated that loans given by NBFC-MFIs should be collateral free to be eligible for classification as "Qualifying Assets". Such customers generally do not have a high level of financial resilience, and, as a result, they can be adversely affected by declining economic conditions and natural calamities such as floods or droughts. In particular, such customers are more susceptible to the adverse economic conditions resulting from the impact of COVID-19. Furthermore, as there is typically limited financial information available about our focus customer segment and many of our Customers do not have any credit history supported by tax returns, bank or credit card statements, statements of previous loan exposures or other related documents, it is difficult to consistently carry out credit risk analyses on our customers.

Further, we rely primarily on non-traditional guarantee mechanisms rather than any tangible assets such as collateral. Our loans typically involve a joint liability mechanism whereby borrowers form an informal joint liability group ("**JLG**") (typically comprising between five to ten members) and provide joint and several guarantees for loans obtained by each member of the group. There can however be no assurance that such joint liability arrangements will ensure repayment by the other members of the JLG in the event of default by any one of them. Such joint liability arrangements are likely to fail if there is no meaningful personal relationship or bond among members of such group, if inadequate risk management procedures have been employed to verify the group members and their ability to repay such loans, or as a result of adverse external factors such as natural calamities or forced migration. Further, while we have our own due diligence and credit analysis procedures, there can be no assurance that we will be able to ensure low delinquency rates. As a result, our customers potentially present a higher risk of loss in case of a credit default compared to that of borrowers in other asset-backed financing products. In addition, the microfinance business is susceptible to various political and social risks, including any adverse publicity or litigation relating to the microfinance sector (such as the public interest litigation filed against all MFIs in Maharashtra (as described in "*Legal Proceedings*" on page 243), public criticism of the microfinance sector, the introduction of a stringent regulatory regime, and/ or religious beliefs relating to loans and interest payments, which adversely affect repayment by our customers and may have an adverse effect on our business prospects and future financial performance.

Due to the underlying profile of our Customers, we may, in the future, experience increased levels of non-performing assets and related provisions and write-offs, which would materially and adversely impact our business and results of operations. We cannot assure you that our risk management policies will continue to be sufficient or that additional risk management policies for individual borrowers will not be required. Failure to maintain sufficient credit assessment and risk management policies could adversely affect our credit portfolio, which could have a material and adverse effect on our business, results of operations, cash flows and financial condition.

5. ***An increase in our portfolio of non-performing assets and/ or our provisions may materially and adversely affect our business and results of operations.***

Our management of credit risk involves having appropriate credit policies, underwriting standards, approval processes, loan portfolio monitoring, collection and remedial management, provisioning policies and an overall architecture for managing credit risk. If the credit quality of our Customers, the growth of our loan portfolio or our provisioning levels deteriorate, it could have an adverse effect on our business, results of operations, cash flows and financial condition. Further, our credit monitoring and risk management policies and procedures may not be accurate, properly designed, or appropriately implemented or complied with by our Customers, and we could suffer material credit losses. In addition, even if our policies and procedures are accurate and appropriate, we may not be able to anticipate future economic or financial developments or downturns, which could lead to an increase in our NPAs.

We recognise impairment of financial instruments on our statement of profit and loss based on ECL (Expected Credit Loss) methodology in accordance with Ind AS (for further details of our provisioning policies, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies*" on page 110). In addition to the required provision under our ECL model, we also consider our management overlay and macroeconomic factors as applicable for loan losses and risks inherent in the loan portfolio when deciding on the appropriate level of impairment allowance, which are recognized under impairment on financial instruments. For example, there was a sharp increase in our impairment allowance as on March 31, 2020 and June 30, 2020 as they included additional impairment allowance taken on account of impact of COVID-19 on asset quality. This impacted our profitability for the period (for details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations* on page 103). The determination of an appropriate level of loan losses and provisions involves a degree of subjectivity and requires that we make estimates of current credit risks, all of which may be subject to material changes. Any incorrect estimation of risks may result in our provisions not being adequate to cover any further increase in the amount of NPAs or any further deterioration in our NPA portfolio.

Our Gross Stage 3 Assets Ratio was 0.50% as of March 31, 2019, which increased to 1.51% as of March 31, 2020. The provision for Gross Stage 3 Assets also increased from ₹281.32 million as of March 31, 2019 to ₹1,077.52 million as of March 31, 2020. Our Net Stage 3 Assets Ratio which was 0.08% as of March 31, 2019 increased to 0.36% as of March 31, 2020. The following table sets forth the classification of our gross loan portfolio as of the dates indicated herein below:

		As of/ for the			
Asset Classification	Three months ended June 30, 2020* (Consolidated)	Three months ended June 30, 2020 (Standalone)	Year ended March 31, 2020 (Standalone)	Year ended March 31, 2019 (Standalone)	Year ended March 31, 2018 (Standalone)
	(₹ in million)				
Loans outstanding (Gross) (A)					
Stage 1	1,09,895.34	90,832.55	92,678.99	66,230.71	49,082.04
Stage 2	566.03	296.93	283.90	232.04	126.13
Stage 3	1,713.15	1,401.05	1,420.99	335.15	374.66
Loans outstanding (Gross)	**1,12,174.52**	**92,530.53**	**94,383.88**	**66,797.90**	**49,582.83**
Impairment loss allowance (B)					
Stage 1	3,207.07	2,835.87	1,449.24	445.64	238.51
Stage 2	189.14	132.44	130.77	42.64	30.79
Stage 3	1,253.01	1,053.21	1,077.51	281.26	358.30
Total Impairment loss allowance	**4,649.22**	**4,021.52**	**2,657.52**	**769.54**	**627.60**
Loans outstanding (Net) (C = A – B)					
Stage 1	1,06,688.27	87,996.68	91,229.75	65,785.07	48,843.53
Stage 2	376.89	164.49	153.13	189.40	95.34
Stage 3	460.14	347.84	343.48	53.89	16.36
Loans outstanding (Net)	**1,07,525.30**	**88,509.01**	**91,726.36**	**66,028.36**	**48,955.23**
Gross Stage 3 Assets Ratio (%)(1)	**1.53%**	**1.51%**	**1.51%**	**0.50%**	**0.76%**
Net Stage 3 Assets Ratio (%)(2)	**0.41%**	**0.38%**	**0.37%**	**0.08%**	**0.03%**

(1)*Gross Stage 3 Assets Ratio represents Gross Stage 3 loans outstanding (as defined above) as a percentage of the total portfolio loans outstanding (gross) as of the last day of the relevant period.*
(2)*Net Stage 3 Assets Ratio represents Net Stage 3 loans outstanding (as defined above) as a percentage of total portfolio loans outstanding (gross) as of the last day of the relevant period.*

Loans include group lending loans and individual loans.

* *The figures disclosed as of/for the three months ended June 30, 2020 are on a consolidated basis and incorporate the impact of the acquisition of MMFL on March 18, 2020.*

A number of factors outside of our control affect our ability to limit and reduce NPAs. These factors include developments in the Indian and global economy, domestic or global turmoil, competition, changes in customer behavior and demographic patterns, various central and state government decisions (including farm loan waivers or any), changes in interest rates and exchange rates and changes in regulations, including with respect to regulations requiring us to lend to certain sectors identified by the RBI, or the

Government of India. These factors, coupled with other factors such as volatility in commodity markets, decrease in agriculture productivity and decline in business and consumer confidence, could impact our Customers and in turn impact their ability to fulfil their obligations under the loans we extended to them. In addition, the expansion of our business may cause our NPAs to increase and the overall quality of our loan portfolio to deteriorate. If our NPAs increase, we will be required to increase our provisions, which would result in our net profit being less than it otherwise would be and could materially adversely affect our financial condition, cash flows and results of operations.

6. ***While we plan to merge MMFL into our Company pursuant to a scheme of amalgamation, subject to receipt of necessary statutory and regulatory approvals, under applicable laws, there is no assurance that the merger will be approved or be successful.***

In March 2020, we acquired 76.08% of the share capital of Madura Micro Finance Limited ("**MMFL**"), an NBFC-MFI registered with RBI and headquartered in Chennai, India. Pursuant to resolutions passed on November 27, 2019 and January 22, 2020, our Board had approved a scheme of amalgamation ("**Scheme**") for the merger of MMFL into our Company. However, the application dated December 10, 2019 made to the Stock Exchanges for the approval of the Scheme is pending approval from the Stock Exchanges. For further details in relation to the Scheme, and the correspondence with regulatory authorities in relation to the Scheme, please see "*Organizational Structure – Proposed Scheme of Amalgamation*" on page 190. There is no assurance that we will be able to successfully complete the merger within the proposed timelines, or at all. Any merger involving our Company will require various regulatory approvals, including from the NCLT, the RBI, the Stock Exchanges and SEBI. For example, pursuant to a letter dated March 6, 2020 from the NSE, our Company was informed that the Scheme had been returned by SEBI on account of non-compliance with the provision of the SEBI Scheme Circulars which requires a minimum public shareholding of 25% in the merged company. For further, details, please see "*Organizational Structure – Proposed Scheme of Amalgamation*" on page 190. There can be no assurance that any future application made by us to the Stock Exchanges or any other regulatory authority will not receive similar observations, or that the requisite approvals for the merger will be granted within the desired timelines, or at all.

Further, acquisitions, joint ventures or strategic investments may involve a number of special risks, including, but not limited to:

- higher provisioning (including provisions and impairments relating to the non-performing assets of MMFL), impacting our overall asset quality and leading to adverse effects on our operating results;
- operational and financial systems (including accounting policies) and controls to handle the increased complexity and expanded breadth and geographic area of our newly acquired operations;
- difficulties assimilating and integrating our operations (for example, collection practices) with that of the acquired entity (including retaining key personnel of MMFL under the management of our Company), especially since this is the first major acquisition that we have undertaken;
- difficulties determining, evaluating and managing the risks and uncertainties in entering new markets and acquiring new businesses;
- difficulties in evaluating the contractual, financial, regulatory, environmental and other obligations and liabilities associated with our acquisitions, joint ventures and investments, including the appropriate implementation of financial oversight and internal controls and the timely preparation of financial statements that are in conformity with our accounting policies;
- unanticipated liabilities or contingencies relating to the acquired entity;
- accurately judging market dynamics, demographics, growth potential and competitive environment; and
- obtaining, maintaining and complying with the conditions prescribed under necessary permits, certificates, licenses and approvals from governmental and regulatory authorities and agencies.

If we are unable to manage one or more of the events or challenges listed above, it could have a material adverse effect on our ability to successfully complete our acquisitions, investments or joint ventures and could may prevent us from achieving our strategic and financial goals and operational synergies, or could result in us not achieving the objective of such acquisitions, investments or joint ventures, which in turn could have a material adverse effect on our business, results of operation, prospects and financial condition.

Further, we may, depending on our management's view and market conditions, pursue additional strategic investments, undertake acquisitions and enter into joint ventures. We cannot assure you that we will be able to undertake such strategic investments, acquisitions (including by way of a merger, or share or asset acquisition) or joint ventures in the future, either on terms acceptable to us or at all. Moreover, we require regulatory approval for acquisitions, and we cannot guarantee that we will receive such approvals in a timely manner, or subject to any conditions, or at all. Any inability to identify suitable acquisition targets or investments or failure to complete such transactions may adversely affect our competitiveness or growth prospects.

7. ***In this Placement Document, we have compared consolidated financial information as of and for the year ended March 31, 2020 with our standalone financial information as of and for the year ended March 31, 2019 and for the year ended March 31, 2018. These periods are not be comparable to each other.***

On March 18, 2020, we acquired 75.64% shareholding in MMFL, a leading rural focused NBFC-MFI headquartered in Chennai, India. Our shareholding as of March 31, 2020 was 76.08%. As a result, our audited, consolidated statement of profit and loss for the year ended March 31, 2020 consolidates the operations of MMFL for the period March 18 to March 31, 2020. In addition, our audited, consolidated balance sheet as of March 31, 2020 consolidates the assets and liabilities of MMFL as of March 31, 2020. As a result, our audited, consolidated financial statements for the year ended March 31, 2020 are not comparable with prior period standalone financial statements. Consolidated financial information as of and for the year ended March 31, 2020 is also not comparable with prior period standalone financial information.

In this Placement Document, we compare our consolidated results of operations for the year ended March 31, 2020 with our standalone results of operations for the year ended March 31, 2019. Further, we compare our consolidated financial position as of March 31, 2020 to our standalone financial position as of March 31, 2019 and as of March 31, 2018. Such financial information are not be comparable.

8. ***If we are unable to manage our growth effectively, our financial, accounting, administrative, operational and technology infrastructure, as well as our business and reputation could be adversely affected.***

Our business has experienced rapid organic and inorganic growth over the past few years. Our network of branches and customers in India has expanded significantly from 516 branches servicing 1,851,324 Customers as of March 31, 2018 to 1,388 branches servicing approximately 4,010,862 Customers, as of June 30, 2020 (on a consolidated basis). Further, we have also expanded the number of loan categories that we provide to our customers, commencing initially from pure-play income generation loans to additional loan categories such as family welfare, home improvement, emergency loans, individual retail finance and two-wheeler loans.

As part of our growth strategy, we expect the contiguous expansion of our geographic footprint and network of branches to continue, which may further constrain our capital and human resources, and make asset quality management increasingly important. As we move to newer geographies, we may not be able to maintain the level of our NPAs or the quality of our portfolio. We will need to continue to enhance and improve our financial, accounting, information technology, administrative/ risk management and operational infrastructure and internal capabilities in order to manage the future growth of our business effectively. For example, our current core banking application software is a centralized core banking solution that has been purchased from an information technology company. There can be no assurance that the network infrastructure required for communication with the centralized system can be expanded in scale to meet any increase in the volume of our transactions. Further, we may be unable to develop adequate infrastructure or devote sufficient financial resources or develop and attract talent to manage our growth.

We may not be able to implement the necessary improvements in a timely manner, or at all, and we may encounter deficiencies in existing systems and controls. If we are unable to manage our future expansion successfully, our ability to provide products and services to our customers would be adversely affected, and, as a result, our reputation could be damaged, and our business and results of operations materially and adversely impacted.

9. ***The past performance and growth of our business is not indicative of our future performance and growth.***

Notwithstanding the expansion of our business and customer base, there is no guarantee that we will be able to effectively manage or continue the rate of growth and financial performance. Our Gross AUM was ₹98,964.14 million as of March 31, 2020 and, as compared to ₹49,746.61 million as of March 31, 2018. Our Disbursements across our financing products for the financial years ended March 31, 2018, 2019 and 2020, three months ended June 30, 2020 (Standalone) and three months ended June 30, 2020 (Consolidated) were ₹60,817.22 million, ₹82,211.63 million, ₹103,892.21 million, ₹461.60 million and ₹465.66 million, respectively. Our net interest income (represents interest income plus gain on derecognition of loans designated at FVTOCI reduced by finance costs in such period) for the financial years ended March 31, 2018, 2019 and 2020 (standalone), three months ended June 30, 2020 (Standalone) and three months ended June 30, 2020 (Consolidated) were ₹5,060.36 million, ₹8,475.73 million, ₹10,858.59 million, ₹3,224.50 million and ₹3,832.23 million respectively. Our profit after tax for the financial years ended March 31, 2018, 2019 and 2020 (standalone), three months ended June 30, 2020 (Standalone) and three months ended June 30, 2020 (Consolidated) were ₹2,124.83 million, ₹3,217.55 million, ₹3,275.03 million, ₹636.04 million and ₹746.17 million respectively. Our standalone net worth as of March 31, 2020 was ₹26,690.71 million. However, our past growth is not indicative of our future performance or potential growth.

10. ***The proforma financial information included in this Placement Document is prepared for illustrative purposes only.***

In this Placement Document, we have included pro forma financial information to show the impact of the acquisition of MMFL on our statement of profit and loss for the year ended March 31, 2020, as if the acquisition was completed on April 1, 2019. As this proforma financial information is prepared for illustrative purposes only, it is, by its nature, subject to change and may not give an accurate picture of the actual financial results of operations that would have occurred had such transactions by us been effected on the dates they are assumed to have been effected, and is not intended to be indicative of our future financial results of operations. In addition, the proforma financial information has not been prepared in accordance with the requirements of the U.S. Securities and Exchange Commission or U.S. GAAP. Further, the rules and regulations related to the preparation of proforma financial information in other jurisdictions may vary significantly from the basis of preparation as set out in the proforma financial information included in this Placement Document. Therefore, the proforma financial information should not be relied upon as if it has been prepared in accordance with those standards and practices. If the various assumptions underlying the preparation of the proforma financial information do not come to pass, our actual results could be materially different from those indicated in the proforma financial information.

11. ***Our business is particularly vulnerable to interest rate risk, and volatility in interest rates could have a material adverse effect on our net interest income, net interest margin and our financial performance.***

Our results of operations depend to a large extent on the level of our net interest income as our primary revenue source is interest income. Net interest income is the difference between our revenue from operations and our finance costs. The differential between the interest rates that we charge on interest-earning assets (i.e. our portfolio loans) and the interest rates that we pay on interest-bearing liabilities, and the volume of such assets and liabilities, tend to have a significant impact on our results of operations. During the year ended March 31, 2020 and the four months ended July 31, 2020, interest on portfolio loans (including income on securitisation (re-recognised on balance sheet)) represented 95.65% and 96.34% of our total revenues, respectively. Changes in market interest rates affect the interest rates we charge on our interest-earning assets differently from the interest rates we pay on our interest-bearing liabilities. An increase in interest rates could result in an increase in interest expense in a higher proportion compared to interest income if we are not able to increase the rates charged on our portfolio loans and advances or if the volume of our interest-bearing liabilities is larger or growing faster than the volume of our interest-earning assets. Further, such increase in interest rates could impact our ability to raise low cost funds as compared to some of our competitors which may have access to lower cost deposits. The differences between repricing maturities of rate sensitive liabilities and rate sensitive assets, called repricing gaps, exposes our business to interest rate risk. As per RBI regulations, the interest rates charged by us on our microfinance loans is required to be the lower of (i) 10% margin above our previous quarter's cost of funds or (ii) 2.75 times the average base rate of the five largest commercial banks by assets in the immediately preceding quarter (as notified on the last working day of every quarter by the RBI). Our business is also exposed to interest rate risk in the form of nonuniform movement in different interest rate benchmarks that are used for pricing of our assets and liabilities.

The following table represents the regulatory Net Interest Margin as defined by the RBI:

	As of / for the year ended March 31,		
	2020 (standalone)	2019 (standalone)	2018 (standalone)
Net Interest Margin (NIM-R):			
Average interest (A) (1)	19.61%	20.16%	21.49%
Average effective cost of borrowing (B) (2)	9.79%	10.73%	11.92%
NIM-R (A-B)	9.82%	9.43%	9.58%

(1)Average interest represents interest income from qualifying assets, as defined by the RBI, which is gross loan portfolio outstanding during the period divided by the monthly average qualifying assets for the relevant period.
(2)Average effective cost of borrowing, as defined by the RBI, is our total Finance Costs less interest income on margin money deposits placed as collateral during the period divided by our monthly average borrowings (net of margin money deposits as applicable). Financial liability towards securitisation and the related finance cost is not included in the computation of average cost of borrowing.

A sustained decline in the RBI benchmark may adversely impact our ability to charge interest on our microfinance loans at our desired rates, which may adversely affect our interest income from portfolio loans.

As the repricing maturities of our liabilities and assets are spread over different time periods, we are exposed to interest rate risk in the form of non-parallel movement in yield curves. Further, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, it could lead to a reduction in our net interest income (representing our revenue from operations as reduced by our finance costs) and net interest margin. The quantum of the changes in interest rates for our assets and liabilities may also be different, leading to a decrease in the interest margin.

We operate a defined benefit gratuity plan in respect of certain eligible employees. The investments of the superannuation funds are made in government securities, financial institutions and other financial products. If interest rates were to fall, our liabilities under defined benefit gratuity plan will increase, which would impact our profits and financial performance.

Moreover, changes in interest rates could affect our fixed income portfolio and treasury income.

Interest rates are highly sensitive, and fluctuations thereof are dependent upon many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic as well as international economic and political conditions, inflation and other factors. Interest rates in India have been volatile in the past. There can be no assurance that we would be able to adequately manage our interest rate risks. If we are unable to effectively manage our interest rate risks, it could have an adverse effect on our net interest income, net interest margin, thereby impacting our business prospects, financial condition and results of operations.

12. ***Any downgrade of our credit ratings may increase our borrowing costs and constrain our access to capital and debt markets and, as a result, may adversely affect our net interest margin and our results of operations.***

The cost and availability of funds is dependent, among other factors, on our short-term and long-term credit ratings. Credit ratings reflect a rating agency's opinion of our financial strength, operating performance, industry position, and ability to meet our obligations. Any future performance issues for our Company or the industry may result in a downgrade of our credit ratings, which may in turn lead to an increase in our borrowing costs and constrain our access to capital and debt markets and, as a result, may adversely affect our net interest income and net interest margin. In addition, any downgrade of our credit ratings could result in additional terms and conditions being included in any additional financing or refinancing arrangements in the future. For details of our credit ratings, see "*Our Business – Competitive Strengths - Diversified sources of borrowings and effective asset-liability management*" on page 153.

There have been instances in the past where credit ratings for MFIs have been downgraded for various external reasons. During year ended March 31, 2010, credit ratings were downgraded for MFIs operating in a particular state as a result of a crisis in the MFI industry, which also impacted our fundraising activities and our business and financial results. Further, in 2016, as a result of a number of factors, including the Government of India's demonetization measures, the credit ratings of a number of MFI companies were downgraded. For further details, see "*Industry Overview*" on page 139. Any such development in the future may adversely affect our business operations, future financial performance and the price of our Equity Shares.

13. ***We are subject to certain conditions and restrictions in terms of our financing arrangements, which could restrict our ability to conduct our business and operations in the manner we desire. In addition, on certain occasions in the past, we have been unable to comply with certain financial covenants in our financing documents.***

As of June 30, 2020, on a consolidated basis, we had total borrowings aggregating to ₹95,399.60 million. Incurring indebtedness is a direct consequence of the nature of our business, and having large outstanding borrowings portfolio may have significant implications on our business and results of operations, including, *inter alia*:

- low availability of cash flow for working capital, capital expenditures and other general corporate requirements;
- fluctuations in market interest rates may affect the cost of our borrowings, as our indebtedness is at variable interest rates;
- affecting our ability to obtain additional financing in the future at reasonable terms;
- triggering provisions of cross-default across multiple financing arrangements;
- adverse and onerous implications (including limitations to the use of funds in the relevant facility) in the event of inability to comply with financial and other covenants specified in the financing agreements;
- the right to recall loans by our lenders; and
- reduction in the ability to respond to changing business, regulatory and economic conditions.

Some of the financing arrangements entered into by us also include conditions that require us to obtain the respective lender's consent prior to carrying out certain activities. These covenants vary depending on the requirements of the financial institution extending the loan, and may be, *inter alia*, in relation to: (i) any change in capital structure and shareholding pattern; (ii) approaching capital markets for mobilizing additional sources, either in the form of debt or equity; (iii) change in the nature or scope of business or operations other than in the normal course of business; (iv) investment by way of subscription to share capital of, or lending or advances to or placing deposits with any other concern; (v) formulation of any scheme of merger, amalgamation with any other borrower or reconstruction; (vi) alteration in the management or the charter documents; (vii) change in control or ownership of our Company; (viii) change in the financial year, accounting policies and methods followed by us; (ix) change in directorial remuneration (other than as mandated by law); (x) sale of a substantial portion of our business or assets; (xi) declaration of dividends and other distributions; (xii) undertaking guarantee obligations; xiii) dilution of shareholding of Promoter; (xiv) implement any scheme of expansion, modernization, diversification or acquire fixed assets other than those shown in the cash flow statement; and (xv) dilution of promoter's shareholding in the Company from the existing level. \

Further, under certain financing arrangements, we are required to maintain specific credit ratings and other financial ratios, which may restrict or delay certain actions or initiatives that we may propose to take in the ordinary course of business.

We have, on certain occasions, been unable to comply with such financial covenants. In particular, primarily as a result of the Government of India's demonetization measures and its consequent effect on our Customers (who primarily repay their loans by way of cash), we were unable to comply with certain ratios in various financing agreements (including documents for issuance of non-convertible debentures) as regards the maintenance of PAR levels for over 30 days. While we duly informed the relevant lenders about such non-compliance (and the reasons thereof) and requested for their waivers and the relevant lenders have not declared a default on this account, we cannot assure you that that they will not do so in the future or such instances of non-compliance would not recur in future.

Failure to observe the covenants under our financing arrangements or failure to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities, trigger cross-default provisions and the enforcement of security provided. There can be no assurance that we would be able to persuade our lenders to grant extensions or refrain from exercising such rights which may adversely affect our operations and cash flows. During any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing or generate sufficient cash to fund our liquidity requirements.

Our lenders also have the ability to recall or accelerate all or part of the amounts owed by us, subject to the terms of the financing arrangement. Such recalls may be contingent on happening of an event beyond our control and there can be no assurance that we will be able to persuade our lenders to give us extensions or to refrain from exercising such recalls. A recall notice may also lead to an event of default under an existing financing arrangement. There can be no assurance that we will be able to repay our loans in full, or at all, at the receipt of a recall or acceleration notice, or otherwise. Our inability to comply with the conditions prescribed under the financing arrangements, or repay the loans as per the repayment schedule, may have an adverse impact on our credit rating, business operations and future financial performance. Further, our Company has availed moratorium for repayment of loans availed from certain lenders, pursuant to regulatory measures issued by RBI to mitigate the burden of debt servicing brought about by disruptions on account of the COVID-19 pandemic. Further, if we are unable to service our existing debt, our ability to raise debt in the future will be adversely affected, which will have a significant adverse effect on our results of operations, financial condition and our business.

14. ***There can be no assurance that we will be able to access capital as and when we need it for growth.***

Our liquidity and profitability are, in large part, dependent upon our timely access to capital and costs associated with raising capital. Our funding requirements have historically been met from a combination of term loans, working capital facilities, assignment or securitization of our portfolio to banks and financial institutions, proceeds from issuance of convertible and non-convertible debentures, external commercial borrowings, subordinated debt as well as equity contributions. Any change in the RBI regulations on priority sector lending, or our inability to maintain relationships with such banks and financing institutions could adversely affect our business, results of operations and financial condition. Our business depends and will continue to depend on our ability to access diversified low-cost funding sources. As a financial services company, we face certain additional regulatory restrictions on our ability to obtain financing from banks. For further information, see "*Key Regulations and Policies*" on page 178.

If we are unable to access the necessary amounts of additional capital, for meeting our incremental capital requirement, it may adversely impact our ability to grow our overall business and may even require us to curtail or withdraw from some of our current business operations. If we are unable to access funds at an effective cost that is comparable to or lower than our competitors, we may not be able to offer competitive interest rates for our loans to Customers. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors, including the regulatory environment and policy initiatives in India, liquidity in the market, developments in the international markets affecting the Indian economy, investors' and/ or lenders' perception of demand for debt and equity securities of NBFCs and MFIs, and our current and future results of operations and financial condition. There can also be no assurance that we would be able to raise adequate additional capital in the future on terms favorable to us, or at all, and this may hamper and adversely impact our growth plans.

15. ***We did not have adequate controls for managing our historical secretarial records and compliances as a result of which there have been certain inaccuracies and non-compliances with respect to certain provisions of the Companies Act, applicable FEMA regulations, regulatory filings and corporate actions taken by our Company. Consequently, we may be subject to regulatory actions and penalties for any past or future non-compliance and our business, financial condition and reputation may be adversely affected.***

In the past, our controls and compliances for managing our secretarial records and compliances have been inadequate as a result of which there have been factual inaccuracies, non-compliances with certain provisions of the Companies Act, 1956, Companies Act, 2013 and FEMA regulations, and delays and failures in making certain regulatory filings by our Company. We cannot assure you that there are no other instances of non-compliances or irregularities in regulatory filings/ allotments made by our Company. This may subject us to regulatory actions and/ or penalties which may adversely affect our business, financial condition and reputation.

We have been unable to trace a number of documents, including the form filings, share transfer deeds, corresponding resolutions maintained by our Company from incorporation up to the year 2007. We may be unable to obtain copies of these documents in the future to ascertain details of the relevant transactions.

Except as disclosed below, we maintain all other corporate records and regulatory filings at our Company:

- form filings and corresponding resolutions in relation to amendments made to the MoA of our Company for the period between 1991 and January 31, 2007; and
- form filings and corresponding resolutions in relation to the initial subscription of 20 Equity Shares, preferential allotment of 180 Equity Shares, 229,200 Equity Shares, 470,500 Equity Shares and 3,666,380 Equity Shares made on June 12, 1991, June 28, 1991, December 27, 1996, February 16, 1997 and March 25, 2008, respectively.

We have been unable to trace these documents despite conducting a search at the relevant Registrar of Companies and may be unable to obtain copies of these documents in the future to ascertain details of the relevant transactions. Accordingly, for a period commencing from incorporation until the year 2007, we are unable to confirm details of any corporate actions undertaken by our Company, including acquisitions of any business or undertakings, revaluation of assets, entry into any scheme of amalgamations, public offerings of debt securities, any instances of strikes, lock-outs or cost time/ cost overruns and any default in repayment or rescheduling of borrowings from financial institutions or banks. Further, there have also been instances of our Company making only a post-facto noting of a share transfer (as opposed to granting an in-principle approval), and typographical errors in our register of members and a form FC-TRS filing made in relation to a share transfer.

While no legal proceedings or regulatory action has been initiated against our Company in relation to the unavailable filings as of the date of this Placement Document, we cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in the future in relation to the missing filings and corporate records.

Further, there have been instances in the past where we have not obtained unique identification numbers and/ or unique registration numbers for the allotment of the Equity Shares of our Company to non-resident shareholders. While we have subsequently addressed these irregularities in respect of allotments made to non-residents by getting the relevant irregularities compounded by the RBI, we cannot assure you that such irregularities will not occur in the future, or that the RBI will condone such future irregularities. In the event that the penalty imposed on us is unreasonable, it may have a material adverse effect on our financial condition, and there can be no assurance that we will be able to pay such amounts within the prescribed timeline or at all.

16. ***Our Promoter has invested in Sahayata Microfinance Private Limited, which has been involved in various financial irregularities and discrepancies in the past.***

Our Promoter presently holds 31.34% in the issued and paid-up equity share capital of Sahayata Microfinance Private Limited ("**Sahayata**"), a company incorporated in Udaipur, Rajasthan. Sahayata was registered as a non-deposit holding or accepting NBFC with the RBI on December 8, 1998. Around August 2011, various discrepancies and irregularities in the operation and management of Sahayata came to light, including *inter alia*: (a) accounting malpractices, such as reporting fake expenses, fake loans and fictitious transactions and cash generated from fake transactions used to fund delinquent accounts; (b) failure of internal controls, including booking of fictitious loans at head office level to prevent internal auditing of branch operations and branch reviews; (c) poor quality and lack of independence of internal audit; (d) lack of any review over expenditure incurred by Sahayata and verification in relation to purchase of fixed assets; (e) concealing of NPAs including forgery of supporting documents relied upon by the statutory auditors of Sahayata; and (f) poor post-sanction supervision of loans, lack of regular field-visits by independent internal auditors/ staff. In October 2013, the RBI directed Sahayata to surrender its NBFC registration and subsequently, its license was cancelled by an executive order in March 2014. Further, based on publicly available records, Sahayata has also been identified as a defaulter by various lenders for suit-filed accounts of ₹10.00 million and above as on March 31, 2017. These lenders have also named the aforementioned directors of Sahayata in relation to the defaults.

Various steps had been taken by the management of Sahayata at the point of time when such matters came to light to address these issues including identification and suspension of members of the senior management who were involved in these activities and initiation of legal action against them. While CreditAccess India N.V ("**CAI**") continues to hold 31.34% in the issued and paid-up equity share capital of Sahayata, in the recent past, except for a letter dated February 15, 2017 from Sahayata addressed to CAI's Indian counsel with the annual reports and other details of Sahayata as of March 31, 2015, CAI has not been able to communicate with, or obtain any information from Sahayata including in relation to receipt of audited financial statements and other shareholder records, and inquiries on initiation of winding-up proceedings of Sahayata by CAI and in connection with the Issue. CAI and its group companies, viz. MVH S.p.A and MicroVentures Investments SA SICAR have never been a promoter or promoter group member of Sahayata. Further, the nominee director of CAI on the board of directors of Sahayata since 2009, being Paolo Brichetti, resigned from the board of directors of Sahayata on October 22, 2012. However, we cannot assure you that any action taken against Sahayata in relation to the aforementioned issues may not have an impact on the shareholding of CAI in Sahayata, or the reputation of CAI.

17. ***Any failure or material weakness of our internal control systems could cause significant operational errors, which would materially and adversely affect our profitability and reputation.***

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and the complexity of our operations. Our internal or concurrent audit functions are equipped to make an independent and objective evaluation of the adequacy and effectiveness of internal controls on an ongoing basis to ensure that business personnel adhere to our policies, compliance requirements and internal circular guidelines. While we periodically test and update our internal control systems as necessary, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to guarantee effective internal controls in all circumstances. Given our high volume of transactions, it is possible that errors may repeat or compound before they are discovered and rectified. Our management information systems and internal control procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal control weaknesses are identified, our actions may not be sufficient to fully correct such internal control weakness. We face operational risks in our business which may result in deficiencies to arise in the credit sanction process, inaccurate financial reporting, fraud and failure of critical systems and processes which may result in losses. In addition, we carry out certain processes manually, which may increase the risk that human error, tampering or manipulation will result in losses that may be difficult to detect. As a result, we may suffer material losses. Such instances may also adversely affect our reputation, thereby adversely impacting our business, results of operations and financial condition.

18. ***We may face various risks associated with our large number of branches and widespread network of operations which may adversely affect our business, financial condition and results of operations.***

As of June 30, 2020, CAGL and MMFL have a consolidated presence operate across 14 states of Karnataka, Maharashtra, Tamil Nadu, Chhattisgarh, Madhya Pradesh, Odisha, Kerala, Goa, Gujarat, Rajasthan, Uttar Pradesh, Bihar, Jharkhand, West Bengal and one union territory of Puducherry through 1,388 branches and 9,471 loan officers.

As a consequence of our large network, we may be exposed to certain risks, including, amongst others:

- preserving our asset quality and managing our NPAs as our geographical presence increases and our customer profile changes;
- developing and improving our product delivery channels;
- upgrading, expanding and securing our technology platform;
- complying with regulatory requirements such as KYC and AML norms;

- maintaining high levels of customer satisfaction;
- difficulties arising from operating a larger and more complex organization;
- difficulties arising from coordinating and consolidating corporate and administrative functions;
- delay in the transfer of data amongst various locations;
- higher technology support costs to achieve last mile connectivity;
- operational risks including integration of internal controls and procedures;
- failure to efficiently and optimally allocate management, technology and other resources across our branch network;
- failure to manage third-party service providers in relation to any outsourced services;
- difficulties in the integration of new branches with our existing branch network;
- difficulties in supervising local operations from our centralized locations;
- difficulties in hiring and training skilled personnel in sufficient numbers to operate the new branches locally and management to supervise such operations from centralized locations;
- failure to maintain the level of customer service at all branches; and
- unforeseen legal, regulatory, property, local taxation, labor or other issues.

Any of the above reasons may result in our failure to manage our expansive presence, which may materially and adversely affect our brand, reputation, business, financial condition, results of operations and cash flows.

19. ***Competition from banks and financial institutions, as well as state-sponsored social programs, may adversely affect our profitability and position in the Indian microcredit lending industry.***

We face significant competition from other MFIs and banks in India (including SFBs). For details, see "*Our Business – Competition*" on page 173. Many of the institutions with which we compete may be larger in terms of business volume or may have greater assets, higher geographical penetration and better access to, and lower cost of, funding than we do. In certain areas, they may also have better brand recognition and larger customer bases than us. We anticipate that we may encounter greater competition as we continue expanding our operations in India, and this may result in an adverse effect on our business, results of operations and financial condition. We consider Bharat Financial Inclusion Ltd. (now merged with IndusInd Bank Ltd.), Satin Creditcare Network Ltd., Annapurna Microfinance Pvt. Ltd., Arohan Financial Services Pvt. Ltd., Spandana Sphoorty Financial Ltd., L&T Finance Ltd, Asirvad Microfinance Ltd., Ujjivan Small Finance Bank Limited, Equitas Holdings Ltd. as our key competitors.

We believe traditional commercial banks as well as regional rural and cooperative banks, have generally not directly targeted the lower income segments of the population for new customers. However, some banks do participate in microfinance by financing the loan programs of self-help groups often in partnership with NGOs, or through certain state-sponsored social programs. Further, most small finance banks which received approval from the RBI for the commencement of SFB operations are focused on low and middle-income individuals and micro, small and medium enterprises. Banks also indirectly participate in microfinance by giving loans and providing other sources of funding to other MFIs. In addition, of late, some commercial banks are also beginning to directly compete with for-profit MFIs for lower income segment customers in certain geographies.

20. ***We have allotted shares in lieu of payment of dividend upon the conversion of certain shares and securities in the past in contravention of provisions of the Companies Act and have also made delayed filings with the RBI in relation to such allotment. There can be no assurance that such contraventions may not occur in the future.***

During the year 2009, we had issued 2,500,000 compulsorily convertible preference shares of face value of ₹10 each ("**CCPS**") to a non-resident entity. A total amount of ₹937,505 was payable as dividend on such CCPS upon conversion. However, instead of paying the dividend amount in cash, we allotted an aggregate of 28,409 extra Equity Shares on December 9, 2009 when the CCPS were converted to Equity Shares. Subsequently, we were intimated by the Registrar of Companies and the Regional Director of the Ministry of Corporate Affairs, Government of India ("**MCA**"), that the payment of dividend in the form of Equity Shares instead of cash was not in compliance with applicable provisions of the Companies Act, 1956. Subsequently, in October 2011, we filed compounding proceedings with the (erstwhile) Company Law Board ("**CLB**") to compound such non-compliance. The CLB, by an order dated October 26, 2017, compounded these violations upon payment of a penalty of ₹5,000 by our Company and ₹2,000 each by two of our erstwhile directors and our erstwhile company secretary.

Further, we also applied to the (erstwhile) Foreign Investment Promotion Board ("**FIPB**") for post-facto approval of the allotment of 28,409 Equity Shares in lieu of dividends, which was granted by the FIPB, subject to compounding by the RBI. Subsequently, we made an application to the RBI to compound this allotment. In August 2012, the RBI compounded the allotment upon payment of a compounding fee of ₹100,000. In its order, the RBI also noted that there was delayed reporting of the allotment of Equity Shares. We have paid the respective compounding amounts to the RBI and the MCA. However, we cannot assure you that such contraventions may not occur in the future or that the MCA, Registrar of Companies or the RBI will condone these irregularities or that the penalty imposed will be reasonable and that it will not have a material adverse effect on our reputation, business, financial condition or that we will pay such amounts in time or at all.

21. ***One of our Subsidiaries, MMFL had allotted certain equity shares to shareholders in violation of Section 67(3) of Companies Act, 1956 and the Securities and Exchange Board of India (erstwhile SEBI (Disclosure and Investor Protection) Guidelines, 2000).***

One of our Subsidiaries, MMFL had, on July 4, 2006 and September 1, 2006 allotted certain equity shares to shareholders in violation of Section 67(3) of Companies Act, 1956 and the erstwhile SEBI (Disclosure and Investor Protection) Guidelines, 2000). SEBI has issued a press release dated November 30, 2015 and circular dated December 31, 2015, as amended by circular dated May 3, 2016, (together, the "**SEBI Circulars**"), in respect of the applicability of Section 67(3) of the Companies Act, 1956, involving issuance of securities to more than 49 persons up to 200 persons. In order to remedy the said non-compliance, MMFL filed a compounding application before the Regional Director, Chennai ("**Regional Director**") for contravention of provisions of the Companies Act on December 9, 2019. The Assistant Registrar of Companies, Chennai pursuant to its email dated May 28, 2020 directed MMFL to file the compounding application on behalf of the relevant directors/ officers in respect of the default in allocation in 2006. MMFL is in the process of complying with the direction of the Registrar of Companies, Chennai. MMFL, pursuant to its response dated September 24, 2020, stated that the managing director at the time of the occurrence of the contravention, had passed away in 2007 and accordingly cannot file a compounding application. Subsequently, the Ministry of Corporate Affairs, pursuant to rejection note dated September 30, 2020, rejected the compounding application on the grounds that it was not the relevant form and directed MMFL to file the relevant form with the relevant authority. MMFL is in the process of refiling the relevant compounding application. However, the settlement application was returned by SEBI pursuant to its letter dated August 10, 2020 ("**SEBI Letter**"). In terms of the SEBI Letter, SEBI directed MMFL to refile the settlement application after having completed the exit offer process as laid down by SEBI in circular bearing reference no. CIR/CFD/DIL3/18/2015 dated December 31, 2015. The board of directors of MMFL pursuant to a resolution passed by circulation on September 7, 2020 have approved providing exit to the current shareholders of MMFL as per the exit offer process as laid down by the SEBI Circulars. MMFL is currently in the process of complying with the SEBI Letter and the SEBI Circulars. We cannot assure you that SEBI or the Registrar of Companies or any other statutory or regulatory body will compound or condone the said violation.

22. ***We depend on the accuracy and completeness of information about customers and counterparties for our credit assessment and risk management. Any misrepresentation, errors in or incompleteness of such information could adversely affect our business and financial performance.***

In deciding whether or not to extend credit or enter into other transactions with customers, we rely on information furnished to us by or on behalf of customers. We may also rely on certain representations from our Customers as to the accuracy and completeness of that information. To ascertain the creditworthiness of potential borrowers, we may depend on credit information companies or credit bureaus, and our reliance on any misleading information may affect our judgement of credit worthiness of potential borrowers, which may affect our business, prospects, results of operations and financial condition. We may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation. Our risk management measures may not be adequate to prevent or deter such activities in all cases, which may adversely affect our business prospects, financial condition and results of operations.

Moreover, the availability of accurate and comprehensive credit information of our focus customer segment in India is limited, which reduces our ability to accurately assess the credit risk associated with such lending. Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our NPAs, which could materially and adversely affect our business prospects, financial condition and results of operations.

23. ***We require various statutory and regulatory approvals, licenses, registrations and permissions to conduct our business and an inability to obtain or maintain such approvals, licenses, registrations and permissions in a timely manner, or at all, may adversely affect our operations.***

We require various approvals, licenses, registrations and permissions to operate our business, including a registration for our Company and our Subsidiary, MMFL, with the RBI as an NBFC-MFI as well as various other corporate actions. We are also required to comply with the prescribed requirements, including classification of NPAs and provisioning, KYC requirements, qualifying assets and other internal control mechanisms. For further information, see "*Key Regulations and Policies*" on page 178. In future, we will be required to maintain such permits and approvals and obtain new permits and approvals for any proposed expansion strategy or diversification into additional business lines or new financial products. There can be no assurance that the relevant authorities will issue any of such permits or approvals in a timely manner, or at all, and/ or on favourable terms and conditions. Our failure to comply with the terms and conditions of such permits or approvals and/ or to maintain or obtain the required permits or approvals may result in an interruption of our business operations and may have a material adverse effect on our business operations, future financial performance and price of our Equity Shares.

In the event that we are unable to comply with the requirements within the specified time limit, or at all, we may be subject to regulatory actions by the RBI, including the levy of fines or penalties and/ or the cancellation of our license to operate as an NBFC-MFI. Any levy of fines or penalties or the cancellation of our license to operate as an NBFC-MFI due to any breach of applicable norms may adversely affect our business, prospects, results of operations, financial condition and the trading price of our Equity Shares. In addition, we require various registrations to operate our branches in the ordinary course of business. These registrations typically include those required to be obtained or maintained under applicable legislations governing shops and establishments, professional tax, labor related registrations and trade licenses of the particular state in which they operate. Some of these approvals may have expired in the ordinary course, and our Company has either applied, or is in the process of applying for renewals of them. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims that we have not complied, with any of these conditions, we may be liable to fines and/ or penalties, and our certificates of registration may be suspended or cancelled, and we would no longer be able to carry on such activities required for our business.

24. ***We face the threat of fraud and cyber-attacks targeted at disrupting our services, such as hacking, phishing and Trojans, and/ or theft of sensitive internal data or customer information. This may cause damage to our reputation and adversely impact our business and financial results.***

Our systemic and operational controls may not be adequate to prevent adverse impact from frauds, errors, hacking and system failures. Further, our internet platforms are exposed to being hacked or compromised by third-parties, resulting in thefts and losses to our customers and us. Some of these cyber threats from third-parties include: (i) hacking – wherein attackers seek to hack into our website with the primary intention of causing reputational damage to us by disrupting services; (ii) data theft – wherein cyber criminals may attempt to intrude into our network with the intention of stealing our data or information; and (iii) advanced persistent threat – a network attack in which an unauthorized person gains access to our network and remains undetected for a long period of time with an intention to steal our data or information. We have faced certain cyber-security issues including phishing attacks, email frauds, spam, email phishing, spear phishing, whaling, identity fraud, and crypto-ware attacks in the past. While we have faced certain instances of infrastructure outages, in our knowledge there has been no substantial theft or loss of information, or financial loss pursuant to these cyber-attacks. The frequency of such cyber threats may increase in the future with the increased digitization of our services and other external factors. For example, a substantial increase in cyber-attacks across industries in India has been noticed since the outbreak of COVID-19 in March, 2020. Not only are we exposed to such risks from our own actions or those of our employees, but from actions of our third-party service providers, whom we do not control. If we become the target of any of such cyber-attacks, it could materially and adversely affect our business, financial condition and results of operations.

A significant system breakdown or system failure caused by intentional or unintentional acts would have an adverse impact on our revenue-generating activities and lead to financial loss. Further, since we review and retain, in our ordinary course of business, sensitive personal data of our Customers for diligence and KYC checks (including AADHAAR data), any security breaches in our systems could give rise to regulatory liability or litigation. In addition, any breakdown, breach or hacking of the information technology platforms of key resources used by us in our lending operations, including credit-bureaus, could adversely affect our operations and the quality of our portfolio.

In June 2017, the RBI issued master directions on information technology frameworks for NBFCs. These directions prescribe measures to be adopted by NBFCs to minimize cyber risk, including adoption of IT strategy policies (overseen by a strategy committee), information and cyber security protocols and policies, and reporting of cyber-security incidents and breaches to the RBI from time to time. Any cyber-security breach could also subject us to additional regulatory scrutiny and expose us to civil litigation and related financial liability.

25. ***We depend on our brand recognition, and failure to maintain and enhance awareness of our brand would adversely affect our ability to retain and expand our customer base.***

We believe that any damage to our reputation could substantially impair our reputation and our ability to maintain or grow our business, or have a material adverse effect on our overall business, financial condition and results of operations. If we fail to maintain brand recognition with our target customers due to any issues with our product offerings, a deterioration in service quality, or otherwise, or if any premium in value attributed to our business or to the brands under which our services are provided declines, market perception and customer acceptance of our brands may also decline. Any negative news affecting us might also affect our reputation and brand value. In such an event, we may not be able to compete for customers effectively, and our business, financial condition and results of operations may be adversely affected.

In addition, we also face the risk of our brand name being misused for fraudulent purposes, which may adversely affect our reputation.

26. ***If we are unable to protect our trademarks and tradenames, others may be able to use our trademarks and tradenames to compete more effectively.***

We have applied for trademark registration of "CreditAccess Grameen" (logo). We have also obtained registration for "Grameen Koota Jagruti" (logo), "GRAMEENKOOTA" (word) " Grameen Koota Financial Services" (logo) and certain domains, including "grameenkoota.org". Further, any unauthorized or inappropriate use of our brand, trademarks and domain names by others, in their corporate names or product brands or otherwise could harm our brand image, competitive advantages and business and dilute or harm our reputation and brand recognition. If a dispute arises with respect to any of our intellectual property rights or proprietary information, we will be required to produce evidence to defend or enforce our claims, and we may become party to litigation, which may strain our resources and divert the attention of our management. We cannot assure you that any infringement claims that are material will not arise in the future or that we will be successful in defending any such claims when they arise.

Our efforts to protect our intellectual property or proprietary information and the measures we take to identify potential infringement of our intellectual property may not be adequate to detect or prevent infringement, misappropriation or unauthorized use. Any such misappropriation or duplication of our name, registered/ official addresses, corporate logos or other intellectual property or proprietary information may disrupt our business, distract management and employees, reduce revenues and increase expenses. In addition, we may also become subject to infringement claims. Even if claims against us are not meritorious, any legal, arbitral or administrative proceedings that we may be required to initiate or defend in this regard may be time-consuming, costly and harmful to our reputation, and there is no assurance that such proceedings will ultimately be determined in our favor. Furthermore, the application of laws governing intellectual property rights in India is continuously evolving and there may be instances of infringement or passing-off of our brand in Indian markets. Our failure to adequately protect our brand, trademarks and other related intellectual property rights may adversely affect our business, financial condition and results of operations.

27. ***Our promoter, CAI has invested in other companies engaged in similar businesses as our Company in jurisdictions outside India, and may continue to invest in similar businesses. Further, some of our Directors are also directors on the board of directors of companies that are in the same line of business as our Company.***

Our Promoter, CAI, holds 79.91% of our issued, subscribed and paid-up Equity Share capital as of June 30, 2020. CAI and/ or its affiliates have invested or may invest in other companies globally, engaged in similar businesses thereby giving rise to a conflict of interest. Further, some of our directors, being Paolo Brichetti, Udaya Kumar Hebbar, Manoj Kumar and George Joseph are also directors on the board of directors of companies that are in the same line of business as our Company. We cannot assure you that our Promoter and our Directors will continue to act in our best interest or continue to support us which could materially and adversely affect our business, financial condition and results of operations.

28. ***Our success depends, in large part, upon our management team and skilled personnel and on our ability to attract and retain such persons.***

We are highly dependent on the continued services of our management team, including our Managing Director and Chief Executive Officer. We are also dependent on our experienced members of our Board of Directors, Key Managerial Personnel and Senior Managerial Personnel. Our future performance is dependent on the continued service of these persons. The RBI also mandates NBFCs to have in place supervisory standards to ensure that their directors have appropriate qualifications, technical expertise and a sound track record, and such requirements will make it more difficult for us to replace our directors if and when we have to. We may not be able to replace our Board of Directors with similarly experienced professionals, which could materially and adversely impact the quality of our management and leadership team.

Further, while certain of our other employment agreements contain non-compete clauses that extend beyond their term, there can be no assurances that we will effectively be able to enforce them, or prevent key employees or members of our management team to join competing interests after expiry of employment with us. Further, we do not maintain any "key man" insurance. If one or more of these key personnel are unwilling or unable to continue in their present positions, we may not be able to replace them with persons of comparable skills and expertise.

We also face a continuing challenge to hire and assimilate skilled personnel. Competition for management and other skilled personnel is intense, and we may not be able to attract and retain the personnel we need in the future. The loss of key personnel or our inability to replace key personnel may restrict our ability to grow, to execute our strategy, to raise the profile of our brand, to raise funding, to make strategic decisions and to manage the overall running of our operations, which would have a material adverse impact on our results of operations and financial position.

29. ***Our business is subject to seasonality, which may contribute to fluctuations in our results of operations and financial condition.***

Our business is subject to seasonality as we typically see higher borrowings by our customers during the third and fourth quarter of each financial year. We also typically have higher drawdowns under our facilities in the third and fourth quarter of each financial year.

Accordingly, our results of operations in one quarter may not accurately reflect the trends for the entire financial year and may not be comparable with our results of operations for other quarters.

30. ***As an NBFC-MFI, our Company and MMFL are subject to periodic inspections by the RBI. Non-compliance with observations made by the RBI during these inspections could expose us to penalties and restrictions.***

As RBI-registered NBFC-MFIs, our Company and MMFL are subject to periodic inspections by the RBI to verify the correctness or completeness of our business and operations, internal controls, and any statement, information or particulars furnished to the RBI. We will continue to be subject to inspections by the RBI, in the course of which the RBI may report on divergences (if any) from regulatory requirements applicable to NBFCs. In recent inspection reports, the RBI has, among other things, identified deficiencies in our Company's operations, including (a) marginal breach of district-level credit concentration limits (as per Company's own internal policies); (b) high AUM concentration in Karnataka and Maharashtra (as per Company's own internal policies); (c) charging of interest at a rate exceeding the maximum rate of interest that can be charged to MFI borrowers by 0.62%; (b) disbursing loan amounts above ₹20,000 in cash, in contrary to income tax guidelines; (c) marginal increase in the interest margin that could be charged from MFI Customers; (d) possible breach of total indebtedness limit for certain MFI borrowers, since the credit bureau reports contained data only of MFI loans, with no mention of customer loans or other loans of the borrower; (e) deficiencies in our ECL matrix documentation; (f) an annual review of frauds for the year ended December 2018 not being tabled before the Board; (g) our risk management committee not reviewing the policies framed by our Company; (h) failure to effect recoveries from NPAs; (i) inordinate delay in settlement of insurance claims; (j) review of the Audit Committee did not highlight the high growth in loan assets, need to upgrade systems and procedures; (k) non-examination by the ALM Committee of the adverse movement in interest rate on the Company's earnings; (l) implementation of an ERP system being a work-in-progress and that other independent software had not been integrated; (m) the CIO or CTO of our Company not being nominated on the IT Strategy Committee; (n) operational risks with respect to IT systems, business continuity, not being reviewed by the Risk Management Committee; (o) borrowings and depreciation continuing to be maintained separately in Tally (accounting system), despite being pointed out in previous RBI inspections; (p) appointment letter of statutory auditors not having a clause in relation to reporting directly to RBI in case exceptions to RBI directions to NBFCs are observed; and (q) helpline for customer compliant was found busy during test check. Whilst we have responded to the RBI and addressed such observations, there can be no assurance that the RBI would not make similar or other observations, including divergences, in the future. If we are unable to resolve such deficiencies and other matters to the RBI's satisfaction, we could be exposed to penalties and restrictions, and our ability to conduct our business may be adversely affected.

Further, one of our Subsidiaries, MMFL, is also an RBI-registered NBFC-MFI, which is subject to periodic inspections by the RBI to verify the correctness or completeness of our business and operations, internal controls, and any statement, information or particulars furnished to the RBI. In the past, RBI has, among other things, identified deficiencies in MMFL's operations, including (a) divergence in reporting of NOF, CRAR, RWA, percentage of QA to total net assets; (b) delay in review of asset liability management policy; (c) lapses in loan appraisal processes and documentation; (d) manual identification of NPAs; (e) appointment of independent director on the board of directors after a lapse of 198 days; (f) breaches of the regulatory margin caps on certain MFI loans; (g) high attrition levels; (f) the asset liability management policy of MMFL did not have provisions of forecasting and analysis of 'what if scenario' and preparation of contingency plans; (g) non- adherence to KYC/AML standards prescribed by RBI; (h) JLG registers not updated with details of meetings of certain groups; (i) the audit committee not appointing an internal auditor for certain periods; (j) the IT strategy committee was not chaired by an independent director; (k) scope of internal audit did not cover areas of outsources activities, specifically through business correspondent and co-lending model; (l) delay in filing of returns; and (m) non-reporting of change in certain credit ratings to the RBI. While MMFL has responded to the RBI, there can be no assurance that the RBI would not make similar or other observations in the future. The RBI has in the past identified deficiencies in the KYC and AML standards of MMFL, including lack of systems and softwares, to identify transactions inconsistent with risk categorization and reporting of suspicious transactions, including any transactions involving persons named in sanction lists, including the UNSCR list and the 1988 sanctions list. While MMFL has taken steps to address these issues, there can be no assurance that the RBI will not find further deficiencies in the KYC and AML standards of MMFL.

31. ***Our Subsidiary, MMFL in the past did not have adequate systems in place to verify customers against risk categorization and sanction/terrorist lists and has received notices from government authorities in this regard.***

Our Subsidiary, MMFL, has received a notice dated March 6, 2020 (**"March, 2020 Notice"**) under Section 13 of the Prevention of Money Laundering Act, 2002, from the Financial Intelligence Unit of the Ministry of Finance (**"FIU"**) wherein the FIU based on RBI inspection reports on MMFL issued in 2017 and 2018, alleged that MMFL (i) did not carry out risk assessments to mitigate money-laundering and terrorist financing risks; (ii) did not have internal mechanisms for detecting suspicious transactions; (iii) did not undertake screening of customers against watch lists, sanction lists, lists of persons identified under the Unlawful Activities (Prevention) Act, 1967; and (iv) did not observe adequate client due diligence. The March, 2020 Notice stated that MMFL should respond to it within 15 days of receipt, failing which it would be presumed that MMFL does not have submissions to make with respect to the contents of the March, 2020 Notice. Pursuant to failure of MMFL to respond to the March, 2020 Notice, on August 28, 2020, FIU issued another show-cause notice to MMFL asking it to respond to the notice dated March 6, 2020 within a period of 15 days, or the matter would be decided *ex-parte*. MMFL submitted its response dated September 1, 2020 that it has complied with guidelines issued by the RBI, borrowers verification and stringent Know Your Customer (KYC) policy and had conducted checks of suspicious transaction identification, money laundering and terrorist financing. For more details, please see "*Legal Proceedings - Actions taken by Regulatory and Statutory Authorities against our Subsidiaries*" on page 245. MMFL is yet to receive a response from FIU, and there can be no assurance that FIU will not impose a penalty or initiate enquiry or proceedings against MMFL. In the event that a penalty is imposed on MMFL by FIU, it may adversely impact MMFL's reputation and financial condition and consequently ours, which could consequently adversely impact our business and results of operation.

32. ***The appointment of Ms. Tara Thiagarajan, MMFL's Chairman and Managing Director for the period between 2013 and 2016, was undertaken without receipt of requisite approval from the Ministry of Corporate Affairs.***

MMFL had filed a delayed application in July, 2018 with the Ministry of Corporate Affairs (**"MCA"**) for the approval of appointment Tara Thiagarajan as its Chairman and Managing Director for the retrospective period between October 1, 2013 till September 30, 2016 (**"2013 Appointment"**). However, the MCA while rejecting MMFL's application vide letter dated June 18, 2019, stated that as Tara Thiagarajan had been earlier appointed as the Chairman and Managing Director for the period February 26, 2012 to February 25, 2015 ("**2012 Appointment**"), the 2013 Appointment was in violation of Section 196 (2) of the Companies Act, 2013 (**"Section 196 (2)"**). MMFL has responded to the MCA vide letters dated July 15, 2019, November 26, 2019 and January 20, 2020, wherein it has submitted that the 2013 Appointment was not in violation of Section 196 (2) as MMFL cancelled the earlier2012 Appointment and appointed Tara Thiagarajan in the 2013 Appointment with revised terms and conditions. We cannot assure you that the 2013 Appointment will be approved by the MCA, or that the MCA will not initiate any action against the impugned director, or MMFL, in relation to the alleged non-compliances.

33. ***We are subject to macro-economic developments and other market factors, and our results of operations may fluctuate or decline from period to period.***

Our business is subject to a number of macro-economic factors that are outside of our control, including GDP growth, inflation, fiscal deficits, pandemics such as the COVID-19 pandemic, international and domestic, political and economic conditions, fiscal and monetary policies of governments and central banks, and changes in interest rates, which may adversely impact us from time to time. As a result of the volatility of these macro-economic factors, including interest rates; and provisions we make from period to period for NPAs and other assets, commitments and contingencies (such as for letters of credit and bank guarantees), our results of operations have varied from period to period in the past and may fluctuate or decline in the future due to these and other factors. Such fluctuations may also adversely affect our liquidity. These factors may also make period-to-period comparisons of our operating results less meaningful than they would be for a business that is not as significantly affected by such factors. Any adverse development in India or global macroeconomic conditions, on account of COVID-19 or otherwise, could have a material adverse effect on our business, financial condition, results of operations or prospects.

34. ***We may not be able to recover the expected value from the instruments collected from our Customers and/ or the sale of collateral security, in the case of defaults in our two-wheeler loan portfolio.***

Our two-wheeler loans are typically secured by creating a charge over the vehicles purchased by our borrowers. We also collect NACH authorization letters from our Customers at the time of disbursement of certain loans. However, there can be no assurance that these instruments would be honored when they are submitted to the respective banks for clearance. There can also be no assurance that we would be able to successfully retrieve payments due to us. Further, there can be no assurance that we would be able to sell such vehicles provided as collateral at prices sufficient to cover the amounts under default. Failure to recover or delay in recovering the expected value from sale of collateral security for our two-wheeler loans could expose us to potential losses, which could affect our business prospects, financial condition and results of operations.

35. ***There are outstanding legal proceedings involving our Company, our Subsidiary, MMFL, and some of our Directors, and adverse outcomes in such proceedings may negatively affect our business and results of operations.***

There are outstanding legal proceedings involving our Company, one of our Directors, and one of our Subsidiaries, MMFL. These proceedings, including certain civil, criminal and taxation cases involving against our Company, and criminal cases involving our Subsidiary, MMFL, are pending at different levels of adjudication before various courts and tribunals. Further, there are actions taken by regulatory and statutory authorities against one of our Directors, and MMFL. For further information on the material legal proceedings that we, our Directors and our Subsidiaries are subject to, see "*Legal Proceedings"* on page 243. We cannot assure you that the outcome of these legal proceedings will be favourable, and any adverse decision in any of these cases may impact our business and financial condition.

36. ***We have allotted preference shares in the past without obtaining the necessary corporate authorizations, or making the requisite corporate filings or amending our Memorandum of Association. We cannot assure you that such contraventions will not occur in the future.***

We have made an allotment of compulsorily convertible cumulative preference shares in the past without having the necessary authorizations under our Memorandum of Association. We allotted 920,000 compulsorily convertible cumulative preference shares in 2008 at the face value of ₹100 per compulsorily convertible cumulative preference share, when our Memorandum of Association did not permit issuance of preference share capital. At the time of making this allotment in 2008, while our memorandum and articles empowered us to issue 18,000,000 Equity Shares, our Company allotted 920,000 compulsorily convertible cumulative preference shares without altering the capital clause of the then prevailing memorandum of association. While the compulsorily convertible cumulative preference shares were allotted without re-classifying the authorized share capital of our Company, subsequent to their issuance, the aggregate issued, subscribed and paid-up share capital of our Company was within the overall authorized share capital of ₹180,000,000.

We sought to address these non-compliances with the Companies Act, 1956 by making a compounding application dated January 20, 2018 with the Regional Director, South-East Region, Hyderabad, Ministry of Corporate Affairs ("**Regional Director**") and the relevant corporate filings were made with the RoC. On April 10, 2018, the Regional Director compounded the offences under Section 94 and Section 13(4) of the Companies Act, 1956 upon payment of a compounding fees of ₹5,000 each by the Company and two officers of the Company who were in default under the aforesaid provisions. However, we cannot assure you that such contraventions may not occur in the future or that the MCA or the Registrar of Companies will condone these irregularities or that the penalty imposed will not be material and that it will not have a material adverse effect on our reputation, business, financial condition or that we will pay such amounts in time or at all.

37. ***We are subject to whistle blower complaints, under our whistle blower policy.***

Our Company has instituted a whistle blower policy under which anonymous complaints can be made against our Company. In the event that any adverse whistle blower complaint against us is found to be true, it may have an impact on our reputation. For instance, the Company received a whistle blower complaint in 2019, where one of our employees accused a senior manager of one of the regions of abuse of power by arbitrarily transferring the complainant employee and threatening to transfer other employees of the Company. An enquiry was subsequently carried out by the Risk Head wherein it was concluded that it was a false complaint and the transfer of the complainant employee was pursuant to performance evaluations. Any similar complaints or other whistle blower complaints in the future, if found to be true, may adversely impact our reputation.

38. ***We handle cash in a high volume of transactions occurring through a dispersed network of branches; as a result, we are exposed to operational risks, including fraud, petty theft and embezzlement, which could harm our results of operations and financial position. Further, our employees may be the target of violent crime, such as thefts and robberies, which may adversely affect our business, operations and our ability to recruit and retain employees.***

As we handle a large amount of cash through a high volume of transactions taking place across our branch network, we are exposed to the risk of fraud or other misconduct by employees or outsiders. This risk is further exacerbated by the high level of autonomy on the part of our loan officers and back-end managers, which our business model requires. For instance, in the past, we have discovered a few cases of theft, robbery and cash embezzlement by either third parties or employees. Fraud and other misconduct can be difficult to detect and deter. Given the high volume of transactions we process on a daily basis, certain instances of fraud and misconduct may go unnoticed or may only be discovered and successfully rectified after substantial delays. Even when we discover such instances of fraud or theft and pursue them to the full extent of the law or with our insurance carriers, there can be no assurance that we will recover any of the amounts involved in these cases. Our reputation could be adversely affected by fraud committed by employees, customers or outsiders, or by our perceived inability to properly manage fraud-related risks. We make a provision in our financial statements for 100.00% of the value of any fraud discovered by us. Further, to the extent that our employees are subject to violent attacks, theft or robbery in the course of their duties in certain areas where we have operations/branches, our ability to service such areas will be adversely affected and our employee recruiting and retention efforts may be curtailed, which would negatively impact our expansion and growth plans. In addition, if certain areas of India pose a significantly higher risk of crime or political strife and instability, our ability to service such areas will be adversely affected and our expansion and growth may be curtailed. In addition, our dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect.

39. ***Our insurance coverage may not be adequate to protect us against all potential losses, which may have a material adverse effect on our business, financial condition and results of operations.***

Our operations are subject to various risks inherent to the finance industry, as well as theft, robbery, acts of terrorism and other force majeure events. We currently maintain a money insurance policy that covers burglary, theft and robbery of cash maintained at our properties and branches and cash-in transit, fidelity guarantee insurance against losses sustained as a result of fraud and/ or dishonest conduct, and directors' and officers' liability insurance covering liability pay-outs by our directors and key officers. None of our insurance policies are assigned in favor of any third-party We may not have identified every risk and further may not be insured against every risk, including operational risk that may occur and the occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events or risks not covered by insurance policies or due to the same being inadequate, could materially harm our financial condition and future results of operations. There can be no assurance that any claims filed will be honored fully or timely under our insurance policies. Also, our financial condition may be affected to the extent we suffer any loss or damage that is not covered by insurance or which exceeds our insurance coverage. In particular, we do not maintain any direct insurance coverage over our loan portfolio. In addition, we may not be able to renew certain of our insurance policies upon their expiration, either on commercially acceptable terms or at all.

40. ***Any deterioration in the performance of any pool of receivables assigned or securitized to banks and other institutions may adversely impact our financial performance.***

We may in the ordinary course of business to obtain improve liquidity and minimize risks, assign or securitize a portion of our receivables from our loan portfolio to banks and NBFCs. Such securitization/ assignment transactions are undertaken by us on the basis of our internal estimates of funding requirements, and may vary from time to time. Any change in the RBI or other government regulations in relation to assignments securitizations by NBFCs could have an adverse impact on our assignment/ securitization initiatives.

However, in the event the bank or NBFC does not realize the receivables due under loans that have been securitized/ assigned, the relevant bank or NBFC can enforce the underlying credit enhancements assured by us. Further, any deterioration in the performance of any batch of receivables assigned to banks and NBFCs could adversely affect our credibility and therefore our ability to conduct further assignments and securitizations. We may also be named as a party in legal proceedings initiated by an assignee in relation to the securitized assets. Should a substantial portion of our securitized/ assigned loans be put back to us, it could have an adverse effect on our financial condition and results of operations.

41. ***We may breach third-party intellectual property rights.***

We may be subject to claims by third-parties, both inside and outside India, if we breach their intellectual property rights by using slogans, names, trademarks or other such rights that are of a similar nature to the intellectual property these third-parties may have registered or are using. We might also be in breach of such third-party intellectual property rights due to accidental or purposeful actions by our employees where we may also be subjected to claims by such third-parties.

Any legal proceedings that result in a finding that we have breached third-parties' intellectual property rights, or any settlements concerning such claims, may require us to provide financial compensation to such third-parties or stop using the relevant intellectual property (including by way of temporary or permanent injunction) or make changes to our marketing strategies or to the brand names of our products, any of which may have a material adverse effect on our business, prospects, reputation, results of operations and financial condition.

42. ***We rely on third-party service providers who may not perform their obligations satisfactorily or in compliance with law.***

We enter into arrangements with third-party vendors, separate employees and independent contractors to provide services that include, among others, telecommunications infrastructure services and software services including for core banking, e-KYC solutions, field-automation of loan transactions, and customer onboarding. We also enter into agreements with credit bureaus for availing credit assessment and other services. We cannot guarantee that there will be no disruptions in the provision of such services or that these third-parties will adhere to their contractual obligations. If there is a disruption in the third-party services, or if the third-party service providers discontinue their service agreements with us, our business, financial condition and results of operations will be adversely affected. In case of any dispute, we cannot assure you that the terms of such agreements will not be breached, and this may result in litigation or other costs. Further, certain of our agreements, including an agreement with a credit bureau, require us to indemnify our counterparties for certain losses, and limit contractual or other liabilities of our counterparties to fees or other amounts received by them from us for a certain period of time. If such indemnities are invoked, or if our counterparties limit their liabilities to an extent that our losses are not fully recovered, we may incur additional costs. Such additional costs, in addition to the cost of entering into agreements with third-parties in the same industry, may materially and adversely affect our business, financial condition and results of operations.

43. ***We are subject to the risks associated with all our premises being leased.***

As of June 30, 2020, our Registered and Corporate Office and all our branches operate from premises taken on leave and license basis, and some of our agreements have expired and are expected to be renewed. Termination of or failure to renew lease agreements with a fixed term of lease for these premises on terms and conditions favorable to us or at all, may require us to shift the concerned branch offices to new premises, and we may incur substantial rent escalation and relocation costs as a result. This might adversely affect our business operations and make us incur additional expenses. We may also face the risk of being evicted in the event that our landlords allege a breach on our part of the terms of the lease agreements.

Further, certain lease agreements are not duly registered or adequately stamped. Failure to adequately stamp and register a document does not affect the validity of the underlying transaction but renders the document inadmissible in evidence (unless stamped prior to enforcement with payment of requisite penalties, which may be up to ten times the stamp duty payable, and other such fees that may be levied by the authorities). Further, documents which are insufficiently stamped are capable of being impounded by a public officer. Consequently, should any dispute arise in relation to our use of the relevant properties, we may be unable to, or may incur additional expenses to, enforce our rights in relation to such properties

44. ***Our contingent liabilities could adversely affect our financial condition.***

As of March 31, 2020 (Consolidated), we had the following contingent liabilities (as determined in accordance with IND AS-37) which have not been provided for:

Particulars	As at March 31, 2020 *(Rs. millions)* (Consolidated)
Performance security provided by the Company pursuant to service provider agreement	1.2
Indemnity undertaking given to Bajaj Allianz Life Insurance Company Limited for insurance claims (in relation to MMFL) ………………………	2.0
The Assessing Officer, Income Tax, Bangalore, through an order dated 28th December 2019, has confirmed the demand of ₹65 million from the Company. The Company has preferred an appeal before Commissioner of Income Tax against said assessment 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……………………………	65

There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future. If the aforementioned contingent liabilities materialize, our profitability and cash flows may be adversely affected. See also "*Financial Statements*" on page 251 for Contingent Liabilities (in accordance with IND AS-37).

45. ***Incorrect actuarial valuations of retirement benefits carried out by independent actuaries and/ or changes in our defined benefit gratuity plan's liabilities and obligations could have a materially adverse effect on our financial condition.***

We operate a defined benefit gratuity plan for eligible employees. Under the defined benefit plans, there is an obligation to pay defined future benefits from the time of retirement. The calculation of the net obligation is based on valuations made by external actuaries who are qualified to do such valuations and estimations. These valuations rely on assumptions about a number of variables, including discount rate and mortality rates and salary increases. We rely on the valuations done by actuaries. Actuarial risk arises as estimated value of the defined benefit scheme liabilities may increase due to changes in actuarial assumptions.

In addition, the defined benefit gratuity plan is administered by a third party and funded with an insurance company in the form of qualifying insurance policy. Should the value of assets to liabilities in respect of the defined benefit scheme operated by us record a deficit, due to either a reduction in the value of the defined benefit gratuity plan's assets (depending on the performance of financial markets) and/ or an increase in the defined benefit gratuity plan's liabilities due to changes in legislation, mortality assumptions, discount rate assumptions, inflation, the expected rate of return on scheme assets, or other factors, this could result in us having to make increased contributions to reduce or satisfy the deficits which would divert resources from use in other areas of our business and reduce our capital resources.

46. ***Our results of operations could be adversely affected as a result of any disputes with our employees.***

Our operations are personnel-driven, and we place a lot of emphasis on the effective training of our personnel in communication and service orientation skills. However, a failure to train and motivate our employees may lead to an increase in our employee attrition rates, erode the quality of customer service, divert management resources and impose significant costs on us which may have an adverse impact on our business and future financial performance. CAGL's standalone attrition rate for the financial year ended March 31, 2020 was 24.8%.

We employ 14,213 full-time employees as of June 30, 2020, and lay significant emphasis on our employees' overall welfare. However, there can be no assurance that there will not be any future disruptions in our operations due to any disputes with our employees, or that such disputes will not adversely affect our business and results of operations. We depend on our branch-level employees for sourcing, disbursements and collections and customer liaison, and significant attrition at any of our branches could adversely impact our operations.

Further, in the event of a labour dispute, protracted negotiations and strike action may impair our ability to carry on our day-to-day operations, which could materially and adversely affect our business, future financial performance and results of operations.

47. ***The rise of digital platforms and payment solutions may adversely impact our business model and there may be disintermediation in the loan market by fintech companies.***

Disruption from digital platforms could have an adverse effect on our business model and the success of our products and services that we offer to our customers. We face threats to our business from newer business models that leverage technology to bring together savers and borrowers. We may not be competitive in facing up to the challenges from such newer entrants. This may, accordingly, have an adverse impact on our business and growth strategy.

48. ***Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and lender consents and there can be no assurance that we will be able to pay dividends in the future.***

We currently intend to invest our future earnings, if any, to fund our growth. The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. In addition, any dividend payments we make are subject to the prior consent of certain of our lenders pursuant to the terms of the agreements we have with them. We have not paid any dividends historically on our Equity Shares and there can be no assurance that we will be able to pay dividends in the future.

49. ***Significant differences exist between Indian GAAP, Ind AS and other accounting principles, such as IFRS, which may be material to investors' assessments of the Group's financial condition.***

Our financial statements for Fiscal Year 2018 included in this Placement Document were prepared in accordance with Previous GAAP while the financial statements for Fiscal Year 2019 and 2020, the three month period ended June 30, 2020 (Standalone) and March 31, 2020 (Consolidated) and the four months ended July 31, 2020 were prepared in accordance with Ind AS. Indian GAAP, Ind AS and IFRS are significantly different. Accordingly, the degree to which the Indian GAAP and Ind AS financial statements included in this Placement Document will provide meaningful information entirely depends on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial statements included in this Placement Document should accordingly be limited.

50. ***Third party industry and industry-related statistical data in this Placement Document may be incomplete, out of date, incorrect or unreliable.***

Neither we, nor any of the BRLMs have independently verified the data obtained from the official and industry publications and other industry sources referred in this Placement Document and therefore, while we believe them to be true, there can be no assurance that they are complete or reliable. Such data may also be produced on different bases from those used in the industry publications we have referenced. Therefore, discussions of matters relating to India, its economy and our industry in this Placement Document are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources may take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data or report and do not take responsibility for any errors or omissions or for the results obtained from using their data or report. Accordingly, investors should not place undue reliance on, or base their investment decision on this information. See "*Industry Overview*" on page 139.

51. ***In this Placement Document, we have included certain non-GAAP financial measures and certain other selected statistical information related to our operations and financial performance. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the financial services industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other financial services companies.***

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Placement Document. We compute and disclose such non-GAAP financial measures and other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. We have also included in this Placement Document certain financial information that may be different from those followed by other financial services companies. For further information, see "*Selected Statistical Information*" on page 41. These non-GAAP financial measures, and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the financial services industry. Therefore, such information may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other NBFCs, NBFC-MFIs, SFBs and other financial services companies.

52. ***Our Executive Directors and certain Key Managerial Personnel are interested in our Company and our Promoter by virtue of the shares and/ or ESOPs held by them.***

Our Executive Directors and certain Key Managerial Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding or stock options held by them in our Company. Further, our Managing Director and Chief Executive Officer, and our Director – Finance and Chief Financial Officer are also interested in our Promoter to the extent of equity shares held by them in our Promoter.

Our Executive Director and Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares and/ or equity shares held in our Promoter. For details of the shareholding of our Directors and Key Managerial Personnel, see "*Board of Directors and Senior Management"* on page 191.

53. ***We expect to be classified as a passive foreign investment company for U.S. federal income tax purposes.***

We expect to be classified as a passive foreign investment company (a "**PFIC**") for U.S. federal income tax purposes, which could result in materially adverse consequences, including additional tax liability and tax filing obligations, for a U.S. investor relative to an investment in a company that is not a PFIC.

54. ***Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares.***

The Issue, and any future equity issuances by us will result in a dilution of the Issue shareholding of our existing Shareholders, including our Promoter. Any future equity issuances by us, including in a primary offering, may lead to the dilution of your shareholdings. Any future equity issuances by us or sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares. There can be no assurance that our Company will not issue Equity Shares or that our significant shareholders will not dispose of, pledge or encumber their Equity Shares in the future.Issue

Further, upon completion of the Issue, our Promoter will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholder approval, including the composition of our Board, the adoption of amendments to our articles of association, the approval of mergers, strategic acquisitions and joint ventures and the sale of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. For instance, pursuant to the corporate governance policy of our Promoter, any person holding greater than 7.50% of the issued and paid-up capital of our Promoter may request our Promoter to nominate a director on the board of directors of our Promoter or the board of a material subsidiary of our Promoter, including our Company. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Promoter. The interests of our Promoter as our controlling shareholder may not be aligned with the interests of other shareholders. See also "**-** *Our Promoter, CAI has invested in other companies engaged in similar businesses as our Company in jurisdictions outside India, and may continue to invest in similar businesses. Further, some of our Directors are also directors on the board of directors of companies that are in the same line of business as our Company*" on page 71.

55. ***Foreign investors are subject to foreign investment restrictions under Indian law that limit our Company's ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions and requirements) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. In addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will be subject to the requirements specified under the foreign exchange regulations.

Further, in accordance with press note 3 of 2020, dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, all foreign direct investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India and shall have to be in conformity with the applicable provisions of the FEMA Rules.

Risks Relating to Regulations

1. ***We operate in a highly regulated environment.***

We operate in a highly regulated environment in which we are regulated by the SEBI, RBI, PFRDA, the MCA, the Registrar of Companies and other domestic and international regulators. Accordingly, legal and regulatory risks are inherent and substantial in our businesses and regulatory risks may increase as the impact of the COVID-19 pandemic intensifies. As we operate under licenses or registrations obtained from appropriate regulators, we are subject to actions that may be taken by such regulators in the event of any non-compliance with any applicable policies, guidelines, circular, notifications and regulations issued by the relevant regulators.

Being regulated, we are subject to regular scrutiny and supervision by their respective regulators, such as regular inspections that may be conducted by the RBI. The requirements imposed by regulators are designed to ensure the integrity of the financial markets and to protect investors and depositors. Any non-compliance with regulatory guidelines and directions may result in substantial penalties and reputational impact, which may affect the price of our Equity Shares. Among other things, in the event of being found non-compliant, we could be fined or prohibited from engaging in certain business activities.

In addition, we are also exposed to the risk of us or any of our employees being non-compliant with insider trading rules or engaging in front running in securities markets. In the event of any such violations, regulators could take regulatory actions, including financial penalties against us and the concerned employees. This could have a materially adverse financial and reputational impact on us.

Any change to the existing legal or regulatory framework will require us to allocate additional resources, which may increase our regulatory compliance costs and direct management attention and consequently affect our business.

For more information, see "- *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, across the multiple jurisdictions we operate in may materially adversely affect our business and financial performance*" on page 81.

2. ***Our ability to raise foreign funds may be constrained by Indian law.***

As an Indian NBFC ND-SI, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, there can be no assurance that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

3. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, across the multiple jurisdictions we operate in may materially adversely affect our business and financial performance.***

Our business and financial performance could be materially adversely affected by changes in the laws, rules, regulations or directions applicable to us and our general and microfinance businesses, or the interpretations of such existing laws, rules and regulations, or the promulgation of new laws, rules and regulations, in India or in the other jurisdictions we operate in.

The governmental and regulatory bodies in India and other jurisdictions where we operate may notify new regulations and/ or policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, or impose onerous requirements and conditions on our operations, in addition to those which we are undertaking currently. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on our business, financial condition and results of operations. See "*Key Regulations and Policies*" on page 178.

In addition, unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and investments in our Company by non-residents, could result in us being deemed to be in contravention of such laws and/ or may require us to apply for additional approvals.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, turnover tax, goods and service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. For instance:

- The General Anti Avoidance Rules ("**GAAR**") came into effect from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in a denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. GAAR provisions may have an adverse tax impact on us; and

- The Government of India has implemented a comprehensive national goods and services tax ("**GST**") regime with effect from July 1, 2017 that combines taxes and levies by the Central and State Governments into a unified rate structure. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If the tax costs associated with certain transactions because of a particular tax risk materializing are greater than anticipated, it could affect the profitability of such transactions.

Further, as of June 30, 2020, on a consolidated basis including MMFL, we had a total of 14,213 full-time employees. Our full-time employees are employed by us and are entitled to statutory employment benefits, such as a defined benefit gratuity plan, among others. In addition to our full-time employees, we empanel agencies for our outsourcing requirements and also engage persons on a contractual basis.

We are subject to various labour laws and regulations governing our relationships with our employees and contractors, including in relation to minimum wages, working hours, overtime, working conditions, hiring and terminating the contracts of employees and contractors, contract labour and work permits.

A change of law that requires us to increase the benefits to the employees from the benefits now being provided may create potentially liability for us. Such benefits could also include provisions which reduce the number of hours an employee may work for or increase in number of mandatory casual leaves, which all can affect the productivity of the employees.

A change of law that requires us to treat and extend benefits to our outsourced personnel, and personnel retained on a contractual basis, similar to our full-time employees may create potential liability for us. If we fail to comply with current and future health and safety and labour laws and regulations at all times, including obtaining relevant statutory and regulatory approvals, this could materially and adversely affect our business, future financial performance and results of operations.

4. ***In order to support and grow our business, we must maintain a minimum capital to risk weighted assets ratio, and a lack of access to the capital markets may prevent us from maintaining an adequate ratio.***

As an NBFC-MFI, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("**CRAR**") consisting of Tier I and Tier II capital of 15.00% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. Our ability to support and grow our business would become limited if the CRAR is low. While we may access the capital markets to offset any declines to our CRAR, we may be unable to access the markets at the appropriate time or the terms of any such financing may be unattractive due to various reasons attributable to changes in the general environment, including political, legal and economic conditions.

As we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable CRAR with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us, and this may adversely affect the growth of our business. In addition, any changes in the RBI or other government regulations in relation to securitizations and/ or assignments, by NBFCs in general or MFIs specifically could have an adverse impact on our assignment and securitization plans in the future. This may result in non–compliance with applicable capital requirements, which could have a material adverse effect on our business prospects, financial condition and results of operations.

If we are unable to meet any existing or new and revised requirements, our business, future financial performance and the price of our Equity Shares could be adversely affected.

5. ***Any non-compliance with mandatory AML and KYC policies could expose us to additional liability and harm our business and reputation.***

In accordance with the requirements applicable to us, we are mandated to comply with applicable anti-money-laundering ("**AML**"), combatting terrorism financing and antiterrorism laws and other regulations in India. In the ordinary course of our operations, we run the risk of failing to comply with the prescribed Know Your Customer ("**KYC**") procedures and detect fraud and money laundering by dishonest customers. For further details, see "*Key Regulations and Policies*" on page 178. While we have adopted policies and procedures aimed at collecting and maintaining all AML and KYC related information from our customers in order to detect and prevent the use of our business networks for illegal money-laundering activities, there may be instances where we may be used by other parties in attempts to engage in money-laundering and other illegal or improper activities.

Although we believe that we have adequate internal policies, processes and controls in place to prevent and detect AML activity and ensure KYC compliance, and have taken necessary corrective measures, there can be no assurance that we will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions including imposition of fines and other penalties by the relevant government agencies to whom we report. Our business and reputation could suffer if any such parties use or attempt to use us for money-laundering or illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in compliance with applicable regulatory requirements.

Risks Relating to India

1. ***Any deterioration in the general economic conditions in India and globally could adversely affect our business and results of operation.***

Our financial performance and the quality and growth of our business depend significantly on the health of the overall Indian economy, the gross domestic product growth rate and the economic cycle in India. A substantial portion of our assets and employees are located in India, and we intend to continue to develop and expand our facilities in India. As of the date of this Placement Document, India is also in an adjustment period, having been impacted by three consecutive shocks over the past three years, namely demonetization, GST implementation, and financial sector stress.

Our performance and the growth of our business depend on the overall performance of the Indian economy and the more local economies of states in India that we currently serve. These economies could be adversely affected by various factors, such as the impact of COVID-19, political and regulatory changes including adverse changes in liberalisation policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. For instance, for the three months ended June 30, 2020, India's GDP contracted by 23.9%, primarily on account of the nationwide lockdown imposed by the Government to curb the spread of COVID-19. Any slowdown or perceived slowdown in these economies could adversely affect the ability of our customers to afford our services, which in turn would adversely impact our business and financial performance and results of operations.

2. ***India's existing credit information infrastructure may cause increased risks of loan defaults.***

All of our business is located in India. India's existing credit information infrastructure may pose problems and difficulties in running a robust credit check on our borrowers. We may also face difficulties in the due diligence process relating to our customers or to any security or collateral we take in relation to our loans. We may not be able to run comprehensive searches relating to the security and there are no assurances that any searches we undertake will be accurate or reliable. Hence, our overall credit analysis could be less robust as compared to similar transactions in more developed economies. Any inability to undertake a comprehensive due diligence or credit check might result in an increase in our NPAs and we may have to increase our provisions correspondingly. Any of the foregoing may have a material adverse effect on our business, financial condition and results of operations.

3. ***Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. In particular, in February 2020, the COVID-19 pandemic caused stock markets worldwide to lose significant value and impacted economic activity in Asia and worldwide. A number of governments revised GDP growth forecasts for fiscal 2020 downward in response to the economic slowdown caused by the outbreak of the COVID-19 pandemic, and it is possible that the COVID-19 pandemic will cause a prolonged global economic crisis or recession. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur and could harm our business, our future financial performance and the prices of the Equity Shares.

Investors should be aware that there is a recent history of financial crises and boom-bust cycles in multiple markets in both emerging and developed economies which leads to risks for all financial institutions, including the Company. We remain subject to the indirect economic effect of any potential tightening in global credit conditions, some of which cannot be anticipated and the vast majority of which are not under our control. We also remain subject to counterparty risk arising from financial institutions that can fail or are otherwise unable to meet their obligations under their contractual commitment to us.

4. ***Any adverse change in India's credit rating by an international rating agency could materially adversely affect our business and profitability.***

Any adverse credit rating outlook on India would impact the country's outlook and cascade into interest rate and currency depreciation. In September 2014, S&P affirmed the "BBB minus" sovereign credit rating on India and revised the outlook on India's long-term rating from "negative" to "stable", citing improvement in the Government's ability to implement reforms and encourage growth, which in turn would lead to improving the country's fiscal performance. In April 2015, Moody's revised India's sovereign rating outlook from "stable" to "positive" and retained the long-term rating at "Baa3" as it expected actions of policymakers to enhance India's economic strength in the medium term. In July 2016, Fitch revised its outlook for the Indian banking sector to "Negative" from "Stable" due to the increase in nonperforming loans. In November 2017, Moody's has raised India's credit rating from the lowest investment grade of Baa3 to Baa2 and changed the outlook to stable from positive. In November 2019, Moody's cut India's rating outlook to negative, while retaining the rating to Baa2, citing worsening shadow banking crunch, prolonged slowdown in the economy and rising public debt.

Further, on June 1, 2020, Moody’s downgraded Government of India’s foreign currency and local currency long-term issuer ratings to “Baa3” from “Baa2” while maintaining the “negative outlook” due to relatively weak implementation of reforms since 2017, sustained period of relatively low growth, significant deterioration in the fiscal position of the government and the rising stress in the financial sector. On June

18, 2020, Fitch Ratings downgraded the outlook on India’s long-term foreign currency Issuer Default Rating to “negative” from “stable” and affirmed the rating at BBB-. This was due to the coronavirus pandemic having significantly weakened India’s growth outlook for the year and the challenges associated with a high public debt burden.

There can be no assurance that these ratings will not be further revised or changed by S&P, Fitch or Moody's or that any of the other global rating agencies will not downgrade India's credit rating. As our foreign currency ratings are pegged to India's sovereign ratings any adverse revision to India's credit rating for international debt will have a corresponding effect on our ratings. Therefore, any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available. Any of these developments may materially and adversely affect our business, cash flows, financial condition and results of operations.

5. ***Any volatility in exchange rates may lead to a decline in India's foreign exchange reserves and may affect liquidity and interest rates in the Indian economy, which could adversely impact us.***

Foreign inflows into India have remained extremely volatile responding to concerns about the domestic macroeconomic landscape and changes in the global risk environment. The widening current account deficit has been attributed largely to the surge in gold and oil imports.

Further, increased volatility in foreign flows may also affect monetary policy decision making. For instance, a period of net capital outflows might force the RBI to keep monetary policy tighter than optimal to guard against any abnormal currency depreciation.

6. ***Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries would negatively affect the Indian market where our shares trade and lead to a loss of confidence and impair travel, which could reduce our customers' appetite for our products and services.***

Terrorist attacks , civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares are proposed to be listed and traded and could also materially adversely affect the global financial markets. In addition, any deterioration in relations between India and its neighbors might result in investor concern about stability in the region, which could materially adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in recent years and future civil unrest as well as other adverse social, economic and political events in India could have an adverse impact on us. Such incidents also create a greater perception that investment in Indian companies involves a higher degree of risk, which could have an adverse impact on our business and the price of our Equity Shares.

7. ***Companies operating in India are subject to a variety of taxes and surcharges.***

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty, tax on dividends and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business, cash flows and results of operations.

8. ***A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact us.***

A decline in India's foreign exchange reserves could affect the liquidity and result in higher interest rates in the Indian economy, which could adversely affect our business, future financial performance, results of operations and financial condition.

9. ***There may be less information available about the companies listed on the Indian securities markets compared with information that would be available if we were listed on securities markets in certain other countries.***

There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants in India and that in the markets in the United States and certain other countries. SEBI is responsible for ensuring and improving disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about companies listed on an Indian stock exchange compared with information that would be available if that company was listed on a securities market in certain other countries. As a result, investors may have acces s to less information about the business, results of operations, cash flows and financial conditions, and those of the competitors that are listed on BSE and NSE and other stock exchanges in India on an on-going basis than you may find in the case of companies subject to reporting requirements of other more developed countries.

10. ***We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.***

We are incorporated in India and we conduct our corporate affairs and our business in India. Our Equity Shares are listed and traded on the BSE and the NSE. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by the following external risks, should any of them materialize:

- changes in exchange rates and controls;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- political instability, resulting from a change in government or in economic and fiscal policies;
- civil unrest, acts of violence, regional conflicts or situations or war may adversely affect the financial markets;
- changes in government policies, including taxation policies, social and civil unrest and other political, social and economic developments in or affecting India; or
- natural calamities and force majeure events.

The Government of India has exercised and continues to exercise significant influence over many aspects of the Indian economy. Indian governments have generally pursued policies of economic liberalization and financial sector reforms, including by relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant and we cannot assure you that such liberalization policies will continue. A significant change in India's policy of economic liberalization and deregulation or any social or political uncertainties could adversely affect business and economic conditions in India generally and our business and prospects.

India has in the past experienced community disturbances, strikes, riots, terror attacks, epidemics and natural disasters. India has also experienced natural calamities such as earthquakes, tsunamis, floods and drought in the past few years. There can be no assurance that we will not be affected by natural or man-made disasters in India or elsewhere in the future. These acts and occurrences and any increase in their frequency could have an adverse effect on the financial markets and the economy of India and of other countries, thereby resulting in a loss of business confidence and a suspension of our operations, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Risks Relating to the Equity Shares

1. ***Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws and regulations, capital gains arising from the sale of shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the stock exchanges, the quantum of gains and any available treaty exemption. Accordingly, the sale of any Equity Shares held for more than 12 months may be subject to payment of long-term capital gains tax in India, in addition to payment of Securities Transaction Tax ("**STT**"). STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. Additionally, in view of the individual nature of the tax consequences and the changing tax laws, each prospective investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in this Issue.

2. ***Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.***

Our Articles, the instructions issued by the RBI, and Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a bank or corporate entity in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as one of our shareholders than as a shareholder of a bank or corporate entity in another jurisdiction.

3. ***The market value of the Equity Shares may fluctuate due to the volatility of the Indian securities markets.***

Indian securities markets may not be comparable to, the securities markets in certain countries with more developed economies and capital markets than India. Indian stock exchanges have, in the past, experienced fluctuations in the prices of listed securities. Indian stock exchanges may have experienced problems which, if such or similar problems were to continue or recur, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares. In addition, the governing bodies of Indian stock exchanges have, from time to time, imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Further, from time to time, disputes may have occurred between listed companies, stock exchanges and other regulatory bodies, which in some cases may have a negative effect on market sentiment.

4. ***An investor will not be able to sell any of the equity shares subscribed in this Issue other than across a recognised Indian stock exchange for a period of 12 months from the date of the issue of the equity shares.***

Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the issue of the equity shares in this Issue, Eligible QIBs subscribing to the equity shares may only sell their equity shares on the NSE or the BSE and may not enter into any off-market trading in respect of these equity shares. We cannot be certain that these restrictions will not have an impact on the price of the equity shares. Further, allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. This may affect the liquidity of the equity shares purchased by investors and it is uncertain whether these restrictions will adversely impact the market price of the equity shares purchased by investors.

5. ***Applicants to the Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date.***

In terms of the SEBI ICDR Regulations, applicants in the Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity

Shares to the applicant’s demat account with the depository participant could take approximately seven days and up to 10 days from the Bid/Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in the business, results of operation or financial condition of the Bank, or other events affecting the applicant’s decision to invest in the Equity Shares, would not arise between the Bid/ Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw their Bids in the event of any such occurrence. The Bank may complete the Allotment of the Equity Shares even if such events may limit the applicants’ ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

MARKET PRICE INFORMATION

The Equity Shares have been listed on the BSE and NSE since August 23, 2018. As on the date of this Placement Document, 144,112,255 Equity Shares have been issued, subscribed and are fully paid-up.

As on October 7, 2020, the closing price of the Equity Shares on the BSE and the NSE was ₹ 737.15 and ₹ 737.10per Equity Share, respectively. Because the Equity Shares are actively traded on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

(i) The following tables set forth the reported high, low, average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded and the total trading turnover for the following periods:

a. 12 month period commencing from April 1, 2019 and ending on March 31, 2020; and
b. Period commencing from August 23, 2018 and ending on March 31, 2019.

BSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the year (₹)**
2020	992.65	February 20, 2020	16,474	16.21	338.35	March 31, 2020	3,258	1.13	640.39
2019	501.10	March 29, 2019	10,229	5.14	248.15	October 26, 2018	8,378	2.08	375.79

(Source: www.bseindia.com)

NSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the year (₹)**
2020	991.60	February 20, 2020	2,53,604	249.64	337.35	March 31, 2020	66,266	22.74	640.96
2019	504.00	March 29, 2019	81,962	41.31	247.70	October 26, 2018	33,349	8.30	376.20

(Source: www.nseindia.com)

Note:
1. *High, low and average prices are based on the daily closing prices.*
2. *In case of two days with the same closing price, the date with the higher volume has been chosen.*
3. *In the case of a year, average price for the year represents the average of the closing prices on each day of each year.*

(ii) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded during each of the last six months, as applicable:

BSE											
Month, year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹ in million)**
September 2020	743.80	September 30, 2020	6,330	4.68	651.80	September 9, 2020	4,783	3.12	702.87	1,93,011	136.53
August 2020	719.95	August 31, 2020	20,476	14.54	531.35	August 3, 2020	9,931	5.18	602.91	318,083	197.13
July 2020	619.25	July 8, 2020	736	0.46	515.00	July 31,2020	6,256	3.21	560.35	157,591	90.45
June 2020	559.90	June 23, 2020	11,824	6.71	410.65	June 1, 2020	8,017	3.29	503.76	282,715	147.51
May 2020	470.45	May 4, 2020	9,900	4.78	370.20	May 27, 2020	8,155	3.02	413.97	151,500	62.06
April 2020	495.20	April 30, 2020	6,581	3.26	314.85	April 7, 2020	36,250	11.49	386.42	143,700	52.90

(Source: www.bseindia.com)

NSE											
Month, year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										volume	**Turnover (₹ in million)**
September 2020	742.85	September 30, 2020	2,09,929	155.62	652.55	September 9, 2020	90,797	59.13	702.61	26,02,628	1,855.22
August 2020	717.75	August 31, 2020	306,745	217.57	533.40	August 3, 2020	185,986	96.96	602.36	3,755,800	2,306.56
July 2020	619.30	July 8, 2020	77,139	47.77	514.00	July 31,2020	81,483	41.70	559.95	2,127,879	1,236.16
June 2020	559.60	June 23, 2020	354,328	203.73	408.60	June 1, 2020	174,843	71.38	503.85	3,046,909	1,561.55
May 2020	467.40	May 4, 2020	185,391	89.38	369.60	May 27, 2020	332,059	122.04	413.36	2,901,820	1,192.59
April 2020	492.00	April 30, 2020	77,903	38.31	314.10	April 7, 2020	390,545	123.43	386.73	2,955,053	1,102.69

(Source: www.nseindia.com)

Note:

1. *High, low and average prices are based on the daily closing prices.*
2. *In case of two days with the same closing price, the date with the higher volume has been chosen.*
3. *In the case of a year, average price for the month represents the average of the closing prices on each day of each month.*

(iii) The following table set forth the details of the number of Equity Shares traded on the Stock Exchanges and the turnover during Fiscals 2020 and 2019:

Fiscal	Number of Equity Shares Traded		Turnover (In ₹ million)	
	BSE	NSE	BSE	NSE
2020	2,681,588	35,066,494	1,711.94	22,891.99
2019	4,650,440	27,520,371	1,810.06	10,855.56

(Source: www.bseindia.com and www.nseindia.com)

(iv) The following tables set forth the market price on the Stock Exchanges on September 4, 2020 the first working day following the approval of the Board dated September 3, 2020 for the Issue:

BSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹ million)**
694.40	749.00	685.85	708.30	29,514	21.20

(Source: www.bseindia.com)

NSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹ million)**
685.85	749.00	685.00	704.65	304,175	218.83

(Source: www.nseindia.com)

In the event the high or low or closing price of the Equity shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this chapter.

USE OF PROCEEDS

The gross proceeds from the Issue aggregate to approximately ₹7,999.93 million.

The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, are expected to be approximately ₹7,864.57 million (the "**Net Proceeds**").

Purpose of the Issue

Subject to compliance with applicable laws and regulations, our Company intends to use the Net Proceeds of the Issue to augment the long-term resources for meeting funding requirements for our Company's business activities and general corporate purposes as per our Company's growth strategy and to improve the capital adequacy ratio as laid down by the RBI.

Subject to the review of our Audit Committee as required under the SEBI Listing Regulations and in accordance with the decision of our Board, our Company's management will have the flexibility in deploying the Net Proceeds. Pending utilisation of the Net Proceeds, our Company intends to invest the funds in creditworthy instruments, including money market, mutual funds, and deposits with banks and corporates or other securities. Such investments would be in accordance with the investment policies as approved by our Board from time to time and applicable laws. In accordance with applicable laws, our Company undertakes to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC, and the final listing and trading approvals are received from each of the Stock Exchanges.

Neither our Promoter nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the objects of the Issue.

Since, the Net Proceeds of the Issue are proposed to be utilised towards the purposes set forth above, and not for implementing any specific project, the following disclosure requirement under the SEBI Regulations are not applicable: (i) break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project.

CAPITALISATION STATEMENT

The following table sets forth our capitalization statement as at July 31, 2020 on a consolidated basis derived from unaudited consolidated financial information of our Company as at and for the period ended July 31, 2020 and as adjusted for this Issue. This table should be read in conjunction with "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 53, 103 and 251, respectively.

Particulars	**₹ in millions**	
	As at July 31, 2020	**As Adjusted for the Issue**
BORROWINGS:		
Debt securities	10,079.70	10,079.70
Borrowing (other than debt securities)	84,265.10	84,265.10
Subordinated liabilities	1,054.80	1,054.80
Financial liability towards securitization	614.00	614.00
Total borrowings (A)	**96,013.60**	**96,013.60**
EQUITY:		
Equity share capital	1,440.80	1,553.95
Other equity	27,188.60	35,075.38
Non-controlling interests	1,117.80	1,117.80
Total equity (B)	29,747.20	**37,747.13**
TOTAL CAPITALIZATION (A + B)	**1,25,760.80**	**1,33,760.73**

CAPITAL STRUCTURE

The equity share capital of our Company as at the date of this Placement Document is set forth below:

(in ₹, except share data)

		Aggregate value at face value
A.	**AUTHORISED SHARE CAPITAL**	
	160,000,000 equity shares of ₹ 10 each	1,600,000,000
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**	
	144,112,255 equity shares of ₹ 10 each	1,441,122,550
C.	**PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT** (1)	
	11,315,323 Equity Shares aggregating to ₹7,999.93 million	113,153,230
D.	**ISSUED CAPITAL AFTER THE ISSUE**	
	155,427,578 equity shares of ₹ 10 each fully paid up	1,554,275,780
E.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**	
	155,427,578 equity shares of ₹ 10 each fully paid up	1,554,275,780
F.	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue	14,854,942,221.46
	After the Issue (2)	22,741,722,352.46

Note:

(1) *The Issue has been authorized and approved by our Board on September 3, 2020 and our Shareholders through special resolution dated September 26, 2020.*

(2) *The securities premium amount after the Issue is calculated on the basis of gross proceeds from the Issue. Adjustments do not include Issue- related expenses.*

Equity Share Capital History of our Company

The following table sets forth details and history of allotments of equity shares made by our Company since its incorporation:

Date of Allotment	No. of equity shares Allotted	Cumulative No. of equity shares	Face Value (In ₹)	Issue price per equity share (In ₹)	Reason for allotment	Consideration (Cash/other than cash)
June 12, 1991*	20	20	10.00	10.00	Subscription to the Memorandum of Association	Cash
June 28, 1991*	180	200	10.00	10.00	Preferential allotment	Cash
December 27,1996*	229,200	229,400	10.00	10.00	Preferential allotment	Cash
February 16, 1997*	470,500	699,900	10.00	10.00	Preferential allotment	Cash
March 22, 2008	1,750,000	2,449,900	10.00	10.00	Preferential allotment of sweat equity shares	Other than Cash
March 25, 2008	1,050,933	3,500,833	10.00	10.00	Allotment pursuant to the 2008 ESPP	Cash
March 25, 2008	3,666,380	7,167,213	10.00	10.00	Preferential allotment	Cash
November 21, 2008	4,500,000	11,667,213	10.00	10.00	Preferential allotment	Cash
November 22, 2008	4,813,366	16,480,579	10.00	19.11	Conversion of compulsorily convertible cumulative preference shares	Cash
December	7,575,757	24,056,336	10.00	33.00	Preferential allotment	Cash

Date of Allotment	No. of equity shares Allotted	Cumulative No. of equity shares	Face Value (In ₹)	Issue price per equity share (In ₹)	Reason for allotment	Consideration (Cash/other than cash)
9, 2009						
December 9, 2009	785,985	24,842,321	10.00	33.00	Conversion of CCPS	Cash
February 26, 2013	14,777,778	39,620,099	10.00	33.00	Preferential allotment	Cash
March 29, 2014	13,333,334	52,953,433	10.00	60.00	Preferential allotment	Cash
March 26, 2015	20,000,000	72,953,433	10.00	60.00	Preferential allotment	Cash
May 12, 2016	4,347,826	77,301,259	10.00	115.00	Preferential allotment	Cash
June 17, 2016	2,173,913	79,475,172	10.00	115.00	Preferential allotment	Cash
June 27, 2016	2,173,913	81,649,085	10.00	115.00.	Preferential allotment	N.A.
March 27, 2017	4,032,258	85,681,343	10.00	124.00	Preferential allotment	Cash
November 1, 2017	8,270,677	93,952,020	10.00	133	Preferential allotment	Cash
November 29, 2017	151,500	94,103,520	10.00	39.86	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
November 29, 2017	30,750	94,134,270	10.00	63.90	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
November 29, 2017	618,000	94,752,270	10.00	27.00	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
December 28, 2017	15,584,415	110,336,685	10.00	154.	Preferential allotment	Cash
December 28, 2017	12,987,012	123,323,697	10.00	154	Conversion of compulsorily convertible debentures	Cash
December 28, 2017	4,890,140	128,213,837	10.00	-**	Allotment pursuant to the amalgamation of MV Microfin Private Limited with our Company	Other than Cash
March 1, 2018	93,750	128,307,587	10.00	27	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
March 1, 2018	26,000	128,333,587	10.00	39.86	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
March 1, 2018	28,750	128,362,337	10.00	63.90	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
March 1, 2018	65,000	128,427,337	10.00	84.47	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
August 18, 2018	1,49,28,909	143,356,246	10.00	422	Allotment pursuant to an initial public offering	Cash
October 30, 2018	20,000	143,376,246	10.00	27	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash

Date of Allotment	No. of equity shares Allotted	Cumulative No. of equity shares	Face Value (In ₹)	Issue price per equity share (In ₹)	Reason for allotment	Consideration (Cash/other than cash)
October 30, 2018	23,250	143,399,496	10.00	39.86	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
October 30, 2018	13,000	143,412,496	10.00	63.9	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
January 10, 2019	4,500	143,416,996	10.00	63.9	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
February 11, 2019	4,500	143,421,496	10.00	39.86	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
February 11, 2019	6,250	143,427,746	10.00	63.9	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
February 11, 2019	8,750	143,436,496	10.00	84.47	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
February 11, 2019	3,902	143,440,398	10.00	120.87	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
March 8, 2019	17,500	143,457,898	10.00	27	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
March 8, 2019	68,000	143,525,898	10.00	39.86	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
March 8, 2019	11,000	143,536,898	10.00	63.9	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
March 8, 2019	10,700	143,547,598	10.00	84.47	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
March 8, 2019	4,663	143,552,261	10.00	120.87	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
April 8, 2019	2,250	143,554,511	10.00	27	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
April 8, 2019	250	143,554,761	10.00	39.86	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
April 8, 2019	1,250	143,556,011	10.00	63.9	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
April 8, 2019	10,000	143,566,011	10.00	84.47	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
April 8, 2019	16,704	143,582,715	10.00	120.87	Allotment pursuant to the exercise of	Cash

Date of Allotment	No. of equity shares Allotted	Cumulative No. of equity shares	Face Value (In ₹)	Issue price per equity share (In ₹)	Reason for allotment	Consideration (Cash/other than cash)
					stock options held under the ESOP Plan	
May 7, 2019	10,000	14,3592,715	10.00	84.47	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
May 7, 2019	6,434	143,599,149	10.00	120.87	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
June 11, 2019	500	143,599,649	10.00	27	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
June 11, 2019	31,500	143,631,149	10.00	39.86	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
June 11, 2019	2,250	143,633,399	10.00	63.9	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
June 11, 2019	3, 902	143,637,301	10.00	120.87	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
July 10, 2019	1,500	143,638,801	10.00	27	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
July 10, 2019	4,000	143,642,801	10.00	39.86	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
July 10, 2019	6,250	143,649,051	10.00	63.9	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
July 10, 2019	2,755	143,651,806	10.00	120.87	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
August 8, 2019	22,500	143,674,306	10.00	39.86	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
August 8, 2019	21,250	143,695,556	10.00	63.9	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
August 8, 2019	3,483	143,699,039	10.00	120.87	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
September 7, 2019	7,000	143,706,039	10.00	39.86	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash

Date of Allotment	No. of equity shares Allotted	Cumulative No. of equity shares	Face Value (In ₹)	Issue price per equity share (In ₹)	Reason for allotment	Consideration (Cash/other than cash)
September 7, 2019	29,750	143,735,789	10.00	63.9	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
September 7, 2019	30,750	143,766,539	10.00	84.47	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
September 7, 2019	29,499	143,796,038	10.00	120.87	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
Allotments in the one year immediately preceding this Placement Document						
October 10, 2019	1,000	143,797,038	10.00	27	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
October 10, 2019	500	143,797,538	10.00	39.86	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
October 10, 2019	1,750	143,799,288	10.00	84.47	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
October 10, 2019	13,716	143,813,004	10.00	120.87	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
November 8, 2019	1,000	143,814,004	10.00	27	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
November 8, 2019	500	143,814,504	10.00	39.86	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
November 8, 2019	7, 125	143,821,629	10.00	120.87	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
December 12, 2019	32,500	143,854,129	10.00	39.86	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
December 12, 2019	17,500	143,871,629	10.00	63.9	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
December 12, 2019	5, 539	143,877,168	10.00	120.87	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
January 9, 2020	5,000	143,882,168	10.00	63.9	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
January 9, 2020	8,000	143,890,168	10.00	84.47	Allotment pursuant to the exercise of	Cash

Date of Allotment	No. of equity shares Allotted	Cumulative No. of equity shares	Face Value (In ₹)	Issue price per equity share (In ₹)	Reason for allotment	Consideration (Cash/other than cash)
					stock options held under the ESOP Plan	
January 9, 2020	10,603	143,900,771	10.00	120.87	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
February 13, 2020	1,250	143,902,021	10.00	63.9	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
February 13, 2020	12,000	143,914,021	10.00	84.47	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
February 13, 2020	27,604	143,941,625	10.00	120.87	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
March 6, 2020	750	143,942,375	10.00	27	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
March 6, 2020	500	143,942,875	10.00	39.86	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
March 6, 2020	7,750	143,950,625	10.00	84.47	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
March 6, 2020	34,834	143,985,459	10.00	120.87	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
May 1, 2020	8,162	143,993,621	10.00	120.87	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
May 11, 2020	9,000	144,002,621	10.00	39.86	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
May 11, 2020	13,000	144,015,621	10.00	63.9	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
May 11, 2020	5,000	144,020,621	10.00	84.47	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
May 11, 2020	14, 296	144,034,917	10.00	120.87.	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
June 9, 2020	6,000	144,040,917	10.00	39.86	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash

Date of Allotment	No. of equity shares Allotted	Cumulative No. of equity shares	Face Value (In ₹)	Issue price per equity share (In ₹)	Reason for allotment	Consideration (Cash/other than cash)
June 9, 2020	8,750	144,049,667	10.00	63.9	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
June 9, 2020	1,300	144,050,967	10.00	84.47	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
June 9, 2020	5, 833	144, 056,800	10.00	120.87	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
July 11, 2020	1,500	144,058,300	10.00	39.86	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
July 11, 2020	2,500	144,060,800	10.00	84.47	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
July 11, 2020	14,809	144,075,609	10.00	120.87	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
August 14, 2020	6,250	144,081,859	10.00	63.9	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
August 14, 2020	2,772	144,084,631	10.00	120.87	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
September 15, 2020	7, 750	144,092,381	10.00	63.90	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
September 15, 2020	7, 500	144,099,881	10.00	84.47	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash
September 15, 2020	12, 374	144,112,255	10.00	120.87	Allotment pursuant to the exercise of stock options held under the ESOP Plan	Cash

Details in relation to all allotments since incorporation of our Company until 2007 have been ascertained from various corporate statutory records including the original memorandum of association, share certificates, counterfoils, resolutions of the Board and the register of members of the Company. For details, see "Risk Factors - We did not have adequate controls for managing our historical secretarial records and compliances as a result of which there have been certain inaccuracies and non-compliances with respect to certain provisions of the Companies Act, applicable FEMA regulations, regulatory filings and corporate actions taken by our Company. Consequently, we may be subject to regulatory actions and penalties for any past or future noncompliance and our business, financial condition and reputation may be adversely affected" on page 64

Except as stated in *"—Equity Share Capital History of our Company*" above, our Company has not made any allotment of Equity Shares in the one year immediately preceding the date of filing of this Placement Document.

Employee Stock Option Scheme

Our Company, pursuant to the resolution passed by our Board dated October 15, 2011, adopted the ESOP Plan, which came into force on October 1, 2011. The ESOP Plan was brought in line with the SEBI ESOP Regulations pursuant to resolutions passed by our Board and Shareholders dated October 4, 2017 and October 30, 2017 respectively, further amended by way of a resolution of the Shareholders dated August 1, 2019, and amended and ratified, in terms of the SEBI ESOP Regulations, by the Shareholders by way of their resolution dated August 11, 2020. Pursuant to the ESOP Plan, the stock options may be granted to 'eligible employees' (as defined in the ESOP Plan) of the Company and its Subsidiaries. The maximum number of stock options that may be granted under the ESOP Plan, including options already granted, shall not exceed 7,464,015 stock options convertible into equal number of Equity Shares.

The details of the stock options outstanding under the ESOP Plan, as of August 31, 2020, are as follows:

Details	Number of Stock Options
Options granted	3,714,015
Options vested	2,837,398
Options exercised	1,770,084
Options lapsed/forfeited	346,401
Options cancelled	412,015
Total options outstanding	1,185,515

Note: At the time of seeking in-principle approval from the Stock Exchanges for listing of the shares allotted pursuant to exercise of the options granted under the ESOP Plan pre-IPO, the management had undertaken not to make any further grants as the pool was substantially utilized. However, in view of success of the plan and understanding the need for an ESOP Plan as a continued employee incentive program, the Board and the Shareholders pursuant to their resolutions dated July 28, 2020 and August 11, 2020, respectively, reinstituted and ratified the ESOP Plan.

For details of allotments made pursuant to exercise of stock options under the ESOP Plan post August 31, 2020, see "- *Equity Share Capital History of our Company*" on page 93.

Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Managers, to Eligible QIBs only, on a discretionary basis. For details of the names of the proposed Allottees, and the percentage of post-Issue capital that may be held by them, please see "*Details of Proposed Allottees*" on page 663.

Pre-Issue and post-Issue shareholding pattern

The pre-Issue and post-Issue shareholding pattern of our Company is set forth below.

Sr. No.	Category	Pre-Issue as of June 30, 2020^		Post-Issue*^^	
		Number of Equity Shares held	% of share holding	Number of Equity Shares held	% of share holding
A.	**Promoter's holding**				
1.	Indian				
	Individual	-	-	-	-
	Bodies corporate	-	-	-	-
	Sub-total	-	-	-	-
2.	Foreign	1,151,09,028	79.91	115,109,028	74.09
	Sub-total (A)	1,151,09,028	79.91	115,109,028	74.09
B.	Non - Promoter's holding				
3.	Institutional investors	20,980,025	14.56	32,295,348	20.78
4.	Non-institutional investors	2,268,337	1.57	2,268,337	1.46
a.	Private corporate bodies	466,898	0.32	466,898	0.30
b.	Directors and relatives	445,739	0.3	445,739	0.29
c.	Indian public	4,654,949	3.23	4,654,949	2.99
d.	Others including Non-resident Indians (NRIs)	131,824	0.09	131,824	0.08
	Sub-total (B)	28,947,772	20.09	40,263,095	25.91
	Total	**144,056,800**	**100.00**	**155,372,123**	**100.00**

^ *Based on beneficiary position data of our Company as on June 30, 2020.*
^^ *The post-Issue shareholding pattern of our Bank reflects the shareholding of the institutional investors category on basis of the Allocation made in the Issue, and reflects the shareholding of all other categories as of June 30, 2020.*
* *Assuming allotment of the Equity Shares pursuant to the Issue.*

Other confirmations

Except as disclosed in "- *Equity Share Capital History of our Company*" on page 93, our Company has not allotted securities on a preferential basis or on a private placement basis or by way of rights issue in the last one year preceding the date of this Placement Document.

Except as disclosed in "- *Equity Share Capital History of our Company*" on page 93, our Company has not made any allotments for consideration other than cash, in the last one year preceding the date of this Placement Document.

Our Equity Shares have been listed for a period of at least one year prior to the date of EGM notice to our Shareholders in respect of the special resolution dated September 26, 2020 approving the Issue, passed by way of remote e-voting / e-voting at the EGM.

DIVIDENDS

The declaration and payment of dividends will be recommended by the Board and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association, dividend distribution policy of our Company and applicable law, including the Companies Act, 2013 and the SEBI Listing Regulations. The dividend distribution policy of our Company was approved and adopted by our Board on July 31, 2019. The Board shall consider certain financial parameters such as, capital allocation plans of the Company, minimum cash required for contingencies and unforeseen events, funds required for outstanding loans, liquidity and return ratio, future expansion plans and cash utilisation opportunities, while declaring dividend or recommending dividend to shareholders. Further, the Board shall also consider external parameters such as, significant changes in the macro-economic environment affecting India the geographies in which the Company operates, or the business of the Company, any political, tax and regulatory changes in the geographies in which the Company operates and changes in the competitive environment requiring significant investment.

Our Company has not declared any dividends on Equity Shares and its preference shares for Fiscals 2018, 2019 and 2020 and during the four months period ended July 31, 2020. Further, our Company has not declared any dividend from July 1, 2020 till the date of this Placement Document.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our audited financial statements as of and for the years ended March 31, 2020, 2019 and 2018, our unaudited financial results for the three months ended June 30, 2020 and our unaudited, reviewed special purpose interim financial information for the four months ended July 31, 2020. We publish our financial statements in Indian Rupees.

Unless the context requires otherwise, the financial information in this section has been derived from the following sources:

- *All financial information for the four month period ended July 31, 2020 presented in this section has been derived from the unaudited, reviewed special purpose interim financial information for the four month period ended July 31, 2020.*
- *All financial information for Fiscal Year 2020 presented in this section has been derived from the audited IND AS consolidated financial statements for Fiscal Year 2020.*
- *All financial information for Fiscal Year 2019 presented in this section has been derived from the comparative financial information presented in the audited IND AS standalone financial statements for Fiscal Year 2020.*
- *All financial information for Fiscal Year 2018 presented in this section has been derived from the comparative financial information presented in the audited IND AS standalone financial statements for Fiscal Year 2019.*
- *All financial information in respect of profit and loss for the three month period ended June 30, 2020 is derived from the unaudited Ind AS consolidated financial results for the three months ended June 30, 2020 prepared in accordance with Regulation 33 of SEBI Listing Regulations. Information on assets and liabilities as at June 30, 2020 is derived from unaudited management accounts, which have not been subjected to a limited review.*

The degree to which the financial information prepared in accordance with Ind AS will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

Our financial information as of and for the year ended March 31, 2020 presented in this section are on a consolidated basis and are therefore not comparable to our financial information as of and for the year ended March 31, 2019 and 2018 which have been prepared on a standalone basis. Please refer to "Risk Factors - In this Placement Document, we have compared consolidated financial information as of and for the year ended March 31, 2020 with our standalone financial information as of and for the year ended March 31, 2019 and March 31, 2018. These periods may not be comparable to each other." on page 60.

Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12-month period ended March 31 of that year.

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "Risk Factors" on pages 17 and 53, respectively.

Below, "CAGL" refers to CAGL on a standalone basis; "MMFL" refers to MMFL, together with its subsidiary; and "we" or "us" refers to CAGL on a standalone basis (prior to the acquisition of MMFL on March 18, 2020) and to CAGL its subsidiaries on a consolidated basis (post the acquisition of MMFL on March 18, 2020).

Overview

We are a leading Indian micro-finance institution headquartered in Bengaluru, focused on providing micro-loans to women customers predominantly in Rural Areas in India. According to MFIN India, we were the largest NBFC-MFI in India in terms of gross loan portfolio as of March 2020. Our wide range of lending products addresses the critical needs of our Customers throughout their life cycle and includes income generation, family welfare, home improvement and emergency loans. We believe that our customer-centric business model, wide range of product offerings, as well as our well-designed product delivery and collection systems, have enabled us to achieve high customer retention rates and low credit costs.

We focus predominantly on Customers in Rural Areas in India, who largely lack access to the formal banking sector and present a latent opportunity for offering micro-loans. Our products are built on a deep understanding of the requirements of our Customers (especially Customers from Rural Areas) and the flexibility of our products (in terms of ticket sizes, end-uses and repayment options) and the manner of their delivery differentiates us from our competitors and generates customer loyalty. Our focus customer segment are women having an annual household income of ₹200,000 or less in Urban Areas and ₹125,000 or less in Rural Areas. We provide loans primarily under the joint liability group ("**JLG**") model. Our primary focus is to provide income generation loans to our Customers. We also provide other categories of loans such as family welfare loans, home improvement loans and emergency loans to our existing Customers. Further, we also provide individual retail finance loans to customers who had been our Customers for at least two years and fulfil certain other eligibility criteria linked primarily to their credit history with us, income, and business position. We offer these loans to Customers to establish a new enterprise or expand an existing business in their individual capacity (for instance, for the purchase of inventories, machinery or two-wheelers).

With effect from March 18, 2020, we acquired 75.64% shareholding in Madura Micro Finance Limited ("**MMFL**"), a leading rural focused NBFC-MFI headquartered in Chennai, India. We subsequently increased our shareholding to 76.08% as on March 31, 2020. We believe that this acquisition further strengthens our leadership position as one of the largest NBFC-MFIs in India. We also believe that the combined business benefits from increased scale, customer base, geographical diversification, deeper rural penetration, focused growth and the ability to drive synergies across revenue opportunities, operating efficiencies and cost savings through economies of scale amongst others. Subject to regulatory approvals and conditions precedent as per the acquisition agreements, we intend merge MMFL into CAGL. For further details, please see "*Organisational Structure*" on page 189.

We have followed a strategy of contiguous district-based expansion across regions and, as of June 30, 2020, CAGL covers 230 districts in the 13 states (Karnataka, Maharashtra, Madhya Pradesh, Tamil Nadu, Kerala, Odisha, Chhattisgarh, Goa, Bihar, Jharkhand, Gujarat, Rajasthan, Uttar Pradesh) and one union territory (Puducherry) in India through 929 branches and 7,505 loan officers. CAGL's customer base increased from 1.85 million Active Customers as of March 31, 2018 to 2.88 million Active Customers as of June 30, 2020. We are a customer-centric organization and CAGL had a high Active Customer Retention Rate of 87% as of June 30, 2020 (calculated over last 12 months ended June 30, 2020), as shown in the table below.

	As of			
	June 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
Active Customer Retention Rate (1)............	87%	85%	87%	84%

(1)Active Customer Retention Rate for a period is defined as the ratio of number of customers who were Active Customers at the beginning of the period and remained Active Customers at the end of the period to the Active Customers at the beginning of the period.

Our strong organic growth was further augmented by the acquisition of MMFL, resulting in consolidated presence across 248 districts in the 14 states (including West Bengal in addition to 13 states mentioned above) and one union territory in India through 1,388 branches and 9,471 loan officers, serving Active Customer base of 4.01 million, as of June 30, 2020. Our consolidated operations are well-diversified at the district level, with no single district contributing more than 5% to our consolidated Gross AUM as of June 30, 2020. Further, out of a total of 248 districts where we had branches as of June 30, 2020, around 86% of these districts individually represent less than 1% of our consolidated Gross AUM.

Our Promoter is CreditAccess India N.V., a multinational company specializing in MSE financing (micro and small enterprise financing) backed by institutional investors. Our Promoter has provided capital funding to us from time to time and provides us with access to potential fundraising opportunities in the debt capital markets.

The following table sets forth our key financial and operational metrics as of or for the periods indicated:

	As of/ for the				
	Three months ended June 30, 2020* (Consolidated)	Three months ended June 30, 2020 (Standalone)	Year ended March 31, 2020 (Standalone)	Year ended March 31, 2019 (Standalone)	Year ended March 31, 2018 (Standalone)
	(₹ in million, except percentages and number of Total Active Loan Accounts)				
Gross AUM (1)........	117,240.33	96,804.98	98,964.14	71,593.30	49,746.61
Gross AUM Growth (%) (2)........	53.87%	27.05%	38.23%	43.92%	61.75%
Disbursements (3)........	465.66	461.60	103,892.21	82,211.63	60,817.22

	As of/ for the				
	Three months ended June 30, 2020* (Consolidated)	Three months ended June 30, 2020 (Standalone)	Year ended March 31, 2020 (Standalone)	Year ended March 31, 2019 (Standalone)	Year ended March 31, 2018 (Standalone)
	(₹ in million, except percentages and number of Total Active Loan Accounts)				
Disbursement Growth (4)	N.M.	N.M.	26.37%	35.18%	78.74%
Active Customers	4,010,862	2,876,202	2,905,036	2,469,837	1,851,324
Number of Total Active Loan Accounts (5)	6,737,670	5,449,753	5,522,582	4,141,329	3,190,543
Revenue from operations (6)	6,192.93	5,100.98	16,834.86	12,822.57	8,705.83
Finance Costs (7)	2,326.95	1,851.04	5,726.69	4,167.44	3,536.50
Net Interest Income (8)	3,832.23	3,224.50	10,858.59	8,475.73	5,060.36
Quarterly Average Gross AUM	118,600.62	97,884.56	82,904.53	58,962.61	39,605.11
Gross AUM (excluding sold portion of Direct Assignment)	110,068.98	90,875.87	94,832.65	67,081.96	49,746.61
Quarterly Average Gross AUM (excluding sold portion of Direct Assignment)	112,325.55	92,854.26	78,461.22	57,190.93	39,605.26
Net Interest Margin (9)	12.36%	12.52%	12.21%	12.71%	11.50%
Operating Expense (10)	1,316.02	1,010.67	4,066.04	2,939.79	2,030.75
Operating Expense / Quarterly Average Gross AUM	4.44%	4.13%	4.90%	4.99%	5.13%
Impairment of financial instruments (11)	1,551.00	1,389.69	2,389.82	748.55	(134.16)
Impairment of financial instruments/ Quarterly Average Gross AUM (excluding sold portion of Direct Assignment)	1.38%	1.50%	3.05%	1.31%	(0.34)%
Profit after tax	746.17	636.04	3,275.03	3,217.55	2,124.83
Gross NPA (12)	1,837.77	1,525.91	1,506.16	417.08	409.41
Gross NPA Ratio (13)	1.62%	1.63%	1.57%	0.62%	0.82%
Provisioning (14)	4.21%	4.42%	2.86%	1.17%	1.32%
Net Worth (15)	29,275.39**	27,423.92	26,690.71	23,650.60	14,374.76

Figures disclosed in the above table, except "Total Revenue" and "Profit after Tax" are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies. For reconciliations of non-GAAP measures, please see "Selected Statistical Information – Non-GAAP Reconciliations".

The figures appearing as of/for three months ended June 30, 2020 are on consolidated basis and are hence not comparable with figures appearing for other periods in the table. These figures for respective periods have been presented together for the convenience of the readers.

** The figures disclosed as of/for the three months ended June 30, 2020 are on a consolidated basis and incorporate the impact of the acquisition of MMFL on March 18, 2020. .*

*** Including Minority Interest*

"N.M." refers to not meaningful. As we significantly reduced disbursements during the three months ended June 30, 2020 (which was within the Moratorium Period), we believe providing disbursement growth will not be meaningful for this period.

(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 our 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.
(2)Gross AUM Growth represents percentage growth in Gross AUM for the relevant period over Gross AUM of the previous period.
(3)Disbursements represent the aggregate of all loan amounts extended to our Customers in the relevant period.
(4)Disbursement Growth represents percentage growth in disbursement for the relevant period over disbursement of the previous period.
(5)Total Active Loan Accounts represent the aggregate number of loan accounts outstanding as of the end of the relevant period including loan accounts 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.
(6)Revenue from Operations represents our revenue from operations for the period.
(7)Finance costs includes interest on debt securities, interest on borrowings other than debt securities, interest on subordinated liabilities, interest on other finance costs, interest on finance lease obligations and on Financial liability towards securitisation (re-recognised on balance sheet)
(8)Net Interest Income represents Interest Income plus Gain on derecognition of loans under designated at FVTOCI reduced by Interest Expense and Other Borrowing Costs in such period.
(9)Net Interest Margin = (Net Interest Income reduced by (loan processing fees, interest on deposits, income from direct assignment) and plus finance lease charges) / Quarterly Average AUM (Excl. sold portion of Direct Assignment).
(10)Operating Expense represents employee benefits expense, depreciation and amortization expense and other expenses. For the year ending March 31, 2020, operating expense excludes MMFL transaction expense (non-recurring expense) of ₹ 152.17 million.
(11)Impairment of financial instruments implies credit costs
(12)Gross NPA represents the Stage 3 Loan Assets based on our provisioning policy as of the last day of the relevant period.
(13)Gross NPA Ratio represents Gross NPA (as defined above) as a percentage of total Loan Assets as of the last day of the relevant period.
(14)Provisioning represents the provisions on total Loan Assets based on the ECL (Expected Credit Loss) methodology as a percentage of total Loan Assets as of the last day of the relevant period.
(15)Net Worth represents our net worth as of the last day of the relevant period.

Specifically, in the light of COVID-19, we have focussed on our community support through CSR activities. We have set aside a budget of ₹50 million for COVID-19 relief measures. We have undertaken various activities such as, distribution of PPE kits to hospitals, quarantine centers and doctors; distribution of medical / health kits for frontline corona warriors like the police department, primary health centers, local level health and volunteer workers; distribution of groceries to frontline labourers, workers of municipal departments and also our customers; and distribution of thermal scanners and other items to municipal offices, police stations and local district level government offices.

Introductory Note Regarding Financial Information Presented in this Section

On March 18, 2020, we acquired 75.64% shareholding in MMFL, a leading rural focused NBFC-MFI headquartered in Chennai, India Our shareholding as of March 31, 2020 was 76.08%. As a result, our audited, consolidated statement of profit and loss for the year ended March 31, 2020 consolidates the operations of MMFL for the period March 18 to March 31, 2020. In addition, our audited, consolidated balance sheet as of March 31, 2020 consolidates the assets and liabilities of MMFL as of March 31, 2020. As a result, our audited, consolidated financial statements for the year ended March 31, 2020 are not comparable with prior period standalone financial statements. Consolidated financial information as of and for the year ended March 31, 2020 is also not comparable with prior period standalone financial information.

Further, our reviewed consolidated financial statements for the four months ended July 31, 2020 are not comparable with prior periods.

See also, "*Risk Factors - In this Placement Document, we have compared consolidated financial information as of and for the year ended March 31, 2020 with our standalone financial information as of and for the year ended March 31, 2019. These periods may not be comparable to each other.*" on page 60.

Significant Factors Affecting Our Results of Operations

Impact of COVID-19

The outbreak of COVID-19 has had and continues to have a material impact on the global and Indian economy, the financial services sector and our business. We summarise below the significant areas where we have seen an impact of COVID-19 on our business and our approach on these areas going forward:

- ***Operations and business continuity***: On March 24, 2020, the Indian government announced a strict 21-day country-wide lockdown which was further extended on a number of occasions to contain the spread of the virus. When the lockdown was announced, we temporarily closed all of our branches. With the easing of the lockdown, we slowly resumed branch level business operations and all of our branches are now operational. Further, members of staff who can work-from-home have been enabled to do so and continue to work from home. We have defined standard operating procedures for key processes in relation to our operations and business continuity.

- ***Moratorium (granted by us to our customers) and Collection Efficiencies***: Pursuant to RBI's directions, we granted full or partial moratorium on payment of instalments falling due between March 1, 2020 and August 31, 2020 (the "**Moratorium Period"**) to all eligible borrowers who requested the moratorium. During the Moratorium Period, the percentage of our customers who have availed the moratorium gradually decreased and our collection efficiencies have gradually improved. The table below sets forth the month-wise percentage of loan book under moratorium (full or partial) and the collection efficiencies for these months, on a standalone basis for CAGL and MMFL:

As of/for the month ended	Loan book under moratorium [(1)]	Collection Efficiency [(2)]
	CAGL	
April 30, 2020	100%	0%
May 31, 2020	100%	0%
June 30, 2020	26%	74%
July 31, 2020	24%	76%
August 31, 2020	18%	82%
September 30, 2020	Nil	88%
	MMFL	
April 30, 2020	99%	1%
May 31, 2020	90%	10%
June 30, 2020	46%	54%
July 31, 2020	36%	64%
August 31, 2020	25%	75%
September 30, 2020	Nil	83%

(1) *Loan book under moratorium % represents the loan book subject to partial / full moratorium.*

(2) *Collection efficiency % represents monthly collections excluding overdues divided by scheduled demand during the month.*

During the Moratorium Period, as per applicable regulations, interest continues to accrue and the customer will be liable to pay this accrued interest as per fresh amortisation drawn by us. For customers who have availed the moratorium, we have extended the balance terms of their loans, while not impacting the weekly/ bi-weekly/monthly instalments. Such deferments will not be considered as a default or delay in payment and shall not adversely impact the credit history of the borrower. In our consolidated financial statements as of and for the year ended March 31, 2020, we have recorded a management overlay allowance of approximately Rs. 927.50 million (Rs.828.60 million by CAGL and Rs 98.90 million by MMFL) as part of our expected credit loss, to reflect, among other things, an increased risk of deterioration in macro-economic factors caused by COVID-19. Further, during the four months ended July 31, 2020, we have re-assessed the provisions made having regard to the continued disruption and its likely impact over a period further than that anticipated as of March 31, 2020 taking into account all internal and external factors based on information available. Accordingly, we have provided an additional management overlay of ₹ 1,519.9 million for the current period, taking the total provision for expected credit losses as at July 31, 2020 to ₹ 4,736.9 million (including total management overlay for COVID-19 of ₹ 2,447.4 million). There is no assurance that the payments due on such loans will be made or these loans will not be classified as NPAs in the future. We may be required to recognise higher loan loss provisions in future periods, on account of the uncertainty in the external environment due to COVID-19, which may adversely impact our asset quality and profitability in future periods.

- ***Moratorium (availed by us from our lenders)***: During the Moratorium Period, we availed moratorium benefit amounting to Rs. 6,474.21 million on principal payments from various lenders. We continued to make the interest payment to our all lenders during the moratorium period.

- ***Liquidity and capital adequacy***: In the four months ended July 31, 2020, CAGL raised funds amounting to Rs. 13,960.00 million, which comprised issuances of NCDs (amounting to Rs. 3,500 million) to banks pursuant to the RBI's targeted long term repo operations, loans from financial institutions (i.e., NABARD and SIDBI) (amounting to Rs. 3,550 million) under RBI's Special Liquidity Scheme, bank loans (amounting to Rs. 4,910 million) and direct assignments to banks (amounting to Rs. 2,000 million). As of July 31, 2020, our consolidated cash and cash equivalents and other bank balance amounted to Rs. 6,119.50 million. We believe we have a strong liquidity position as of July 31, 2020.

- ***Disbursements***: During the Moratorium Period, we have gradually increased disbursements made (only to our existing customers), with new disbursements made only to customers who have made on-time payments. The table below sets forth our month-wise disbursement levels:

For the month ended	**Disbursements (Consolidated)** ***(Rs. millions)***
April 30, 2020	0.00
May 31, 2020	0.54
June 30, 2020	465.12
July 31, 2020	5,370.11
August 31, 2020	4,846.30

See also, "Risk Factors - *The extent to which the recent coronavirus (COVID-19) outbreak impacts our business, cash flows, results of the operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted*."

Our deep penetration in Rural Areas and the suitability of our products to Rural Areas

We provide micro-loans to women customers, predominantly in Rural Areas in south/ central India. We focus on the rural segment, as it largely lacks access to the formal banking sector and hence provides an opportunity for offering our micro-finance products. Our deep penetration in Rural Areas, built through our contiguous, district-based expansion strategy has driven our revenue growth in prior periods and provides us with significant scale and diversification benefits. Further, our products are built on a deep understanding of the requirements of our customers from Rural Areas. Our wide range of products addresses the critical needs of our customers throughout their lifecycle and includes income generation, home improvement, children's education, sanitation and emergency loans. For further details, see "*Our Business - Our Products*" on page 158. We believe this wide range of lending products and our well-designed product delivery and collection systems has enabled us to have high customer loyalty and attract new customers (thereby driving revenue growth) and also lower credit costs.

However, we are also exposed to risks relating to the nature of our microfinance business. For instance, our customers typically have limited sources of income, savings and credit histories and our microfinance loans are provided free of collateral. Such customers generally do not have a high level of financial resilience, and, as a result, they can be adversely affected by declining economic conditions and natural calamities such as floods or droughts. In addition, we rely on non-traditional guarantee mechanisms rather than tangible assets as collateral, which may not be effective in recovering the value of our loans. For a discussion of the risks relating to the nature of microfinance loans, see "*Risk Factors – Microfinance loans are unsecured and are susceptible to certain operational and credit risks which may result in increased levels of NPAs, thereby adversely affecting our business, results of operations and financial condition*" on page 57.

Availability of Cost-Effective Sources of Funding

The availability of cost-effective funding affects our results of operations. Our funding sources are varied, as we believe that a diversified debt profile ensures that we are not overly dependent on any one type or source for funding. As an NBFC-MFI, we have access to diverse sources of liquidity, such as term loans from banks, financial institutions and non-banking financial companies, proceeds from loan assets assigned and securitized, proceeds from the issuance of NCDs and external commercial borrowings to meet our funding requirements. This enables us to optimize our cost of borrowings, funding and liquidity requirements, capital management and asset liability management.

As of July 31, 2020, we had total borrowings aggregating to ₹96,013.60 million, comprising debt securities of ₹10,079.70 million, borrowings (other than debt securities) of ₹84,265.10 million, subordinated liabilities of ₹1,054.80million and financial liability towards securitisation (re-recognised on balance sheet) amounting to ₹ 614.00 million. Our ability to continue to meet customer demand for loans will depend primarily on our ability to raise funds by issuing equity and debt securities and to borrow from various external sources on suitable interest rates, other terms and in a timely manner. Our debt service costs and overall cost of funds depend on many external factors, including developments in the Indian credit markets and, in particular, interest rate movements and the existence of adequate liquidity in the debt markets. Internal factors that affect our cost of funds include our credit ratings, cash flows and available credit limits. Any increase or decrease in our cost of funds requires us to commensurately increase or decrease the interest rates on loans disbursed to customers in the future to maintain our net interest margin.

Volatility in Borrowing and Lending Rates

Our results of operations depend substantially on the level of our net interest income (representing our revenue from operations as reduced by our finance costs). The differential between the interest rates that we charge on interest-earning assets and the interest rates that we pay on interest-bearing liabilities, and the volume of such assets and liabilities, tend to have a significant impact on our results of operations. Changes in market interest rates affect the interest rates we charge on our interest-earning assets differently from the interest rates we pay on our interest-bearing liabilities and also affect the value of our investments. An increase in interest rates could result in an increase in interest expense relative to interest income if we are not able to increase the rates charged on our loans and advances or if the volume of our interest-bearing liabilities is larger or growing faster than the volume of our interest-earning assets. The differences between repricing maturities of rate sensitive liabilities and rate sensitive assets, called repricing gaps, exposes our business to interest rate risk. In line with the recent downward trend in interest rate movements, we have been able to reduce our cost of borrowing and pass on the benefit to our customers through commensurate reduction in lending rate, whilst maintaining our interest spread.

Our business is also exposed to interest rate risk in the form of non-uniform movement in different interest rate benchmarks that are used for pricing of our assets and liabilities. As the repricing maturities of our liabilities and assets are spread over different time periods, we are exposed to interest rate risk in the form of non-parallel movement in yield curves. Such scenarios would lead to a reduction in our net interest income (representing our revenue from operations as reduced by our finance costs) and net interest margin. The quantum of the changes in interest rates for our assets and liabilities may also be different, leading to a decrease in the interest margin.

The table below sets forth certain key financial indicators of CAGL as of or for the periods specified:

Metric	As of / for the year ended March 31,		
	2020 (standalone)	2019 (standalone)	2018 (standalone)
	(₹ in million)		
Borrowings [(1)].......................................	78,225.52	48,665.70	36,234.65
Revenue from operations	16,834.86	12,822.57	8,705.83
Other income...	8.70	10.58	9.49
Finance cost [(2)]......................................	5,726.69	4,167.44	3,536.50
Net interest income [(3)]............................	10,858.59	8,475.73	5,060.36
Net Interest Margin (NIM-R):			
Average interest (A) [(4)]..........................	19.61%	20.16%	21.49%
Average effective cost of borrowing (B) [(5)]	9.79%	10.73%	11.92%
NIM-R (A-B)	9.82%	9.43%	9.58%

Figures disclosed in the above table, except " Borrowings", "Revenue from Operations", "Other Income" and "Interest Expense and Other Borrowing Costs" are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

[(1)]Borrowings represents the aggregate of debt securities, borrowings (other than debt securities), subordinated liabilities and financial liability towards securitisation (re-recognised on balance sheet).
[(2)]Finance cost represents our finance costs for the period.
[(3)]Net Interest Income represents interest income plus income from direct assignment of outstanding loans reduced by Finance costs in such period.
[(4)]Average interest represents interest income from qualifying assets, as defined by the RBI, which is gross loan portfolio outstanding during the period divided by the monthly average qualifying assets for the relevant period.
[(5)]Average effective cost of borrowing, as defined by the RBI, is our total Finance Costs less interest income on margin money deposits placed as collateral during the period divided by our monthly average Total Borrowings (net of margin money deposits as applicable). Financial liability towards securitisation and the related finance cost is not included in the computation of average cost of borrowing.

Credit Quality and Provisioning

Our ability to manage the credit quality of our loansis a key driver of our results of operations. We have made provisioning towards impairment of assets using expected credit loss methodology duly approved by the Board of Directors of the Company. This is also in line with the RBI Master Directions read with RBI notification RBI/2019-20/170, DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 and also April 17, 2020 DOR.No.BP.BC.63/21.04.048/2019-20 on asset classification. As the number of our loans that become Stage 3 increases, the credit quality of our loan portfolio decreases. Increase in provisions can also adversely impact our profitability and margins.

The following table illustrates CAGL's Gross Stage 3 Assets, PAR 30+ and PAR 30+% for the periods indicated:

	As of		
Metric	March 31, 2020 (standalone)	March 31, 2019 (standalone)	March 31, 2018 (standalone)
Gross Stage 3 Assets [(1)] (₹ in million)..........	1,420.99	335.15	374.70
Gross Stage 3 Assets Ratio [(2)] (%)	1.51%	0.50%	0.76%
Total Impairment Allowance [(3)] (%) ……………….……...	2.82%	1.15%	1.27%
PAR 30+ (₹ in millions) [(4)]..........................	1,685.36	470.22	496.41
PAR 30+ % [(5)]	1.70%	0.66%	1.00%

Figures disclosed in the above table, except "Gross Stage 3 Assets" and "Total Impairment Allowance" are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

[(1)]Gross Stage 3 Assets are based on CAGL's asset classification in accordance with Ind-AS, as of the last day of the relevant period.
[(2)]Gross Stage 3 Assets Ratio represents Gross Stage 3 Assets (as defined above) as a percentage of total portfolio loans outstanding (gross) in accordance with Ind-AS accounting standards, as of the last day of the relevant period.
[(3)]Total Impairment Allowance represents the impairment on total portfolio loans based on the ECL methodology as a percentage of total portfolio loans, as of the last day of the relevant period.
[(4)]PAR 30+ represents the gross loans outstanding that are overdue beyond 30 days.
[(5)]PAR 30+ % is the proportion of gross loans outstanding that are overdue beyond 30 days to the total gross loans outstanding, expressed as a percentage.

We follow robust customer selection and risk management policies, which have resulted in healthy asset quality and manageable level of Net NPAs and PAR. We also follow a systematic methodology in the selection of new geographies where we open branches, which takes into account factors such as the historic PAR% of the proposed district and socio-economic risk evaluation (for e.g., the risk of communal riots or natural disasters). Further, once we open a branch in a new area, our customer due diligence procedures encompass numerous layers of checks, which helps ensuring the high quality of new customers. For further details, see "*Our Business – Joint Liability Group Lending Business Processes – Customer Due Diligence Processes*" on page 161. We believe our robust systems and processes have contributed and will continue to contribute in maintaining the quality of our assets and keeping our Net NPAs and PAR at manageable levels.

Government Policy and Regulation

Our results of operations and continued growth depend on government policies and regulation. As an NBFC-MFI, we will continue to be affected by a number of regulations promulgated by the RBI that regulate, among other things, the classification of qualifying assets, NPA and standard assets provisioning norms, capital adequacy norms, priority sector lending, margin cap on loans and other lending stipulations and other operational restrictions. For details, see "*Key Regulations and Policies*" on page 178. Any change in the regulatory framework affecting NBFC-MFIs, and in particular those requiring to maintain certain financial ratios, accessing funds or lending to NBFC-MFIs by banks among others including priority-sector lending norms, would adversely affect our results of operations and growth.

Our Ability to Manage Our Growth and to Integrate the Operations of MMFL

Our business has grown significantly over the past few years, both through organic expansion and through our acquisition of MMFL in March 2020. CAGL's standalone Gross AUM grew at a CAGR of 41% from ₹49,746.61 million as of March 31, 2018 to ₹98,964.14 million as of March 31, 2020. At a consolidated level, our Gross AUM was ₹117,240.33 million, as of June 30, 2020. CAGL's standalone Disbursements across our financing products for the financial years ended March 31, 2018, 2019 and 2020 were ₹60,817.22 million, ₹82,211.63 million and ₹103,892.21 million.

As of June 30, 2020, at a consolidated level, we operate in 248 districts in the 14 states and one union territory in India through 1,388 branches and 9,471 loan officers, serving an Active Customer base of 4.01 million. We intend to continue our strategy of contiguous expansion which will expand our district coverage in these states and also potentially into neighbouring states. Our ability to manage our growth, derive benefits from scale and to manage our operating expenses is a key factor affecting our results of operations.

Further, in March 2020, we acquired 76.08% shareholding in MMFL, a leading rural focused NBFC-MFI headquartered in Chennai, India. We believe that this acquisition further strengthens our leadership position as one of the largest NBFC-MFIs in India. We also believe that the combined business benefits from increased scale, customer base, geographical diversification, deeper rural penetration, focused growth and the ability to drive synergies across revenue opportunities, operating efficiencies and cost savings through economies of scale amongst others. Subject to regulatory approvals and conditions precedent, we intend merge MMFL into CAGL. Our future results will be impacted by our ability to successfully merge MMFL's operations into our consolidated business. For pro forma financial information reflecting the impact of MMFL's acquisition to our statement of profit and loss for the year ended March 31, 2020, please see "*Pro Forma Financial Information*". See also, "*Risk Factors - Our recent acquisition of MMFL may not perform in line with our expectations*"

Our Ability to Manage Operating Expenses

Controlling our operating expenses is critical in determining our ability to offer loan products at competitive rates to our customers and in maintaining our profitability. Our operating expenses as a percentage of our AUM has been consistently declining over the years. We continue to identify and implement measures that we believe will enable us to sustain and further decrease our operating expense ratio. 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 may be eligible to borrow higher loan amounts from us since they have progressed to higher loan cycles.

Further, as part of our growth strategy, we intend to expand our branch network through contiguous expansion in the States where we are currently present and potentially also into neighbouring States. Our results of operations will be affected by our ability to manage operating expenses as we expand, in particular our employee benefits expense. As we have expanded our branch network, we have increased our employee headcount (in particular, loan officers). As we further expand our branch network, we will need to increase headcount, adding branch managers, area managers and operational management and technology staff. For the years ended March 31, 2020 (consolidated), 2019 (standalone) and 2018 (standalone), our employee benefits expenses were ₹2,620.48 million, ₹1,860.55 million and ₹1,304.37 million, respectively. Our employee benefits expenses were 15.37%, 14.50% and 14.97% of our total income, respectively, for the years ended March 31, 2020, 2019 and 2018.

However, as our operations expand, we also expect to derive benefits from economies of scale, which we believe will assist us in optimising our operating expenses. In addition, we also continue to invest in our technology platform and technology-enabled operating procedures to increase operational and management efficiencies.

Critical Accounting Policies

Set forth below are the critical accounting policies as of and for the year ended March 31, 2020.

Revenue recognition

Interest income for all financial instruments is 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.

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

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

Dividend income is recognised when the right to receive payment is established.

We recognise 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'. We identify 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.

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.

We recognise 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.

Finance cost

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

Provisions

Provisions are recognised when we have 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.

Taxes

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).

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.

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.

Financial Assets

Initial recognition and measurement

Financial assets are initially recognised on the trade date, i.e., the date that we become 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.

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)

Loans at amortised costs

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

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

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, we recognize interest income, impairment losses and 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.

Investment in debt instruments and equity instruments at fair value through profit or loss (FVTPL): FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Financial Liabilities

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. Our financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments, which are measured at amortised cost.

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.

Reclassification of financial assets and liabilities

We do not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which we acquire, dispose of, or terminate a business line. Financial liabilities are never reclassified.

De-recognition of financial assets and liabilities

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. We also de-recognises the financial asset if it has transferred the financial asset and the transfer qualifies for de- recognition.

We have 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 we retain 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:

- we have 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.
- we cannot sell or pledge the original asset other than as security to the eventual recipients.
- we have to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, we are 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:

- we have transferred substantially all the risks and rewards of the asset or
- we have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

We consider 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 we have 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 our continuing involvement, in which case, we also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that we have 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.

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.

Impairment of financial assets

Overview of the Expected Credit Loss (ECL) allowance principles

We record the allowance for expected credit losses for all loans at amortised cost and FVOCI and other debt financial assets not held at FVTPL.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in Note 3.16.2 to our consolidated financial statements for the year ended March 31, 2020). Our policies for determining if there has been a significant increase in credit risk are set out in Note 40 to our consolidated financial statements for the year ended March 31, 2020.

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. Our policy for grouping financial assets measured on a collective basis is explained in Note 40.

Accordingly, we group our loans into Stage 1, Stage 2, Stage 3, as described below:

- Stage 1: When loans are first recognised, we recognise 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 to our consolidated financial statements for the year ended March 31, 2020). We record an allowance for the LTECLs.

For financial assets for which we have 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.

The calculation of ECL

We calculate 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.

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. We calculate 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, we record 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, we recognize the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Write-offs

Financial assets are written off either partially or in their entirety only when we have 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.

Fair value measurement

We measure 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 advantageous market must be accessible by us.

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 hierarchy into Level I, Level II and Level III based on level of input.

Business combination

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. We account for business combinations under common control as per the pooling of interest method. The pooling of interest method involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- 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.
- 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.

Other business combinations

We use 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 we are 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 us to the previous owners of the acquiree, and equity interests issued by us. 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, we recognise 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 we incur in connection with a business combination, such as Stamp Duty for title transfer in our name, finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

Principal Components of Income and Expenses

The following is a brief description of the principal line items that are included in our consolidated statement of profit and losses:

Revenue

Total revenue consists of revenue from operations and other income.

Revenue from operations

Revenue from operations comprises primarily interest income (comprising interest on loans, income on securitisation (re-recognised on balance sheet), interest on deposits with banks and financial institutions and income from portfolio purchased under assignment), fees and commissions which are the upfront fees paid by our customers at the time of disbursement of loans, net gain on fair value changes, bad debt recovery and others.

Other income

Other income comprises primarily net gain/(loss) on derecognition of property, plant and equipment, net gain/(loss) on foreign currency transaction and translation (other than considered as finance cost) and others.

Expenses

Our expenses comprise finance costs, impairment of financial instruments, employee benefits expenses, depreciation and amortization expenses and other expenses.

Finance costs

Finance costs primarily comprise interest on debt securities, interest on borrowings other than debt securities, interest on subordinated liabilities, other finance costs, and interest on finance lease obligations. Finance costs also include costs on financial liability towards securitisations (re-recognised on balance sheet).

Impairment of financial instruments

Impairment of financial instruments comprise impairment of our joint liability group loans, our individual loans and self help group loans.

Employee benefits expense

Employee benefits expense comprise primarily the salaries and wages of our employees and also contributions to provident and other funds, share based payments to employees and staff welfare expenses.

Depreciation and amortization expenses

Depreciation and amortization expense includes depreciation of property, plant and equipment and amortization of intangible assets.

Other expenses

Other expenses comprise various other expenses incurred in our business operations, primarily travelling and conveyance expenses of our employees, professional and consultancy charges, rental charges payable under operating leases, postage and telecommunications expenses, repairs and maintenance related expenses, corporate social responsibility expenses and miscellaneous expenses.

Tax expense

Our tax expense comprises current tax and deferred tax.

Recent Developments

On September 23, 2020, our board of directors adopted our unaudited special purpose interim condensed consolidated financial information as of and for the four months ended July 31, 2020.

Summary of Performance

The following table sets forth our statement of profit and loss for the four months ended July 31, 2020, the components of which are also expressed as a percentage of total revenue for such period:

	As of July 31, 2020 (consolidated, unaudited)	
	(₹ in million)	(% of Total Income)
Revenue:		
Revenue from operations	8,171.70	99.91%
Other income..........................	7.10	0.09%
Total Income.........................	**8,178.80**	**100.00%**
Expenses:		
Finance Costs	3,122.60	38.18%
Impairment of financial instruments	1,637.90	20.03%
Employee benefits expenses....	1,296.70	15.85%
Depreciation and amortization expenses	142.00	1.74%
Other expenses	351.50	4.30%
Total expenses.......................	**6,550.70**	**80.09%**
Profit before tax....................	**1,628.10**	**19.91%**
Tax expenses:		
Current tax	747.20	9.14%
Deferred tax.............................	(331.50)	(4.05)%
Total tax expenses.................	**415.70**	**5.08%**
Profit for the period.............	**1,212.40**	**14.82%**

Four Months Ended July 31, 2020 (consolidated)

Income

Our total income was ₹8,178.80 million for the four months ended July 31, 2020, comprising mainly of revenue from operations, which amounted to ₹8,171.70 million and 99.91% of total income. Other income amounted to ₹7.10 million.

Expenses

Our total expenses were ₹6,550.70 million for the four months ended July 31, 2020.

Finance costs

Our finance costs for the four months ended July 31, 2020 amounted to ₹3,122.60 million. Finance costs comprised costs incurred on borrowings, which amounted to ₹3,101.00 million, and costs incurred on financial liability towards securitisation (as re-recognised on the balance sheet), which amounted to ₹21.60 million.

Impairment of financial instruments

Impairment of financial instruments for the four months ended July 31, 2020 ₹1,637.90 million. We made additional provisions on account of COVID-19 in the month of June 2020. After the end of moratorium period in August 2020, we are reviewing the situation and depending on our customers' repayment patterns, we shall accordingly make prudent provisions based on the ECL methodology in accordance with Ind-AS standards.

Employee Benefits expense

Employee benefits expenses for the four months ended July 31, 2020 amounted to ₹1,296.70 million.

Profit before Tax

Our profit before tax was ₹1,628.10 million for the four months ended July 31, 2020.

Tax Expenses

Our total tax expenses for the four months ended July 31, 2020 was ₹415.70 million. Current tax totalled ₹747.20 million and we recognised a deferred tax charge amounting to ₹331.50 million.

Profit for the Period

Profit after tax amounting to ₹1,212.40 million for the four months ended July 31, 2020, which is 14.82% of total income.

Financial Position

Assets

The following table sets forth the principal components of our assets as of the four months ending July 31, 2020 and the financial year ending March 31, 2020:

Assets *(₹ in million)*	As of July 31, 2020 (consolidated)	As of March 31, 2020 (consolidated)
Financial Assets:		
Cash and cash equivalents	4,958.60	6,448.66
Bank balance other than cash and cash equivalents	1,160.90	727.68
Other Receivables	2.20	2.22
Loans	106,037.10	110,989.14
Investments	9,140.80	455.56
Other financial assets	557.70	554.82
Total Financial Assets	**121,857.30**	**119,178.08**
Non-financial Assets:		
Current tax assets (net)	87.90	221.12
Deferred tax assets (net)	875.00	574.39
Property, plant and equipment	282.90	316.91
Right to use assets	645.20	545.96
Goodwill	3,175.80	3,175.78
Intangible assets under development	32.50	28.38
Intangible assets	1,681.50	1,726.31
Other non-financial assets	156.30	129.00
Total Non-Financial Assets	**6,937.10**	**6,717.85**

Assets (*₹ in million*)	As of July 31, 2020 (consolidated)	As of March 31, 2020 (consolidated)
Total Assets..	**128,794.40**	**125,895.93**

As of July 31, 2020, we had total assets of ₹128,794.40 million, compared to ₹125,895.93 million as of March 31, 2020.

Financial Assets

Cash and cash equivalents

We had cash and cash equivalents of ₹4,958.60 million as of July 31, 2020, compared with ₹6,448.66 million as of March 31, 2020. The decrease in cash and cash equivalents from March 31, 2020 to July 31, 2020 was primarily due to parking of excess funds in liquid mutual funds.

Bank balance other than cash and cash equivalents

We had bank balance other than cash and cash equivalents of ₹1,160.90 million as of July 31, 2020, compared to ₹727.68 million as of March 31, 2020. The increase in bank balance other than cash and cash equivalents between July 31, 2020 and March 31, 2020 was primarily due to the increase in deposits held as margin money or security against the borrowings.

Receivables

We had receivables of ₹2.20 million as of July 31, 2020, compared to ₹2.22 million as of March 31, 2020.

Loans

We had loans of ₹106,037.10 million as of July 31, 2020 compared to ₹110,989.14 million as of March 31, 2020. The decrease in loans from March 31, 2020 to July 31, 2020 was primarily due to run-down in loan portfolio on account of improvement in collections from customers, partially offset by relatively lower disbursements, due to our cautious approach on incremental lending during the Moratorium Period.

Investments

We had investments of ₹9,140.80 million as of July 31, 2020, compared to ₹455.56 million as of March 31, 2020. The increase in investments between July 31, 2020 and March 31, 2020 was primarily due to parking of additional funds drawn during the period in liquid mutual funds, in an effort to improve the overall liquidity position.

Other financial assets

We had other financial assets of ₹557.70 million as of July 31, 2020, compared to ₹554.82 million as of March 31, 2020. The increase in other financial assets between March 31, 2020 and July 31, 2020 was primarily due to increase in retained interest on assets assigned.

Non-financial Assets

Current Tax Assets

As of July 31, 2020, we had current tax assets of ₹87.90 million, as compared to ₹221.12 million as of March 31, 2020. The decrease in current tax assets from March 31, 2020 to July 31, 2020 was primarily due to receipt of tax refunds during the period.

Deferred Tax Assets

As of July 31, 2020, we had deferred tax assets of ₹875.00 million, as compared to ₹574.39 million as of March 31, 2020. The increase in deferred tax assets between March 31, 2020 and July 31, 2020 was primarily due to the increase in impairment allowance.

Property, Plant and Equipment

As of July 31, 2020, we had property, plant and equipment of ₹282.90 million compared to ₹316.91 million as of March 31, 2020. The decrease in property, plant and equipment between March 31, 2020 and July 31, 2020 was primarily due to depreciation of fixed assets.

Right to use Assets

As of July 31, 2020, we had right to use assets amounting to ₹645.20 million compared to ₹545.96 million as of March 31, 2020. The increase in right to use assets between March 31, 2020 and July 31, 2020 was primarily due to increase in lease assets recognised under Ind-AS 116 – Leases.

Goodwill

As of July 31, 2020, we had goodwill of ₹3,175.80 million compared to ₹3,175.78 million as of March 31, 2020.

Intangible Assets Under Development

As of July 31, 2020, we had intangible assets under development of ₹32.50 million compared to ₹28.38 million as of March 31, 2020.

Intangible Assets

As of July 31, 2020, we had intangible assets of ₹1,681.50 million compared to ₹1,726.31 million as of March 31, 2020. The decrease in intangible assets from March 31, 2020 to July 31, 2020 was primarily due to amortisation of intangible assets.

Other Non-financial Assets

As of July 31, 2020, we had other non financial assets of ₹156.30 million compared to ₹129.00 million as of March 31, 2020.

Liabilities and Equity

The following table sets forth the principal components of our liabilities and equity as of the periods indicated:

Liabilities *(₹ in million)*	As of July 31, 2020 (consolidated)	As of March 31, 2020 (consolidated)
Financial Liabilities:		
Payables	1,440.70	1,086.48
Debt securities	10,079.70	7,756.69
Borrowings other than debt securities	84,265.10	85,799.95
Subordinated liabilities	1,054.80	1,030.34
Financial liability towards securitisation	614.00	809.73
Other financial liabilities	702.10	621.84
Total Financial Liabilities	**98,156.40**	**97,105.03**
Non-financial Liabilities:		
Current tax liabilities	506.10	-
Provisions	250.10	203.10
Other non-financial liabilities	134.60	156.14
Total Non-financial Liabilities	**890.80**	**359.24**
Equity:		
Equity share capital	1,440.80	1,439.85
Other equity	27,188.60	25,902.34
Non-controlling interests	1,117.80	1,089.47
Total Equity	**29,747.20**	**28,431.66**
Total liabilities and equity	**128,794.40**	**125,895.93**

Financial Liabilities

Payables

We had payables of ₹1,440.70 million as of July 31, 2020, as compared to ₹1,086.48 million as of March 31, 2020.

Debt Securities

We had debt securities of ₹10,079.90 million as of July 31, 2020 as compared to of ₹7,756.69 million as of March 31, 2020. The increase in debt securities between March 31, 2020 and July 31, 2020 was primarily due to increase in non-convertible debentures.

Borrowings other than Debt Securities

We had borrowings other than debt securities of ₹84,265.10 million as of July 31, 2020 as compared to ₹85,799.95 million as of March 31, 2020.

Subordinated Liabilities

We had subordinated liabilities amounting to ₹1,054.80 million as of July 31, 2020 as compared to ₹1,030.34 million as of March 31, 2020.

Financial Liability towards Securitisation

We had financial liability towards securitisation of ₹614.00 million as of July 31, 2020 as compared to ₹809.73 million as of March 31, 2020.

Other Financial Liabilities

We had other financial liabilities amounting to ₹702.10 million as of July 31, 2020 as compared to ₹621.84 million as of March 31, 2020. The increase in other financial liabilities between March 31, 2020 and July 31, 2020 was primarily due to increase in lease liabilities recognised under Ind-AS 116 – Leases.

Non-financial Liabilities

Current Tax Liabilities

We had provisions amounting to ₹506.10 million as of July 31, 2020.

Provisions

We had provisions amounting to ₹250.10 million as of July 31, 2020 as compared to ₹203.10 million as of March 31, 2020. The increase in provisions between July 31, 2020 and March 31, 2020 was primarily due to increase in provisions on account of gratuity and leave encashment.

Other Non-Financial Liabilities

We had other non-financial liabilities of ₹134.60 million as of July 31, 2020 as compared to ₹156.14 million as of March 31, 2020. The decrease in other non-financial liabilities from March 31, 2020 to July 31, 2020 was primarily due to decrease in statutory dues payable.

Equity

Equity Share Capital

We had equity share capital amounting to ₹1,440.80 million as of July 31, 2020 as compared to ₹1,439.85 million as of March 31, 2020. The increase is on account of allotment of options exercised by employees of CAGL.

Other Equity

We had other equity amounting to ₹27,188.60 million as of July 31, 2020 as compared to ₹25,902.34 million as of March 31, 2020.

Non-controlling Interests

We had non-controlling interests of ₹1,117.80 million as of July 31, 2020 as compared to ₹1,089.47 million as of March 31, 2020. The increase in non controlling interests is on account of the share of MML on the consolidation of MMFL for the four months period ended July 31, 2020.

Our Results of Operations (Years ended March 31, 2020, 2019 and 2018)

The following table sets forth our statement of profit and loss for the years ended March 31, 2020, 2019, 2018, the components of which are also expressed as a percentage of total revenue for such periods:

	For the year ended March 31,					
	2020 (consolidated)		2019 (standalone)		2018 (standalone)	
	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)
Revenue:						
Revenue from operations	17,043.14	99.93%	12,822.57	99.92%	8,705.83	99.89%
Other income..........................	11.66	0.07%	10.58	0.08%	9.49	0.11%
Total Income........................	**17,054.80**	**100.00%**	**12,833.15**	**100.00%**	**8,715.32**	**100.00%**
Expenses:						
Finance Costs	5,799.80	34.01%	4,167.44	32.47%	3,536.50	40.58%
Impairment of financial instruments.........................	2,372.67	13.91%	748.55	5.83%	(134.16)	(1.54)%
Employee benefits expenses....	2,620.48	15.37%	1,860.54	14.50%	1,304.37	14.97%
Depreciation and amortization expenses.............................	203.73	1.19%	77.94	0.61%	51.72	0.59%
Other expenses	1,442.09	8.46%	1,001.31	7.80%	674.66	7.74%
Total expenses......................	**12,438.77**	**72.93%**	**7,855.78**	**61.21%**	**5,433.09**	**62.34%**
Profit before tax...................	**4,616.03**	**27.07%**	**4,977.37**	**38.79%**	**3,282.23**	**37.66%**
Tax expenses:						
Current tax	1,604.66	9.41%	1,763.54	13.74%	547.99	6.29%
Deferred tax...........................	(343.55)	(2.01)%	(3.72)	(0.03)%	609.04	6.99%
Tax of earlier period	0	0.00%	0	0%	0.37	0.00%
Total tax expenses................	**1,261.11**	**7.39%**	**1,759.82**	**13.71%**	**1,157.40**	**13.28%**
Profit for the year	**3,354.92**	**19.67%**	**3,217.55**	**25.07%**	**2,124.83**	**24.38%**

See "Risk Factors - In this Placement Document, we have compared consolidated financial information as of and for the year ended March 31, 2020 with our standalone financial information as of and for the year ended March 31, 2019. These periods may not be comparable to each other." on page 60.

Year Ended March 31, 2020 (consolidated) Compared to Year Ended March 31, 2019 (standalone)

Revenue

Our total revenue increased by 32.90% to ₹17,054.80 million for the year ended March 31, 2020 from ₹12,833.15 million for the year ended March 31, 2019.

Revenue from Operations

Our revenue from operations increased by 32.92% to ₹17,043.14 million for the year ended March 31, 2020 from ₹12,822.57 million for the year ended March 31, 2019. This increase was primarily because interest on loans increased by 38.74% to ₹16,039.45 million for the year ended March 31, 2020 from ₹11,560.87 million for the year ended March 31, 2019, driven by the growth in CAGL's Gross AUM.

CAGL's standalone Gross AUM increased by 38.23% from ₹71,593.30 million as of March 31, 2019 to ₹98,964.14 million as of March 31, 2020. CAGL increased its Active Customer base from approximately 2.47 million as of March 31, 2019 to approximately 2.91 million as of March 31, 2020, which led to the increase in its Gross AUM. Further, CAGL's Active Loan Accounts increased from approximately 4.14 million as of March 31, 2019 to 5.52

million as of March 31, 2020.

The increase in our customer base was driven by the expansion in the number of CAGL's branches from 670 in March 31, 2019 to 929 as of March 31, 2020, respectively. The increase in branches was in line with our strategy of contiguous district-based expansion across all states where we are present. For further details, see "*Our Business - Our Branch Network*" on page 156.

Other income

Our other income increased by 10.27% to ₹11.66 million for the year ended March 31, 2020 from ₹10.58 million for the year ended March 31, 2019.

Expenses

Finance Costs

Our finance costs increased by 39.17% to ₹5,799.80 million for the year ended March 31, 2020 from ₹4,167.44 million for the year ended March 31, 2019.

This increase was primarily because our interest on borrowings other than debt securities increased by 62.37% to ₹4,946.78 million for the year ended March 31, 2020 from ₹3,046.65 million for the year ended March 31, 2019, as we increased our borrowings by way of bank loans during the year ended March 31, 2020, in line with the growth in our Gross AUM. This increase was partially offset by a decrease in interest on debt securities, which decreased by 19.50%, to ₹642.49 million for the year ended March 31, 2020 from ₹798.10 million for the year ended March 31, 2019, due to decrease in interest on non-convertible debentures.

Impairment of financial instruments

Our impairment of financial instruments increased by 216.97% to ₹2,372.67 million for the year ended March 31, 2020 from ₹748.55 million for the year ended March 31, 2019. This was primarily due to ₹1,544.07 million of impairment charge on account of normative business operations which includes impairment on Stage 1 and Stage 2 assets in line with growth in our loan portfolio and impairment on Stage 3 assets. Further, we also recognised management overlay allowance of ₹828.60 million on account of COVID-19 impact for the year ending March 31, 2020 based on our ECL methodology in accordance with Ind-AS.

Employee Benefits Expenses

Employee benefits expenses increased by 40.84% to ₹2,620.48 million for the year ended March 31, 2020 from ₹1,860.54 million for the year ended March 31, 2019.

This increase was primarily because salaries and wages increased by 42.05% to ₹2,335.44 million for the year ended March 31, 2020 from ₹1,644.07 million for the year ended March 31, 2019. This increase was primarily due to the increase in employee base and normal course annual salary increments based on employee performance. The number of CAGL's employees increased from 8,064 as of March 31, 2019 to 10,824 as of March 31, 2020, principally loan officers. This increase was in line with the expansion of our business during the year ended March 31, 2020.

Depreciation and Amortization Expenses

Our depreciation and amortization expenses increased by 161.43% to ₹203.73 million for the year ended March 31, 2020 from ₹77.94 million for the year ended March 31, 2019, primarily due to increase in fixed assets in line with the expansion in our business and branch network during the year ended March 31, 2020.

Other Expenses

Our other expenses increased by 44.03% to ₹1,442.09 million for the year ended March 31, 2020 from ₹1,001.31 million for the year ended March 31, 2019.

This increase was primarily because travelling and conveyance expense increased by 27.62% to ₹470.73 million for the year ended March 31, 2020 from ₹368.85 million for the year ended March 31, 2019, due to an increase in the number of staff (primarily loan officers) and larger number of Customers handled in the year ended March 31, 2020, as compared with the year ended March 31, 2019. Further, professional and consultancy charges increased by 312.07% to ₹238.55 million for the year ended March 31, 2020 from ₹57.89 million for the year ended March 31, 2019, primarily due to ₹152.17 million expense incurred with regards to transaction and advisory fees related to the acquisition of MMFL during the year ended March 31, 2020.

Profit before tax

As a result of the foregoing, our profit before tax decreased to ₹4,616.03 million for the year ended March 31, 2020 from ₹4,977.37 million for the year ended March 31, 2019.

Total tax expenses

Our total tax expenses decreased to ₹1,261.11 million for the year ended March 31, 2020 from ₹1,759.82 million for the year ended March 31, 2019. This decrease was primarily due to a decrease by 9.01% in our current tax expense to ₹1,604.66 million for the year ended March 31, 2020 from ₹1,763.54 million for the year ended March 31, 2019, due to reduction in corporate tax rates, by the Government of India, from 30% to 22%, with the effective corporate tax (including 10% surcharge and 4% cess) decreasing from 34.32% to 25.17%, effective for the year ended March 31, 2020. Further, for the year ended March 31, 2020, we had a deferred tax credit amounting to ₹343.55 million, as compared to a deferred tax credit amounting to ₹3.72 million for the year ended March 31, 2019, the increase was primarily due to higher impairment allowance in the year ended March 31, 2020.

Profit/(loss) for the year

As a result of the foregoing, our profit/(loss) for the year increased to ₹3,354.92 million for the year ended March 31, 2020 from ₹3,217.55 million for the year ended March 31, 2019.

Year Ended March 31, 2019 Compared to Year Ended March 31, 2018

Total Revenue

Our total revenue increased by 47.25% to ₹12,833.15 million for the year ended March 31, 2019 from ₹8,715.32 million for the year ended March 31, 2018.

Revenue from operations

Our revenue from operations increased by 47.29% to ₹12,822.57 million for the year ended March 31, 2019 from ₹8,705.83 million for the year ended March 31, 2018. This increase was primarily because interest on loans increased by 35.51% to ₹11,560.87 million for the year ended March 31, 2019 from ₹8,531.50 million for the year ended March 31, 2018 driven by the increase in our Gross AUM.

Our Gross AUM increased by 43.92% from ₹49,746.61 million as of March 31, 2018 to ₹71,593.30 million as of March 31, 2019. We increased our Active Customer base from approximately 1.85 million as of March 31, 2018 to approximately 2.47 million as of March 31, 2019, which led to the increase in our Gross AUM. Further, our Active Loan Accounts increased from approximately 3.19 million as of March 31, 2018 to 4.14 million as of March 31, 2019.

The increase in our customer base was driven by the expansion in the number of CAGL's branches from 516 in March 31, 2018 to 670 as of March 31, 2019, respectively. The increase in branches was in line with our strategy of contiguous district-based expansion. For further details, see "*Our Business - Our Branch Network*" on page 156.

Other income

Our other income increased by 11.49% to ₹10.58 million for the year ended March 31, 2019 from ₹9.49 million for the year ended March 31, 2018.

Expenses

Finance costs

Our finance costs increased by 17.84% to ₹4,167.44 million for the year ended March 31, 2019 from ₹3,536.50 million for the year ended March 31, 2018. This increase was primarily due to a 33.67% increase in interest on borrowings other than debt securities to ₹3,046.75 million for the year ended March 31, 2019 to ₹2,279.32 million for the year ended March 31, 2018, as we increased our borrowings by way of bank loans during the year ended March 31, 2020, in line with the growth in our Gross AUM. This increase was partially offset by a 11.55% decrease in interest on debt securities (including financial liability towards securitisation) to ₹978.78 million for the year ended March 31, 2019 from ₹1,106.63 million for the year ended March 31, 2018, due to a decrease in interest on non-convertible debentures.

Impairment of financial instruments

Our impairment of financial instruments increased to ₹748.55 million for the year ended March 31, 2019, as compared to a reversal amounting to ₹134.16 million for the year ended March 31, 2018. This was primarily due to impairment on account of normative business operations which includes impairment on standard assets (Stage 1 & 2 Assets) in line with the growth in our loan portfolio and impairment on non-performing assets (Stage 3 Assets) in line with our revised provisioning estimates. In March 2019, we changed our provisioning estimates to recognise Stage 3 Assets (non-performing assets) at 60+ DPD compared to 90+ DPD earlier. Further, Stage 2 Assets were recognised at 15+ DPD, as compared to with 30+ DPD earlier.

Employee benefits expenses

Employee benefits expenses increased by 42.64% to ₹1,860.54 million for the year ended March 31, 2019 from ₹1,304.37 million for the year ended March 31, 2018. This increase was primarily because salaries and wages increased by 50.26% to ₹ 1,644.07 million for the year ended March 31, 2019 from ₹ 1,094.18 million for the year ended March 31, 2018. This increase was primarily due to the increase in employee base and normal course annual salary increments based on employee performance. The number of CAGL's employees increased from 6,036 as of March 31, 2018 to 8,064 as of March 31, 2019, principally loan officers. This increase was in line with the expansion of our business during the year ended March 31, 2019.

Depreciation and amortization expenses

Our depreciation and amortization expenses increased by 50.70% to ₹77.94 million for the year ended March 31, 2019 from ₹51.72 million for the year ended March 31, 2018.

Other expenses

Our other expenses increased by 48.41% to ₹1,001.31 million for the year ended March 31, 2019 from ₹674.66 million for the year ended March 31, 2018. This increase was primarily because travelling and conveyance expense increased by 55.41% to ₹368.85 million for the year ended March 31, 2019 from ₹237.34 million for the year ended March 31, 2018, due to an increase in the number of staff (primarily loan officers) and larger number of Customers handled in the year ended March 31, 2019, as compared with the year ended March 31, 2018. Further, rental charges payable under operating leases increased by 43.39% to ₹126.84 million from ₹88.46 million in the same period, in line with increase in number of branches during the year ended March 31, 2019.

Profit before tax

As a result of the foregoing, our profit before tax increased to ₹4,977.37 million for the year ended March 31, 2019 from ₹3,282.23 million for the year ended March 31, 2018.

Total tax expenses

Our total tax expenses increased to ₹1,759.82 million for the year ended March 31, 2019 from ₹1,157.40 million for the year ended March 31, 2018. This increase was primarily because our current tax increased to ₹1,763.54 million for the year ended March 31, 2019 from ₹547.99 million for the year ended March 31, 2018, due to higher amount of loans written off during the year ended March 31, 2018. In addition, we recognised a deferred tax charge amounting to ₹3.72 million for the year ended March 31, 2019, as compared to a deferred tax credit amounting to ₹609.04 million for the year ended March 31, 2018, the increase was primarily due to higher impairment allowance in the year ended March 31, 2019.

Profit for the year

As a result of the foregoing, our profit after tax increased to ₹3,217.55 million for the year ended March 31, 2019 from ₹2,124.83 million for the year ended March 31, 2018.

Financial Position

Assets

The following table sets forth the principal components of our assets as of March 31, 2020, 2019 and 2018:

Assets	As of March 31, 2020 (consolidated)	2019 (standalone)	2018 (standalone)
	(₹ in million)		
Financial Assets:			
Cash and cash equivalents	6,448.66	5,737.28	1,300.31
Bank balance other than cash and cash equivalents	727.68	418.18	130.34
Other Receivables	2.22	0.90	54.65
Loans	110,989.14	66,028.25	48,955.30
Investments	455.56	2.00	2.00
Other financial assets	554.82	467.01	125.55
Total Financial Assets	**119,178.08**	**72,653.62**	**50,568.15**
Non-financial Assets:			
Current tax assets (net)	221.12	132.30	48.42
Deferred tax assets (net)	574.39	431.40	300.02
Property, plant and equipment	316.91	187.44	94.80
Right to use assets	545.96	—	—
Goodwill	3,175.78	—	—
Intangible assets under development	28.38	23.60	10.63
Intangible assets	1,726.31	60.14	66.81
Other non-financial assets	129.00	82.91	46.86
Total Non-Financial Assets	**6,717.85**	**917.79**	**567.54**
Total Assets	**125,895.93**	**73,571.41**	**51,135.69**

See "Risk Factors - In this Placement Document, we have compared consolidated financial information as of and for the year ended March 31, 2020 with our standalone financial information as of and for the year ended March 31, 2019. These periods may not be comparable to each other." on page 60.

As of March 31, 2020, we had total assets of ₹125,895.93 million, compared to ₹73,571.41 million as of March 31, 2019 and ₹51,135.69 million as of March 31, 2018.

Financial Assets

Cash and cash equivalents

We had cash and cash equivalents of ₹6,448.66 million as of March 31, 2020, compared to ₹5,737.28 million as of March 31, 2019 and ₹1,300.31 million as of March 31, 2018. The increase in cash and cash equivalents between March 31, 2018 and March 31, 2019 was primarily due to proceeds of ₹6,301.96 million from our initial public offering in the month of August 2018. The increase in cash and cash equivalents between March 31, 2019 and March 31, 2020 was primarily due to the consolidation of MMFL post its acquisition by us .

Bank balance other than cash and cash equivalents

We had bank balance other than cash and cash equivalents of ₹727.68 million as of March 31, 2020, compared to ₹418.18 million as of March 31, 2019 and ₹130.34 million as of March 31, 2018. The increase in bank balance other than cash and cash equivalents between March 31, 2018 and March 31, 2019 and between March 31, 2019 and March 31, 2020 was primarily due to the increase in deposits held as margin money or security against the borrowings, which grew in line with the growth in our Gross AUM..

Receivables

We had receivables of ₹2.22 million as of March 31, 2020, compared to ₹0.90 million as of March 31, 2019 and ₹54.65 million as of March 31, 2018. -

Loans

We had loans of ₹110,989.14 million as of March 31, 2020 compared to ₹66,028.25 million as of March 31, 2019 and ₹48,955.30 million as of March 31, 2018. The increase in loans between March 31, 2018 and March 31, 2019 was primarily due to organic growth in gross AUM, driven by the expansion in our customer base and branch network. The increase in loans between March 31, 2019 and March 31, 2020 was primarily due to combination of organic growth in gross AUM and inorganic growth on account of the acquisition of MMFL in the month of March 2020.

Investments

We had investments of ₹455.56 million as of March 31, 2020, compared to ₹2.00 million as of March 31, 2019 and ₹2.00 million as of March 31, 2018. The increase in investments between March 31, 2019 and March 31, 2020 was primarily due to liquid investments of MMFL , as a part of its acquisition in the month of March 2020.

Other financial assets

We had other financial assets of ₹554.82 million as of March 31, 2020, compared to ₹467.01 million as of March 31, 2019 and ₹125.55 million as of March 31, 2018. The increase in other financial assets between March 31, 2018 and March 31, 2019 was primarily due to an increase of ₹301.25 million in retained interest on assets assigned on account of upfront recognition on income on sale of assets under direct assignment. The increase in other financial assets between March 31, 2019 and March 31, 2020 was primarily due to an increase of ₹56.42 million in retained interest on assets assigned.

Non-financial Assets

Current Tax Assets

As of March 31, 2020, we had current tax assets of ₹221.12 million, as compared to ₹132.30 million as of March 31, 2019 and ₹48.42 million as of March 31, 2018. The increase in current tax assets between March 31, 2018 and March 31, 2019 was in line with growth in business. The increase in current tax assets between March 31, 2019 and March 31, 2020 was primarily due to a growth in our business, both on account of organic and inorganic growth (i.e., the acquisition of MMFL).

Deferred Tax Assets

As of March 31, 2020, we had deferred tax assets of ₹574.39 million, as compared to ₹431.40 million as of March 31, 2019 and ₹300.02 million as of March 31, 2018. The increase in deferred tax assets between March 31, 2018 and March 31, 2019 and between March 31, 2019 and March 31, 2020 was primarily due to increase in impairment allowance during the respective years.

Property, Plant and Equipment

As of March 31, 2020, we had property, plant and equipment of ₹316.91 million compared to ₹187.44 million as of March 31, 2019 and ₹94.80 million as of March 31, 2018. The increase in property, plant and equipment between March 31, 2018 and March 31, 2019 was primarily due to growth in fixed assets on account of addition of new branches. The increase in property, plant and equipment between March 31, 2019 and March 31, 2020 was primarily due to growth in fixed assets on account of growth in number of branches, both organically and inorganically (i.e., due to MMFL's acquisition).

Right to use Assets

As of March 31, 2020, we had the right to use assets amounting to ₹545.96 million, as a result of the adoption of Ind-AS 116 – Leases as notified by Ministry of Corporate Affairs ('MCA'), with effect from April 1, 2019. This category of non-financial assets was not recognised on our balance sheet as of March 31, 2019 and 2018.

Goodwill

As of March 31, 2020, we had goodwill amounting to ₹3,175.78 million, relating to our acquisition of MMFL in March 2020. This category of non-financial assets was nil on our balance sheet as of March 31, 2019 and 2018 as there were no components earlier.

Intangible Assets Under Development

As of March 31, 2020, we had intangible assets under development of ₹28.38 million compared to ₹23.60 million as of March 31, 2019 and ₹10.63 million as of March 31, 2018.

Intangible Assets

As of March 31, 2020, we had intangible assets of ₹1,726.31 million compared to ₹60.14 million as of March 31, 2019 and ₹66.81 million as of March 31, 2018. The increase in intangible assets in March 31, 2020 as compared to March 31, 2019 is on account of the recognition of customer acquisition arising on account of the acquisition of MMFL in March 2020.

Other Non-financial Assets

As of March 31, 2020, we had other non-financial assets of ₹129.00 million compared to ₹82.91 million as of March 31, 2019 and ₹46.86 million as of March 31, 2018.

Liabilities and Equity

The following table sets forth the principal components of our liabilities and equity as of the periods indicated:

	As of March 31,		
Liabilities	2020 (consolidated)	2019 (standalone)	2018 (standalone)
	(₹ in million)		
Financial Liabilities:			
Payables	1,086.48	1,037.23	350.76
Debt securities	7,756.69	5,561.63	7,864.07
Borrowings other than debt securities	85,799.95	41,145.01	27,544.64
Subordinated liabilities	1,030.34	370.70	825.94
Financial liability towards securitisation	809.73	1,588.36	—
Other financial liabilities	621.84	—	—
Total Financial Liabilities	**97,105.03**	**49,702.93**	**36,585.41**
Non-financial Liabilities:			
Provisions	203.10	118.84	65.28
Other non-financial liabilities	156.14	99.04	110.24
Total Non-financial Liabilities	**359.24**	**217.88**	**175.52**
Equity:			
Equity share capital	1,439.85	1,435.52	1,284.27
Other equity	25,902.34	22,215.08	13,090.49
Non-controlling interests	1,089.47	—	—
Total Equity	**28,431.66**	**23,650.60**	**14,374.76**
Total liabilities and equity	**125,895.93**	**73,571.41**	**51,135.69**

See "Risk Factors - In this Placement Document, we have compared consolidated financial information as of and for the year ended March 31, 2020 with our standalone financial information as of and for the year ended March 31, 2019. These periods may not be comparable to each other." on page 60.

Financial Liabilities

Payables

We had payables of ₹1,086.48 million as of March 31, 2020, as compared to ₹1,037.23 million as of March 31, 2019 and ₹350.76 million as of March 31, 2018.

Debt Securities

We had debt securities of ₹7,756.69 million as of March 31, 2020 as compared to ₹5,561.63 million as of March 31, 2019. Our debt securities decreased to ₹5,561.63 million as of March 31, 2019 from ₹7,864.07 million as of March 31, 2018. The decrease in debt securities between March 31, 2018 and March 31, 2019 was primarily due to reduction in non-convertible debentures. The increase in debt securities between March 31, 2019 and March 31, 2020 was primarily due to increase in non-convertible debentures from foreign sources (in line with our intention to increase the share of foreign currency funding).

Borrowings other than Debt Securities

We had borrowings other than debt securities of ₹85,799.95 million as of March 31, 2020 as compared to ₹41,145.01 million as of March 31, 2019 and ₹27,544.64 million as of March 31, 2018. The increase in borrowings other than debt securities between March 31, 2018 and March 31, 2019 was primarily due to increase in term loans from domestic banks, foreign banks (external commercial borrowings), domestic financial institutions and NBFCs. . The increase in borrowings other than debt securities between March 31, 2019 and March 31, 2020 was primarily due to increase in term loans from domestic banks and domestic financial institutions, including the impact of consolidation of MMFL.

Subordinated Liabilities

We had subordinated liabilities amounting to ₹1,030.34 million as of March 31, 2020 as compared to ₹370.70 million as of March 31, 2019 and ₹825.94 million as of March 31, 2018. The decrease in subordinated liabilities between March 31, 2018 and March 31, 2019 was primarily due to repayment of existing subordinate debt. The increase in subordinated liabilities between March 31, 2019 and March 31, 2020 was primarily due to consolidation of ₹748.96 million of subordinate debt of MMFL.

Financial Liability towards Securitisation

We had financial liability towards securitisation of ₹809.73 million as of March 31, 2020 as compared to ₹1,588.36 million as of March 31, 2019. The decrease in financial liability towards securitisation between March 31, 2019 and March 31, 2020 was primarily due to maturity of securitised assets.

Other Financial Liabilities

We had other financial liabilities amounting to ₹621.84 million as of March 31, 2020 relating to finance lease obligations on account of Ind-AS 116 – Leases standard adopted on April 1, 2019.

Non-financial Liabilities

Provisions

We had provisions amounting to ₹203.10 million as of March 31, 2020 as compared to ₹118.84 million as of March 31, 2019 and ₹65.28 million as of March 31, 2018. The increase in provisions between March 31, 2018 and March 31, 2019 was primarily due to increase in provisions on account of gratuity and leave encashment. The increase in provisions between March 31, 2019 and March 31, 2020 was primarily due to increase in provisions on account of leave encashment.

Other Non-Financial Liabilities

We had other non-financial liabilities of ₹156.14 million as of March 31, 2020 as compared to ₹99.04 million as of March 31, 2019. Our other non-financial liabilities decreased to ₹99.05 million as of March 31, 2019 from ₹110.24 million as of March 31, 2018. The increase in other non-financial liabilities between March 31, 2019 and March 31, 2020 was primarily due to increase in statutory dues payable.

Equity

Equity Share Capital

We had equity share capital amounting to ₹1,439.85 million as of March 31, 2020 as compared to ₹1,435.52 million as of March 31, 2019 and ₹1,284.27 million as of March 31, 2018. The increase in our equity share capital between March 31, 2018 and March 31, 2019 was primarily due to our initial public offer in August 2018.

Other Equity

We had other equity amounting to ₹25,902.34 million as of March 31, 2020 as compared to ₹22,215.08 million as of March 31, 2019 and ₹13,090.49 million as of March 31, 2018. The increase in our equity share capital between March 31, 2018 and March 31, 2019 was primarily due to our initial public offer in August 2018.

Non-controlling Interests

We had non-controlling interests of ₹1,089.47 million as of March 31, 2020, relating to 23.92% stake in MMFL which is not owned by CAGL.

Liquidity and Capital Resources

The purpose of our liquidity management function is to ensure that we have sufficient funds available to extend loans to our Customers, to repay principal and interest on our borrowings and to fund our working capital requirements. We have access to diverse sources of liquidity such as term loans and working capital facilities, proceeds from loans assigned and securitized, proceeds from the issuance of NCDs, and borrowings from NBFCs and FIs. We typically invest our surplus cash in fixed deposits with banks and financial institutions and units of liquid mutual funds.

We actively manage our liquidity and capital position by raising funds periodically. We regularly monitor our funding levels to ensure that we are able to satisfy the requirements for loan disbursements and maturity of our liabilities. All our loan agreements and debentures contain a number of covenants including financial covenants. For details, see "*Risk Factors – We are subject to certain conditions and restrictions in terms of our financing arrangements, which could restrict our ability to conduct our business and operations in the manner we desire. In addition, on certain occasions in the past, we have been unable to comply with certain financial covenants in our financing documents*" on page 63.

Cash Flows

The following table sets forth our cash flows for the periods indicated:

	For the year ended March 31,		
	2020 (consolidated)	2019 (standalone)	2018 (standalone)
	(₹ in million)		
Net cash flows from operating activities	(22,284.84)	(13,780.93)	(17,255.86)
Net cash flows from investing activities.....................	(6,378.68)	(71.41)	536.44
Net cash from financing activities..............................	29,207.79	18,289.31	14,696.98
Net increase/(decrease) in cash and cash equivalents...	544.27	4,436.97	(2,022.44)

See "Risk Factors - In this Placement Document, we have compared consolidated financial information as of and for the year ended March 31, 2020 with our standalone financial information as of and for the year ended March 31, 2019. These periods may not be comparable to each other." on page 60.

Operating Activities

Net cash used in operating activities was ₹ 22,284.84 million for the year ended March 31, 2020. Our profit before tax was ₹4,616.03 million for the year ended March 31, 2020. Our changes in working capital for the year ended March 31, 2020 primarily consisted of an increase in loans of ₹29,535.37 million. Income tax paid was ₹1,640.15 million for the year ended March 31, 2020.

Net cash used in operating activities was ₹ 13,780.93 million for the year ended March 31, 2019. Our profit before tax was ₹4,977.37 million for the year ended March 31, 2019. Our changes in working capital for the year ended March 31, 2020 primarily consisted of an increase in loans of ₹16,028.22 million. Income tax paid was ₹1,820.52 million for the year ended March 31, 2019.

Net cash used in operating activities was ₹ 17,255.86 million for the year ended March 31, 2018. Our profit before tax was ₹3,282.23 million for the year ended March 31, 2018. Our changes in working capital for the year ended March 31, 2020 primarily consisted of an increase in loans of ₹20,609.54 million. Income tax paid was ₹674.75 million for the year ended March 31, 2019.

Investing Activities

Net cash flow used in investing activities was ₹6,378.68 million for the year ended March 31, 2020, predominantly consisting of Investment in equity shares of MMFL for ₹6,612.44 million.

Net cash flows used in investing activities was ₹ 71.41 million for the year ended March 31, 2019, predominantly consisting of purchase of plant, property and equipment, and intangible assets.

Net cash flows from investing activities was ₹536.44 million for the year ended March 31, 2018, predominantly consisting of cash and cash equivalents acquired pursuant to the scheme of arrangement with MV Microfin Private Limited.

Financing Activities

Net cash generated from financing activities was ₹29,207.79 million for the year ended March 31, 2020, consisting primarily of borrowings other than debt securities issued (net) amounting to ₹30,304.69 million and debt securities issued amounting to ₹718.07 million.

Net cash generated from financing activities was ₹18,289.31 million for the year ended March 31, 2019, consisting primarily of borrowings other than debt securities issued (net) amounting to ₹13,396.12 million, partially offset by debt securities repaid (net) amounting to ₹2,231.66 million.

Net cash generated from financing activities was ₹14,696.98 million for the year ended March 31, 2018, consisting primarily of borrowings other than debt securities issued (net) amounting to ₹8,880.41 million, and debt securities issued (net) amounting to ₹2,381.26 million.

Indebtedness

As of July 31, 2020, we had borrowings aggregating to ₹96,013.60 million, comprising debt securities of ₹10,079.70 million, borrowings (other than debt securities) of ₹84,265.10 million, subordinated liabilities of ₹1,054.80 million and financial liability towards securitisation (re-recognised on balance sheet) amounting to ₹614.00 million.

Contingent Liabilities

The following table sets forth certain information relating to our contingent liabilities (as per Ind AS37) which have not been provided for, as of March 31, 2020:

Particulars	As at March 31, 2020 *(Rs. millions)* (Consolidated)
Performance security provided by the Company pursuant to service provider agreement	1.2
Indemnity undertaking given to Bajaj Allianz Life Insurance Company Limited for insurance claims (in relation to MMFL) ………………………	2.0
Claims against the Company by the tax department, not acknowledged as debt* …………………………….	65

**The Assessing Officer, Income Tax, Bangalore, through an order dated 28th December 2019, has confirmed the demand of ₹65 million from the Company. The Company has preferred an appeal before Commissioner of Income Tax against said assessment 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.*

Historical and Planned Capital Expenditures

The table below sets for our capital expenditure incurred for the periods indicated:

Particulars	For the year ended March 31, 2020	2019	2018
	(₹ in million)		
Capital expenditure...	218.36	177.22	71.18

Our historical capital expenditure was incurred for the purchase of property, plant and equipment, software, systems and infrastructure.

We currently expect to incur capital expenditure amounting in the year ending March 31, 2021 towards the purchase of branch fixed assets, computers and software and purchase of a property (training centre) to meet the increasing employee training requirements of our Company.

Our actual capital expenditures may differ from the amounts set out above due to various factors, including our future cash flows, results of operations and financial condition, changes in the local economy in India, the availability of financing on terms acceptable to us, changes in the legislative and regulatory environment and other factors that are beyond our control.

Capital to Risk Weight Assets Ratios

The RBI monitors capital to risk assets ratios based on financial information. The following table sets forth CAGL's capital to risk weight assets ratios based on our financial position as of the periods indicated:

	As of March 31,		
	2020 (standalone)	2019 (standalone)	2018 (standalone)
CRAR (%)..	23.60%	35.26%	28.94%
CRAR - Tier I capital (%)...	22.30%	34.38%	28.07%
CRAR - Tier II capital (%)..	1.30%	0.88%	0.87%

Note: The CRAR numbers above are as per the reported CRAR numbers in respective financial statements. CRAR for March 31, 2018 is as per Previous GAAP.

MMFL's standalone CRAR was 23.0% as of March 31, 2020.

Credit Ratings and Social Ratings

The table below sets forth CAGL’s credit rating (a rating for a company's credit standing for borrowings) and CRISIL's M1C1 grading (an organization rating for a company) for us for the past three years.

	2020	2019	2018
Credit Rating – CRISIL ……………………………………….	A+ (Stable)	-	-
Credit Rating – ICRA …………………………………………	A+ (Stable)	A+ (Stable)	A (Stable)
Credit Rating – Ind-Ra ……………………………………..	A+ (RWN)	-	-
Comprehensive Microfinance Grading (Institutional Grading/Code of Conduct Assessment (COCA)) – CRISIL / SMERA ……………………………………………………….	M1C1	M1C1	mfR1
Social Rating M-CRIL ……………..………………………….	∑α	∑α	∑α
Social Bond Framework – Sustainalytics …………………….	Certified	-	-

Further, we have developed a social bond framework, under which we may issue social bonds to global investors. Sustainalytics has provided the second party opinion on the framework, noting that it is credible and impactful and aligns with the four core components of ICMA's Social Bond Principles 2018.

The table below sets forth MMFL’s credit rating:

	2020
Credit Rating – ICRA …………………………………………	BBB+ (OWP)
Credit Rating – CARE ……………………………………..	BBB+ (OWP)
Comprehensive Microfinance Grading – ICRA ……..……….	M2+

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties. For details of our related party transactions in accordance with IND AS – 24 or AS 18 (as applicable) on Related Party Disclosures, see "*Related Party Transactions*" on page 52.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to various types of market risks during the normal course of business such as credit risk, interest rate risk, liquidity risk, operational risk, cash management risk, asset risk and inflation risk.

Credit Risk

Credit risk is the risk of loss that may occur from defaults by our Customers under our loan agreements. In order to address credit risk, we have stringent credit policies for customer selection. We follow a systematic methodology in the selection of new geographies where we open branches, which takes into account factors such as the PAR% of the proposed district, potential for micro-lending and socio-economic risk evaluation (for e.g., the risk of communal riots or natural disasters). Further, once we open a branch in a new area, our customer due diligence procedures encompass three layers of checks, designed to assess the quality of the proposed group and to confirm that they meet our criteria. For further details, see "*Our Business —Customer Due Diligence Processes*".

Interest Rate Risk

We are subject to interest rate risk, principally because we lend to customers at fixed interest rates and for periods that may differ from our funding sources, while our borrowings are at both fixed and variable interest rates for different periods. We assess and manage our interest rate risk by managing our assets and liabilities. Our Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately. For details, see "*Risk Factors – Our business is particularly vulnerable to interest rate risk, and volatility in interest rates could have a material adverse effect on our net interest margin and our financial performance.*" on page 61.

Liquidity Risk

Liquidity risk arises due to the unavailability of adequate funds at an appropriate cost or tenure. Our resource mobilization department sources funds from multiple sources, including from banks, financial institutions and capital markets. Our resource mobilization department is responsible for diversifying fundraising sources, managing interest rate risks and maintaining a strong relationship with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies. For details, see "*Risk Factors – There can be no assurance that we will be able to access capital as and when we need it for growth.*" on page 64.

Operational Risk

Operational risks arise from inadequate or failed internal processes, people or systems, or from external events. We control our operational risk by maintaining a comprehensive system of internal controls. Our dedicated operation risk management team identifies all people and process related risks and updates them in a risk register with rank, impact and controllability. In addition, we have leveraged technology to protect us from fraud by taking measures such as verifying customer details and documentation online and using credit bureau data to get information on potential frauds. Our team also manages compliance with requirements set forth by regulatory bodies and our internal standards. For details, see "*Risk Factors –Any failure or material weakness of our internal control system could cause significant operational errors, which would materially and adversely affect our profitability and reputation.*" on page 66.

Cash Management Risk

Our branches collect and deposit a large amount of cash through a high volume of transactions taking place in our branch network. To address the cash management risks, we have developed advanced cash management checks that we employ at every level to track and tally accounts. We ensure that cash collected up to a certain time is deposited at local bank branches on the same day. Cash that is to be deposited is accounted for at the branch level and at a central level to avoid discrepancies. Moreover, we conduct regular internal audits to ensure the highest levels of compliance with our cash management systems. For details, see "*Risk Factors – We handle cash in a high volume of transactions occurring through a dispersed network of branches; as a result, we are exposed to operational risks, including fraud, petty theft and embezzlement, which could harm our results of operations and financial position.*" on page 74.

Inflation Risk

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. A return of high inflation rates may result in an increase in overall interest rates which may adversely affect our results of operations. High rates of inflation in the Indian economy could impact the results of our operations, by leading to a lower demand for our income generation, retail business and two-wheeler loans. High inflation rates may also adversely affect growth in the Indian economy and our operating expenses.

Known Trends or Uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*Significant Factors Affecting Our Results of Operations*" and the uncertainties described in "*Risk Factors*" on page 53. To our knowledge, except as discussed in this Placement Document, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

Future Relationship between Cost and Revenue

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 53, 147 and 103, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

New Products or Business Segments

Other than as disclosed in this section and in "*Our Business*" on page 147, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

Changes in Accounting Policies

Apart from the transition to Ind AS from the year ended March 31, 2019, there have been no change in our accounting policies for the past three fiscal years and for the four months ended July 31, 2020.

Seasonality of Business

Our business is subject to seasonality as we typically see higher borrowings by our Customers during the third and fourth quarter of each financial year. We also typically have higher drawdowns under our facilities in the third and fourth quarter of each financial year.

Summary of reservations, qualifications, adverse remarks and matters of emphasis

a) there are no reservations, qualifications or adverse remarks in the audit reports on the audited consolidated and standalone financial information for the last five financial years and four months ended July 31, 2020, of the Company, except as follows:

Fiscal (Unconsolidated/standalone/ consolidated Financial information)	Details of reservation, qualification or adverse remarks	Details of impact on financial Statements and financial position of the Company, and corrective stepstaken by the Company, if any
2015-16	Nil	Nil
2016-17	Nil	Nil
2017-18	Nil	Nil
2018-19	Nil	Nil
2019-20	Nil	Nil
Quarter ended June 30, 2020	Nil	Nil
Four months ended July 31, 2020	Nil	Nil

b) there are no matters of emphasis, or other observations in the audit reports on the audited consolidated and standalone financial information for the last five financial years of the Company and four months ended July 31, 2020, and in the report on internal financial controls over financial reporting, except as follows:

Fiscal (Unconsolidated/standalone Financial information)	Details of matter of emphasis	Details of impact on financial statements and corrective steps taken by the Company
2015-16	Nil	Nil
2016-17	Nil	Nil
2017-18	Nil	Nil
2018-19	Nil	Nil
2019-20 - Standalone	Attention has been drawn to Note 43 to the standalone Ind AS financial statements, which describes the economic and social disruption as a result of COVID-19 pandemic of the	The COVID-19 pandemic has led to a significant impact on Company's regular operations including lending and collection activities.

	Company's business and financial metrics including the Company's estimates of impairment of loans to customers, which are highly dependent on uncertain future developments.	Further, pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020 allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company has extended/ will be extending moratorium to its borrowers in accordance with its Board approved policy. In management's view and considering the guidance provided by the Institute of Chartered Accountants of India, providing moratorium to borrowers at a mass scale based on RBI directives, by itself is not considered to result in a significant increase in credit risk (**'SICR'**) for such borrowers. The Company has recorded a management overlay allowance of approximately Rs. 830 million as part of its Expected Credit Loss, to reflect, among other things, an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic based on the information available at this point in time. Given the unique nature and scale of the economic impact of this pandemic, and its timing being close to the year-end, the management overlay is based on various variables and assumptions, which could result in actual credit loss being different than that being estimated. However, the full extent of impact of the pandemic on the Company's operations and financial metrics (including impact on impairment allowances for loan portfolio) will depend on future developments including governmental and regulatory measures and the Company's responses thereto, which are highly uncertain at this time.
2019-20 – Consolidated	(i) Attention has been drawn to Note 42(b) to the consolidated Ind AS financial statements, which describes the economic and social disruption as a result of COVID-19 pandemic of the Company's business and financial metrics including the Company's estimates of impairment of loans to customers, which are highly dependent on uncertain future developments.	(i) & (ii) Pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020 allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company has extended/ will be extending moratorium to its borrowers in accordance with its Board approved policy. In management's view and considering

	(ii) 'Pursuant to Reserve Bank Of India (RBI) issuing 'COVID-19 Regulatory package-Asset classification and Provisioning' on 17'th April 2020 , the holding company has granted a three month moratorium and consequential asset classification benefit until May 31'st 2020 to its borrowers. As at 31'st March 2020, for determination of Expected Credit Loss (ECL) provisioning, the ageing of these Loans and Advances and their Asset Classification will remain unchanged as per the Regulatory package. Moreover, the estimates and assumptions made by management in determining the ECL provision required for its loans are subject to uncertainties that are associated with the outcome of the pandemic. Hence the actual results may vary from these estimates. (iii) The appointment and payment of remuneration to the Managing director of MMFL for the period from October 2013 to September 2016 is subject to the approval of the Central government. A sum of Rs.13.25 million (excluding gratuity) had been paid as remuneration to the Managing Director for this period subject to central government approval, and charged to the Statement of Profit and Loss in the respective years. Refer note 39 to the financial statements.	the guidance provided by the Institute of Chartered Accountants of India, providing moratorium to borrowers at a mass scale based on RBI directives, by itself is not considered to result in a SICR for such borrowers. The Company has recorded a management overlay allowance of approximately Rs. 930 million as part of its Expected Credit Loss, to reflect, among other things, an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic based on the information available at this point in time. Given the unique nature and scale of the economic impact of this pandemic, and its timing being close to the year-end, the management overlay is based on various variables and assumptions, which could result in actual credit loss being different than that being estimated. The full extent of impact of the pandemic on the Company's operations and financial metrics (including impact on impairment allowances for loan portfolio) will depend on future developments including governmental and regulatory measures and the Company's responses thereto, which are highly uncertain at this time. (iii) As a security in case of rejection of the appointment of Director by the Central Government, the company has obtained a lien of Rs. 13.3 million on deposit placed by the Director in Federal Bank against the remuneration paid during the period October 2013 to September 2016.
QE 30th June 2020	(i) 'Pursuant to Reserve Bank Of India (RBI) issuing 'COVID-19 Regulatory package-Asset classification and Provisioning' on 17'th April 2020 , the holding company has granted a three month moratorium and consequential asset classification benefit until May 31'st 2020 to its borrowers. As at 31'st March 2020, for determination of Expected Credit Loss (ECL) provisioning, the ageing of these Loans and Advances and their Asset Classification will remain unchanged as per the Regulatory package. Moreover, the estimates and assumptions made by management in determining the ECL provision required for its loans are subject to uncertainties that are associated with the outcome of the pandemic. Hence	(i) Pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020 allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company has extended/ will be extending moratorium to its borrowers in accordance with its Board approved policy. In management's view and considering the guidance provided by the Institute of Chartered Accountants of India, providing moratorium to borrowers at a mass scale based on RBI directives, by itself is not considered to result in a SICR for such borrowers. In addition to management overlay allowance of Rs 930 million as of March 31, 2020, the Company has recorded an additional management overlay

	the actual results may vary from these estimates. (ii) The appointment and payment of remuneration to the Managing director of MMFL for the period from October 2013 to September 2016 is subject to the approval of the Central government. A sum of Rs.13.25 million (excluding gratuity) had been paid as remuneration to the Managing Director for this period subject to central government approval, and charged to the Statement of Profit and Loss in the respective years.	allowance of approximately Rs. 1,525.3 million as part of its Expected Credit Loss, to reflect, among other things, an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic based on the information available at this point in time. Given the unique nature and scale of the economic impact of this pandemic, and its timing being close to the year-end, the management overlay is based on various variables and assumptions, which could result in actual credit loss being different than that being estimated. The full extent of impact of the pandemic on the Company's operations and financial metrics (including impact on impairment allowances for loan portfolio) will depend on future developments including governmental and regulatory measures and the Company's responses thereto, which are highly uncertain at this time. (iii) As a security in case of rejection of the appointment of Director by the Central Government, the company has obtained a lien of Rs. 13.3 million on deposit placed by the Director in Federal Bank against the remuneration paid during the period October 2013 to September 2016.
Four months ended July 31, 2020	Attention has been drawn on point no.5 of Independent Auditors' Report on Unaudited special purpose Interim condensed consolidated financial information "The potential impact of the COVID-19 pandemic on the Group's financial information are dependent on future developments, which are highly uncertain".	(i) Pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020 allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company has extended/ will be extending moratorium to its borrowers in accordance with its Board approved policy. In management's view and considering the guidance provided by the Institute of Chartered Accountants of India, providing moratorium to borrowers at a mass scale based on RBI directives, by itself is not considered to result in a SICR for such borrowers. The Company has recorded a management overlay allowance of approximately Rs. 2,447.4 million as part of its Expected Credit Loss, to reflect, among other things, an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic based on the information available at this point in time. Given the unique nature and scale of the economic impact of this pandemic, and

		its timing being close to the year-end, the management overlay is based on various variables and assumptions, which could result in actual credit loss being different than that being estimated. The full extent of impact of the pandemic on the Company's operations and financial metrics (including impact on impairment allowances for loan portfolio) will depend on future developments including governmental and regulatory measures and the Company's responses thereto, which are highly uncertain at this time.

c) Modifications to auditor's report on Companies (Auditor's Report) Order, 2016

Fiscal (Unconsolidated/standalone/ consolidated Financial information)	**Matters referred or highlighted in the Companies (Auditor's Report) order 2016**	**Details of impact on financial Statements and financial position of the Company, and corrective steps taken by the Company, if any**
2016-17	Para (vii)(b) to Report on Companies (Auditor's Report) Order, 2016: Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have been regularly deposited with the appropriate authorities though there has been a delay in payment of service tax of Rs. 6,110,911, which has been discharged during the year along with appropriate interest.	The company has discharged the liability within the same financial year with applicable interest.
2019-20	(i) Para (vii)(b) to Report on Companies (Auditor's Report) Order, 2016: There is a demand for Rs. 14.5 million based on assessment order u/s 143(3) of Income Tax Act, 1961 for FY 2016-17. (ii) Para (viii) to Report on Companies (Auditor's Report) Order, 2016: According to the information and explanation given by the management, the Company has delayed in repayment of loans/ borrowings from financial institutions or banks during the year to the extent of Rs. 517.93 million (the delay in such repayments being for less than 3 days in each individual case) and Rs. 517.93 million of such dues were in arrears as on the balance sheet date.	(i) The company has disputed the demand and filed an appeal before the Commissioner of Income Tax (Appeals). The appeal is pending for personal hearing. The company has not created any tax provision for the same (ii) The delay represents repayments not made by the Company pending approval from banks or financial institutions in connection with its application for moratorium and consequent reschedulement of repayment terms pursuant to COVID-19 Regulatory package announced by Reserve Bank of India on March 27, 2020.

INDUSTRY OVERVIEW

The third party and industry information in this section has not been independently verified by us, the BRLMs or any of their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources we believe to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded off for presentation in this Placement Document.

The information in this section has been extracted from publicly available documents from various sources, including officially prepared materials from the Government and its various ministries, the Reserve Bank of India ("RBI"),Ministry of Statistics and Programme Implementation ("MOSPI") and the Indian Banks' Association. Wherever we have relied on figures published by the RBI, unless stated otherwise, we have relied on the latest and historical RBI Annual Reports, RBI Monetary Policy Reports, RBI Report on Trend and Progress of Banking in India and the accompanying Explanatory Notes, Financial Stability Report and Statistical Tables Relating to Banks in India available at http://www.rbi.org.in. Certain information in this section is also based on the reports of (i) MicroFinance Institutions Network, titled "Issue 33, Micrometer (Data as on 31 March 2020)"; (ii) ICRA Limited, titled "Covid-19 led disruptions continue to hound MFIs: gradual ramp-up in collections provides some comfort" dated July 2020 and "Credit quality of ICRA-rated pass-through certificates to remain sensitive to pace of collection recovery and extent of credit enhancement utilisation post moratorium" dated September 2020; and (iii) CRIF High Mark Credit Information Services Private Limited titled "MicroLend, Vol XI - Mar 2020". This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Neither our Company, nor the BRLMs have independently verified this industry and third party data and make any representation regarding the accuracy or completeness of such data. Similarly, while we believe that our internal estimates are reasonable, such estimates have not been verified by any independent sources, and neither our Company nor any of the BRLMs can assure potential investors as to their accuracy. For risks in this regard, see "Risk Factors – Third party industry and industry-related statistical data in this Placement Document may be incomplete, out of date, incorrect or unreliable." on page 78.

Statements in this section that are not statements of historical fact constitute "forward-looking statements". Such forward-looking statements are subject to various risks, assumptions and uncertainties and certain factors could cause actual results or outcomes to differ materially.

Impact of COVID-19

COVID-19 has adversely impacted near term growth outlook globally as well as with respect to India, with the RBI, stating that combined impact of demand compression and supply disruption will depress economic activity in the first half of the fiscal year 2021. Domestic economic activity has been impacted severely by the lockdown.

Owing to these unprecedented COVID-19 induced supply-demand shocks, IMF's June, 2020 WEO update projects growth of India's output at (-)4.5 per cent in 2020-21 and that of world's at (-)4.9 per cent (*Source: RBI, Monthly Macroeconomic Report, June 2020*).

Readings of high frequency indicators in India, however, indicate emergence of 'green-shoots' and assuming a phased restoration of economic activity, especially in the second half, and considering favourable base effects, the RBI expects a combination of fiscal, monetary and administrative measures currently undertaken to create conditions for a gradual revival in activity in the second half of 2020-21. (*Source: RBI, Monthly Macroeconomic Report, June 2020*).

RBI estimates GDP growth in FY2021 to remain in negative territory. (*Source: RBI, Governor statement dated May 22, 2020*). RBI in its Survey of Professional Forecasters have estimated the real gross domestic product is likely to contract by 1.5 per cent in 2020-21 but is expected to revert to growth terrain next year, when it is likely to grow by 7.2 per cent. RBI acknowledges that there are downside risks to this assessment, which are contingent upon the containment of the pandemic and quick phasing out of social distancing/ lockdown. (*Source: RBI, Survey of Professional Forecasters on Macroeconomic Indicators– Results of the 64th Round, June 04, 2020*).

These green shoots have a conducive policy environment to grow further and nudge the economy early on the path of economic recovery and growth. Policy environment was made conducive beginning March, 2020 when RBI and Government were able to correctly anticipate the economic downturn following the outbreak of the pandemic. RBI significantly reduced the repo rate by 75 basis points (bps) to 4.4 per cent and further to 4 per cent in May and injected huge amount of liquidity of approximately 3.9 per cent of GDP. With 100 bps cut in cash reserve ratio (CRR), 155 bps cut in reverse repo and increase in marginal standing facility to 3 per cent of net demand and time liabilities, attempts were afloat to enhance credit flow in the economy. (*Source: RBI, Monthly Macroeconomic Report, June 2020*).

On March 27, 2020, the RBI permitted all commercial banks (including regional rural banks, small finance banks and local area banks), co-operative banks, all-India Financial Institutions, and NBFCs (including housing finance companies and micro-finance institutions) (referred to hereafter as "lending institutions") to allow a moratorium of three months on payment of instalments in respect of all term loans outstanding as on March 1, 2020. In view of the extension of the lockdown and continuing disruptions on account of COVID-19, it was decided to permit lending institutions to extend the moratorium on term loan instalments by another three months, i.e., from June 1, 2020 to August 31, 2020. Accordingly, the repayment schedule and all subsequent due dates, as also the tenor for such loans, was shifted across the board by another three months (*Source: RBI Press Release dated May 22, 2020*).

Government of India executed a strategy wherein it imposed lock-down to allow states to ramp-up their health and testing infrastructure while implementing "Pradhan Mantri Garib Kalyan Yojana" to provide immediate cash support to the needy. More than 420 million poor people have so far received financial assistance of ₹654.54 billion under the scheme. Procurement of wheat increased touching an all-time record figure of 388.3 Lakh Metric Tonnes (LMT) on 29th June, 2020. Minimum Support Price (MSP) of ₹735 billion was paid, benefiting 4.2 million farmers (*Source: RBI, Monthly Macroeconomic Report, June 2020).*

The focus has been to support the economy in the pandemic situation. Accordingly, in May, 2020, Government adding to its past measures and that of RBI, announced a consolidated stimulus package of ₹20 trillion. The stimulus package was pivoted on "Atma Nirbhar Bharat", wherein MSMEs received a huge financial package in terms of collateral free debt, guarantee for subordinate debt through Funds-of-Funds and interest subvention scheme.

Additionally, "Pradhan Mantri Garib Kalyan Rojgar Abhiyaan", a rural infrastructure and employment generation scheme was launched for the benefit of returnee migrants. The stimulus package is a set of reforms providing continuity to the initiative that commenced in 2014. It has accelerated the reforms at a time when the pandemic has constrained the fiscal envelope of the government and dampened the inclination of the people to spend, in view of economic uncertainty.

Indian Economy

The Indian economy is one of the leading economies in the world with a gross domestic product ("**GDP**") at current prices estimated to attain ₹203.40 trillion for fiscal year 2020. *(Source: Ministry of Statistics and Programme Implementation ("**MOSPI**"), Press note 29th May 2020*. India became the fifth largest economy in the world, surpassing the UK and France. *(Source: Worldbank GDP Ranking 2019).*

Prior to the onset of COVID-19, according to the RBI, reviving consumption demand and private investment had assumed the highest priority heading into fiscal year 2020. This involved strengthening the banking and non-banking sectors, a big push for spending on infrastructure and implementation of much needed structural reforms in the areas of labour laws, taxation, and other legal reforms, to also enhance ease of doing business. *(Source: RBI, Monetary Policy Report, April 2020.)* The growth projection may have to be revisited based on the impact of the COVID-19 pandemic as nationwide lockdown imposed by the Central Government from March 25, 2020 till May 31, 2020 has led to slowdown in economic activity across sectors.

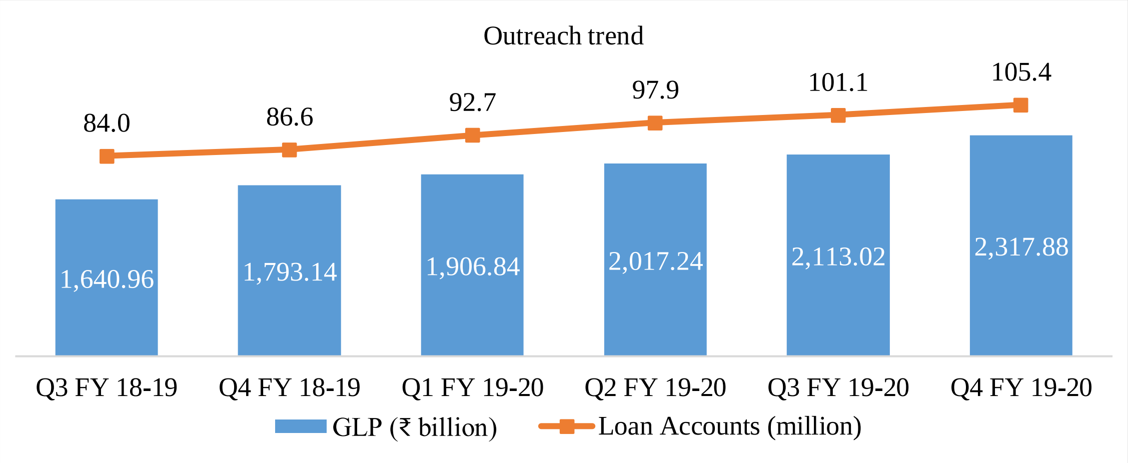
India's inflation dynamics were favourable over the last three years. The consumer price index ("**CPI**") inflation fell from 3.6% in fiscal year 2018 to 3.4% in fiscal year 2019. *(Source: RBI, Handbook of Statistics on the Indian Economy, 2018-19)* However, CPI inflation rose to 4.8% in fiscal year 2020, which was largely driven by movement in food inflation. The Ministry of Statistics and Programme Implementation (MOSPI) published headline retail inflation number or CPI for the month of June 2020 which stood at 6.1%. *(Source: RBI, Handbook of Statistics on the Indian Economy, 2018-19, Monetary Policy Report, April 2020.)* RBI in its Survey of Professional Forecasters have assigned the highest probability to CPI inflation in the range of 5.5-5.9 per cent for Q2:2020-21; further moderating to 3.5-3.9 per cent for Q3:2020-21 and 3.0-3.4 per cent for Q4:2020-21 (*RBI, Survey of Professional Forecasters on Macroeconomic Indicators– Results of the 65th Round, August 6, 2020*)

Real gross value added at basic prices ("**GVA**"), grew by 6.0% in fiscal year 2019 and grew by 3.9% in fiscal year 2020. *(Source: MOSPI, May 2020.)* A normal monsoon, low international fuel prices resulting in low inflation and several government measures such as corporate tax rate cuts and increased minimum support prices for agricultural produce had contributed to the growth of GVA. *(Source: Ministry of Finance, Macro-Economic Framework Statement 2020-21).*

Overview of the Indian Microfinance industry

As of 31 March 2020 (*based on loans originated after February 2017*), the microfinance industry's gross loan portfolio ("**GLP**") was ₹2,317.88 billion, including DPD180+ portfolio of ₹33.82 billion *(Source: MFIN, Micrometer, Q4 FY2019-20)* The total number of active loans accounts were 105.4 million as on March 31, 2020.*(Source: MFIN, Micrometer, Q4 FY2019-20)*

The YoY (March 31, 2019 to March 31, 2020) growth of GLP *(based on loans originated after February 2017)* is 29.26%.



(Source: MFIN, Micrometer, Q4 FY2019-20)

Competitive structure of the MFI industry

As on March 31, 2020, 12 Banks hold the largest share of portfolio in micro-credit with total loan outstanding of ₹922.81 billion, which is 39.8% of total micro-credit universe. NBFC-MFIs are second largest provider of micro-credit with a loan amount outstanding of ₹737.92 billion, accounting for 31.8% to total industry portfolio. SFBs have a total loan amount outstanding of ₹405.56 billion with total share of 17.5%. NBFCs account for another 9.8% and Other MFIs account for 1.1% of the universe. *(Source: MFIN, Micrometer, Q4 FY2019-20)*

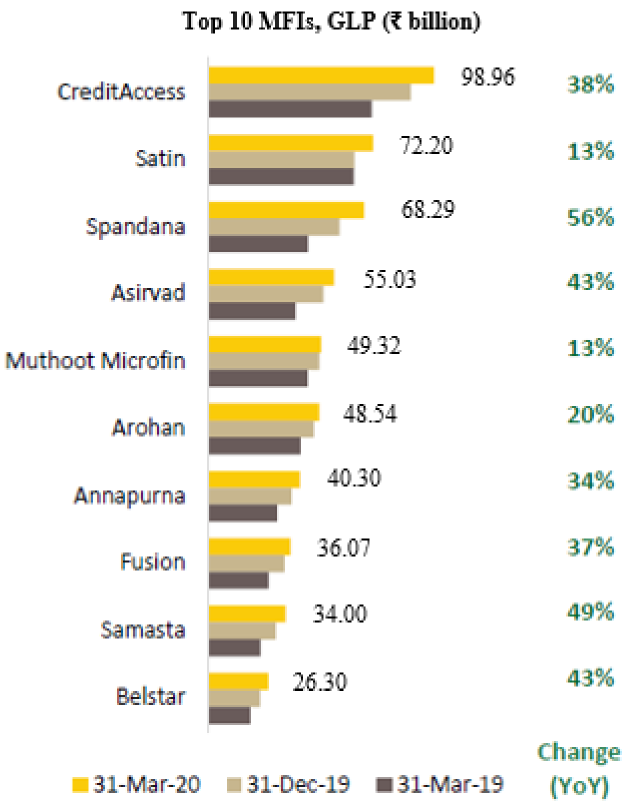
The table below captures the key portfolio and outreach number of the five-broad category of micro finance lenders.

Overall status of portfolio and loan accounts						
	March 31, 2020			**March 31, 2019**		
Type of Entity	**No. of Entities**	**Active Loan Accounts (million)**	**Portfolio O/S (₹ billion)**	**No. of Entities**	**Active Loan Accounts (million)**	**Portfolio O/S (₹ billion)**
NBFC-MFIs	84	38.4	737.92	83	38.7	670.09
Banks	12	36.8	922.81	13	22.3	598.97
SFBs	8	18.5	405.56	8	14.9	303.22
NBFCs	45	10.4	227.02	29	9.5	201.91
Others	21	1.4	24.56	16	1.1	18.94
Total	**170**	**105.4**	**2,317.88**	**149**	**86.6**	**1,793.14**

(Source: MFIN, Micrometer, Q4 FY2019-20)

NBFC MFIs have the highest active loan accounts of 38.7 million. The very high growth of Banks' portfolio and relatively slow growth for NBFC MFIs is mainly due to merger of Bharat Financial Inclusion Ltd with IndusInd Bank during Q1 2019-20. *(Source: MFIN, Micrometer, Q4 FY2019-20)*

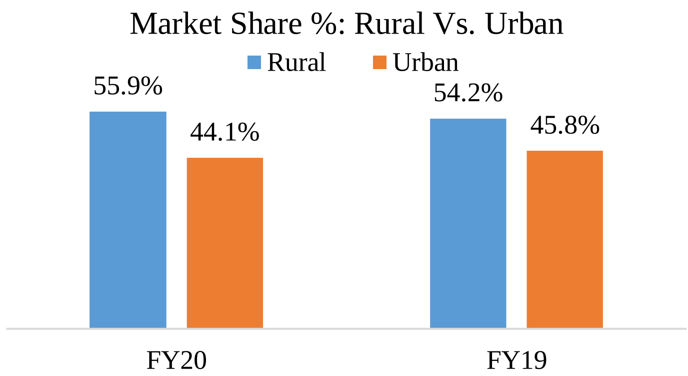
Top 10 NBFC-MFIs – In terms of GLP



(Source: MFIN, Micrometer, Q4 FY2019-20)

Rural vs. Urban divide: Rural areas conti nue to be significantly under penetrated

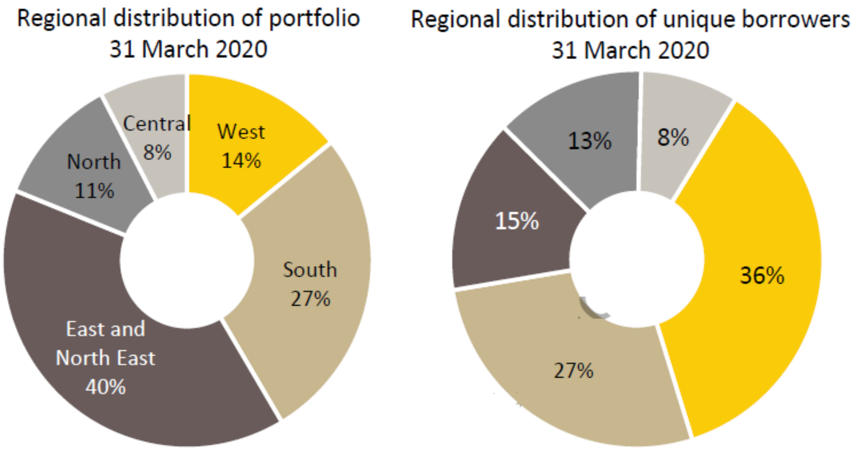
Although the majority of Indian households are located in the rural region, the lending infrastructure investment in these regions is low and thus there is a gap in the supply and demand of financial services in the backward regions of the country. While the customer coverage has gradually increased over time, rural areas continue to be significantly under penetrated. Rual areas account for half of GDP, but less than 10% of banking credit. Given that lesser penetration in rural areas, the competitive intensity in rural areas is far lower than that in urban areas. Due to low rural penetration, there is an opportunity available for MFIs players to grow their portfolios in rural areas.



(Source: Microlend - March 2020, CRIF High Mark)

Geographical concentration

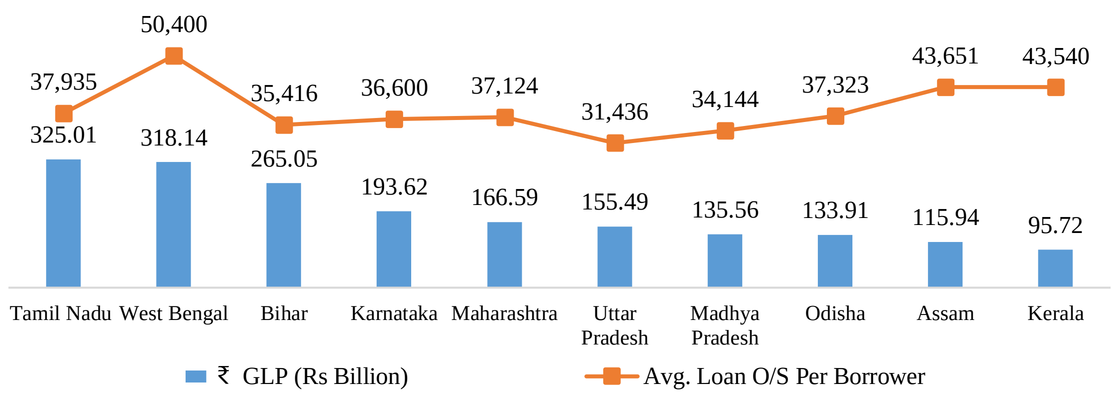
As on March 31, 2020, the industry serves 58.9 million unique borrowers through 105.4 million loan accounts. The regional spread depicted in the pie-charts below, shows that West & South continue to contribute more than 40% of microfinance portfolio as well as unique borrowers. *(Source: MFIN, Micrometer, Q4 FY2019-20)*



(Source: MFIN, Micrometer, Q4 FY2019-20)

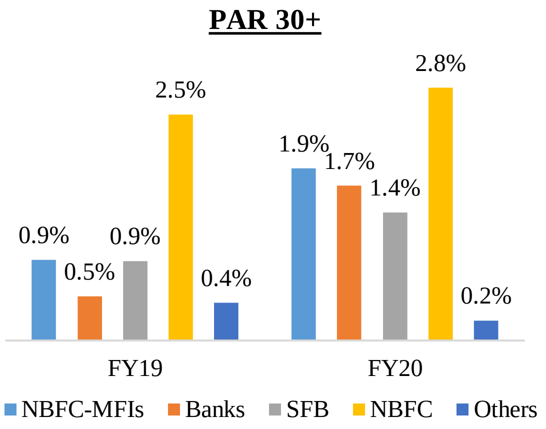
Top 10 States continue to account for over 80% of overall industry

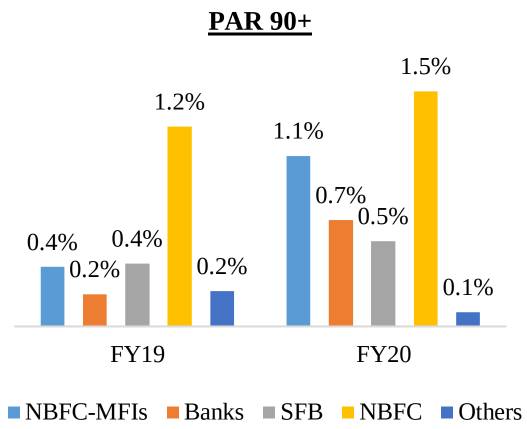
The Top 10 states constituted 82.2% in terms of GLP. Tamil Nadu was the largest state followed by West Bengal and Bihar. West Bengal has the highest average loan outstanding per unique borrower of ₹50,400 followed by Assam at ₹43,947 and Kerala at ₹43,540. Overall average loan outstanding per unique borrower for the industry was at ₹39,353. *(Source: MFIN, Micrometer, Q4 FY2019-20)*



(Source:MFIN,Micrometer, Q4 FY2019-20)

Trends in Delinquencies



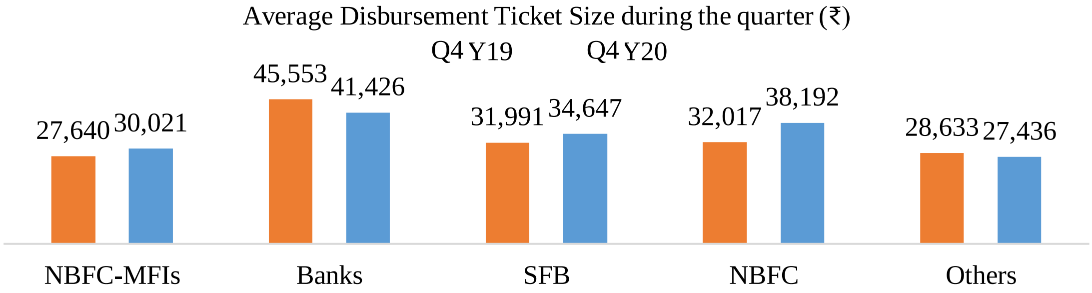


(Source: MFIN, Micrometer, Q4 FY2019-20)

Impact of recent regulatory changes and movement of average ticket sizes in the industry

In November 2019, taking into consideration the important role played by MFIs in delivering credit to those in the bottom of the economic pyramid and to enable them play their assigned role in a growing economy, it was decided to increase the household income limits for borrowers of NBFC-MFIs from the current level of ₹100,000 for rural areas and ₹160,000 for urban/semi urban areas to ₹125,000 and ₹200,000 respectively.
The Reserve Bank of India (RBI) modified the qualifying assets criteria for NBFC-MFIs. Further, The limit on the total indebtedness of a borrower was increased to ₹125,000 from ₹100,000 earlier. In light of the revision to the limit on total indebtedness, the limits on disbursal of loans have been raised from ₹60,000 for the first cycle and ₹100,000 for the subsequent cycles to ₹75,000 and ₹125,000 respectively. (*Source: RBI Circular/Notificaiton* - RBI/2019-20/95 DOR.NBFC (PD) CC. No.103/22.10.038/2019-20)

The average disbursement ticket size varied across various lending institutions as mentioned in the below chart. The average ticket size of the NBFC-MFIs at ₹30,021 during Q4 FY20 was an increase of 8.6% over Q4 FY19. The average ticket size of the banks was ₹41,426 for Q4 FY20, a decrease of 9.1% from Q4 FY19, indicating an increase in smaller value loans. However, it is the highest among all entities active in this space. The average ticket size of the SFBs at ₹34,647 during Q4 FY20 is an increase of 8.3% over ticket size of Q4 FY19.



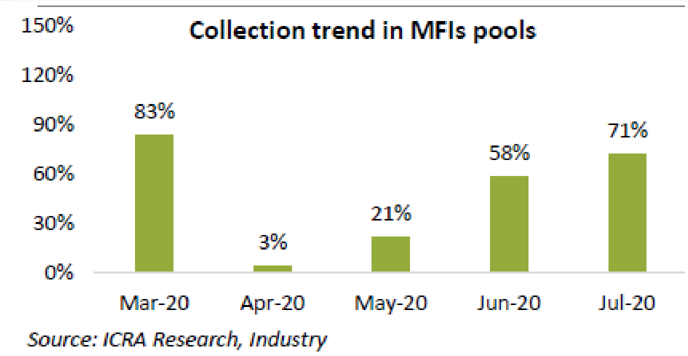
(Source: MFIN, Micrometer, Q4 FY2019-20)

Impact of COVID-19 and MFIs' efforts towards stabilisation and normalcy in operations

The microfinance industry faced challenges following the spread of the Covid-19 pandemic throughout the country. The key challenges for the industry included concerns regarding the continuity of business operations on the field, given the people-centric model with most of the collections being made in cash, the likely adverse impact on the asset quality as the borrowers' cash flows and economic activity have undergone a slowdown as well as the impact on incremental business growth.

The Reserve Bank of India (RBI) allowed a moratorium on term loans for March 1, 2020 to May 31, 2020, which was later extended to August 31, 2020. This provided much-needed relief to the borrowers, especially at the retail level. However, non-banking financial companies (NBFCs), including microfinance institutions (MFIs), faced several delays (and rejections in some cases) in getting approval for a moratorium from their lenders during Phase 1 (March 1, 2020 to May 31, 2020). Similarly, they continued to face uncertainty in getting approval for a moratorium during Phase 2 (June 1, 2020 to August 31, 2020). In such a scenario, maintaining proper liquidity on the balance sheet was paramount.

During Phase 1 of the moratorium period, a majority of the MFI borrowers opted for a moratorium, including even those who wanted to pay but could not do so due to the lockdown restrictions. Majority of the MFIs have been able to operationalise the majority of their branches, especially in rural areas. With the resumption of field operations, many entities reached out to their customers and explained the costs (higher interest burden) involved in availing the moratorium. With such awareness initiatives, many of the customers who had opted for a moratorium in April and May 2020 opted out of the moratorium and started paying their EMIs. Borrowers in the rural areas who are engaged in agricultural, dairy and allied services performed better than borrowers from other industries. For most MFIs, especially those with a sizeable presence in rural regions, the collection efficiency improved to 40-70% in June 2020 compared to a cumulative collection efficiency of less than 10% in April-May 2020. Some MFIs even started making disbursements to existing customers in June 2020 and some more in July 2020. MFIs have been continuously increasing their collection efficiencies over the past few months. The table below represents collections in the pools underlying ICRA-rated securitization transactions



Collection efficiency = (current collection + overdue collection + prepayments)/current billing as per pre-moratorium schedule

As per ICRA's analysis of 21 MFIs, which constitute around 70% of the MFI industry (excluding SFBs) on a portfolio basis, they have a total repayment obligation and operational expenditure of around Rs 98 billion in June-September 2020 against which the balance sheet liquidity buffer stood at around Rs 63 billion as on June 1, 2020. While there is a shortfall, the presence of undrawn sanctions and the expected ramp-up in the collection efficiency, along with the expected availability of a partial moratorium for the borrowings, mitigate the cash shortfall risk and turn it into a surplus of around Rs 64 billion for the sampled 21 MFIs. These MFIs had unencumbered cash/liquid investments of around 11% in relation to their assets under management (AUM) as on May 31, 2020. If one were to segregate the MFIs based on the rating category, the ratio for entities in the "BBB" and below rating category was less than half of the ratio for the entities in the 'A" and above rating category, indicating the stronger on-balance sheet liquidity available for the entities in the "A" and above rating category. Moreover, many MFI entities rated in the "A" and above rating category have been able to raise funds in June 2020 from development finance institutions (DFIs) as well as banks, which reflects the better refinancing ability of these entities compared to lower rated entities. Moreover, some entities got funding under the targeted long-term repo operation (TLTRO) as well.

The MFIs have been taking steps to boost their operating profits to create a cushion for absorbing the expected increase in the credit costs. COVID-19 led disruptions have resulted in the MFIs lowering their business growth targets, which otherwise would have provided better operating leverage. Hence, the MFIs are focusing on rationalising their cost structures. The major operating cost elements for MFIs include rentals and employee costs, which they are trying to reduce by way of rent renegotiation/branch consolidation, salary cuts, incentive reduction and/or retrenchments. Though such steps may not be sustainable in the long term as these are likely to impact employee morale and hamper the growth prospects, they are expected to provide near-term respite and help the entities absorb the expected high credit costs. In addition, the MFIs are planning to increase automation and digitisation including cashless collections. This will help them reduce the operating costs and lower the cash management related risks. However, these are long-term strategies and require a change in the consumer mindset and removal of the infrastructure bottlenecks.

(Source: ICRA "Covid-19-led disruptions continue to hound MFIs; gradual ramp-up in collections provides some comfort", July 2020; "Credit quality of ICRA-rated pass-through certificates to remain sensitive to pace of collection recovery and extent of credit enhancement utilisation post moratorium", September 2020).

OUR BUSINESS

You should read the following discussion in conjunction with our audited financial statements as of and for the years ended March 31, 2020, 2019 and 2018, our unaudited financial results for the three months ended June 30, 2020 and our unaudited, reviewed financial statements for the four months ended July 31, 2020. We publish our financial statements in Indian Rupees.

Unless the context requires otherwise, the financial information in this section has been derived from the following sources:

- *All financial information for the four month period ended July 31, 2020 presented in this section has been derived from the unaudited, reviewed special purpose interim financial information for the four month period ended July 31, 2020.*
- *All financial information for Fiscal Year 2020 presented in this section has been derived from the audited IND AS standalone/consolidated financial statements for Fiscal Year 2020, as applicable.*
- *All financial information for Fiscal Year 2019 presented in this section has been derived from the comparative financial information presented in the audited IND AS standalone financial statements for Fiscal Year 2020.*
- *All financial information for Fiscal Year 2018 presented in this section has been derived from the comparative financial information presented in the audited IND AS standalone financial statements for Fiscal Year 2019.*
- *All financial information in respect of profit and loss for the three month period ended June 30, 2020 is derived from the unaudited Ind AS standalone/consolidated financial results for the three months ended June 30, 2020, as applicable prepared in accordance with Regulation 33 of SEBI Listing Regulations. Information on assets and liabilities as at June 30, 2020 is derived from unaudited management accounts, which have not been subjected to a limited review.*

The degree to which the financial information prepared in accordance with Ind AS will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited. Our financial information as of and for the year ended March 31, 2020 presented in this section are on a consolidated basis and are therefore not comparable to our financial information as of and for the year ended March 31, 2019 and 2018 which have been prepared on a standalone basis. Please refer to "Risk Factors - In this Placement Document, we have compared consolidated financial information as of and for the year ended March 31, 2020 with our standalone financial information as of and for the year ended March 31, 2019. These periods may not be comparable to each other." on page 60.

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "Risk Factors" on pages 17 *and* 53*, respectively.*

Below, "CAGL" refers to CAGL on a standalone basis; "MMFL" refers to MMFL, together with its subsidiary; and "we" or "us" refers to CAGL on a standalone basis (prior to the acquisition of MMFL on March 18, 2020) and to CAGL its subsidiaries on a consolidated basis (post the acquisition of MMFL on March 18, 2020).

Overview

We are a leading Indian micro-finance institution headquartered in Bengaluru, focused on providing micro-loans to women customers predominantly in Rural Areas in India. According to MFIN India, we were the largest NBFC-MFI in India in terms of gross loan portfolio as of March 2020. Our wide range of lending products addresses the critical needs of our Customers throughout their life cycle and includes income generation, family welfare, home improvement and emergency loans. We believe that our customer-centric business model, wide range of product offerings, as well as our well-designed product delivery and collection systems, have enabled us to achieve high customer retention rates and low credit costs.

We focus predominantly on Customers in Rural Areas in India, who largely lack access to the formal banking sector and present a latent opportunity for offering micro-loans. Our products are built on a deep understanding of the requirements of our Customers (especially Customers from Rural Areas) and the flexibility of our products (in terms of ticket sizes, end-uses and repayment options) and the manner of their delivery differentiates us from our competitors and generates customer loyalty. Our focus customer segment are women having an annual household income of ₹200,000 or less in Urban Areas and ₹125,000 or less in Rural Areas. We provide loans primarily under the joint liability group ("**JLG**") model. Our primary focus is to provide income generation loans to our Customers. We also provide other categories of loans such as family welfare loans, home improvement loans and emergency loans to our existing Customers. Further, we also provide individual retail finance loans to customers who had been our Customers for at least two years and fulfil certain other eligibility criteria linked primarily to their credit history with us, income, and business position. We offer these loans to Customers to establish a new enterprise or expand an existing business in their individual capacity (for instance, for the purchase of inventories, machinery or two-wheelers).

With effect from March 18, 2020, we acquired 75.64% shareholding in Madura Micro Finance Limited ("**MMFL**"), a leading rural focused NBFC-MFI headquartered in Chennai, India. We subsequently increased our shareholding to 76.08% as on March 31, 2020. We believe that this acquisition further strengthens our leadership position as one of the largest NBFC-MFIs in India. We also believe that the combined business benefits from increased scale, customer base, geographical diversification, deeper rural penetration, focused growth and the ability to drive synergies across revenue opportunities, operating efficiencies and cost savings through economies of scale amongst others. Subject to regulatory approvals and conditions precedent as per the acquisition agreements, we intend merge MMFL into CAGL. For further details, please see "*Organisational Structure*" on page 189.

We have followed a strategy of contiguous district-based expansion across regions and, as of June 30, 2020, CAGL covers 230 districts in the 13 states (Karnataka, Maharashtra, Madhya Pradesh, Tamil Nadu, Kerala, Odisha, Chhattisgarh, Goa, Bihar, Jharkhand, Gujarat, Rajasthan, Uttar Pradesh) and one union territory (Puducherry) in India through 929 branches and 7,505 loan officers. CAGL's customer base increased from 1.85 million Active Customers as of March 31, 2018 to 2.88 million Active Customers as of June 30, 2020. We are a customer-centric organization and CAGL had a high Active Customer Retention Rate of 87% as of June 30, 2020 (calculated over last 12 months ended June 30, 2020), as shown in the table below.

	As of			
	June 30, 2020	March 31, 2020	March 31, 2019	March 31, 2018
Active Customer Retention Rate (1)............	87%	85%	87%	84%

(1)Active Customer Retention Rate for a period is defined as the ratio of number of customers who were Active Customers at the beginning of the period and remained Active Customers at the end of the period to the Active Customers at the beginning of the period.

Our strong organic growth was further augmented by the acquisition of MMFL, resulting in consolidated presence across 248 districts in the 14 states (including West Bengal in addition to 13 states mentioned above) and one union territory in India through 1,388 branches and 9,471 loan officers, serving Active Customer base of 4.01 million, as of June 30, 2020. Our consolidated operations are well-diversified at the district level, with no single district contributing more than 5% to our consolidated Gross AUM as of June 30, 2020. Further, out of a total of 248 districts where we had branches as of June 30, 2020, around 86% of these districts individually represent less than 1% of our consolidated Gross AUM.

Our Promoter is CreditAccess India N.V., a multinational company specializing in MSE financing (micro and small enterprise financing) backed by institutional investors. Our Promoter has provided capital funding to us from time to time and provides us with access to potential fundraising opportunities in the debt capital markets.

The following table sets forth our key financial and operational metrics as of or for the periods indicated:

	As of/ for the				
	Three months ended June 30, 2020* (Consolidated)	Three months ended June 30, 2020 (Standalone)	Year ended March 31, 2020 (Standalone)	Year ended March 31, 2019 (Standalone)	Year ended March 31, 2018 (Standalone)
	(₹ in million, except percentages and number of Total Active Loan Accounts)				
Gross AUM (1)........	117,240.33	96,804.98	98,964.14	71,593.30	49,746.61
Gross AUM Growth (%) (2)........	53.87%	27.05%	38.23%	43.92%	61.75%
Disbursements (3)........	465.66	461.60	103,892.21	82,211.63	60,817.22
Disbursement Growth (4)........	N.M.	N.M.	26.37%	35.18%	78.74%
Active Customers........	4,010,862	2,876,202	2,905,036	2,469,837	1,851,324
Number of Total Active Loan Accounts (5)........	6,737,670	5,449,753	5,522,582	4,141,329	3,190,543
Revenue from operations (6)........	6,192.93	5,100.98	16,834.86	12,822.57	8,705.83
Finance Costs (7)........	2,326.95	1,851.04	5,726.69	4,167.44	3,536.50
Net Interest Income (8)........	3,832.23	3,224.50	10,858.59	8,475.73	5,060.36
Quarterly Average Gross AUM........	118,600.62	97,884.56	82,904.53	58,962.61	39,605.11
Gross AUM (excluding sold portion of Direct Assignment)	110,068.98	90,875.87	94,832.65	67,081.96	49,746.61
Quarterly Average Gross AUM (excluding sold portion of Direct Assignment)	112,325.55	92,854.26	78,461.22	57,190.93	39,605.26
Net Interest Margin (9)........	12.36%	12.52%	12.21%	12.71%	11.50%
Operating Expense (10)........	1,316.02	1,010.67	4,066.04	2,939.79	2,030.75

	As of/ for the				
	Three months ended June 30, 2020* (Consolidated)	Three months ended June 30, 2020 (Standalone)	Year ended March 31, 2020 (Standalone)	Year ended March 31, 2019 (Standalone)	Year ended March 31, 2018 (Standalone)
	(₹ in million, except percentages and number of Total Active Loan Accounts)				
Operating Expense / Quarterly Average Gross AUM ………………………………………...	4.44%	4.13%	4.90%	4.99%	5.13%
Impairment of financial instruments [11]	1,551.00	1,389.69	2,389.82	748.55	(134.16)
Impairment of financial instruments/ Quarterly Average Gross AUM (excluding sold portion of Direct Assignment) …………………………..	1.38%	1.50%	3.05%	1.31%	(0.34)%
Profit after tax..	746.17	636.04	3,275.03	3,217.55	2,124.83
Gross NPA [12]	1,837.77	1,525.91	1,506.16	417.08	409.41
Gross NPA Ratio [13]	1.62%	1.63%	1.57%	0.62%	0.82%
Provisioning [14]	4.21%	4.42%	2.86%	1.17%	1.32%
Net Worth [15]	29,275.39**	27,423.92	26,690.71	23,650.60	14,374.76

Figures disclosed in the above table, except "Total Revenue" and "Profit after Tax" are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies. For reconciliations of non-GAAP measures, please see "Selected Statistical Information – Non-GAAP Reconciliations".

The figures appearing as of/for three months ended June 30, 2020 are on consolidated basis and are hence not comparable with figures appearing for other periods in the table. These figures for respective periods have been presented together for the convenience of the readers.

** The figures disclosed as of/for the three months ended June 30, 2020 are on a consolidated basis and incorporate the impact of the acquisition of MMFL on March 18, 2020. .*

*** Including Minority Interest*

"N.M." refers to not meaningful. As we significantly reduced disbursements during the three months ended June 30, 2020 (which was within the Moratorium Period), we believe providing disbursement growth will not be meaningful for this period.

(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 our 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.
(2)Gross AUM Growth represents percentage growth in Gross AUM for the relevant period over Gross AUM of the previous period.
(3)Disbursements represent the aggregate of all loan amounts extended to our Customers in the relevant period.
(4)Disbursement Growth represents percentage growth in disbursement for the relevant period over disbursement of the previous period.
(5)Total Active Loan Accounts represent the aggregate number of loan accounts outstanding as of the end of the relevant period including loan accounts 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.
(6)Revenue from Operations represents our revenue from operations for the period.
(7)Finance costs includes interest on debt securities, interest on borrowings other than debt securities, interest on subordinated liabilities, interest on other finance costs, interest on finance lease obligations and on Financial liability towards securitisation (re-recognised on balance sheet)
(8)Net Interest Income represents Interest Income plus Gain on derecognition of loans under designated at FVTOCI reduced by Interest Expense and Other Borrowing Costs in such period.
(9)Net Interest Margin = (Net Interest Income reduced by (loan processing fees, interest on deposits, income from direct assignment) and plus finance lease charges) / Quarterly Average AUM (Excl. sold portion of Direct Assignment).
(10)Operating Expense represents employee benefits expense, depreciation and amortization expense and other expenses. For the year ending March 31, 2020, operating expense excludes MMFL transaction expense (non-recurring expense) of ₹ 152.17 million.
(11)Impairment of financial instruments implies credit costs
(12)Gross NPA represents the Stage 3 Loan Assets based on our provisioning policy as of the last day of the relevant period.
(13)Gross NPA Ratio represents Gross NPA (as defined above) as a percentage of total Loan Assets as of the last day of the relevant period.
(14)Provisioning represents the provisions on total Loan Assets based on the ECL (Expected Credit Loss) methodology as a percentage of total Loan Assets as of the last day of the relevant period.
(15)Net Worth represents our net worth as of the last day of the relevant period.

Specifically, in the light of COVID-19, we have focussed on our community support through CSR activities. We have set aside a budget of ₹50 million for COVID-19 relief measures. We have undertaken various activities such as, distribution of PPE kits to hospitals, quarantine centers and doctors; distribution of medical / health kits for frontline corona warriors like the police department, primary health centers, local level health and volunteer workers; distribution of groceries to frontline labourers, workers of municipal departments and also our customers; and distribution of thermal scanners and other items to municipal offices, police stations and local district level government offices.

Competitive Strengths

Customer-centric business model resulting in high customer retention

We consider our Customers to be the most significant stakeholders at the core of our operations. As of June 30, 2020, we had served 4.01 million Active Customers on a consolidated basis. We believe that our customer-centric business model allows us to retain a high proportion of our existing customers and to attract new customers. CAGL had a high Active Customer Retention Rate of 87% as of June 30, 2020 (calculated over last 12 months). We follow a multi-pronged approach to customer engagement, which comprises the following key elements:

- Our financial products cater to the entire customer life cycle – we provide loans that are relevant for critical needs of our Customers throughout their lifespan. We believe this is a core quality of our customer-centric business model and helps in generating loyalty amongst our existing customers and in attracting new customers.

- Our products are built on a deep understanding of the requirements of our Customers and the flexibility of our products and the manner of their delivery differentiates us from our competitors and allows us to maintain a high level of customer retention. We set borrowing limits for each of our Customers based on their loan cycles and the number of years for which they have been our Customers and provide them the flexibility to borrow within the limit for a number of specified purposes, depending on their individual needs. All the members of a JLG are not required to take on the same type of loan or avail loans on the same disbursement day but may take different loans which are relevant to their respective needs with flexible disbursement days. Further, we provide flexibility in repayment schedules and do not levy penalties for prepayment or late payment of loan instalments. Moreover, as the credit history of our Customers improves with the passage of time by moving to subsequent loan cycles, we gradually increase their borrowing limits. This benefits us not only by increasing our revenue base, but also by optimizing our operating expenses, as we do not have to correspondingly incur costs associated with the acquisition of new customers. Our endeavour has been to reduce the dependence of our Customers on traditional forms of unorganized lending for their requirements throughout the year. We believe that the flexibility of our products, in terms of ticket sizes, access to different disbursement and repayment options, closely resembles the nature of lending provided by the unorganized sector in Rural Areas such as moneylenders, but typically at a much lower interest rate, with clearly specified terms and conditions and organized collection practices. Accordingly, our products present a more viable and safer borrowing option for our Customers, as compared to lending sources from the unorganized sector. Our products are tailored to the needs of our Customers and we believe that the structure of our product offerings enables our Customers to borrow less than the standard amounts, at multiple points of time during a year, thereby enabling our Customers to tide over temporary cash flow mismatches on their end, on account of reasons such as seasonality and cyclicality. We believe this keeps our Customers optimally levered.

- High customer engagement – we follow a predominantly weekly collection model, which enables a high degree of customer engagement. Whilst majority of our Customers are on a weekly collection model, we also offer a fortnightly and four-weekly collection models based on their needs. We believe that the high customer engagement achieved via the frequency of our collections and weekly or fortnightly meetings, and interactions with our Customers is an important factor in ensuring customer repayment and keeping our credit costs at optimal levels. We have maintained continuous contact with our Kendras since the commencement of the Government imposed COVID-19 lockdown in India. We have been able to physically meet all of our Kendras since the reopening of our branches post government lockdowns due to COVID-19

- Grievance resolution – as part of a continuous development process, we have implemented several methods to obtain feedback from our Customers and further promote customer awareness. For example, a number of our Customers are regularly contacted by our grievance department's tele-calling team to understand their awareness level and to obtain feedback on our processes and services. Our area managers also obtain feedback from our Customers on a periodic basis on satisfaction levels relating to our products and services, Kendra meetings, loan disbursement and recovery process and staff engagement. We aim to provide timely resolution to the grievances that we receive through our grievance redressal cell.

As a further testament to the success of our customer-centric model, we were one of the first six institutions globally to be certified by Smart Campaign on Client Protection Principles in 2013 (and the certification was last renewed in 2019).

Deep penetration in Rural Areas characterized by low competition and built through contiguous district-based expansion

We believe that our deep penetration in Rural Areas, built through a contiguous district-based expansion strategy by CAGL provides us with significant scale and diversification advantages. We carry out our contiguous expansion strategy methodically through CAGL whereby we aim to expand to the next (typically adjoining) district and ensure deep penetration in a particular district within three years of commencement of operations in the district. As of June 30, 2020, CAGL covers 230 districts in the 13 states (Karnataka, Maharashtra, Madhya Pradesh, Tamil Nadu, Kerala, Odisha, Chhattisgarh, Goa, Bihar, Jharkhand, Gujarat, Rajasthan, Uttar Pradesh) and one union territory (Puducherry) in India through 929 branches and 7,505 loan officers. On a consolidated basis, as of June 30, 2020, we cover 248 districts in the 14 states (including West Bengal in addition to 13 states mentioned above) and one union territory in India through 1,388 branches and 9,471 loan officers. We intend to implement the contiguous district-based expansion at MMFL as well. Our consolidated operations are well-diversified at the district level, with no single district contributing more than 5% to our consolidated Gross AUM as of June 30, 2020. Further, out of a total of 248 districts where we had branches as of June 30, 2020, around 86% of these districts individually represent less than 1% of our consolidated Gross AUM.

A large segment of India's rural and semi-urban population is currently unserved and underserved by formal financial institutions. Taking into account the opportunity and lower competitive intensity in rural segments, we have increased our footprint in India's rural areas unlike other industry players over the years. The acquisition of MMFL further enhances our rural presence, as depicted in the below table:

		For the year ended March 31, 2020,			
		2020 (Consolidated)	2020 (Standalone)	2019 (Standalone)	2018 (Standalone)
Industry*...............................	Rural (Portfolio)	56%	56%	54%	52%
	Urban (Portfolio)	44%	44%	46%	48%
Our Company........................	Rural (Customers)	86%	82%	82%	81%
	Urban (Customers)	14%	18%	18%	19%

* *Source:* CRIF- Highmark

We believe this has placed us in a strategic position to tap into the significant growth opportunities that exist in this financially underserved customer segment in Rural Areas that are characterized by lower competition.

Robust customer selection and risk management policies resulting in healthy asset quality

We follow robust customer selection and risk management policies, which have resulted in healthy asset quality and lower credit costs. We follow a systematic methodology in the selection of new geographies where we open branches, which takes into account factors such as the historic PAR% of the proposed district, competition in the new geographies, potential for micro-lending and socio-economic risk evaluation (for e.g., the risk of communal riots or natural disasters). Further, once we open a branch in a new area and JLGs are formed, our customer due diligence procedures encompass three layers of checks: firstly, our loan officer performs the initial due diligence procedures, collects the KYC documents, and conducts group training typically for five days (three days in case the JLG cluster is more than six months old, already has two groups and new members are being inducted in to existing groups) which might be extended if loan officers deem it necessary (30 minutes each day) on topics such as our Company, products, processes, JLG, group discipline and group responsibilities; on the last day of the group training or at a later date, re-interview is done by the branch manager to determine the Customers' level of understanding of the topics covered during the training; the branch manager then visits the homes of the new customers to verify the potential customers and obtain the consent of their family members for the customers becoming borrowers; lastly, the area manager revalidates the earlier two steps and performs the group recognition tests, which is designed to assess the quality of the proposed group and to confirm that they meet all our specified criteria. For further details, see "*Joint Liability Group Lending Business Processes – Customer Due Diligence Processes*" on page 161. Further, we do not provide incentives to our employees linked to disbursements or collections, which functions as a risk management tool. In addition, we follow a rotation policy whereby the loan officers are rotated every year and the branch managers are rotated bi-annually. We believe that our systematic geography and customer selection methodologies have resulted in healthy asset quality.

As of July 2020, as a response to COVID-19, new disbursements are being made only to existing borrowers who have been making on time repayments. We will continue to focus on such existing customers till our collections are normalised, and only thereafter gradually start disbursement to new customers.

Our internal audit department is responsible for monitoring and evaluating internal controls and ensuring statutory and regulatory compliance. Internal audits are carried out at branches on a bi-monthly basis (depending on the prior grading of the respective branches), at processing centres on a monthly basis, at the head office and regional and divisional offices on a quarterly basis and our information systems on an annual basis. Based on extent of compliance and adherence to systems, policies and procedures, the audited branches are assigned compliance scores. While internal audit teams are responsible for branch and field audits, the back-end process audit at the head office is conducted through independent audit firms. The Audit Committee of our Board is also updated every quarter on significant internal audit observations, compliance with statutes, progress of risk management practices and the effectiveness of our control systems.

Our effective credit risk management is reflected in our portfolio quality indicators such as robust repayment rates, stable PAR and low rates of GNPA backed by adequate provisioning cover. We actively manage our portfolio over prior periods, which has ensured that no single district contributes more than 5% to our Gross AUM, as of June 30, 2020. The following table reflects our key portfolio quality indicators:

	Three months ended June 30, 2020 (Consolidated)	Three months ended June 30, 2020 (Standalone)	Year ended March 31, 2020 (Standalone)	Year ended March 31, 2019 (Standalone)	Year ended March 31, 2018 (Standalone)
Cumulative Repayment Rate	69.78% *	73.86% *	98.61%	98.81%	96.62%
Gross Stage 3 Assets Ratio (1)	1.53%	1.51%	1.51%	0.50%	0.76%
PAR 0+ (₹ in million) (2)........	2,498.32	1,838.68	1,866.13	579.13	630.99
PAR 30+ (₹ in million) (2)......	2,104.94	1,649.16	1,685.36	470.22	496.41
PAR 90+ (₹ in million) (2)......	1,521.41	1,189.83	1,219.00	328.99	374.13

Figures disclosed in the above table are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

**Cumulative Repayment rate for Three months ended June 30, 2020 primarily represents the cumulative repayment rate in the month of June 2020. Moratorium was granted to all customers, for the instalments to be paid in the month of April 2020 and May 2020, in accordance with RBI's loan moratorium guidelines announced in March 2020.*
(1)Gross Stage 3 Assets Ratio represents Gross Stage 3 Assets (as defined above) as a percentage of total portfolio loans outstanding (gross) in accordance with Ind-AS accounting standards, as of the last day of the relevant period.
(2)PAR 0+, PAR 30+ and PAR 90+ has been represented for accounts in respect of which principal repayment is overdue for more than 0, 30 and 90 days respectively.

Strong track record of financial performance and operating efficiency

We have maintained a strong track record of financial performance and operating efficiency over the years through high rates of customer retention, geographical expansion, prudent risk management, improved staff productivity, enhancement of individual loan portfolio, lower credit cost and growth in customer base led by branch expansion. Further, we believe that our deep penetration in India's rural markets through our contiguous district-based expansion strategy has helped us achieve low operating expense ratios, contributing to economies of scale. This is also reflected in the consistent decline in CAGL's Operating Expense to Quarterly Average Gross AUM ratio, which has declined from 5.13% for the year ended March 31, 2018 to 4.99% for the year ended March 31, 2019, and further to 4.90% for the year ended March 31, 2020.

CAGL's Gross AUM was ₹98,964.14 million as of March 31, 2020 and Gross AUM grew at a CAGR of 41% from ₹49,746.61 million as of March 31, 2018. Disbursements across our financing products for the financial years ended March 31, 2018, 2019 and 2020 were ₹60,817.22 million, ₹82,212.63 million and ₹103,892.21 million, respectively. CAGL's net interest income (representing interest income plus income from direct assignment of outstanding loans reduced by finance costs) for the financial years ended March 31, 2018, 2019 and 2020 was ₹5,060.36 million, ₹8,475.73 million and ₹10,858.59 million (standalone), respectively. Net interest margin (which is different from the net interest margin prescribed by the RBI for NBFC – MFIs in the Master Directions), which is our net interest income reduced by (loan processing fees, interest on deposits, income from direct assignment) and plus finance lease charges) divided by quarterly average AUM (excluding sold portion of direct assignment), for the financial years ended March 31, 2018, 2019 and 2020 was 11.50%, 12.71% and 12.21%, respectively. Net worth as of March 31, 2020 was ₹26,690.71 million. Profit after tax for the financial years ended March 31, 2018, 2019 and 2020 was ₹2,124.83 million, ₹3,217.55 million and ₹3,275.03 million (standalone), respectively.

In addition, our acquisition of MMFL, further helped us to increase our Gross AUM to ₹117,240.33 million and our Active Customer base to 4.01 million, as of March 31, 2020.

Stable management team with extensive domain experience

We are a professionally managed company and our senior management team has an established track record in the financial services industry. Our Key Management Personnel have an average experience of approximately 5-6 years with our Company. Our MD & CEO, Udaya Kumar Hebbar, has over 30 years of experience in the banking industry.

He has served as head Commercial and Banking Operations at Barclays Bank PLC, Mumbai, and has also been associated with Corporation Bank and ICICI Bank for over 20 years. Our Chief Financial Officer, Diwakar B.R., has over 22 years of experience in finance. He had been associated with IFMR Capital Finance Private Limited, served as Commercial Supervisor at Accion International and served as Chief Manager at ICICI Bank Limited. For further details in relation to our senior management, see "*Board of Directors and Senior Management*" on page 191.

Our Company's Promoter is CreditAccess India N.V., a multinational company specializing in MSE financing (micro and small enterprise financing) backed by institutional investors. Our Promoter has provided capital funding to us from time to time and provides us with access to potential fundraising opportunities in the debt capital markets.

Diversified sources of borrowings and effective asset-liability management

Our funding sources are varied, as we believe that a diversified debt profile ensures that we are not overly dependent on any one type or source for funding. As an NBFC-MFI, we have access to diverse sources of liquidity, such as term loans from banks, financial institutions and non-banking financial companies, proceeds from loan assets assigned and securitized, cash credit, subordinated debt and proceeds from the issuance of NCDs to meet our funding requirements. This enables us to optimize our cost of borrowings, funding and liquidity requirements, capital management and asset liability management. As of July 31, 2020, we had total borrowings aggregating to ₹96,013.60 million, comprising debt securities of ₹10,079.70 million, borrowings (other than debt securities) of ₹84,265.10 million, subordinated liabilities of ₹1,054.80 million and financial liability towards securitisation (re-recognised on balance sheet) amounting to ₹ 614.00 million.

The table below sets forth CAGL's credit ratings (a rating for a company's credit standing for borrowings) and CRISIL's M1C1 grading (an organization rating for a company) for CAGL for the past three years.

	2020	2019	2018
Credit Rating – CRISIL ……………………………………….	A+ (Stable)	-	-
Credit Rating – ICRA …………………………………………	A+ (Stable)	A+ (Stable)	A (Stable)
Credit Rating – Ind-Ra ………………………………………..	A+ (RWN)	-	-
Comprehensive Microfinance Grading (Institutional Grading/Code of Conduct Assessment (COCA)) – CRISIL / SMERA …………………………………………………….	M1C1	M1C1	mfR1
Social Rating M-CRIL ……………..………………………….	∑α	∑α	∑α

Further, we have developed a social bond framework, under which we may issue social bonds to global investors. Sustainalytics has provided the second party opinion on the framework, noting that it is credible and impactful and aligns with the four core components of ICMA's Social Bond Principles 2018.

In addition, we also have in place effective asset liability management strategies. We primarily borrow on a relatively long-term basis while lending on a short term basis. This allows us to better meet the growing loan demands of our rapidly increasing customer base, even if external borrowings and funding sources face temporary realignment. Further, our Promoter has periodically funded our capital and provides us with access to potential fundraising opportunities in the debt capital markets.

The following table shows the asset-liability maturities for the periods indicated:

	As of			
	June 30, 2020 (Standalone)	March 31, 2020 (Standalone)	March 31, 2019 (Standalone)	March 31, 2018 (Standalone)
Average Maturity of assets (in months)......	16.98	18.36	16.03	16.12
Average Maturity of Liabilities (in months)	25.20	27.25	25.29	21.50

We believe that our diversified sources of borrowing, stable credit history, improved credit ratings and effective asset-liability management have allowed us to gain better access to cost-effective debt financing. As of July 31, 2020, our consolidated cash and cash equivalents and other bank balance amounted to Rs. 6,119.50 million, which we believe reflects our strong liquidity position.

Our Strategy

Continued focus on customers from Rural Areas

According to CRIF-Highmark, 56% of microfinance industry portfolio is urban focussed. However, we have maintained our focus on growing our rural customer base and intend to continue to do so going forward. Currently, a large segment of India's rural and semi-urban population is unserved and underserved by formal financial institutions, which provides us with the scope to expand in rural markets characterized by low competition. As of March 31, 2020, 2019 and 2018, the percentage of CAGL's Active Customers located in Rural Areas was 82%, 82% and 81% respectively. Our rural presence has further increased after acquisition of MMFL, to 86% on a consolidated basis as of March 31, 2020. We believe that we will be able to strengthen our position by tapping into this underserved market and are best placed to capitalize on our strategy of having a deep penetration in the Indian rural markets. Further, our products are built on a deep understanding of the life cycle requirements of our Customers from Rural Areas, which we believe will help in the expansion of our rural customer base.

We intend to continue penetrating deeper in the states and districts where we currently have operations and also 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.

Expansion of branch network

CAGL covers 230 districts in the 13 states (Karnataka, Maharashtra, Madhya Pradesh, Tamil Nadu, Kerala, Odisha, Chhattisgarh, Goa, Bihar, Jharkhand, Gujarat, Rajasthan, Uttar Pradesh) and one union territory (Puducherry) in India through 929 branches and 7,505 loan officers. Our strong organic growth was further augmented by acquisition of MMFL, resulting in consolidated presence across 248 districts in the 14 states (including West Bengal in addition to 13 states mentioned above) and one union territory in India through 1,388 branches and 9,471 loan officers. We intend to continue our strategy of contiguous expansion which will expand our district coverage in these states and also potentially into neighbouring states. We assess the below systematic criteria for the opening of branches in new districts/ regions:

- we endeavour to service a maximum of 400 Kendras, 12,000 households within a 35 km radius of the proposed branch location;
- availability of infrastructure for the day-to-day operations of the branch;
- historic PAR% of the proposed district;
- growth potential based on current penetrations;
- socio-economic risk evaluation in the proposed district;
- competition from other MFIs in the area; and
- product offerings of other MFIs operating in the area.

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 mitigation of concentration risk and will continue to lead to mitigation of this risk going forward. Out of a total of 248 districts where we had branches as of June 30, 2020, approximately 86% of each of these districts individually represents less than 1% of our Gross AUM.

Leverage existing capabilities and strengths to diversify product and service offerings

We are an NBFC-MFI and intend to continue focusing on our operations in this space with 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.

For example, in 2016, we introduced individual retail finance loans on a pilot basis for customers who had been our Customers for at least two years and fulfil certain other eligibility criteria linked primarily to their credit history with us, income, and business position. This loan category targets Customers who are more entrepreneurial and have graduated from the JLG model and are capable of taking larger loans in their individual capacities. We offer these loans to Customers to establish a new enterprise or expand an existing business in their individual capacity. The loans are offered to our Customers for business expansion, or for purchase of inventories, machinery, two-wheelers or small commercial vehicles. Typically, these customers may be capable of obtaining such loans from other financial institutions or banks on the condition that they provide collateral, and with a higher turnaround time, than what we offer and at interest rates which are similar to or higher than our loans, which we believe makes our product offerings more attractive.

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.

CAGL's 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. This is also reflected in the consistent decline in CAGL's Operating Expense to Quarterly Average Gross AUM ratio, which declined from 5.13% for the year ended March 31, 2018 to 4.99% for the year ended March 31, 2019, and further to 4.90% for the year ended March 31, 2020.

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 they have been our Customers for a number of years.

We continue to invest in our technology platform and technology-enabled operating procedures to increase operational and management efficiencies and ensure customer credit quality. We have implemented tablet based applications to make the loan application process convenient to our Customers and streamline credit approval, administration and monitoring processes. For example, tablet based applications allow us to complete our Know Your Client procedures, perform instant credit bureau check, accept new loan applications, loan sanctions and manage collections process with improved efficiency while helping us to reduce overall paperwork. Our robust Core Banking System facilitates smooth and swift flow of information and data enabling us to control our cost of operations and provide improved services to our Customers. Additionally, we have centralized certain in-house back office processes through our Regional Processing Centres where customer data entry is carried out centrally. As of June 30, 2020, we have 14 Regional Processing Centres located in Raipur, Ranchi, Belgaum, Davanagere, Bengaluru, Indore, Kolhapur, Aurangabad, Nagpur, Bhubaneshwar, Erode, Thiruvannamalai, Madurai and Jabalpur. Our Regional Processing Centres have improved our operational efficiencies allowing our field staff to focus more on actual business workstreams and have significantly improved the data quality of our Customers' information. We believe that robust technology infrastructure will enable us to respond swiftly to market opportunities and challenges, improve the quality of services, scale-up our risk management capabilities, optimize our operating costs and improve our operational efficiency.

Our Operational Overview

Our operations are focused on low income households engaged in economic activity with limited access to formal financial institutions and our goal is to provide Customers with financial support for all their financial needs throughout their life cycle. Our focus customer segment is women with an annual household income of ₹200,000 or less in Urban Areas and ₹125,000 or less in Rural Areas. We offer collateral free loans to women, who are willing to borrow in a group and are agreeable to accept joint liability for the loans, and this forms the premise of our JLG model.

Accordingly, we provide loans to groups of women, with each group consisting of five to ten women. Two to six of such groups together form a "Kendra" (or centre). Each Kendra has a minimum of ten customers and a maximum of 30 customers. Under the JLG model, loans are provided to individual customers, but the group guarantees the repayment of loans given to individual members of the group.

We believe that the JLG model is advantageous to both us and our Customers. Through this model, our Customers, who typically do not have collateral to take up loans, are able to gain access to credit. The JLG model also provides built-in support for our Customers, in both good and bad financial circumstances. Delivering financial services through groups also benefits us, as it allows us to have better operational control and efficiency, lower transaction costs and increase the number of customers. For our income generation loans, we presently focus on areas such as agriculture, allied agriculture activities, retail trade, services, manufacturing under small and tiny sectors, water and sanitation, other activities under priority sector and emergent needs. We review and revise these lending areas in relation to our income generation loans and revise them from time to time.

While we have traditionally provided loans under the JLG model, in 2016, we introduced individual retail finance loans for customers who have been our Customers for at least two years and fulfil certain other eligibility criteria linked primarily to their credit history with us, income, and business position, are more entrepreneurial, and have graduated from the JLG model.

Our Branch Network

As on June 30, 2020 CAGL covers 230 districts in the 13 states (Karnataka, Maharashtra, Madhya Pradesh, Tamil Nadu, Kerala, Odisha, Chhattisgarh, Goa, Bihar, Jharkhand, Gujarat, Rajasthan, Uttar Pradesh) and one union territory (Puducherry) in India through 929 branches. Our strong organic growth was further augmented by acquisition of MMFL, resulting in consolidated presence across 248 districts in the 14 states (including West Bengal in addition to 13 states mentioned above) and one union territory in India through 1,388 branches.

The following table sets forth the number of our branches in each state as of the dates indicated:

	As of				
State/Union Territory	June 30, 2020 (Consolidated)	June 30, 2020 (Standalone)	March 31, 2020 (Standalone)	March 31, 2019 (Standalone)	March 31, 2018 (Standalone)
Karnataka	298	269	269	226	191
Maharashtra	279	222	222	176	144
Madhya Pradesh	115	115	115	90	63
Tamil Nadu	381	131	131	107	80
Chhattisgarh	41	41	41	36	25
Odisha	71	35	35	25	5
Kerala	50	15	15	7	5
Goa	2	2	2	2	2
Bihar	56	20	20	-	-
Jharkhand	25	25	25	-	-
Gujarat	18	18	18	-	-
Rajasthan	20	20	20	-	-
Uttar Pradesh	15	15	15	-	-
West Bengal	11	-	-	-	-
Puducherry	6	1	1	1	1
Total	**1,388**	**929**	**929**	**670**	**516**

The following table sets forth the number of districts we cover in each state as of June 30, 2020:

State / Union Territory	Number of districts covered (Consolidated)	Number of districts covered (Standalone)
Karnataka	30	30
Maharashtra	32	32
Madhya Pradesh	36	36
Tamil Nadu	36	36
Chhattisgarh	19	19
Odisha	24	18
Kerala	8	5
Goa	2	2
Bihar	15	11

State / Union Territory	Number of districts covered (Consolidated)	Number of districts covered (Standalone)
Jharkhand	14	14
Gujarat	8	8
Rajasthan	11	11
Uttar Pradesh	7	7
West Bengal	4	-
Puducherry	2	1
Total	**248**	**230**

The following table sets forth our Active Customers in each state as of the dates indicated:

	As of				
State / Union Territory	June 30, 2020 (Consolidated)	June 30, 2020 (Standalone)	March 31, 2020 (Standalone)	March 31, 2019 (Standalone)	March 31, 2018 (Standalone)
Karnataka	12,47,728	11,97,965	12,10,662	11,35,440	944,262
Maharashtra	8,94,504	7,97,444	8,05,366	6,91,999	524,315
Madhya Pradesh	3,19,560	3,19,560	3,23,098	2,56,141	168,450
Tamil Nadu	10,99,116	3,63,301	3,66,395	2,74,521	162,168
Chhattisgarh	98,934	98,934	1,00,228	91,129	52,129
Odisha	1,20,764	35,387	35,574	14,652	-
Kerala	84,712	15,410	15,476	3,549	-
Goa	804	804	810	382	-
Bihar	93,041	14,306	14,315	-	-
Jharkhand	14,319	14,319	14,329	-	-
Gujarat	6,160	6,160	6,164	-	-
Rajasthan	6,180	6,180	6,182	-	-
Uttar Pradesh	2,760	2,760	2,762	-	-
West Bengal	1,356	-	-	-	-
Puducherry	20,924	3,672	3,675	2,024	-
Total	**40,10,862**	**28,76,202**	**29,05,036**	**24,69,837**	**1,851,324**

The following table sets forth our state-wise portfolio distribution (i.e. the ratio of our AUM from the respective state to our Gross AUM, expressed as a percentage) as of the dates indicated:

	As of/ for the				
State / Union Territory	June 30, 2020 (Consolidated)	June 30, 2020 (Standalone)	March 31, 2020 (Standalone)	March 31, 2019 (Standalone)	March 31, 2018 (Standalone)
Karnataka	40.01%	47.44%	47.46%	52.55%	58.08%
Maharashtra	24.20%	27.08%	27.04%	25.77%	26.73%
Madhya Pradesh	7.61%	9.21%	9.24%	7.64%	6.36%
Tamil Nadu	19.91%	11.22%	11.19%	10.43%	6.81%
Chhattisgarh	2.01%	2.43%	2.45%	2.85%	2.02%
Odisha	2.01%	0.76%	0.77%	0.52%	-
Kerala	1.50%	0.45%	0.44%	0.15%	-
Goa	0.02%	0.02%	0.02%	0.02%	-
Bihar	1.69%	0.48%	0.48%	-	-
Jharkhand	0.33%	0.39%	0.40%	-	-
Gujarat	0.14%	0.17%	0.17%	-	-
Rajasthan	0.15%	0.18%	0.18%	-	-
Uttar Pradesh	0.06%	0.07%	0.07%	-	-
West Bengal	0.04%	-	-	-	-
Puducherry	0.35%	0.09%	0.09%	-	-
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Our Products

Our wide range of financial products are designed according to various life-cycle needs of our Customers.

CAGL's Products

CAGL's financial products are broadly classified into credit, insurance and pension products as shown in the table below:

Product Category	Name of Loan / Product	Maximum Amount of Loan/ Credit Limit/ Insurance Coverage	Interest Rate (%) (as at June 30, 2020)	Tenure (Months/ weeks)
Income Generation Products	IGL-Pragati	30,000	19.75%	52 weeks
	IGL-Pragati plus	80,000	19.75%	104 weeks
	Pragati Supplement Loan	30,000	19.75%	52/104 weeks
	Flexi Supplementary Loan	15,000	19.75%	52 weeks
Family Welfare Products......	Festival Loan	5,000	19.75%	24 weeks
	Medical Loan	5,000	19.75%	12 weeks
	Education Loan	15,000	19.75%	52 weeks
	Livelihood Improvement Loan	5,000	19.75%	52 weeks
Home Improvement Products	Grameen Niwas Loan	50,000	19.75%	104/ 156/ 208 weeks
	Water Loan	5,000	19.75%	52 weeks
	Grameen Griha Sudhaar Loan	15,000	19.75%	104 weeks
	Sanitation Loan	15,000	19.75%	104 weeks
Emergency Loan Product	Special Situation Loan	2,000	19.75%	24 weeks
	Emergency Loan	1,000	19.75%	11/ 12 weeks
Individual Retail Finance Loan Products..................	Grameen Udyog Loan	150,000	22%	24 months
	Grameen Suvidha Loan	25,000	22%	6/ 12 months
	Grameen Savaari Loan	70,000	22%	24 months
	Grameen Vikas Loan	500,000	22%	24 - 60 months
	Grameen Vaahan Loan	400,000	20 - 22%	24 - 48 month
Micro Insurance Products.....	Individual Term Life Product	80,000	N/A	N/A
	Joint Term Life Product	150,000	N/A	N/A
Insurance Products...............	Joint Credit Life	500,000	N/A	N/A
Pension Products	Aggregator for National Pension Scheme of the GOI	N/A	N/A	N/A

MMFL's products

MMFL primarily provides income generation loans as shown in below table:

Product Category	Name of Loan / Product	Maximum Amount of Loan/ / Insurance Coverage	Interest Rate (%) (as at June 30, 2020)	Tenure (Months/ weeks)
Income Generation Products	Entry Level Loan (‘ELL’)	36,000	21.1%	24/ 30 months
	Activity Term Loan (‘ATL’)	75,000	21.1%	24/ 30 months
	Certified Activity Term Loans ('CATL')	12,000	21.1%	20 months
	Business Development Loans ('BDL')	24,000	21.1%	24 months

Set forth below are certain details in relation to our key products:

Income Generation Loans

Income Generation Loans are offered to customers to establish a new enterprise or expand an existing business. For instance, loans may be disbursed to set up a grocery store, buy cattle, install new machinery or purchase raw materials. The loans also meet the additional working capital requirements of a customer's business. We provide three categories of income generation loans to our Customers:

- IGL-Pragati: This is the flagship product offered under the JLG model and is given to Customers for income generation activity;

- IGL-Pragati Plus: This product is given to Customers who require a greater amount of loan for income generation activity and is usually given to existing customers who have completed a few loan cycles, or new customers who have had prior MFI experience; and

- Pragati Supplement Loan: This product is given to IGL-Pragati or IGL-Pragati Plus customers to meet their additional credit needs and is usually given for purchase of inventory or any assets related to their business.

The following table sets forth details of our Gross AUM and disbursements for our income generation loans, for the periods indicated:

	As of/ for the			
	Three months ended June 30, 2020 (Standalone)	Year ended March 31, 2020 (Standalone)	Year ended March 31, 2019 (Standalone)	Year ended March 31, 2018 (Standalone)
	(₹) in millions)			
Gross AUM...	82,777.38	84,473.26	60,878.13	42,840.94
Disbursements...	428.53	85,611.64	64,471.85	49,534.18

Family Welfare Loans

Family Welfare Loans support all the activities of our Customers that help them in improving their quality of life. These loans fulfil needs such as educational needs of their children, medical expenses and specific occasion expenses such as festivals and livelihood improvement expenses, which may include purchase of liquefied petroleum gas connections for cooking purposes.

The following table sets forth details of our Gross AUM and disbursements of our family welfare loans for the periods indicated:

	As of/ for the			
	Three months ended June 30, 2020 (Standalone)	Year ended March 31, 2020 (Standalone)	Year ended March 31, 2019 (Standalone)	Year ended March 31, 2018 (Standalone)
	(₹) in millions)			
Gross AUM..	1,459.77	1,677.79	927.68	1,172.20
Disbursements......................................	3.57	5,383.12	5,513.17	5,033.25

Home Improvement Loans

Home Improvement Loans enable our Customers to avail themselves of water connections, construct toilets, extend and improve and make minor repairs to their existing houses. The loans may be used to repair or replace a roof, wall, floor or door, for monsoon proofing or to add rooms.

The following table sets forth details of our Gross AUM and disbursements for our home improvement loans, for the periods indicated:

	As of/ for the			
	Three months ended June 30, 2020 (Standalone)	Year ended March 31, 2020 (Standalone)	Year ended March 31, 2019 (Standalone)	Year ended March 31, 2018 (Standalone)
	(₹) in millions)			
Gross AUM..	7,532.06	7,696.11	6,433.28	5,197.67
Disbursements......................................	3.08	7,544.10	8,459.33	5,455.36

Emergency Loans

Emergency Loans are short-term loans that we provide to our Customers to help them address short-term cash flow constraints, such as emergency medical expenses, electricity bill payments and purchases of rations. Timely financial assistance prevents customers from resorting to other informal and expensive sources of money and improves customer retention.

The following table sets forth details of our Gross AUM and disbursements for our emergency loans, for the periods indicated:

	As of/ for the			
	Three months ended June 30, 2020 (Standalone)	Year ended March 31, 2020 (Standalone)	Year ended March 31, 2019 (Standalone)	Year ended March 31, 2018 (Standalone)
	(₹) in millions			
Gross AUM..	112.60	125.50	99.42	22.41
Disbursements....................................	24.85	1,111.43	364.84	245.25

Individual Retail Finance Loans

In 2016, we introduced individual retail finance loans for customers who had been our Customers for at least two years and fulfil certain other eligibility criteria linked primarily to their credit history with us, income and business position. This loan category targets customers who are more entrepreneurial, have graduated from the JLG model and are capable of taking larger loans in their individual capacity. We offer these loans to customers to establish a new enterprise or expand an existing business in their individual capacity. The loans are offered to our Customers for business expansion, or for purchase of inventories, machinery or two-wheelers.

We currently provide four categories of individual retail finance loans to our Customers:

- Grameen Udyog Loan: This is the flagship product under our Individual Retail Finance Loan Products and is given to customers who require more credit in their individual capacity to expand an existing business;
- Grameen Savaari Loan: This is given to customers to purchase a two-wheeler which will provide support for income generation activity;
- Grameen Vikas Loan: This is a high-ticket asset backed business loan, given to customers who have high credit requirement for business expansion, inventory purchase and closure of existing borrowings of the customers/ co-applicants;
- Grameen Suvidha Loan: This is a top-up loan given to customers to meet their additional credit needs and is usually given for the upkeep of assets or inventory related to business; and
- Grameen Vaahan Loan: This is given to customers to purchase a small commercial vehicle which will provide support for income generation activity.

The following table sets forth details of our Gross AUM and disbursements for our individual retail finance loans, for the periods indicated:

	As of/ for the			
	Three months ended June 30, 2020 (Standalone)	Year ended March 31, 2020 (Standalone)	Year ended March 31, 2019 (Standalone)	Year ended March 31, 2018 (Standalone)
	(₹) in millions			
Gross AUM...	4,923.17	4,991.47	3,254.80	513.39
Disbursements...	1.58	4,241.76	3,402.42	549.18

Insurance and micro-insurance

We have tied up with insurance providers and are acting as master policy holders to cover our Customers and their spouses and, for Grameen Udyog Vikas loan customers, co-borrowers for certain of our loan products under group term life insurance. The insurance coverage ranges from ₹5,000 to ₹500,000, depending on the loan amount. The policies include individual term life, joint term life and joint credit life (based on product policy).

Pension

We are an aggregator of the National Pension Scheme ("**NPS**") of the Government of India, providing pension for our Customers and collecting contributions from their doorstep. The client has to contribute a minimum of ₹1,000 and a maximum of ₹12,000 in a year to become eligible for the Swavalamban benefit of ₹1,000 from the Government of India.

Joint Liability Group Lending Business Processes – CAGL

Set forth below are details of the joint liability processes followed by CAGL:

Customer Due Diligence Processes

Our branches enroll customers who satisfy the target clientele criteria. The size of the groups is flexible with a minimum of five and a maximum of ten women customers in a group. Two to six groups form a Kendra which typically has ten to 30 customers. Once the interested women customers have formed their groups, we provide further information to them, such as a brief introduction to our Company, criteria for group formation and group responsibilities. Immediately after the formation of the group, the loan officer visits the prospective customers' house to collect the Know-Your-Customer ("**KYC**") documents and basic data of the customers in a prescribed standard form. At each customer's house, we include all the family members in the conversation during the information gathering session. The customer's husband and household elders are briefly informed of our rules and regulations, including the compulsory training for women customers for five days (30 minutes per day).

Once relevant KYC and customers' information is collected, it is sent to our Regional Processing Centres for data entry in our Core Banking System (T24 MCB^{TM}) and credit bureau check. Upon receiving a positive credit bureau response, the loan officer will conduct compulsory group training.

We believe that group training is necessary for developing group solidarity and strict credit discipline. Having strong cohesive groups with a commitment to credit discipline is one of the contributing factors to the expansion of microfinance. We take time to teach every group to work together cordially and be responsible for financial transactions, both individually and as a group. The duration of the compulsory group training ("**CGT**") is typically five days (three days in case of Kendras that are at least six months old, already has two groups and in which new members are being inducted in existing groups), which might be extended if loan officers deem it necessary (30 minutes each day), for new Kendras and new groups in existing Kendras.

Prospective customers undergo at least half an hour of group training each day over a period of five days, covering various topics such as Kendra meeting processes, rules and regulations of our Company, awareness of products and processes, bank accounts, savings, insurance and pension. On the last day of the group training or at a later date, re-interview is done by the branch manager to determine the Customers' level of understanding of the topics covered during the training. The branch manager then visits the homes of the new customers to verify the potential customers and obtain the consent of their family members for the customers becoming borrowers. If the branch manager is satisfied, he recommends the group for the Group Recognition Test ("**GRT**").

The area manager, on the recommendation of the branch manager, conducts the GRT. The GRT is designed to assess the quality of the proposed group and to confirm that they meet all our criteria. All the customers who have cleared the re-interview process are present during the GRT. Based on the results of the GRT, the area manager decides whether or not to approve the group. If approved, the area manager will randomly check the residence of the respective customers to verify the details furnished and also speak to the customer's immediate relatives to verify that the customer has family support in becoming our customer. Prior to disbursement, a second credit bureau check is also done of members of a group to determine their eligibility. This check is intended to verify if members of a group have taken any loans after the first level of verification conducted before the CGT. Thereafter, eligible members are sanctioned loans by the branch manager and disbursed prior to the first Kendra meeting. Through this process, we ensure that there are multiple levels of check before enrolling and disbursing credit to a new group or customer.

Kendra Meetings

Kendra meetings are conducted weekly or fortnightly at a fixed place and time on a particular day. We typically select a common place large enough to accommodate all members of the Kendra, such as schools or community halls. We try to ensure that the location is in the Centre of the village and is commonly used by people of the village so as to give visibility and transparency to the Kendra meetings. For urban areas, we typically hold Kendra meetings in the house of any member of the Kendra as agreed by all members if there is no common place to conduct the meeting.

A Kendra meeting is one of the core activities for our field staff and also a matter of great importance to both our Customers and us. Hence, we ensure that Kendra meetings are conducted strictly as set out in our operational guidelines either on a weekly or fortnightly basis. Kendra meetings are vital for us for the following reasons:

- all financial and non-financial transactions with our Customers are conducted at the Kendra meeting.
- the Kendra meeting is our point of contact with our Customers, and this helps in relationship building with the Customer.
- all our important schemes and policies are shared with our Customers at the Kendra meeting.
- the Kendra meeting plays an important role in building our brand image.

The timing of the Kendra meeting is typically fixed by the respective groups. The duration of the meeting may be between 30 to 45 minutes, depending on the location and the volume of transactions. During the course of Kendra meetings, among other items, loan instalments are collected, logged and updated on passbooks; loan utilisation reports are tabled and discussed; loan applications of individual customers are evaluated and if approved by the group, co-signed by the JLG leader and Kendra leader; fresh disbursements of certain categories of loans (such as emergency and festival loans) are made; and fines are levied on customers who violate Kendra rules and regulations.

We continue to adopt primarily a weekly collection model and approximately 55.1% of our Total Active Loan Accounts as of June 30, 2020 are collected on a weekly basis, 38.8% on bi-weekly basis and 6.1% on monthly basis (excluding retail loan accounts, which are collected on a monthly basis), thereby ensuring that the repayment frequency matches our customer's cash flow frequency to lower the chances of a loan default.

Credit Appraisal, Sanction, Disbursement and Repayment Processes

Receipt of Loan Applications

Loan applications are submitted to the loan officer at the Kendra meetings after ensuring that every group member is willing to take joint responsibility for the loan. The loan officer facilitates discussions amongst group members (including at the Kendra meeting) and the group decides whether or not to approve the loan request from a particular member based on everyone's understanding of the nature of business activity the loan is intended to be used for, and the expected frequency of cash flows, viability and profitability. If the group approves the loan, the loan officer accepts the loan application from the Customer.

Loan Evaluation

After the receipt of the loan application (countersigned by the leader of the group and Kendra), the loan officer makes a compulsory visit to the customer's residence to interview the customer and other members of her household to ascertain the repayment capacity of the customer. During the visit, the loan officer prepares the cash flow statement in the prescribed format if the member has applied for either the IGL-Pragati or the IGL-Pragati Plus loans, both of which are income generating loans. A cash flow statement is not required for other types of loans, but the loan officer has to check the repayment capacity of the customer by independent assessment of the total income of the customer from all sources.

Loan Sanction and Further Processing

On the recommendation of the loan officer and after reviewing the relevant documents, the branch manager will sanction the loan if it falls within his delegated authority. If not, the branch manager will recommend the loan to the appropriate sanctioning authority as per the delegation of powers approved by the board of directors. After the loan is sanctioned, data entry is done in the T24 MCB^{TM} system to facilitate the credit bureau check which is done by the Head Office ("**HO**"). If the credit bureau check is positive, the HO will release the loan for disbursement and if it is negative the loan application will be rejected by changing the status of the loan in the system. The Information Technology department at the HO has been mandated to complete the credit bureau check within two working days of data entry in the T24 MCB^{TM} system. To ensure timely availability of credit to our Customers, we have made it mandatory to convey the outcome of loan applications to our Customers at the next meeting, be it weekly or fortnightly.

Upon sanctioning the loan, the branch manager signs the sanction letter and the loan officer carries the sanction letter (which includes key information about the loan, such as loan amount, interest rate, repayment schedules and insurance details) to the next Kendra meeting to hand it over to the customer after reconfirming with the other members of the group that they approve the granting of the loan to the particular customer. The sanction of the loan is recorded in the minutes book of the Kendra.

The Customer is required to come to the branch with the sanction letter together with proof of identity to receive disbursement of the loan. Disbursements are predominantly made in cashless mode i.e. direct credit to member bank account. On disbursement of the loan, the Customer receives a separate passbook for each loan with the repayment schedule printed in it.

Loan Repayment Process

Before the Kendra meeting, the customers hand over their loan passbooks and instalment amounts to the group leader who is required to verify the amounts collected vis-à-vis the payables reflecting in the passbook. At the Kendra meeting, the group leader hands over the amount collected and the passbooks to the loan officer. The group leader oversees the group's payment and reports to the loan officer. Once the amount collected is the same as the amount demanded, the loan officer checks and signs each member's loan passbook after verifying it with the collection sheet, which he brings from the branch. Any amounts unpaid are entered in a part-payment passbook and added to the regular instalments due in the next collection sheet. The collection sheet generated from the T24 MCB^{TM} system contains the loan details of and the amounts due from each member. Loan instalments are collected only at Kendra meetings and not at the Customer's residence (unless the Customer has defaulted on two or more instalments).

Segregation of Duties and Responsibilities

We have clearly defined roles and responsibilities for every position in the field and controlling offices. By segregating the duties and responsibilities, we ensure that different staff members are responsible for different functions so that no single employee handles end-to-end functions of a given work chain (for example, the client acquisition, loan disbursement process, collections and accounting are handled by different staff members). The field operations have the following roles and associated responsibilities:

- Loan officer: New customer acquisitions, conduct CGT, conduct Kendra meetings, accept loan applications, Emergency Loan and Festival Loan disbursements, repayment collections and loan utilization checks.
- Data entry operator: Loan application data entry, repayment data entry, Progress out of Poverty Index data entry (data which is regularly updated to measure the effect of micro-credit programs on the economic status of customers) in the T24 MCB^{TM} system.
- Cashier (additional charge): Repayment collection counting, assist in loan disbursements and branch cash management.
- Regional Processing Centre: Member Basic Data Form (a form with basic details which the customer fills up before joining us) entry, updating of KYC, updating of bank account details.
- Branch manager: House visits of new customers, re-interview of customers, verify Member Basic Data Form information, verify loan applications, oversees loan disbursements, loan sanctions, monitor visits of Kendra and overall branch management.
- Area manager: Group recognition test, loans sanctioning, monitor branches under his or her authority.

Individual Retail Finance Lending Business Processes

In 2016, our Individual Retail Finance ("**IRF**") division was started to pilot test individual lending for customers who have been with us under our group lending division. The products under retail finance are designed to target our graduated Customers who are more entrepreneurial and have displayed credit worthiness over a period of time.

Target Customers

The loans under IRF are offered to customers in their individual capacity. The purpose of IRF loans includes allowing customers to establish a new enterprise or expand an existing business, and purchase inventories, machinery, two-wheelers or light commercial vehicles.

In order to be eligible for IRF products, customers have to satisfy the following basic criteria, which include:

- be an existing Customer who has at least 24 months of relationship with us (more than 12 months in case of a Grameen Saavari loan);
- displayed good credit history in group loans (including no defaults in the last six months prior to applying for an IRF loan);
- between 22 to 58 years of age;
- own a house, or own or rent a shop;
- ownership of a business for at least one to three years;
- obtained credit bureau clearance; and
- a co-applicant is compulsory in case of IRF loans, who should be (a) an immediate family member living in the same residence as the applicant, (b) between 22-58 years of age, and (c) employed. The loan officer may also require a guarantor for the loan (who is required to be an existing JLG customer with credit-bureau clearance).

Structure and Role Segregation

The current structure of IRF has been designed to minimize changes when IRF is introduced to geographies where we currently have operations. The current structure can be divided into following three broad functions:

- *Business team.* The business team is responsible for sourcing and converting the group lending customers as well as repayment collections from customers. As of June 30, 2020, we had 71 IRF branches and each IRF branch is headed by a branch manager who is responsible for the business and operations of the branch, and the branch manager reports to the regional sales manager, who is responsible for the business and administration of all the branches under him. The business team comprises Business Development Officers ("**BDOs**"), who are field staff who source IRF customers, and Customer Relationship Officers ("**CROs**"), who are responsible for maintaining the relationship with our Customers post disbursement, conducting loan utilization checks and post disbursal execution of documents.
- *Credit and operations team.* The credit and operations team is responsible for credit assessment, sanctioning or rejecting a loan proposal and maintaining documentation and disbursement for sanctioned cases. A branch operations executive is responsible for data entry and does the first level check of the proposals submitted by our business team. A branch operations manager is responsible for keeping records, cash management, documentation of applications, sanctions and disbursements at the branch. Further, we have tele-callers at our central office who are responsible for doing a tele-verification check of all proposals submitted for review. We also have credit underwriters who analyse a proposal based on the information gathered and recommend that a case be sanctioned or rejected to a regional credit manager. To ensure proper documentation, safety of all documents and conduct of disbursement related activities, we have an operations team stationed centrally.
- *Quality Control and Risk team.* The quality control team is responsible to ensure continuous, proactive and comprehensive review of processes, documentation and information in the field. The function shall also ensure process adherence, complete and accurate documentation in branches, adherence to Code of Conduct. During the loan processing stage, Quality Control Officers (“**QCO**”) stationed at branch carry on quality check verification including checking the genuineness of customer details, residence verification, business verification and document verification. The field risk control team adds strength to the operational risk control structure of the organization and ensures proactive operational and field risk management. It complements the field operations supervision, quality control and internal audit function.

Customer Due Diligence, Credit Appraisal, Sanction and Disbursement

Currently, only existing Customers who meet the criteria set out above are eligible for IRF loans. Our IRF team works closely with our group lending team (including field officers, our branch operations team and tele-callers) to identify and select IRF customers. Eligible customers may be identified for IRF by any of the following three means:

1. Our group lending team passes the lead to a BDO of our IRF team;

2. A Customer directly contacts BDOs or our central team; or

3. A Customer reaches out to our IRF team during a Kendra meeting when the IRF team makes a visit together with our group lending team.

A BDO contacts customers over phone to explain the IRF product details and the documentation requirements, collects KYC documents and also conduct the first round of verification. The BDO fixes an appointment only if a customer is interested and the verification obtained is favourable. During such visits, the BDO collects the loan application form and KYC documents. When filling up the application, the BDO verifies that the applicant and the co-applicants satisfy eligibility norms and business criteria norms. The documents collected are then submitted to the branch operations team.

A branch operations executive then checks the documents for completeness, accuracy and fulfilment of policy conditions. Subsequently, the branch operations executive enters the details in our system which is verified and authorized by the branch operations manager, after which the scanned documents are shared with a disbursement operations executive.

At our central office, a credit underwriter reviews the proposals and documents for accuracy, completeness and checks the inputs given by the credit bureau. The credit underwriter may also recommend that a loan be guaranteed by a guarantor if he deems it necessary. The credit underwriter either rejects or recommends proposals for a Personal Discussion ("**PD**"). Proposals which are cleared by the credit underwriter are communicated to the respective branch, and the branch manager will visit the customer premises and conduct a PD and technical evaluation.

After a successful PD, the credit underwriter will initiate a credit verification activity, which includes verification done via a telephone call, a visit by a credit appraiser to carry out the necessary credit appraisal verification and screening of all cases or carrying out field visits on a sample basis by a QCO.

The credit underwriter reviews all the inputs received and recommends proposals to a regional credit manager/ area credit manager/ Head Retail Finance as per the approval authority matrix for either approval or rejection. For cases which are approved, our central operations team prepares a Disbursement Kit ("**DB Kit**") which contains the sanction letter, the National Automated Clearing House ("**NACH**") mandate and the nomination form, before sending the DB Kit to our branch operations team for execution by the customer.

Our branch operations team will then fix an appointment with the customer for execution of the documents in the DB Kit and collect all the required documents. After execution, the scanned DB Kit is scanned and sent for review at our central office. After verification by our central office team, disbursements through NACH are transferred directly to the customer's bank account. After the funds transfer is successful, the CRO gives the customer a welcome kit along with the repayment schedule. We maintain hard copy versions of all the documents centrally post disbursement.

Loan Repayment Process

A monthly repayment schedule is followed for all IRF loans (instalments are typically payable by the fifth day of each month). Loan repayments are collected by triggering the automatic debit mandate which is collected from the customer at the time the documents in the DB Kit are executed and as per the schedule communicated to the customer.

Intimation is sent to the customer two days in advance of the scheduled repayment date so that the customer has notice to maintain sufficient balance in the account. On the scheduled repayment day, debit instructions are sent to the bank and post successful completion of national automated clearing, the necessary information is sent to the branch. For cases where national automated clearing cannot be completed two consecutive times, collections are done in cash by the CRO by visiting the customer physically. An acknowledgment is given to the customer for all cases where the collection is successful.

Loan Utilization Check

A CRO does a loan utilization check of all IRF loans typically before the first instalment is due and a QCO does the same on a sample basis typically after the first instalment has been paid. Review of loan utilization checks is done by the branch manager, and a loan utilization report is submitted to our central office and recorded against a customer. In case of a mismatch, we have a process in place where necessary actions are taken to correct the mismatch.

COVID-19 related updates

Our Kendra meetings resumed and collection efforts resumed from June 2020. Kendra meetings are being conducted with 4-6 representatives on weekly basis on rotation basis, which facilitates meeting all the members of the Kendra in a month. Revised standard operating procedures for conduct of Kendra meeting and processes have been given to the team. The teams are advised to adhere to and follow social distancing norms.

We did not provide any general extension of moratorium to our borrowers from June 1, 2020. We extended the moratorium on repayments at an individual borrower level based on individual needs and on a case to case basis.

There has been continuous engagement with our field teams to ensure sensitivity, emphasis on best practices both from dealing with the fallout of the COVID-19 pandemic and also collections methodology.

Lending Business Processes – MMFL

Set forth below is a summary of the key lending business processes followed by MMFL:

Customer screening, document collection and Group formation

The member relationship associate ("MRA") identifies members (married women, aged between 20 and 62 years – maximum of one member from one family located in the same area) for forming the group and explains the rules and regulations for groups. Family members in the same group can be accommodated in exceptional cases subject to certain conditions.

The key parameters which are considered for screening of members are as follows:

- Each member has a savings bank account (in her name either singly or with any one of her family members jointly) with a bank.
- The total indebtedness of any member should be less than Rs. 125,000 at the time of sanction and also the total number of lenders to the member, including MMFL, cannot be exceeding three lenders.
- No default in repayment to any of the lenders.
- She should not be a member of more than one group at the time of joining in MMFL and shall thereafter continue to be the member of the same group till the closure of the entire liability of the group due to MMFL.
- Groups can be formed within maximum of 25 km radius from the branch and the group members of a group must be located within 1 km radius.

Based on preliminary assessment of the above, the MRA collects and verifies the required documents from prospective members: identity proof and address proof. Voter ID card as an identity proof is mandatory. As secondary ID, either Aadhar or Ration Card can be accepted in different situations.

Following the verification of KYC by the MRA, the branch manager reviews the details of the prospective members and either accord either approval or rejection based on preliminary assessment of screening criteria outlined above. At the time of this provisional screening, the branch manager / MRA will explain to the members the following:

- Vision, mission and values of MMFL.
- Norms for group and its members including joint responsibility.
- Positive aspects of MMFL.

- Type of credit facilities / products, rate of interest, method of calculation of interest, processing charges, goods and service tax and insurance premium.

- MFIN guidelines.

- Consequences of credit bureau reference.

- Benefits of group approach - importance of group for women empowerment.

If this provisional screening is satisfactory, the Branch Manager asks the MRA to collect the Family Survey Report details in the prescribed form for all the members and upload the data in Sakthi CRM tablet and create a group.

Group formation, Credit Bureau review and Shortlisting

In the process of group creation, unique group identification number and unique member identification number for the group members are generated and get allocated automatically. Soon after the uploading of data in the Sakthi CRM application, automatic credit bureau verification process is completed, and the eligible candidate list is be available. Then based on the credit bureau verification, credit status of the non-eligible members is intimated to the Sakthi CRM tablet of the respective MRA as notification, and simultaneously an automated report is sent to the respective Branch Manager ("**BM**") and Regional Manager ("**RM**") on the next day. Credit status of the group is posted in the Sakthi Sangamum web site automatically and the BM and RM can view the same based on the automated mail received from Credit Bureau and proceed accordingly.

If a candidate is not eligible in the credit bureau screening, the MRA approaches the group to provide alternate candidate and again her key data is uploaded in Sakthi-CRM tablet, provided other eligibility norms including KYC documents are satisfied. If the number of eligible members is less the prescribed minimum strength (at present 8), new members are added; following which the same steps as noted above are repeated for the new members.

Basic Awareness Training (BAT)

In this step, the BM verifies the details all members and provide his / her approval, based on which the loan documentation process begins. During the BAT process, the BM and MRA pool all the eligible members either at branch or their village / town for formal inauguration of group and execution of entry level loan documents. They key steps undertaken are as follows:

- Conducting of inaugural meeting of the eligible members of group after selection of animator (lead representative) and 2 representatives by the group members.

- Delivery of group register (minutes cum repayment register) to the Group against collection of cost and acknowledgement of animator, representative-1 and representative-2.

- Meeting day (within first three weeks - Monday to Friday of each week) and meeting time is finalized in consultation with BM. While finalizing the meeting time, number of existing Groups in the particular village / location /spot and their meetings time is taken into account.

- Passing of Basic resolutions cum resolutions applying for a micro credit facility as in prescribed form, by all the eligible members of the Group.

- Explaining the details of insurance and the benefits. Requesting the members to enroll themselves on their own in "Pradhan Mantri Suraksha Bima Yojana" accidental insurance scheme.

- Conducting Model group meeting.

- Execution of various documents including Credit facility Agreement.

- Finally oath taking by MMFL staff.

The date of first stage of BAT, during when the group is formally inaugurated and resolutions are passed as per the prescribed form, shall be the date of formation of the group.

Execution of documents and disbursement

The Branch Manager uploads various required documents in the business process management (BPM) application. The Regional Manager provides his / her recommendation, as approval, in the BPM application itself. The original credit proposal documents and attested photo-copies of KYC documents are sent to corporate office, only after sanction and disbursement of credit limit.

The corporate office – credit department monitors the receipt of documents. The KYC documents of members are verified by the credit department. Simultaneously, the credit department ascertains the credit status of individual members from credit bureau, and processes the credit proposal and accords sanction for all the eligible members, leaving the ineligible members. The gap between the date of execution of documents by group and the date of receipt of proposal and documents at corporate office should not exceed more than 5 days.

BAT is given to the members of group in 2 stages after screening:

- Pre- BAT stage: Provisional screening at their village/town and
- BAT 1st stage: Formation of group and execution of documents for ELL at the branch or their village/town and
- BAT 2nd stage: Distribution of credit facility at Branch.

Group meetings

Every month each group conducts a meeting uniformly on a particular day (within first 3 weeks of every month, from Monday to Friday of each week) fixed by the BM. This uniform day for the group meeting is fixed, in such a way that each MRA can attending meetings of not more than 8 Groups, in one or two villages only, on a particular day. Meeting timings are finalized, preferably between 6.00 am to 6.00 pm convenient to the members to ensure full attendance. If necessary, morning hours could be preferred, to ensure remittance of instalment amount in to branch / bank, on the same day itself. The meeting covers not only financial aspects but also focuses on awareness and emphasizes on the developmental issues in the village in general and the vision of MMFL in particular. The respective MRA who manages the group attends group meetings every month without fail, and upload the details Sakthi –FMA application and ensures that group meetings are conducted as per laid down procedures. A meeting can be considered as valid only if animator or one of the representatives has attended. The group deputes two members, to remit the amount of monthly collections as per minutes cum repayment register (SHGR) into the branch cash point or the respective bank(s) directly. Accordingly, the members deputed for the month remit on the same day (of collection) or on the succeeding working day.

Loan Sanction, Disbursement and Repayment Process

The loan proposal documents are executed by the members of the group in the presence of branch manager, at the branch or the village/town of the group. Subsequent to branch manager's recommendation, the regional manager approves the proposal based on merits. Approved proposal is then taken up for scrutiny by corporate office – credit team. Then the proposal is subjected to credit bureau verification, if the proposal has not reached the corporate office, within 12 days from the date of first credit bureau check. Based on satisfaction of all parameters, credit team accords sanction and then forwards the proposal to corporate office - credit department for disposal. Individual cheques are drawn in favour of group members for the credit of their respective Bank savings bank accounts.

The Branch Manager conducts credit disbursement orientation meeting with the group through the MRA. The Branch Manager delivers the sanction letter and repayment chart to the group members along with the individual cheques of disbursement amount net of processing charges, service tax thereon and insurance premium, at the branch.

The group deputes two members (out of total members), in turn, to remit the amount of monthly collections (MMFL follows monthly repayment frequency) at the branch. Accordingly, the members deputed for the month remit on the same day (of collection) or on the succeeding working day. In case the village is located far away /remote place, then the group has an option to remit the instalment amount received from the members directly into the Bank (MMFL's current account). MRAs are provided with collection app in their tablet for verification. Once the entry is made receipt will be generated and the hardcopy will be handed over to the group during the next month meeting. Branch Manager is then informed by MRA about the details of direct remittance. Branch Manager will verify the transactions at the end of the day to get it confirmed.

Field Operating Structure

MMFL follows 2 operating models: branch based model (majority) and cluster based model (limited operations). Set forth below is the operating structure of the branch model which forms majority of business. The operations are managed across both branch and regional level. The key responsibilities / functions undertaken by different categories of employees are provided below:

- *Regional Manager (RM):* monitoring group formation, group linkage and remittance of instalments in the entire region and the related administrative functions.

- *Area Manager (AM):* monitoring group formation, group linkage and remittance of instalments in the Branches allocated Branch.

- *Branch Manager (BM):* Group Formation, SHG Linkage and remittance of instalments in the entire Branch area and the related administrative functions, identifying new MRAs, screening of new groups, miscellaneous activities

- *Member Relationship Associate (MRA):* group formation in the Branch area. Facilitating smooth functioning of group by: understanding the background of individual members of group, ensuring the cohesiveness of the group by resolving problems in time, helping the group in maintaining the group registers and accounts, mobilizing the members for meetings/ grading/ documentation, ensuring proper conduct of meetings, assisting BM in documentation and screening of new SHGs, ensuring timely repayment of instalments. Member Relationship Associates serve as the link between Group on the one end and the Branch on the other end.

- *Clerk (CPC)*: Receiving the remittance of instalments from the group at cash points located in branch. Deposit of instalment amount remitted by group at bank, maintenance of branch premises and in charge of all the stationeries / registers, scrutiny / submission of periodical reports and credit proposals to BM.

- *Credit Manager of Regional office (CM)*: Assisting Regional Manager in his/her various functions, scrutiny / submission of periodical reports, monitoring compliance of internal audit reports.

Internal Audit and Internal Controls

CAGL

Set forth below is a summary of the internal audit and control functions followed by CAGL:

Our Company believes in maintaining a strong internal control framework and views such a framework as an essential prerequisite for the growth of business. We have well documented policies, procedures and authorization guidelines that are commensurate with our size. Further, an efficient independent internal audit system is in place to conduct internal audits of all branches, regional offices and as well as the head office.

Our internal audit function is an independent activity guided by a philosophy to add value to improve and enhance operations of our organization. It assists our Company in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of our internal control, risk management and governance processes.

The internal audit activity is conducted with strict accountability for confidentiality and safeguarding records and information. It has fully authorized, free and unrestricted access to any and all of our Company's records, physical properties and personnel pertinent to carrying out any engagement. The internal audit activity also has free and unrestricted access to our Board. The Audit Committee of our Board is updated on significant internal audit observations, compliance with statutes, progress of risk management practices and effectiveness of our control systems every quarter. Our internal audit function also interacts with our statutory auditors.

Every branch is audited an average of six times in a financial year. Based on the extent of compliance and adherence to systems, policies and procedures, the audited branches are assigned compliance scores. The branch audit is conducted based on a detailed audit program and various checklists updated in accordance with our operational policies and procedures. The audit process involves field visits in the morning, and office related work, verification and checks in the afternoon and evening. The scope of our branch audit covers the following areas of operations:

- Financial, accounting and operating controls i.e. a review of processes and controls.

- Ascertaining the extent of compliance with our established policies and procedures.
- Visits to Kendra meetings to ascertain compliance with our policies and procedures, and conducting customer house visits.
  - Cash & bank transactions, records, reconciliations and balances;
  - Lending process and documentation;
    - Kendra, group formation
    - Enrollment of new customers (limited to non-centralised branches)
    - Client records, loan applications, appraisals and approvals
    - Loan disbursements and repayments
    - Collection of fees and insurance premiums
    - Arrears and portfolio at risk
  - Review of internal controls and risk management procedure compliances;
  - Branch expenses;
  - Accounting, vouchers, book keeping and fixed assets;
  - Human resources policies, statutory compliances and housekeeping;
  - Adherence to code of conduct, fair practices code, customer protection principles;
  - Follow up on previous audits.

MMFL

Set forth below is a summary of the internal audit function of MMFL:

The total audit team is supplemented by consultants who operate on assignment basis and perform surprise audits in Tamil Nadu. In certain times, Senior CLM/ BM's also perform surprise audits in cross regions in Tamil Nadu. Based on the branch previous audit score, the branches are audited on half-yearly basis. Further, there is a surprise audit which is also conducted once/ twice in a year depending on the previous audit score of the branch.

The branch audits focus on the following parameters:

- Credit operations: member / group master management, loan proposals, collection / remittances, group visits / records, records and registers.
- HR & Payroll: leave and attendance management, labour law compliance, previous audit compliances and adherences – validation.

Regular Audits are conducted for three days. It includes five group visits as well. Surprise audits are conducted for one day. It is planned on collection days. Other than that, on specific basis, special audits are performed. The internal auditors also support the business team in submitting the audit compliance / train the branch team on the recent circular updation during every audits. The branch team is given 15 days' time post audit report publication for submitting the audit compliance.

In addition to branch audit, corporate audit is also undertaken in the following frequency

- Quarterly Frequency: credit operations, statutory compliance, treasury and cash management
- Half Yearly Frequency: Information technology, HR & payroll, Legal & Corporate governance

- Yearly Frequency: Finance & Accounts, Fixed asset management

Risk Management

We are continuously making efforts to ensure integration of the best risk management practices into our governance and implementation structure. Conscious effort is put into developing and improving strong risk culture within our organization and having appropriate systems and tools to identify, measure and report risks. Our Risk Management Department works with and across all departments within our Company. Each department typically focuses on its specific area of activity, whereas our Risk Management Department operates in close cooperation with all the other departments, utilizing all significant information sourced by the other departments in order to improve the overall enterprise risk management by following the guidelines approved by our Board. Our Annual Risk Management Plan comprises major risks that have been identified by management as needing particular focus and close monitoring. The Annual Risk Management Plan forms the basis for implementation of detailed risk management practices.

Our Board stands at the apex of the governance, supporting the risk management framework. Our board of directors comprises professional directors with relevant experience to understand the risks specific to our Company and the microfinance sector in general. Our Board oversees the implementation of the Risk Management Plan principally through the Risk Management Committee of our Board ("**RMC**"). Major risks which are reported to the RMC and are monitored closely by management are identified based on the risk profile of our Company. All the strategies to manage these major risks are monitored by our Head – Risk and our Management Level Risk Committee (as described herein below), and the RMC is updated on a quarterly basis in relation to the same. The RMC oversees our risk management practices and strategies by approving our key results expected and reviewing the same on a quarterly basis. The RMC also reviews all actions taken, and all reports in relation to suggestions and recommendations made in previous meetings.

To ensure that all our departments deliver the expected level of support that is instrumental for the execution of risk management activities at an organizational level, a Management Level Risk Committee is formed. The Management Level Risk Committee is chaired by our MD & CEO and Head – Risk. The Management Level Risk Committee meetings are held at least once a month or more frequently if the need arises. The Management Level Risk Committee monitors management of our major risks in general. The Management Level Risk Committee takes an integrated view of the risks we face and issues specific directives to the respective departments, business lines, regions and branches for necessary action in order to mitigate such risks.

Operational Quality Control Team

The Operational Quality Control ("**OQC**") team is a function established within our field operations and OQC staff members report to Business Heads to enhance proactive monitoring of our operations. The OQC team oversees continuous, proactive and comprehensive review of processes, documentation and information in the field. The function also ensures process adherence, complete and accurate documentation in branches and Kendra meetings and adherence to the code of conduct.

Head Office – Infrastructure, Control and Support

To manage our branch and geographic expansion, we have strengthened the infrastructure, support and control functions at our head office. Our head office has adequate infrastructure and manpower to support our branches and field operations. The support functions such as Finance, Treasury, Accounts, Strategy and Planning, IT, Risk, HR, Audit, Grievance and Centralized Operations have been adequately staffed with the necessary personnel who are professionally competent to manage our growth.

Regional Processing Centres

Every new customer data entry takes places at centralized locations known as Regional Processing Centres. Regional Processing Centres help to improve controls in the following manner:

- check data entry of newly enrolled customers;
- improve and maintain integrity in data quality;
- independent data entry of new customers; and
- ensure complete and proper documentation.

As of June 30, 2020, we have 14 Regional Processing Centres located in Raipur, Ranchi, Belgaum, Davanagere, Bengaluru, Indore, Kolhapur, Aurangabad, Nagpur, Bhubaneshwar, Erode, Thiruvannamalai, Madurai and Jabalpur.

Proactive Data Analysis

Various portfolio, client monitoring, and branch monitoring reports are generated at defined intervals and analysed by our Business Intelligence and Analytics team, and Risk Management Department. Proactive actionable alerts are sent to our operations teams regularly.

Employee Due Diligence

For new employees who are recruited, our Risk Management Department conducts due diligence in the form of an internal background verification check. Through this process of background verification check, the credentials of the employees and their family backgrounds are checked before they are confirmed as employees. In addition to the background verification check, the conduct of the employee during the probation period is monitored and the employment is confirmed only if his or her conduct is satisfactory.

Human Resources

As of June 30, 2020, CAGL had 10,576 employees. On a consolidated basis including MMFL, we had 14,213 employees. We primarily recruit loan officers at entry levels. Fresh candidates from rural background are employed and adequately trained. After gaining sufficient experience, loan officers are promoted internally to take up bigger and more important roles. We abide by our values of being committed, reliable, empathetic, accountable, transparent and efficient. We try our best to ensure that our values are genuinely and consistently promulgated in our Company. We have also implemented an ESOP scheme for our employees, along with a range of incentives and employee engagement programs such as gratuity, birthday and wedding gifts, staff loans and insurance.

The following table sets a break-up of our employees by function as of the dates indicated:

	As of June 30, 2020 (Consolidated)	As of June 30, 2020 (Standalone)
Loan officers...	9,471	7,505
Field supervisors..	2,214	1,760
Field monitoring...	681	568
Centralized operations..	345	274
Finance..	57	30
IT..	140	59
Human resources...	108	80
Internal audit...	191	171
Others..	1,006	129
Total...	**14,213**	**10,576**

Training

We have 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 organization-wide level by providing different types of training to employees of different functions and seniority:

- A 28-day basic training program is conducted for trainees to prepare them for field operations, which includes field training at one of our branches for three weeks.
- A refresher training program is conducted frequently in accordance with our operational requirements.
- An orientation program is conducted for promoted field staff and new employees at our head office
- Induction training is provided for all lateral hires.
- Departmental process training programs are conducted for all new recruits and promoted employees.
- Leadership training programs, which are tailored according to the seniority of our employees, are conducted for our employees.

The above training programs are designed based on objectives, targeted groups of employees, skills and capabilities required for our field operations.

Customer Grievance Redressal Mechanism

Our customer grievance redressal mechanism was established to address issues which arise out of situations when our Customers are either unhappy with the service provided to them or unsatisfied because we fail to meet their expectations, including grievances on overdue balances, Kendra discipline and cohesion issues. The methodology adopted by this department enables customers to reach out to us in an easy and simplistic manner.

Our grievance redressal process addresses the grievances of all our Customers and the general public. We have set up a Grievance Redressal Cell ("**GRC**") to attend to all enquiries and requests of our Customers. Staff members of all levels at the GRC and our head office are duty bound to address all concerns of our Customers.

Finance Department

Our finance department is responsible for fund raising and asset liability management, minimizing the cost of our borrowings, liquidity management and control, diversifying fund-raising sources, managing interest rate risk and investing funds in accordance with the criteria set forth in our investment policy. As we are a non-deposit taking NBFC-MFI, we have not accepted any deposits as defined under the Companies Act 2013. Our sources of liquidity include term loans and working capital facilities; proceeds from loans assigned and securitized; cash credit subordinated debt; proceeds from the issuance of NCDs; and borrowings from banks, NBFCs and other financial institutions.

Our treasury department relies on an integrated treasury and cash management system that operates the complete cash and banking operations, which entail pooling of excess funds from branches and channelling funds to branches which require disbursement, repayment of loan instalments and payments to vendors, employees for goods, services, reimbursement, salary and investment of surplus funds, if any.

We believe that we have been able to access cost-effective debt financing due to our stable credit history, improving credit ratings and conservative risk management policies. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Indebtedness*" and "*Selected Statistical Information*" on pages 131 and 41, respectively.

Capital Adequacy Ratios

Our standalone CRAR was 23.6% and MMFL's standalone CRAR was 23.0% as of March 31, 2020, respectively, which was computed in accordance with the RBI Master Directions read with RBI notification RBI/2019-20/170, DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian Accounting Standards. Under the Master Direction – Non-Banking Financial Company –Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, we are required to maintain a minimum capital adequacy ratio consisting of Tier I and Tier II capital, which shall not be less than 15.00% of our aggregate risk weighted assets.

Compliance with NBFC-MFI Regulations and Guidelines

As of June 30, 2020, we are in compliance with regulations and guidelines relating to qualifying assets ratio, capital adequacy ratio, aggregate loan provision policies, pricing of credit, interest rate on loan products and processing charges.

Competition

We face significant competition from unorganized, small participants in the market across all our business segments in addition to other small finance banks, scheduled commercial banks, NBFC-MFIs and NBFCs as well as local moneylenders. Our competitors include Bharat Financial Inclusion Ltd. (now merged with IndusInd Bank Ltd.), Satin Creditcare Network Ltd., Annapurna Microfinance Pvt. Ltd., Arohan Financial Services Pvt. Ltd., Spandana Sphoorty Financial Ltd., L&T Finance Ltd, Asirvad Microfinance Ltd., Ujjivan Small Finance Bank Limited, Equitas Holdings Ltd. Etc.

In addition, many of our potential customers in the lower income segments do not have access to any form of organized institutional lending, and rely on loans from informal sources, especially money lenders, landlords, local shopkeepers and traders at much higher interest rates. Therefore, we also face significant competition from these unorganized and unregulated market participants who are prevalent in the semi-urban and rural areas, which are our key areas of focus and whose target customer segment is the same as ours.

Properties

As of June 30, 2020, all the properties used for our operations (except one branch of MMFL), including 1,388 branches, Regional Processing Centres, regional offices and our head office, have been taken on a lease/ leave and license basis.

Intellectual Property

Our Company has filed applications for registering certain trademarks including for our corporate logo as an NBFC-MFI. In addition, our Company has also registered certain logos associated with its brands and operations, such as the "Grameen Koota" text and logo and "Grameen Koota Jagruti" logo.

Information Technology

Our IT support systems aid us in performing several processes involved in the life cycle of a loan transaction. We have made significant investments in our IT infrastructure to be able to control our operating costs and provide quality service to our Customers as an NBFC-MFI. 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. We will continue to embrace state of the art technology solutions to support our growth and enable more efficient operations to benefit our Customers, as well as to optimize our operating efficiency.

***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 our business operations. The higher levels of automation, controls and flexibility provided by the system enable us to achieve its vision of reaching out to a larger customer base.

Information Technology Systems - MMFL

MMFL has built an IT platform wherein predominantly most of the applications are based on open source architecture which enables non-linear business growth without commensurate increase in operating costs leading to improved operating efficiency. Most of MMFL's application tools are built in-house, fully integrated with the back-end applications. These applications are operated on cloud enabling access from any place in the country without any separate on-premise servers/ infrastructure leading to lower maintenance costs. The technology architecture is loosely coupled with Enterprise Service Bus integrations and follows plug and play modular structure. MMFL also uses artificial intelligence and machine learning based security tools to ensure a secure IT environment.

Collaboration with credit bureaus

We work with credit bureaus like Highmark, Equifax and CIBIL. The credit bureaus help identify overlapping microfinance borrowers, their overall loan exposure and incidents of high default. Every loan given by us undergoes a credit check with the credit bureaus and this verification process has been completely integrated into the loan delivery processes and is instrumental in minimizing instances of borrower over-indebtedness. The entire process is automated and centralized which enables high level of controls in this process.

Infrastructure outsourcing

We have 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 entered into partnerships with Bharti Airtel, Sify and Tata Teleservices for network connectivity in all critical locations.

Report generation

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.

Internal systems

In addition to the systems which provide core business functionality, we have deployed an enterprise resource planning system for our internal finance and accounting processes and other internal systems such as human resource management. We have 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 our employees. The E-learning portal is a powerful tool which reduces training costs and delivers effective training programs to a larger audience.

Technology initiatives

We continue to actively upgrade our 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. We are 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.

Insurance

We maintain insurance policies that we believe are customary for companies operating in our industry. Our principal types of coverage include insurance for burglary, group personal accident insurance, group life insurance, group mediclaim, fidelity policy, and directors' and officers' liability insurance. In addition, we have a money insurance policy pertaining to cash in safes and in transit. Our insurance policies may not be sufficient to cover our economic loss. For details, see "*Risk Factors – Our insurance coverage may not be adequate to protect us against all potential losses, which may have a material adverse effect on our business, financial condition and results of operation*" on page 75.

Certifications and Awards

We have always maintained a focus on integrating social values in the design and delivery at all stages of products and services. The following table shows the numerous awards and certifications in recognition of our socially-focused approach in conducting our business:

Award / Certification	**Organization which gave the award / certification**	**Year awarded**	**Details of the award / certification**
CNBC-AWAAZ CEO Awards 2019 for "Outstanding contribution to Rural Entrepreneurship and Empowerment"	CNBC-AWAAZ, a Hindi business news channel, and the Government of Chhattisgarh	2020	An award constituted by CNBC-AWAAZ and the Government of Chhattisgarh to celebrate entrepreneurship and to recognise the achievements and contributions of corporate leaders and companies.
GREAT PLACES TO WORK – CERTIFIED® (Feb 2020-Jan 2021)	GREAT PLACES TO WORK®	2020	A certification recognising organisations in India which have an excellent workplace culture and high trust levels between employees and the organisation.
India's Best Workplaces in BFSI 2020 – Top 25	GREAT PLACES TO WORK®	2020	A certification recognising organisations in the banking, financial services and insurance industry in India with the best workplace culture and quality employee experience.
Micro Finance Organisation of the Year Award 2019 – Inclusive Finance India Awards 2019	ACCESS Development Services in partnership with HSBC India	2019	An award recognising and honouring our contribution to the advancement of financial inclusion in India.
Water.org and Sa-dhan Awards for Water and	Water.org	2019	An award recognising our outstanding contribution to Water and Sanitation lending during FY 2018 to 2019.

Award / Certification	Organization which gave the award / certification	Year awarded	Details of the award / certification
Sanitation Credit Financing Winner – Best NBFC category at FE India's Best Banks Awards 2017-2018	The Finance Express	2018	An award recognising top players in India's banking industry.

Key Milestones

Year	Particulars
2007	• Transition from an NGO to an NBFC
2008	• Raised ₹92 million from Aavishkar • Started operations in Maharashtra
2009	• Started operations in Tamil Nadu
2010	• Raised ₹ 576 million through securitisation
2011	• Commenced integration with Credit Bureau for credit decisions
2012	• Raised NCDs worth ₹250 Mn from ResponsAbility
2013	• Granted NBFC – MFI license with effect from September 5, 2013 • Raised INR 532 Mn from CAI, Creation and Incofin
2014	• CAI acquired a majority stake in our Company
2015	• Commenced operations in Madhya Pradesh and Chhattisgarh • Raised ₹1,200 Mn from CAI
2016	• Introduced business loans facilities as part of the Retail Finance division of our Company • Reached 1 million customers • Became a 99% subsidiary of CAI • Achieved 20% ROE
2017	• Raised ₹3,500 Mn as fresh equity and ₹2,000 Mn as CCD from CAI
2018	• Renamed to CreditAccess Grameen Ltd • Listed on NSE/ BSE with an IPO of ₹11.3 billion
2019	• Crossed 2.5 million borrowers • Commenced operations in five new states Jharkhand, Rajasthan, Gujarat, Uttar Pradesh and Bihar
2020	• Acquisition of MMFL on March 18, 2020

Corporate Social Responsibility

We have adopted a Corporate Social Responsibility ("**CSR**") policy in compliance with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014. 2.00% of our annual profit is spent for awareness on safe water, sanitation, education, financial literacy and social awareness activities in our operating areas. Further, we have partnered with Navya Disha, a charitable trust, to implement our CSR initiatives with an aim to empower people belonging to poor households to help them secure respectable livelihoods while ensuring environmental sustainability and gender equality. We believe that our CSR initiatives contribute to our overall strategy of a customer-centric business model and engaging with marginalized communities and we have contributed to CSR initiatives in areas such as increasing social awareness, education and community development. We believe that these initiatives have contributed in maintaining a healthy customer retention levels.

In the backdrop of COVID-19 pandemic situation in India, we decided to focus our CSR activities towards various activities - preventive and precautionary activities, support communities in dealing with COVID-19 issues, support communities in recovering from COVID 19 infection. We executed various support activities in all operating states and districts - distribution of PPE kits N95 mask, sanitizers, hand gloves, shoe rapper, spectacle, gown, cotton and spirit, distribution of medical kits, distribution of groceries, distribution of thermal scanners etc. We allocated a budget of ₹ 50.00 million for COVID-19 support activities. During three months ended June 30, 2020, we supported 157,737 beneficiaries with supply of 6,247 grocery kits, 3,732 medical kits, 175 PPE kits and 98 thermal scanners.

Key Social Welfare Initiatives

Increasing social awareness

We collaborate with Navya Disha to raise social awareness in areas such as safe water, sanitation, education and financial literacy. Through this initiative, we hope to encourage hygienic practices, inculcate healthy habits and empower people who are living in poverty.

The awareness activities are executed with assistance of Navya Disha, in Karnataka, Maharashtra and Tamil Nadu. Various campaigns such as Kendra level training sessions, street plays, taluka level workshops, masons' training sessions, training Gram Panchayat members, wall paintings in villages, group training sessions, training school children and trainers' training sessions for our staff are undertaken as part of the program.

We encourage our Customers to lead a healthy and hygienic life by constructing their own toilets, having their own water connections at their houses and ensuring safe disposal of waste.

WASH (Water, Sanitation & Hygiene) program

As many households, especially those in rural areas, face health problems, we conducted a further study and found that lack of hygienic practices and sanitation were behind the poor health conditions. In order to address this issue comprehensively, we started the initiative WASH – Water, Sanitation and Hygiene Program. The impact of the program is evident as people in the community have not only realized the importance of sanitation but also associated us with the good work carried out. Having access to better sanitary facilities has also contributed to increased self-respect for our women customers and their family members.

Jagruti

We created Jagruti program as an awareness building tool, with a vision to empower our Customers by providing them with information. We conceived the concept of Jagruti after a rigorous process of deliberations with women as the target group, key stakeholders (within and outside the MFI) and leveraging design-thinking principles. We crafted and positioned the persona of Jagruti as a trusted friend of women and decided that letters should be the means of communication with Jagruti's audience given that storytelling has always been a critical channel of providing information in India.

We conduct this program on a weekly/ fortnightly basis and the letters written by Jagruti are read out at the end of weekly/ fortnightly meetings. The letters are written in a colloquial, lively fashion and they cover a plethora of relevant issues such health and hygiene, sanitation, drinking water, financial literacy, government schemes, micro-entrepreneurship, trafficking and HIV/ AIDS. We found out through an assessment of Jagruti that these letters have been successful in spreading awareness on key issues to our Customers, with an overwhelming proportion of customers reporting high levels of engagement with these messages.

Jagruti has created awareness on different subjects ranging from health, food, nutrition, education, hygiene, importance of sanitation to the importance of savings, money management, government services and facilities. It has had a measurable and lasting impact on the awareness level of our Customers that has resulted in a perceptual shift in their mindset.

We continue to implement Jagruti across our branches in Karnataka, Maharashtra, Madhya Pradesh, Chhattisgarh and Tamil Nadu, and continue to educate our Customers every week/ fortnight with a new topic.

Sushikshana program

In the year ended March 31, 2015, we launched the Sushikshana program, a child education program, with a main objective of educating school children on noncurricular topics like water, sanitation, hygiene, financial literacy and career guidance. The schools include government, private, aided and un-aided schools of Karnataka and Maharashtra. We are delivering an interactive and audio-visual rich content specifically for students, with the support of Navya Disha staff and volunteers.

Life insurance coverage

For the year ended June 30, 2020, we acted as master policy holder to cover 2.74 million Customers and their spouses (for certain of our loan products) under insurance schemes.

KEY REGULATIONS AND POLICIES

The following description is a summary of certain sector-specific laws, regulations and policies that are applicable to our business. The information detailed below has been obtained from the various legislations, including rules and regulations promulgated by regulatory and statutory bodies, that are available in the public domain. The descriptions of the regulations set out below may not be exhaustive, are merely intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, statutory, administrative, or judicial decisions.

In addition to the regulations and policies specified in this Placement Document, taxation statutes, various labour laws, environmental laws, corporate laws, information technology laws and other laws apply to us as they do to any other Indian company.

As per the RBI Act, a financial institution has been defined as any non-banking institution carrying on as its business or part of its business the financing, whether by way of making loans or advances or otherwise, of any activity, other than its own; acquisition of shares/stock/bonds/debentures/securities issued by the Government of India or other local authorities or other marketable securities of like nature; letting or delivering any goods to a hirer under a hire-purchase agreement; insurance business, chit business; and collecting monies in any manner from such persons, and disbursing money to such persons or any other person but does not include any institution whose principal business is that of any agricultural operation, industrial activity, the sale/purchase of goods other than securities, providing any service or the sale/purchase/construction of immovable property.

Any financial institution which is a company, or any non-banking institution which is company and which has as its principal business the receiving of deposits, or lending in any manner is to be treated as an NBFC. Since the term 'principal business' has not been defined under the RBI Act, the RBI has clarified through a press release (Ref. No. 1998-99/ 1269) in 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide its principal business. The company will be treated as an NBFC if its financial assets are more than 50% of its total assets (netted off by intangible assets) and income from financial assets should be more than 50% of the gross income. Both these tests are required to be satisfied as the determining factor for principal business of a company.

With effect from 1997, NBFCs were not permitted to commence or carry on the business of a non-banking financial institution without obtaining a certificate of registration ("**CoR**"). Further, with a view to imparting greater financial soundness and achieving the economies of scale in terms of efficiency of operations and higher managerial skills, RBI vide notification No. DNBS (PD)No.CC.10/02.59/98-99 dated April 20, 1999 raised the requirement of minimum net owned fund from ₹ 2.50 million to ₹ 20 million for the NBFC which commences business of a non-banking financial institution on or after April 21, 1999. Further, every NBFC is required to submit to the RBI a certificate every year, from its statutory auditor within one month from the date of finalization of the balance sheet and in any case not later than December 31st of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a CoR under section 45-IA of the RBI Act.

1. Regulation of systemically important NBFCs registered with the RBI

Systemically important NBFCs are primarily governed by the RBI Act, 1934 ("**RBI Act**"), Master Direction on Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ("**Master Directions**") and the Master Direction on Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 ("**Public Deposit Directions**") in case the NBFC is permitted to accept public deposits. In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

2. Types of NBFCs

NBFCs have been classified on the basis of the types of liabilities they access, types of activities they pursue and their perceived systemic importance.

a. Liabilities-based classification

NBFCs are classified on the basis of liabilities into two broad categories – a) deposit taking and

b) non-deposit taking. Deposit taking NBFCs (NBFC – D) are subject to requirements of stricter capital adequacy, liquid assets maintenance, and exposure norms etc.

Further, in 2015, non-deposit taking NBFCs with asset size of Rs 5 billion and above were labelled as 'systemically important non-deposit taking NBFCs' (NBFC – ND – SI) and separate prudential regulations were made applicable to them.

b. **Activity-based classification**

As per the RBI notification dated February 22, 2019, the RBI merged the three categories of NBFCs viz. Asset Finance Companies (AFCs), Loan Companies (LCs) and Investment Companies (ICs) into a new category called NBFC – Investment and Credit Company (NBFC-ICC) with the below definition: "Investment and Credit Company – (NBFC-ICC)" means any company which is a financial institution carrying on as its principal business – asset finance, the providing of finance whether by making loans or advances or otherwise for any activity other than its own and the acquisition of securities; and is not any other category of NBFC as defined by RBI in any of its Master Directions.

Within this broad categorization the different types of NBFCs are (a) investment and credit companies, (b) infrastructure finance companies, (c) infrastructure debt fund, (d) NBFC – micro finance institutions, (e) NBFC – factors, (f) NBFC – non-operative financial holding company, (g) systemically important core investment companies and (h) mortgage guarantee companies.

3. Types of Activities that NBFCs are permitted to carry out

Although, NBFCs are permitted to operate in similar sphere of activities as banks, there are a few important and key differences. The most important distinctions are:

a. an NBFC cannot accept deposits repayable on demand;

b. NBFCs do not form part of the payment and settlement system and cannot issue cheques drawn on itself; and

c. deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositors of NBFCs, unlike in case of banks.

4. Regulatory Requirements of an NBFC under the RBI Act

Net Owned Fund

Section 45-IA of the RBI Act ("**Section 45-IA**") provides that to carry on the business of a NBFC, an entity would have to register as an NBFC with RBI and would be required to have a minimum net owned fund of ₹ 2.50 million or such other amount, not exceeding ₹ 20 million, as RBI may, by notification in the Gazette, specify. For this purpose, the RBI Act has defined "net owned fund" to mean:

a. the aggregate of the paid-up equity capital and free reserves as disclosed in the latest balance sheet of the company, after deducting therefrom:

(i) accumulated balance of losses,

(ii) deferred revenue expenditure; and

(iii) other intangible assets; and

b. further reduced by the amounts representing:

(i) investment by such companies in shares of (1) its subsidiaries, (2) companies in the same group, and (3) all other NBFCs, and

(ii) the book value of debentures, bonds, outstanding loans and advances (including hire purchase and lease finance) made to, and deposits with (i) subsidiaries of such companies; and (ii) companies in the same group, to the extent such amount exceeds 10% of (a) above.

Reserve Fund

In addition to the above, Section 45-IC of the RBI Act requires NBFCs to create a reserve fund and transfer therein a sum of not less than 20% of its net profits earned every year as disclosed in profit and loss account and before declaration of dividend. Any sum from the reserve fund cannot be appropriated by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation is required to be reported to the RBI within 21 days from the date of such withdrawal.

Further, in terms of the amendment of the Companies (Share Capital and Debentures) Rules, 2014 on August 16, 2019, NBFCs registered with RBI and HFCs registered with National Housing Bank are exempted from creation of debenture redemption reserve in case of public issue of debentures and privately placed debentures. However, such NBFCs and HFCs shall on or before the April 30 in each year, invest or deposit, a sum which shall not be less than fifteen per cent, of the amount of its debentures maturing during the year, ending on the March 31 of the next year in any one or more methods of investments or deposits as provided under Companies (Share Capital and Debentures) Rules, 2014, provided that the amount remaining invested or deposited, shall not at any time fall below fifteen percent of the amount of the debentures maturing during the year ending on March 31 of that year.

5. Master Directions

The Master Directions contain detailed directions on prudential norms for 'applicable NBFCs' (as defined therein), and specifically for Non-Banking Finance Company-Micro Finance Institutions having an asset size of ₹5,000 million or more ("**NBFC-MFIs**") under Chapter-IX. The Master Directions, amongst other requirements prescribe guidelines for income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements and concentration of credit/investment and pricing of credit, transparency in interest rates for applicable NBFCs, including NBFC-MFIs.

Entry Point Norms

Chapter IX of the Master Directions require every company seeking registration as an NBFC-MFI to have a minimum net owned fund ("**NOF**") of ₹50 million (except the companies in the North Eastern Region of India which will require to have a NOF of ₹20 million till further notice) and to comply with all other criteria as applicable to NBFC-MFIs.

Asset Classification

The Master Directions require that every applicable NBFC (except NBFC-Micro Finance Institutions) shall after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realization, classify its lease/hire purchase assets, loans and advances and any other form of credit into the following classes:

(i) Standard assets;

(ii) Sub-standard assets;

(iii) Doubtful assets; and

(iv) Loss assets.

Further, such class of assets shall not be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation. Further, as per the Master Directions, the asset classification norms for applicable NBFCs are given below:

a. A standard asset shall mean the asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem or carry more than normal risk attached to the business;

b. A sub-standard asset shall mean (1) an asset that has been classified as a non-performing asset ("**NPA**") for a period not exceeding 12 months for the financial year ending March 31, 2018 and thereafter or (2) an asset where the terms of the agreement regarding interest and/or principal have been renegotiated or rescheduled or restructured after commencement of operations, until the expiry of one year of satisfactory performance under the renegotiated or rescheduled or restructured terms.

c. A doubtful asset shall mean a term loan, a lease asset, a hire purchase asset or any other asset that has remained a sub-standard asset for a period exceeding 12 months for the financial year ending March 31, 2018 and thereafter.

d. Loss asset means:

(i) an asset which has been identified as loss asset by the applicable NBFC or its internal or external auditor or by the RBI during the inspection of the applicable NBFC, to the extent it is not written off by the applicable NBFC; and

(ii) an asset which is adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower.

e. 'Non-preforming asset' is defined as:

(i) an asset, in respect of which, interest has remained overdue for a period of three months or more;

(ii) a term loan inclusive of unpaid interest, when the instalment is overdue for a period of three months or more or on which interest amount remained overdue for a period of three months or more;

(iii) a demand or call loan, which remained overdue for a period of three months or more from the date of demand or call or on which interest amount remained overdue for a period of three months or more;

(iv) a bill which remains overdue for a period of three months or more;

(v) the interest in respect of a debt or the income on receivables under the head 'other current assets' in the nature of short term loans/advances, which facility remained overdue for a period of three months or more;

(vi) any dues on account of sale of assets or services rendered or reimbursement of expenses incurred, which remained overdue for a period of three months or more;

However, for the purpose of asset classification by NBFC-MFIs:

a. 'Standard assets' means an asset in respect of which, no default in repayment of principal or payment of interest is perceived and which neither discloses any problem nor carries more than normal risk attached to the business;

b. 'Non-performing asset' means an asset for which interest/principal payment has remained overdue for a period of 90 days or more.

Subject to the definition of 'standard asset' and 'non-performing asset' mentioned above and other applicable provisions of Chapter IX of the Master Directions, all other asset classifications requirements applicable to NBFCs pursuant to the Master Directions also apply to NBFC-MFIs.

Acquisition or transfer of control

NBFC-MFIs are required to obtain prior written permission of RBI for, (a) any takeover or acquisition of control, which may or may not result in change in management, (b) any change in the shareholding, including progressive increases over time, which would result in acquisition or transfer of shareholding of 26% or more of the paid up equity capital except for any shareholding going beyond 26% due to buyback of shares or reduction in capital where it has approval of a competent court, and (c) any change in the management of the NBFC-MFIs which results in change in more than 30% of the directors, excluding independent directors. However, prior approval shall not be required for directors who get re-elected on retirement by rotation.

Capital Adequacy Norms

All NBFC-MFIs are required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital which should not be less than 15% of its aggregate risk weighted assets and the total of Tier II Capital at any point of time, shall not exceed 100% of Tier I Capital.

Provisioning Norms

a. The Master Directions require the provisioning norms in relation to the portfolio for the state of Andhra Pradesh to be in line with paragraph 13 of the Master Directions.

b. For non-Andhra Pradesh portfolio, the aggregate loan provision to be maintained by all NBFC-MFIs at any point of time should not be less than the higher of (a) 1% of the outstanding loan portfolio or (b) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan instalments which are overdue for 180 days or more.

c. All other provisions contained in Chapter V of the Master Directions (including with respect to capital adequacy and provisioning norms), as long as they are not contradictory to what is stated in Chapter IX, shall be applicable to NBFC-MFIs.

d. An NBFC which does not qualify as an NBFC-MFI shall not extend loans to micro finance sector, which in aggregate exceeds 10% of its total assets.

Transparency in Interest Rates and pricing of credit

To ensure fair practice in lending, NBFC-MFIs are permitted to have only three components in the pricing of loans viz., the interest charge, the processing charge and the insurance premium (which includes the administrative charges in respect thereof). They are not permitted to charge penalty on delayed payments or to collect any security deposit/ margin from their borrowers. NBFC-MFIs are required to have a standard form of loan agreement, and provide borrowers with a loan card reflecting the effective rate of interest, other terms and conditions attached to the loan, information which adequately identifies the borrower, acknowledgements by the NBFC-MFI of all repayments including instalments received and final discharge and all entries in the loan card shall be in vernacular language. Further, the effective rate of interest charged by the NBFC-MFIs are required to be prominently displayed in all offices and websites of, and all literature issued by the NBFC-MFIs.

Multiple-lending, Over-borrowing and Ghost-borrowers

NBFC-MFIs can lend to individual borrowers who are not member of Joint Liability Group ("**JLG**")/Self Help Group("**SHG**") or to borrowers that are members of JLG/SHG, subject to the following conditions:

(i) a borrower cannot be a member of more than one SHG/JLG.

(ii) not more than two NBFC-MFIs shall lend to the same borrower.

(iii) there must be a minimum period of moratorium between the grant of the loan and the due date of the repayment of the first instalment. The moratorium shall not be less than the frequency of repayment e.g. in the case of weekly repayment, the moratorium shall not be less than one week.

(iv) recovery of loan given in violation of the regulations shall be deferred till all prior existing loans are fully repaid.

Ensuring compliance with conditionalities

The Master Directions require every NBFC-MFI to be a member of all Credit Information Companies ("**CICs**") established under the CIC Regulation Act 2005, provide timely and accurate data to the CICs and further use the data available with them to ensure compliance with the conditions regarding membership of SHG/ JLG, level of indebtedness and sources of borrowing.

Channelizing Agents for Schemes operated by Central/State Government Agencies

The Master Directions state that disbursal of loans by NBFC-MFIs in the capacity of channelizing agents for schemes operated by the central/state government agencies will be considered as a separate business segment and that such loans shall not be included within either qualifying assets or total assets for the purpose of determining compliance with the minimum qualifying assets criteria. Further, NBFC-MFIs may act as channelizing agents for distribution of loans under special schemes of Central/State Government Agencies subject to the conditions laid down in chapter IX of the Master Directions.

Geographical Diversification

NBFC-MFIs are required to fix internal exposure limits in order to avoid any undesirable concentration in specific geographical locations.

Formation of SRO

All NBFC-MFIs are required to become a member of at least one Self-Regulatory Organization ("**SRO**") which is recognized by the RBI and are also required to comply with the code of conduct prescribed by such SRO. Further, the SRO as recognized by the RBI shall adhere to a set of functions and responsibilities as laid down in the Master Directions and amended from time to time.

Asset Liability Management

RBI has prescribed the Guidelines for Asset Liability Management ("**ALM**") System in relation to NBFCs, ("**ALM Guidelines**") that are applicable to all NBFCs through its Guidelines on "Asset Liability Management (ALM) System for NBFCs" dated June 27, 2001 ("**ALM Circular**"). As per the ALM Circular, the applicable NBFCs with an asset base of ₹ 1,000 million, irrespective of whether they are accepting / holding public deposits or not, or holding public deposits of ₹ 200 million or more (irrespective of the asset size) as per their last audited balance sheet, are required to put in place an ALM system. The ALM Guidelines mainly address liquidity and interest rate risks. In case of structural liquidity, the negative gap (i.e. where outflows exceed inflows) in the 1 to 30/31 days' time-bucket should not exceed the prudential limit of 15% of cash outflows of each time-bucket and the cumulative gap of up to one year should not exceed 15% of the cumulative cash outflows of up to one year. In case these limits are exceeded, the measures proposed for bringing the gaps within the limit should be shown by a footnote in the relevant statement.

Pursuant to its circular dated November 4, 2019, the RBI has issued the 'Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies' (the "**LRM Guidelines**") in order to strengthen and raise the standard of the ALM framework applicable to NBFCs. The LRM Guidelines are required to be adhered to by all non-deposit taking NBFCs with asset size of ₹ 1,000 million and above, systemically important Core Investment Companies and all deposit taking NBFCs (irrespective of their asset size). Further, all non-deposit taking NBFCs with asset size of ₹100 billion and above, and all deposit taking NBFCs irrespective of their asset size, are required to maintain a liquidity buffer in terms of the liquidity coverage ratio by ensuring that they have sufficient high quality liquid asset ("**HQLA**") to survive any acute liquidity stress scenario lasting for 30 days. The stock of HQLA to be maintained by the NBFCs shall be minimum of 100% of total net cash outflows over the next 30 calendar days. The liquidity coverage ratio requirement shall be binding on NBFCs from December 1, 2020 with the minimum HQLAs to be held being 50% of the liquidity coverage ratio, progressively reaching up to the required level of 100% by December 1, 2024. All non-deposit taking NBFCs with asset size of ₹ 50 billion and above but less than ₹ 100 billion shall also maintain the required level of liquidity coverage ratio starting December 1, 2020 with the minimum HQLAs to be held being 30% of the liquidity coverage ratio, progressively reaching up to the required level of 100% by December 1, 2024.

Fair Practices Code

The Master Directions prescribe a fair practices code that is required to be adhered to by applicable NBFCs, (including NBFC-MFIs) and *inter alia*, includes the following:

(i) Inclusion of necessary information affecting the interest of the borrower in the loan application form.
(ii) Devising a mechanism to acknowledge receipt of loan applications and indicating a time frame within which such loan applications are to be disposed.

(iii) Conveying, in writing, to the borrower in the vernacular language as understood by the borrower by means of sanction letter or otherwise, the amount of loan sanctioned along with the terms and conditions thereof. The acceptance of such terms and conditions should be kept on record by the NBFC.

(iv) Giving notice to the borrower in the vernacular language or a language as understood by the borrower of any change in the terms and conditions and ensuring that changes in interest rates and charges are effected only prospectively.

(v) Refraining from interfering in the affairs of the borrowers except for the purposes provided in the terms and conditions of the loan agreement.

(vi) Not resorting to undue harassment in the matter of recovery of loans.

(vii) Lay down an appropriate grievance redressal mechanism for resolving disputes.

(viii) Periodical review of the compliance of the fair practices code and the functioning of the grievances redressal mechanism at various levels of management. A consolidated report of such views shall be submitted to the board of directors at regular intervals, as may be prescribed by it.

(ix) Comply with fair practices that are specific to them (such as for NBFC-MFIs).

Corporate Governance Guidelines

The Master Directions prescribed certain corporate governance norms required to be adhered to by applicable NBFCs. The Master Directions, *inter alia*, provide for constitution of an audit committee, a nomination committee, an asset liability management committee and risk management committee and certain other norms in connection with disclosure and transparency. Further, applicable NBFCs with asset size of more than ₹50 billion in categories – investment and credit companies, infrastructure finance companies, micro finance institutions, factors and infrastructure debt funds are required to appoint a chief risk officer ("**CRO**") with clearly specified role and responsibilities. The CRO is required to function independently so as to ensure highest standards of risk management.

Norms for Excessive Interest Rates

The Master Directions directed all applicable NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the Master Directions regulates the rates of interest charged by such NBFCs. These directions stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium to determine the rate of interest to be charged for loans and advances. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. Further, this is also required to be made available on the NBFCs' website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualized rate so that the borrower is aware of the exact rates that would be charged to the account.

The Ombudsman Scheme for Non-Banking Financial Companies, 2018 ("NBFC Ombudsman Scheme")

The RBI has introduced an ombudsman scheme for customers of NBFCs. The NBFC Ombudsman Scheme is an expeditious and cost free apex level mechanism for resolution of complaints of customers of NBFCs registered with RBI under Section 45-IA, relating to deficiency in certain services rendered by NBFCs. The offices of the NBFC Ombudsmen operates at four metro zones, i.e., Chennai, Kolkata, Mumbai and New Delhi and it handles complaints of customers in the respective zones. The NBFC Ombudsman Scheme provides for an appellate mechanism under which the complainant/NBFC has the option to appeal against the decision of the ombudsman before the appellate authority.

KYC Guidelines

The RBI has issued a Master Direction on Know Your Customer (KYC) Direction dated February 25, 2016, as amended, ("**KYC Guidelines**") and advised all regulated entities (including NBFCs) to adopt such guidelines with suitable modifications depending upon the activities undertaken by them and ensure that a proper policy framework on KYC standards duly approved by the board of directors or any committee of the board of directors is put in place. The KYC policies are required to have certain key elements such as customer acceptance policy, customer identification procedures, monitoring of transactions and risk management. Persons authorised by NBFCs for collecting the deposits and their brokers/agents shall be fully compliant with the KYC Guidelines applicable to NBFCs.

Information Technology Framework

Reserve Bank of India has issued Master Direction – Information Technology Framework for the NBFC Sector dated June 8, 2017 ("**IT Directions**"). The focus of the IT direction is on information technology governance, information technology policy, information and cyber security, information technology operations, information security audit, business continuity planning and information technology services outsourcing. These directions are categorized into two parts, those which are applicable to all NBFCs with asset size above ₹5,000 million (considered as systemically important) and directions for NBFCs with asset size below ₹ 5,000 million. The IT Directions, *inter alia*, mandate NBFCs to form an information technology strategy committee, to formulate an information technology policy, and ensure that the IT systems have information security and cyber security. The IT Directions also prescribe the time frame within which the mandated activities should be completed by the NBFC.

Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs dated November 9, 2017

The RBI has specified the activities and financial services that cannot be outsourced by NBFCs, and provided the bases for deciding materiality of outsourcing. These directions lay down the regulatory and supervisory requirements and risk management practices to be adhered to by the NBFCs, including the adoption of a comprehensive outsourcing policy by the board of such NBFCs. The outsourcing of any activity by an NBFC does not diminish its obligations, and those of its board and senior management. Further, such NBFCs are required to have a robust grievance redress mechanism, which in no way shall be compromised on account of outsourcing.

Anti-Money Laundering

The Prevention of Money Laundering Act, 2002 ("**PMLA**") was enacted to prevent money-laundering and to provide for confiscation of property derived from or involved in, money-laundering and for matters connected therewith or incidental thereto. The Government of India under PMLA has issued the Prevention of Money-laundering (Maintenance of Records) Rules, 2005, as amended ("**PML Rules**"). PMLA & PML Rules extends to all banking companies and financial institutions, including NBFCs and intermediaries.

Further the KYC Guidelines ensure that a proper policy frame work for the PMLA and PML Rules is put in place. Pursuant to the provisions of PMLA, PML Rules and the RBI Master Circular – KYC Guidelines – Anti Money Laundering Standards – PMLA, 2002 – Obligations of NBFCs dated July 1, 2013, all NBFCs are advised to appoint a principal officer for internal reporting / reporting to Financial Intelligence Unit – India (FIU-IND) of suspicious transactions and cash transactions and to maintain a system of proper record (i) all cash transactions of value of more than ₹1 million – or its equivalent in foreign currency; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹1 million or its equivalent in foreign currency, where such series of transactions have taken place within a month and the aggregate value of such transaction exceeds ₹1 million; (iii) all transactions involving receipts by non-profit organisations of value more than ₹1 million, or its equivalent in foreign currency; (iv) all cash transactions where forged or counterfeit currency notes have been used. The NBFCs shall also appoint a designated director who shall be responsible for ensuring overall compliance as required under the PMLA and the PML Rules.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least ten years after the business relationship is ended. Also, NBFCs should maintain all necessary records of transactions with the customers, both domestic and international, for at least ten years from the date of cessation of transaction. The identification records and transaction data are to be made available to the competent authorities upon request.

Guidelines on Securitization of Standard Assets

The RBI through its Master Directions provided the guidelines on securitization of standard assets. Further, the guidelines provides that loans can only be assigned or securitized if the NBFC has held them in their books for a specified minimum period. The guidelines also provide a minimum retention requirement for securitization and assignment transactions. However, in order to encourage NBFCs to securitise/assign their eligible assets, the RBI pursuant to the circular dated November 29, 2018, relaxed the Minimum Holding Period (MHP) requirement for originating NBFCs, in respect of loans of original maturity above 5 years, to receipt of repayment of six monthly instalments or two quarterly instalments (as applicable). The said dispensation was initially applicable till six months from the date of issuance of the circular. However, the RBI vide its circular dated May 29, 2019 had extended the dispensation till December 31, 2019, and subsequently vide its circular dated December 31, 2019 had extended the dispensation till June 30, 2020.

Certain requirements are to be met by the originating NBFCs on transactions involving transfer of assets through direct assignment of cash flows and the underlying securities. NBFCs can transfer a single standard asset or a part of such asset or a portfolio of such assets to financial entities through an assignment deed with the exception of (i) revolving credit facilities (e.g., credit card receivables); (ii) assets purchased from other entities; (iii) assets with bullet repayment of both principal and interest. However, these guidelines shall not apply to: (i) transfer of loan accounts of borrowers by an NBFC to other NBFCs/ FIs /banks and vice versa, at the request/ instance of borrower; (ii) trading in bonds; (iii) sale of entire portfolio of assets consequent upon a decision to exit the line of business completely. Such a decision shall have the approval of board of directors of the NBFC; (iv) consortium and syndication arrangements; (v) any other arrangement/ transactions, specifically exempted by the Reserve Bank of India.

In order to limit the extent of effective control of transferred assets by the seller in the case of direct assignment transactions, NBFCs shall not have any re-purchase agreement including through clean-up calls on the transferred assets.

External Commercial Borrowings (ECB) Policy

The Reserve Bank of India has, through the Master Direction on External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 (the "**ECB Policy**"), notified the external commercial borrowings framework. Few of the changes as per the ECB Policy are, NBFCs, being eligible entities to receive FDI, are permitted to raise ECB up to USD 750 million or equivalent in a financial year under the automatic route and exceeding USD 750 million or equivalent in a financial year under the approval route and the eligible borrowers have been expanded to include all entities eligible to receive FDI.

The ECB Policy, *inter alia*, provides for various aspects of ECB transactions, including eligible borrowers, recognised lenders, route of the ECB, minimum average maturity period and all-in-cost ceiling per annum.

COVID -19 Regulatory Framework

In light of the recent COVID-19 pandemic, the RBI has notified various regulatory frameworks and relaxations to taken / to be availed by the respective NBFCs to deal with the disruptions caused by the pandemic.

The RBI, vide its circular titled COVID-19 – Operational and Business Continuity Measures dated March 16, 2020, has provided an indicative list of steps to be taken by lending institutions, including NBFCs, as part of their operations and business continuity plans. These include, among others, steps to encourage their customers to use digital banking facilities, to take steps of sharing important instructions/ strategy with the staff members at all levels and sensitizing the staff members about preventive measures/steps to be taken in suspected cases, based on the instructions received from health authorities, from time-to-time, and to take stock of critical processes and revisiting Business Continuity Plan (BCP) in the emerging situations/scenarios with the aim of continuity in critical interfaces, and preventing any disruption of services, due to absenteeism either driven by the individual cases of infections or preventive measures.

The RBI, vide its circular titled COVID-19 – Regulatory Package dated March 27, 2020, announced certain regulatory measures to mitigate the burden of debt servicing brought about by disruptions on account of the COVID-19 pandemic, and to ensure the continuity of viable businesses. In furtherance of the same, NBFCs were permitted to grant a moratorium of three months on payment of all instalments in respect of all term loans (including agricultural term loans, retail and crop loans) ("**Moratorium Period**") falling due between March 1, 2020 and May 31, 2020. Additional relaxations were also granted in relation to the calculation of 'drawing power' in respect of working capital facilities sanctioned in the form of cash credit/ overdraft to borrowers. Such measures would not result in asset classification downgrade. The rescheduling of payments, including interest, was stated to not qualify as a default for the purposes of supervisory reporting and reporting to Credit Information Companies ("**CICs**") by the lending institutions. CICs were made to ensure that the actions taken by lending institutions pursuant to the above announcements do not adversely impact the credit history of the beneficiaries. The circular also laid down that wherever the exposure of a lending institution to a borrower is ₹ 50 million or above as on March 1, 2020, the lending institution (including NBFCs) shall develop a Management Information System (MIS) on the reliefs provided to its borrowers which shall, *inter alia*, include borrower-wise and credit-facility wise information regarding the nature and amount of relief granted.

Subsequently, the RBI vide its circular dated May 23, 2020, further permitted the lending institutions (including NBFCs) to extend the Moratorium Period on payment of all instalments in respect of term loans (including agricultural term loans, retail and crop loans) by another three months i.e. from June 1, 2020 to August 31, 2020. In relation to working capital facilities sanctioned in the form of cash credit/overdraft, lending institutions were permitted to allow a deferment of another three months, from June 1, 2020 to August 31, 2020, on recovery of interest applied in respect of all such facilities. In respect of such working capital facilities sanctioned in the form of cash credit/overdraft to borrowers facing stress on account of the economic fallout of the pandemic, lending institutions could, as a one-time measure, (i) recalculate the 'drawing power' by reducing the margins till August 31, 2020. However, in all such cases where such a temporary enhancement in drawing power is considered, the margins must be restored to the original levels by March 31, 2021; and/or, (ii) review the working capital sanctioned limits upto March 31, 2021, based on a reassessment of the working capital cycle. In respect of such working capital facilities, lending institutions were also permitted, at their discretion, to convert the accumulated interest for the deferment period up to August 31, 2020, into a funded interest term loan which shall be repayable not later than March 31, 2021. As mentioned above, such changes will not be treated as concessions granted due to 'financial difficulty' of the borrower under the Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 dated June 7, 2019 and consequently, will not result in asset classification downgrade.

The above measures under the RBI circular dated May 23, 2020, shall be contingent on the lending institutions satisfying themselves that the same is necessitated on account of the economic fallout from COVID-19. Further, accounts provided relief under these instructions shall be subject to subsequent supervisory review with regard to their justifiability on account of the economic fallout from COVID-19.

The RBI vide its circular dated April 17, 2020 on "COVID 19 Regulatory Package – Asset Classification and Provisioning" has, inter alia, specified instructions in relation to asset classification and provisioning of all terms loans and working capital facilities. The Moratorium Period shall be excluded by the lending institutions (including NBFCs) for calculating the number of days past-due for the purpose of asset classification under the Income Recognition and Asset Classification norms, in respect of all accounts classified as standard as on February 29, 2020.

Further, the RBI through its 'Statement on Developmental and Regulatory Policies' dated August 6, 2020, stated that with the intent to facilitate revival of real sector activities and mitigate the impact on the ultimate borrowers, it had been decided to provide a separate resolution framework under the "Prudential Framework on Resolution of Stressed Assets" dated June 7, 2019 to enable the lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while classifying such exposures as standard (as set out under the Prudential Framework on Resolution of Stressed Assets) subject to specified conditions. The RBI has also issued a notification on August 6, 2020 titled 'Resolution Framework for COVID-19-related Stress' ("**Covid-19 Resolution Framework**"). Under the Covid-19 Resolution Framework, lending institutions are required to frame policies, as approved by their board of directors, for implementation of viable resolution plans for eligible borrowers pursuant to the Covid-19 Resolution Framework and ensure that the resolution plans under this facility are extended only to borrowers bearing stress on account of the COVID-19 pandemic. The RBI, vide its circular dated September 07, 2020 on "Resolution Framework for COVID-19-related Stress – Financial Parameters", laid down key ratios to be mandatorily considered while finalizing the resolution plans in respect of resolution framework. Further, it also laid down, sector specific thresholds to be considered by the lending institutions, intended as floors or ceilings. The resolution plans shall take into account the pre-Covid-19 operating and financial performance of the borrower and impact of Covid-19 on its operating and financial performance at the time of finalising the resolution plan, to assess the cashflows in subsequent years, while stipulating appropriate ratios in each case. Lending institutions are free to consider other financial parameters as well while finalizing the resolution assumptions in respect of eligible borrowers apart from the above mandatory key ratios and the sector-specific thresholds that have been prescribed.

ORGANISATIONAL STRUCTURE

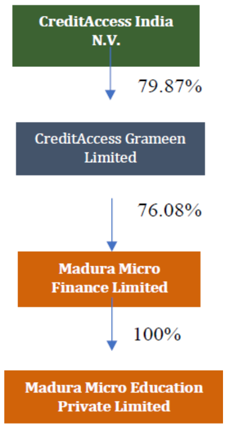
Corporate history

Our Company was incorporated as Sanni Collection Private Limited ("**SCPL**") on June 12, 1991 at Calcutta, West Bengal, India as a private limited company under the Companies Act, 1956. In February 2007, the entire shareholding of SCPL was acquired by Vinatha M. Reddy, Vijitha Subbaiah and Suresh K. Krishna, in their respective individual capacity. At the time of the acquisition, SCPL also held a certificate of registration as a non-deposit taking NBFC dated March 30, 1998. Subsequently, in October 2007, the microfinance business being operated under T. Muniswamappa Trust ("**TMT**"), a public charitable trust engaged in the business of providing micro loans in Karnataka (including all associated assets, liabilities, goodwill, receivables, loan assets and intellectual property, including the brand name "**Grameen Koota**") was transferred to SCPL. The microfinance business being operated under TMT was established as a programme under the name "Grameen Koota" in 1999. Subsequent to the acquisition of SCPL and the transfer of the microfinance business of TMT to SCPL, SCPL was rebranded under the "Grameen" name, and pursuant to a resolution of the shareholders of SCPL, its name was changed from SCPL to Grameen Financial Services Private Limited ("**GFSPL**"). A fresh certificate of incorporation consequent upon change of name was issued to our Company by the Registrar of Companies, West Bengal on March 14, 2008, post which the Reserve Bank of India ("**RBI**") granted a certificate of registration dated July 28, 2009 reflecting the change of name. Subsequently, the RBI granted a fresh certificate of registration dated February 6, 2012 for registration as an NBFC under Section 45 IA of the Reserve Bank of India Act, 1934. Our Company was granted NBFC-Microfinance Institution ("**NBFC-MFI**") status by the RBI with effect from September 5, 2013. Subsequently, pursuant to a resolution passed by the Shareholders, the name of our Company was changed to Grameen Koota Financial Services Private Limited, and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on November 13, 2014. Further, a fresh certificate of registration consequent upon change of name was issued to our Company by the RBI on December 16, 2014. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at the EGM held on November 27, 2017 and the name of our Company was changed to Grameen Koota Financial Services Limited ("**GFSL**"). A fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the RoC on December 18, 2017. Our Company also received a no objection certificate for change of name issued by the RBI dated December 28, 2017. Subsequently, pursuant to a resolution passed by the shareholders of our Company at the EGM held on January 2, 2018, the name of our Company was changed to CreditAccess Grameen Limited, and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on January 12, 2018. Subsequently, the RBI granted a fresh certificate of registration dated January 19, 2018, bearing registration number B – 02.00252 for registration as an NBFC under Section 45 IA of the Reserve Bank of India Act, 1934 under the name "CreditAccess Grameen Limited".

As of the date of this Placement Document, our Company has the following Subsidiaries:

1) Madura Micro Finance Limited; and
2) Madura Micro Education Private Limited

The organisation structure of our Company is as follows:



**As of October 8, 2020*

Proposed Scheme of Amalgamation

On November 27, 2019, our Company entered into an implementation agreement dated November 27, 2019 with MMFL for the proposed acquisition and amalgamation of MMFL into our Company. Pursuant to resolutions dated November 27, 2019 and January 22, 2020, our Board approved a scheme of amalgamation ("**Proposed Scheme of Amalgamation**") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 between our Company, MMFL, and their respective shareholders and creditors, pursuant to which the undertaking of MMFL was proposed to be transferred to and vested in our Company as a going concern. Subsequently, pursuant to their letters dated February 19, 2020 and January 29, 2020, respectively, the RBI Bangalore and RBI Chennai provided their no-objection to the Proposed Scheme of Amalgamation, and an application dated December 10, 2019 was made to the Stock Exchanges for the approval of the Proposed Scheme of Amalgamation. However, pursuant to a letter from the NSE dated March 11, 2020, our Company was informed that the Proposed Scheme of Amalgamation had been returned by the SEBI for not being in compliance with one of the conditions for schemes of arrangement by listed entities, namely, clause (1)(A)(3)(b) of SEBI Circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018. Accordingly, our Company was directed to make an application after complying with the requirements of the aforementioned circular.

Our Company has acquired 76.08% of the share capital of MMFL for an aggregate consideration of ₹ 6,612 million, pursuant to certain share purchase agreements with the then shareholders of MMFL ("**SPAs**"). Pursuant to the terms of the Implementation Agreement, if the proposed scheme of amalgamation is rejected by the relevant tribunal, or if the tribunal does not pronounce its order sanctioning the scheme within 18 months from the date of completion of the purchase of the MMFL shares by our Company under the SPAs (extendable by six months as required by our Company), our Company is required to purchase the equity shares of MMFL from the remaining shareholders of MMFL as per the terms and at the price agreed under the Implementation Agreement.

See also, "*Risk Factors – While we plan to merge MMFL into our Company pursuant to a scheme of amalgamation, subject to receipt of necessary statutory and regulatory approvals, under applicable laws, there is no assurance that the merger will be approved or be successful.*" on page 59.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of the Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations, the Master Directions, and our Articles. In terms of our Articles of Association, our Company is required to have not more than 15 Directors and not less than three Directors. As on the date of this Placement Document, our Company has 10 Directors on the Board, comprising two Executive Directors and eight Non-Executive Directors (including five Independent Directors and two women directors).

The following table sets forth details regarding our Board as of the date of this Placement Document:

Sr. No.	Name, Address, Occupation, DIN, Term, Nationality and Date of Birth	Age	Designation
1.	**Paolo Brichetti** **Address**: C/O GOZZI, Beethovenstraat 89-2, 1077 HS Amsterdam **Occupation**: Service **DIN**: 01908040 **Term**: Liable to retire by rotation **Nationality**: Italian **Date of birth**: January 29, 1964	56	Chairman and Nominee Director*
2.	**Udaya Kumar Hebbar** **Address**: #1001/C-2 South City Apartment, Bannerghatta Road, Arekere Mico Layout, Bangalore 560 076, Karnataka **Occupation**: Service **DIN**: 07235226 **Term**: Period of three years with effect from June 26, 2020, and not liable to retire by rotation[(1)] **Nationality**: Indian **Date of birth**: June 1, 1960	60	Managing Director and Chief Executive Officer
3.	**Diwakar B. R.** **Address**: G-1004 Mantri Tranquil Apartment Kanakapura Road, Gubbalala, Bangalore South, Subramanvapura, Bangalore South 560 061, Karnataka **Occupation**: Service **DIN**: 02775640 **Term**: Period of three years with effect from June 14, 2019, and not liable to retire by rotation **Nationality**: Indian **Date of birth**: August 19, 1970	50	Director – Finance and Chief Financial Officer
4.	**Sumit Kumar**	45	Nominee Director*

Sr. No.	Name, Address, Occupation, DIN, Term, Nationality and Date of Birth	Age	Designation
	Address: B1/1501, World Spa West Sector 30/41, Gurgaon 122 001, Haryana **Occupation**: Service **DIN**: 07415525 **Term**: Liable to retire by rotation **Nationality**: Indian **Date of birth**: June 27, 1975		
5.	**Massimo Vita** **Address**: Polo Resident Building Unit No. 3A 20 Soi Polp Road Lumpini Pathumwan, Bangkok 10330, Thailand **Occupation**: Service **DIN**: 07863194 **Term**: Liable to retire by rotation **Nationality**: Italian **Date of birth**: November 23, 1972	47	Nominee Director*
6.	**George Joseph** **Address**: Melazhakath Arakkulam, Idukki 685 591, Kerala **Occupation**: Service **DIN**: 00253754 **Term**: Period of five years or attainment of 75 years of age, whichever is earlier, with effect from September 09, 2020, and not liable to retire by rotation(2) **Nationality**: Indian **Date of birth**: April 26, 1949	71	Independent Director (Additional)
7.	**Prabha Raveendranathan** **Address**: TC 18/1065, Thinkal Thrikkannapuram, Aramada P.O, Thiruvananthapuram, Aramada 695 032, Kerala **Occupation**: Service **DIN**: 0182 8812 **Term**: Period of five years with effect from November 4, 2015 **Nationality**: Indian **Date of birth**: October 25, 1948	71	Independent Director
8.	**Sucharita Mukherjee** **Address**: No. 5, Flat No. A1, 1st Floor, Anugraha Apartments, 4th Seaward Road, Valmiki Nagar, Thiruvanmiyur, Chennai – 600 041	41	Independent Director

Sr. No.	Name, Address, Occupation, DIN, Term, Nationality and Date of Birth	Age	Designation
	Tamil Nadu **Occupation**: Service **DIN**: 02569078 **Term**: Period of five years with effect from September 11, 2017, and not liable to retire by rotation **Nationality**: Indian **Date of birth**: February 17, 1979		
9.	**Manoj Kumar** **Address**: Flat number 24, Tower 5 Pebble Bay Apartments Rajmahal Vilas II Dollars colony, Bengaluru 560 094, Karnataka **Occupation**: Professional **DIN**: 02924675 **Term**: Period of five years with effect from October 30, 2019, and not liable to retire by rotation **Nationality**: Indian **Date of birth:** December 25, 1964	55	Independent Director
10.	**Lilian Jessie Paul** **Address**: Villa 1, Prestige Cedars, 7 Convent Road, Richmond Town, Bangalore 560 025, Karnataka **Occupation**: Professional **DIN**: 02864506 **Term**: With effect from September 16, 2020[(3)] **Nationality**: Indian **Date of birth:** May 02, 1970	50	Independent Director (Additional)

** Nominee of our Promoter, CAI.*

[(1)]The term of Udaya Kumar Hebbar, our Company's Managing Director and Chief Executive Officer, is extendable thereafter for up to another two years, till June 25, 2025, by mutual consent.

[(2)]George Joseph has been appointed for a second term with effect from September 9, 2020, subject to the approval of the shareholders of the Company.

[(3)]Lilian Jessie Paul has been appointed with effect from September 16, 2020, subject to the approval of the shareholders of the Company.

Biographies of our Directors

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.

Udaya Kumar Hebbar is the Managing Director and Chief Executive Officer of our Company. He holds a bachelor's degree in commerce from the University of Mysore and a master's degree in commerce from Karnatak University, Dharwad. He is a certificated associate from the Indian Institute of Bankers and holds a diploma from

Vanderbilt University. He has served as the head, commercial and banking operations at Barclays Bank PLC, Mumbai for three years. He also served at Corporation Bank for a period of over ten years. He was also associated with ICICI Bank for over eleven years. He also serves as a director on the board of Madura Micro Finance Limited and Alpha Micro Finance Consultants Private Limited.

Diwakar B. R. is the Director **-** Finance and Chief Financial Officer of our Company. He holds a bachelor's degree and masters' degree in commerce from Osmania University. He has over 22 years of experience in the financial services sector. Prior to joining our Company, he worked with Small Industries Development Bank of India, as Chief Manager at ICICI Bank Limited and as Commercial Supervisor at ACCION International. He was also associated with Life Insurance Corporation of India and IFMR Capital Finance Private Limited. He also serves as a director on the board of Madura Micro Finance Limited.

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 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 year 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 (then known as CreditAccess Asia N.V.) 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.

George Joseph is an Independent Director (Additional) 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.

Prabha Raveendranathan is an Independent Director of our Company. He holds a master's degree in science (Agriculture) from the Faculty of Agriculture, University of Kerala. He has served in Canara Bank for a period of over 35 years and retired from Canara Bank as General Manager. He also served as a director on the board of ESAF Small Finance Bank Limited.

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.

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

Foundation and Centre for Cellular and Molecular Platforms.

Lilian Jessie Paul is an Independent Director (Additional) 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.

Relationship with other Directors

None of our Directors are related to each other.

Borrowing powers of our Board

In accordance with the Articles of Association and pursuant to a resolution passed by the Shareholders of our Company on August 11, 2020, the Board is authorised to borrow, from time to time such sum or sums as they may deem appropriate for the purposes of the Company notwithstanding that the monies already borrowed and the monies to be borrowed (apart from temporary loans obtained from company's bankers in the ordinary course of business) will exceed the paid-up capital and free reserves of the Company not set apart for any specific purpose and securities premium account, provided that the total amount upto which monies may be borrowed by the Board of Directors shall not exceed in aggregate ₹150 billion at any one time.

Interest of our Directors

All Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or committees thereof, as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association and their respective terms of appointment, as applicable, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Certain Directors may also be regarded as interested in the Equity Shares, if any, held by them, their relatives or the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, and the Shareholders they represent on our Board. All such Directors may also be deemed to be interested to the extent of any dividend payable and other distributions in respect of such Equity Shares. Our Directors may also be deemed to be interested to the extent of stock options held by them or that may be granted to them from time to time under the ESOP Plan. For details of the Equity Shares and stock options held by our Directors, see "*– Shareholding of Directors*" below on page 195.

Our Directors may also be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by Company with any company in which they hold directorships or any partnership firm in which they are partners.

Our Company has not entered into any contract, agreement or arrangement in which any of the Directors are interested, directly or indirectly, during the two years preceding the date of this Placement Document and no payments have been made to them in respect of any such contracts, agreements or arrangements.

Shareholding of our Directors

The following table sets forth the shareholding of our Directors in our Company as of the date of this Placement Document:

Name	Number of Equity Shares	Number of Stock Options	Percentage of Total Number of Outstanding Equity Shares (in %)*
Paolo Brichetti	13	-	Negligible
Udaya Kumar Hebbar	250,726	362,500	0.17
Diwakar B.R.	194,000	60,000	0.13
George Joseph	1,000	-	Negligible

**The percentage shareholding has been disclosed in relation to the Equity Shares held by the Directors, and the issued, subscribed and paid-up equity share capital of the Company as on the date of this Placement Document. Accordingly, the stock options granted by the Company are not included for the purpose of this calculation.*

Terms of appointment of the Executive Directors

The terms of appointment of our Company's Executive Directors, namely Udaya Kumar Hebbar, our Managing Director and Chief Executive Director, and Diwakar B. R., our Director-Finance and Chief Financial Officer are as follows:

A. Terms of appointment of our Company's Managing Director and Chief Executive Officer

The following is a description of the terms of appointment of Udaya Kumar Hebbar, our Company's Managing Director and Chief Executive Officer:

Term*	Particulars
Period	From June 26, 2020 to June 25, 2023, which is further extendable for two years till June 25, 2025 by mutual consent.
Remuneration**	The annual remuneration and all other forms of compensation payable to Managing Director and Chief Executive Officer will be approved by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee. These would include (i) monthly salary, (ii) commission, and (iii) other benefits, perquisites and allowances viz. housing, furnishing and repairs, security services, utility allowances like gas, electricity, water, car and driver, insurance, leave travel concession for self and family, medical reimbursement, club membership, telephone etc. Based on the recommendation of Nomination & Remuneration Committee, the Board has, by way of its circular resolution dated July 8, 2020, approved the key performance indicators for Managing Director and Chief Executive Officer for Fiscal 2021, and their linkage to the annual performance bonus payable to him being ₹6.5 million.

** Udaya Kumar Hebbar shall also be bound by additional terms and conditions as contained in his employment agreement with the Company, including with respect to confidentiality and termination, when executed.*
***The total remuneration (including other benefits, perquisites and allowances) payable to the Managing Director and Chief Executive Officer shall not exceed 5% of the net profits of the Company for the year, and in case there are more than one managing and/or whole-time directors, then 10% of the net profits of the Company for all of them taken together, as laid down under Sections 197 and 198 of the Companies Act, 2013. Udaya Kumar Hebbar was entitled to fixed and variable remuneration of ₹.15.99 million and ₹4.00 million, respectively, for Fiscal Year 2019-2020. The proposed remuneration payable to him for Fiscal Year 2020-21 has not been finalised yet.*

B. Terms of appointment of our Company's Director – Finance and Chief Financial Officer

The following is a description of the terms of appointment of Diwakar B. R. as the Director – Finance and Chief Financial Officer of our Company:

Term	Particulars
Basic Salary	₹2.75 million per annum
House rent allowance	₹1.10 million per annum
Other variable allowance	₹6.53 million per annum
Performance based incentive	As may be decided by the Nomination and Remuneration Committee and Board after the end of each Fiscal

Remuneration of our Directors

Executive Directors

The following tables set forth the remuneration paid by our Company to the wholetime Directors of our Company for the Financial Years 2018, 2019, 2020 and between April 1, 2020 to July 31, 2020:

(in ₹ million)

	Udaya Kumar Hebbar		
Fiscal/ Period	Salary	Perquisites*	Total
Between April 1, 2020 to July 31, 2020	5.42	-	5.42
Fiscal 2020	19.71	51.40	71.11
Fiscal 2019	14.50	31.06	45.56
Fiscal 2018	11.82	24.35	36.17

*Perquisites are on account of exercising the ESOPs for taxation.

(in ₹ million)

Fiscal/ Period	Diwakar B. R. Salary	Perquisites*	Total
Between April 1, 2020 to July 31, 2020	3.29	2.40	5.68
Fiscal 2020	13.01	24.82	37.83
Fiscal 2019	9.53	19.09	28.62
Fiscal 2018	7.27	13.91	21.18

*Perquisites are on account of exercising the ESOPs for taxation.

Non-Executive Directors

The non-executive Directors (including Independent Directors) are paid sitting fees by our Company, pursuant to resolutions passed by the Board on July 31, 2019 and October 30, 2019. For each meeting of the Board, our Company pays sitting fees of ₹ 0.05 million to the Chairman and ₹ 0.04 million to the members for attending physically, and sitting fees of ₹ 0.02 million for electronic participation. Further, for each meeting of the committees of our Board, our Company pays a sitting fee of ₹ 0.035 million to the chairman and sitting fees of ₹ 0.025 million to each of the members for attending physically, and sitting fees of ₹ 0.015 million for electronic participation. In addition to the sitting fee, the Independent Directors are paid commission as decided by the Board, provided that the minimum commission payable to each Independent Director is ₹ 0.50 million and the maximum commission payable to each Independent Director shall not exceed ₹1.20 million in any Fiscal Year.

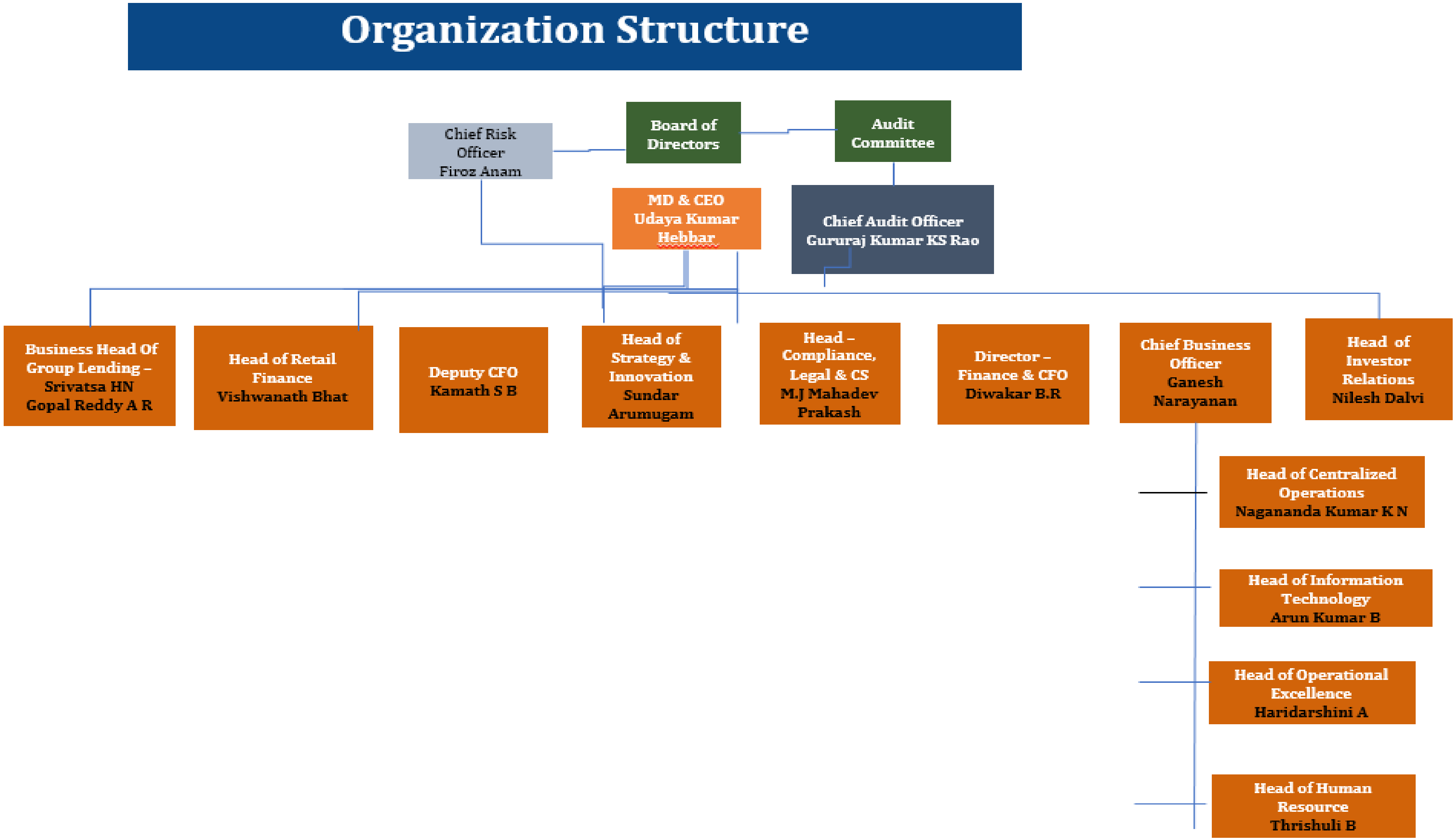
The following tables set forth the remuneration paid by our Company to the non-executive and Independent Directors of our Company for the Financial Years 2018, 2019, 2020 and between April 1, 2020 to July 31, 2020 (to the extent paid as on the date of this Placement Document):

(*in ₹ million*)

Name of our Directors	Remuneration			
	Between April 1, 2020 to July 31, 2020(1)	Fiscal 2020(2)	Fiscal 2019(3)	Fiscal 2018
Paolo Brichetti	0.28	0.36	-	0.15
Sumit Kumar	0.21	0.23	-	-
Massimo Vita	0.31	0.24	-	0.15
George Joseph	1.07	1.38	1.38	0.44
Prabha Raveendranathan	1.10	1.53	1.70	0.50
Sucharita Mukherjee	0.75	0.69	0.87	0.28
Manoj Kumar	0.50	0.11	-	-
Lilian Jessie Paul(4)	-	-	-	-

(1) Includes commission for Fiscal 2020, which was paid in Fiscal 2021
(2) Includes commission for Fiscal 2019, which was paid in Fiscal 2020
(3) Includes commission for Fiscal 2018, which was paid in Fiscal 2019
(4)Lilian Jessie Paul was appointed on the Board as an Independent Director (Additional) with effect from September 16, 2020 and, accordingly, was not paid any remuneration during the preceding three Fiscals and between April 1, 2020 and July 31, 2020.

Management Organization Structure



Key Managerial Personnel

The following table sets forth details regarding our Key Managerial Personnel, as of the date of this Placement Document:

Sr. No.	Name of our KMPs	Age (years)	Designation
1.	Diwakar B. R.	50	Director – Finance and Chief Financial Officer
2.	Udaya Kumar Hebbar	60	Managing Director and Chief Executive Officer
3.	M.J. Mahadev Prakash	44	Head – Compliance, Legal & Company Secretary

Biographies of our Key Managerial Personnel

Diwakar B. R. is the Director – Finance and Chief Financial Officer of the Company. For details in relation to Diwakar B. R., see "**-** *Biographies of our Directors*" on page 193.

Udaya Kumar Hebbar is the Managing Director and Chief Executive Officer of the Company. For details in relation to Udaya Kumar Hebbar, see "**-** *Biographies of our Directors*" on page 193.

M.J. Mahadev Prakash is the Company Secretary and Compliance Officer of our Company. He holds bachelor's degrees in business management and law and a master's degrees in commerce as well as business laws. He is an associate member of the Institute of Company Secretaries of India (ACS-16350). He has over 15 years of experience in the field of corporate secretarial, legal & compliance function in various sectors like real estate, pharmaceuticals and microfinance. Prior to joining our Company, he was director in the Tax practice at Ernst & Young LLP, Bangalore. He was also associated with J. Sagar Associates, Jana Small Finance Bank, RMZ Corp, Bal Pharma Ltd. and Electronic Research Private Limited.

All our Key Managerial Personnel are permanent employees of our Company.

Shareholding of our Key Managerial Personnel

Except as disclosed in "**-** *Shareholding of our Directors"* on page 195, none of the Key Managerial Personnel hold any Equity Shares or stock options in the Company.

Relationship with other Key Managerial Personnel

None of our Key Managerial Personnel are related to each other.

Interest of our Key Managerial Personnel

The Key Managerial Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them and to the extent of the Equity Shares held by them or their dependants in our Company, if any, or any stock options held by them and any dividend payable to them and other distributions in respect of such Equity Shares.

Senior Managerial Personnel

Sr. No.	Name of our SMPs	Designation
1.	Ganesh Narayan	Chief Business Officer
2.	Gururaj Kumar KS Rao	Chief Audit Officer
3.	Feroz Anam	Chief Risk Officer
4.	Kamath S B	Deputy CFO
5.	Gopal Reddy A R	Business Head - Group Lending
6.	Arun Kumar B	Head - Information Technology
7.	Sundar Arumugam	Head – Strategy and Innovation

8.	Srivatsa HN	Business Head - Group Lending
9.	Nagananda Kumar K N	Head - Centralized Operations
10.	Vishwanath Bhat	Head - Retail Finance
11.	Thrishuli B	Head - Human Resource
12.	Nilesh Dalvi	Head - Investor Relations
13.	Haridarshini A	Head - Operational Excellence

Biographies of our Senior Managerial Personnel

Ganesh Narayanan is the Chief Business Officer of our Company. He holds a bachelor's degree of science in electronics from Bharathiar University and a master's degree in business administration from Bharathiar University. He has over 20 years of experience in the financial services sector and was previously associated with Yes Bank, ICICI Bank and Fullerton India Credit Company Limited. He joined our Company on January 27, 2020.

Gururaj Kumar KS Rao is the Chief Audit Officer of our Company. He holds a bachelor's degree in commerce from Bangalore University and is a certified internal auditor from the Institute of Internal Auditors. He has 14 years of experience in the auditing function. Prior to joining our Company, he was associated with Yusuf Bin Ahmed Kanoo W.L.L and Mallya Hospital, Bangalore. Gururaj Kumar KS Rao joined our Company on July 1, 2009.

Feroz Anam is the Chief Risk Office of our Company. He holds a bachelor's degree of technology (honors) in civil engineering from Indian Institute of Technology, Kharagpur and a post graduate diploma in management from Indian Institute of Management, Bangalore. He has over 13 years of experience in the financial services sector. Prior to joining our Company, he was associated with Indie Home Loans, IDFC bank, HDFC bank, ICICI Bank, CitiBank and JP Morgan. He joined our Company on July 01, 2020.

Kamath S B is the Deputy CFO of our Company. He holds a bachelor's degree in commerce from Mahatma Gandhi University. He is a member of the Institute of Company Secretaries of India and Institute of Chartered Accountants of India. He has several years of experience in the financial sector. Prior to joining our Company, he was associated with Tata Capital Housing Finance Limited.

Gopal Reddy A R is the business head of group lending in our Company. He holds a bachelor's degree in commerce from Bangalore University. He has over 15 years of experience in microfinance operations. Gopal Reddy A R joined T. Muniswamappa Trust on May 30, 1999. He was subsequently transferred to our Company on October 2, 2007 and was employed with our Company until December 31, 2011. He later rejoined our Company on April 10, 2012.

Arun Kumar B is the head of information technology in our Company. He holds a bachelor's degree of technology in textile technology from Allagappa College of Technology, Guindy, Chennai and a post graduate diploma in management from the Indian Institute of Management, Indore. Prior to joining our Company, he was associated with Infosys Technologies Limited and Barclays Bank PLC. Arun Kumar B joined our Company on November 10, 2010.

Sundar Arumugam is the head of strategy and innovation of our Company. He holds a bachelor's degree of technology in textiles technology from Anna University and a master's degree of business management from INSEAD. He has over 10 years of experience, across the financial services and technology sectors. Prior to joining our Company, he was associated with Equifax Credit Information Services Pvt. Ltd. as the head of business development (South) and Equifax Software Systems Pvt. Ltd. as the head of products management, Infosys Technologies Limited, GENPACT and CAA-BOS as the head of business innovation.

Srivatsa HN is the business head of group lending in our Company. He holds a pre-university certificate issued by the Education Department, Government of Karnataka. Srivatsa HN joined T. Muniswamappa Trust on December 13, 2002 and subsequently transferred to our Company on October 2, 2007.

Nagananda Kumar K N is the head of centralized operations in our Company. He holds a bachelor's degree of science in mathematics, physics and computer science from Bangalore University. He has over 16 years of experience, across the financial services and technology sectors. He was previously associated with Sysfore Technologies Pvt. Ltd., as the head of project and enterprise presale and was also associated T. Muniswamappa Trust for a period of 11 years. He joined our Company on March 28, 2016.

Vishwanath Bhat is the head of retail finance in our Company. He holds a bachelor's degree of technology in engineering in production engineering and management from University of Calicut and a master's degree in business management from Visveswaraiah Technological University, Belgaum. He has over 10 years of experience in the area of banking and finance. Prior to joining our Company, he was associated with Axis bank, ICICI Bank, Cholamandalam Investment & Finance Co. Ltd. Shriram Investments Ltd. and Amba Research (India) Pvt. Ltd. He joined our Company on June 17, 2016.

Thrishuli B is the head of human resource in our Company. He holds a bachelor's degree of science in mathematics, physics and electronics and of law from Bangalore University and a master's diploma in business administration from Symbiosis Institute of Management Studies. He has over 17 years of experience in the human resources function, across various sectors. Prior to joining our Company, he was associated with Janalakshmi Financial Services Ltd., Adecco India Pvt. Ltd., Medi Assist India Pvt. Ltd., Wockhardt Hospitals, Bangalore, DTDC Courier and Cargo Ltd. and Gomas Systems and Controls Pvt. Ltd. He joined our Company on October 11, 2017.

Nilesh Dalvi is the head of investor relations in our Company. He holds a bachelor's degree of engineering in electronics and a master's degree in management studies from University of Mumbai. He is a certified as a Chartered Financial Analyst from CFA Institute. He is designated as a Financial Risk Manager from Global Association of Risk Professionals. He has prior experience in the area of banking and consultancy. Prior to joining our Company, he was associated with Tata Consultancy Services Limited and was the CEO at Dickenson Seagull IR Solutions Pvt. Ltd. He joined our Company on July 15, 2019.

Haridarshini A is the head of operational excellence in our Company. She holds a bachelor's degree of technology in electronics and communications from National Institute of Technology, Warangal and a diploma degree in electronics and communications engineering from Government Polytechnic for Women, Hindupur. She has over 14 years of experience in the financial services sector and was also previously associated with Mahila Abhivruddhi Society, Andhra Pradesh. She joined our Company on May 14, 2007 and oversees planning & monitoring, finance & account and human resource.

Corporate governance

Our Company has been complying with the requirements of all applicable corporate governance norms, including the SEBI Listing Regulations in relation to the constitution of our Board of Directors and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the supervisory role of our Board of Directors from the executive management team and proper constitution of committees of our Board. Our Board of Directors functions either as a full Board or through various committees constituted to oversee specific operational areas.

Our Board presently consists of ten Directors. In compliance with the requirements of the SEBI Listing Regulations, our Board consists of five Independent Directors, including two women directors. Our Company is in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations and the Companies Act, 2013, in respect of corporate governance, including constitution of our Board and committees thereof.

Committees of the Board of Directors

Our Board has constituted various committees, which function in accordance with the relevant provisions of the Companies Act, 2013, the SEBI Listing Regulations and the Master Directions. These are: (i) Audit Committee; (ii) ALM Committee; (iii) Nomination and Remuneration Committee; (iv) Stakeholders' Relationship Committee; (v) Executive, Borrowings and Investment Committee (vi) Risk Management Committee; (vii) Corporate Social Responsibility Committee; and (viii) IT Strategy Committee.

The following table sets forth the members of the aforesaid committees as of the date of this Placement Document:

Committee	Members
Audit Committee	Prabha Raveendranathan (Chairman), George Joseph, Sucharita Mukherjee, Paolo Brichetti, Massimo Vita, and Manoj Kumar
ALM Committee	George Joseph (Chairman), Paolo Brichetti, Udaya Kumar, Sumit Kumar and Diwakar B. R.
Nomination and Remuneration Committee	Manoj Kumar (Chairman), Prabha Raveendranathan, Paolo Brichetti and Sucharita Mukherjee
Stakeholders Relationship Committee	Prabha Raveendranathan (Chairman), George Joseph, Sucharita Mukherjee and Udaya Kumar
Executive, Borrowings and Investment Committee	Udaya Kumar (Chairman), Paolo Brichetti, Manoj Kumar and Diwakar B.R.
Risk Management Committee	George Joseph (Chairman), Paolo Brichetti, Massimo Vita, Udaya Kumar and Sumit Kumar
Corporate Social Responsibility Committee	Prabha Raveendranathan (Chairman), Manoj Kumar, Massimo Vita, Udaya Kumar and Lilian Jessie Paul
IT Strategy Committee	Manoj Kumar (Chairman), Sumit Kumar, Massimo Vita, Udaya Kumar, Lilian Jessie Paul and Arun Kumar

Other confirmations

None of the Directors, Promoter or Key Managerial Personnel of our Company have any financial or other material interest in the Issue.

Neither our Company, nor our Directors or Promoter have been declared as Wilful Defaulter as of the date of this Placement Document.

Neither our Company, nor our Directors or Promoter have been debarred from accessing capital markets under any offence under any order or direction made by SEBI. Further, none of our Directors or Promoter have been declared as a Fugitive Economic Offender.

No change in control in our Company will occur consequent to the Issue.

Policy on Disclosures and Internal Procedure for prevention of Insider Trading

SEBI Insider Trading Regulations applies to us and our employees and requires us to formulate and implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and a code of conduct to regulate, monitor and report trading by designated persons. Our Company is in compliance with the same and has implemented an insider trading code of conduct for prevention of insider trading in accordance with the SEBI Insider Trading Regulations.

SHAREHOLDING PATTERN OF OUR COMPANY

The following table sets forth the details regarding the equity shareholding pattern of our Company as on June 30, 2020:

Category	Category of Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding converttible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	1	115109028	0	0	115109028	79.91	115109028	0	115109028	79.91	0	79.91	28773450	25.00	0	0.00	115109028
(B)	Public	42663	28947772	0	0	28947772	20.09	28947772	0	28947772	20.09	0	20.09	0	0.00	NA	NA	28947772
(C)	Non Promoter-Non Public																	
(C1)	Shares underlying DRs	0	0	0	0	0	NA	0	0	0	0.00	0	NA	0	0.00	NA	NA	0
(C2)	Shares held by Employes Trusts	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Total:	**42664**	**144056800**	**0**	**0**	**144056800**	**100.00**	**144056800**	**0**	**144056800**	**100.00**	**0**	**100.00**	**28773450**	**19.97**	**0**	**0.00**	**144056800**

The following table sets forth the details regarding the equity shareholding pattern of our Promoter and Promoter Group as on June 30, 2020:

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2	Number of Voting Rights held in each class of securities: No of Voting Rights: Class X	Number of Voting Rights held in each class of securities: No of Voting Rights: Class Y	Number of Voting Rights held in each class of securities: No of Voting Rights: Total	Number of Voting Rights held in each class of securities: Total as a % of (A+B+C)	No of Shares Underlying Outstanding converttible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares: No.	Number of Locked in Shares: As a % of total Shares held	Number of Shares pledged or otherwise encumbered: No.	Number of Shares pledged or otherwise encumbered: As a % of total Shares held	Number of equity shares held in dematerialized form
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(1)	Indian																		
(a)	Individuals/Hindu undivided Family		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(b)	Central Government/State Government(s)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Financial Institutions/Banks		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Any Other		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Sub-Total (A)(1)		**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**
(2)	Foreign																		
(a)	Individuals (Non-Resident Individuals/Foreign Individuals		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(b)	Government		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Institutions		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Foreign Portfolio Investor		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(e)	Any Other		1	115109028	0	0	115109028	79.91	115109028	0	115109028	79.91	0	79.91	28773450	25.00	0	0.00	115109028
	CREDITACCESS ASIA N.V.	AAJCM2225K	1	115109028	0	0	115109028	79.91	115109028	0	115109028	79.91	0	79.91	28773450	25.00	0	0.00	115109028
	Sub-Total (A)(2)		**1**	**115109028**	**0**	**0**	**115109028**	**79.91**	**115109028**	**0**	**115109028**	**79.91**	**0**	**79.91**	**28773450**	**25.00**	**0**	**0.00**	**115109028**
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)		**1**	**115109028**	**0**	**0**	**115109028**	**79.91**	**115109028**	**0**	**115109028**	**79.91**	**0**	**79.91**	**28773450**	**25.00**	**0**	**0.00**	**115109028**

The following table sets forth the details regarding the equity shareholding of the members of the public as on June 30, 2020:

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding converttible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(1)	Institutions																		
(a)	Mutual Funds		8	8083211	0	0	8083211	5.61	8083211	0	8083211	5.61	0	5.61	0	0.00	NA	NA	8083211
	RELIANCE CAPITAL TRUSTEE CO LTD-A/C NIPPON INDIA ETF NIFTY MIDCAP 150	AAATR0090B	1	6152875	0	0	6152875	4.27	6152875	0	6152875	4.27	0	4.27	0	0.00	NA	NA	6152875
(b)	Venture Capital Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(c)	Alternate Investment Funds		13	4020190	0	0	4020190	2.79	4020190	0	4020190	2.79	0	2.79	0	0.00	NA	NA	4020190
(d)	Foreign Venture Capital Investors		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(e)	Foreign Portfolio Investors		63	8876611	0	0	8876611	6.16	8876611	0	8876611	6.16	0	6.16	0	0.00	NA	NA	8876611
(f)	Financial Institutions/Banks		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(g)	Insurance Companies		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(h)	Provident Funds/Pension Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(i)	Any Other																		
	FOREIGN NATIONALS		1	13	0	0	13	0.00	13	0	13	0.00	0	0.00	0	0.00	NA	NA	13
	Sub Total (B)(1)		**85**	**20980025**	**0**	**0**	**20980025**	**14.56**	**20980025**	**0**	**20980025**	**14.56**	**0**	**14.56**	**0**	**0.00**	**NA**	**NA**	**20980025**
(2)	Central		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	N	NA	0

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding converttible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
	Government/State Government(s)/President of India																A		
	Sub Total (B)(2)		**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**NA**	**NA**	**0**
(3)	Non-Institutions																		
(a)	i.Individual shareholders holding nominal share capital up to Rs.2 lakhs		41317	2862398	0	0	2862398	1.99	2862398	0	2862398	1.99	0	1.99		0.00	NA	NA	2862398
	ii.Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs		22	1792551	0	0	1792551	1.24	1792551	0	1792551	1.24	0	1.24		0.00	NA	NA	1792551
(b)	NBFCs Registered with RBI		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(c)	Employee Trusts		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(d)	Overseas Depositories (Holding DRs)(Balancing figure)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(e)	Any Other																		
	TRUSTS		8	3210	0	0	3210	0.00	3210	0	3210	0.00	0	0.00	0	0.00	NA	NA	3210
	NON RESIDENT INDIANS		573	128614	0	0	128614	0.09	128614	0	128614	0.09	0	0.09	0	0.00	NA	NA	128614
	CLEARING MEMBERS		103	138114	0	0	138114	0.10	138114	0	138114	0.10	0	0.10	0	0.00	NA	NA	138114
	Qualified Institutional Buyer		2	2335996	0	0	2335996	1.62	2335996	0	2335996	1.62	0	1.62	0	0.00	NA	NA	2335996
	ICICI PRUDENTIAL	AAACI7351P	1	1792405	0	0	1792405	1.24	1792405	0	1792405	1.24	0	1.24	0	0.00	N	NA	1792405

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding converttible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
	LIFE INSURANCE COMPANY LIMITED																A		
	NON RESIDENT INDIAN NON REPATRIABLE		246	239966	0	0	239966	0.17	239966	0	239966	0.17	0	0.17	0	0.00	NA	NA	239966
	BODIES CORPORATES		307	466898	0	0	466898	0.32	466898	0	466898	0.32	0	0.32	0	0.00	NA	NA	466898
	Sub Total (B)(3)		**42578**	**7967747**	**0**	**0**	**7967747**	**5.53**	**7967747**	**0**	**7967747**	**5.53**	**0**	**5.53**	**0**	**0.00**			**7967747**
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)		**42663**	**28947772**	**0**	**0**	**28947772**	**20.09**	**28947772**	**0**	**28947772**	**20.09**	**0**	**20.09**	**0**	**0.00**			**28947772**

Details of Shares which remain unclaimed for Public

Serial No.	Number of shareholders	Outstanding shares held in demat or unclaimed suspense account	voting rights which are frozen	Disclosure of notes on shares which remain unclaimed for public shareholders
1	NA	NA	NA	NA

The following table sets forth the details of our non-promoter, non-public shareholders as on June 30, 2020:

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding converttible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(1)	Custodian/DR Holder		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(2)	Employee Benefit Trust (under SEBI(Share based Employee Benefit) Regulations 2014)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Total Non-Promoter-Non Public Shareholding (C) = (C)(1)+(C)(2)		**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**			**0**

Details of disclosure made by the trading members holding 1% or more of the total number of shares of the Company as on June 30, 2020: - Nil

ISSUE PROCEDURE

Set forth below is a summary, intended to provide a general outline of the procedures for the Bidding, payment of Bid Amount, Allocation and Allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and Bidders are presumed to have apprised themselves of the same from our Company or the BRLMs.

Our Company, the BRLMs and their respective directors, officers, agents, affiliates, shareholders, employees, counsels and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Bidders are required to satisfy themselves that their Bids would not result in triggering an open offer under the Takeover Regulations.

Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Bidders that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLMs and their respective directors, officers, agents, affiliates shareholders, employees, counsels and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the BRLMs and their respective directors, officers, agents, affiliates, shareholders, employees, counsels and representatives accept no responsibility or liability for advising any Bidder on whether such Bidder is eligible to acquire the Equity Shares. For details, see the section titled, "Selling Restrictions" and "Transfer Restrictions and Purchaser Representations" beginning on pages 221 *and* 228.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBS ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

The Preliminary Placement Document and this Placement Document have not been filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI Regulations and Section 42 and other applicable provisions of the Companies Act, 2013 and rules thereunder, through the mechanism of a QIP. Under Chapter VI of the SEBI Regulations and Section 42 of the Companies Act, 2013 read with relevant rules made thereunder, our Company may issue Equity Shares through a QIP provided that certain conditions are met. Some of these conditions are set out below:

- the Shareholders have passed a special resolution approving such QIP. Such special resolution must *inter alia* specify that, (a) the allotment of securities is proposed to be made pursuant to the QIP; and (b) the Relevant Date;

- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered and the price at which they are offered, amount which the Company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the Promoter or Directors, either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- Equity Shares of the same class, which are proposed to be allotted through the QIP, are listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to the Shareholders for convening the meeting to seek approval of the Shareholders for the above-mentioned special resolution;

- invitation to apply in the QIP must be made through a private placement offer-cum-application and an application form serially numbered and addressed specifically to eligibile investors to whom the QIP is made, either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law; and the Company shall have completed allotments with respect to any earlier offer or invitation made by the Company or shall have withdrawn or abandoned such invitation or offer made by the Company, except as permitted under the Companies Act, 2013; and

- none of the Directors of the Company are Fugitive Economic Offenders.

At least 10% of the equity shares issued to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion, or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Bid/Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI Regulations. The floor price of the equity shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of the issuer's equity shares of the same class quoted on the stock exchanges during the two weeks preceding the relevant date as calculated in accordance with Chapter VI of the SEBI Regulations. However, a discount of up to 5% of the floor price is permitted in accordance with the provisions of the SEBI Regulations. Our Board through its resolution dated September 3, 2020 and our Shareholders through special resolution dated September 26, 2020, have authorised our Board to decide the quantum of discount up to 5% of the Floor Price at the time of determination of the Issue Price. Our Company has offered a discount of 0.10% amounting to ₹0.69, on the Floor Price, in terms of the SEBI Regulations.

The "relevant date" in case of allotment of equity shares, refers to the date of the meeting in which the board of directors or the committee of directors duly authorised by the board of the issuer decides to open the proposed issue and "stock exchange" means any of the recognised stock exchanges in India on which the equity shares of the issuer of the same class are listed and on which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the relevant date.

The securities must be allotted within 365 days from the date of the shareholders' resolution approving the QIP and also within 60 days from the date of receipt of subscription money from the relevant Eligible QIBs.

The Equity Shares issued pursuant to the Issue must be issued on the basis of the Preliminary Placement Document and this Placement Document that contain all material information including the information specified in Schedule VII of the SEBI Regulations and the requirements prescribed under Form PAS-4. The Preliminary Placement Document and this Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you did not receive a serially numbered copy of the Preliminary Placement Document addressed to you, you may not rely on the Preliminary Placement Document or this Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The minimum number of allottees for each QIP shall not be less than:

- two, where the issue size is less than or equal to ₹2,500 million; and
- five, where the issue size is greater than ₹2,500 million.

No single Allottee shall be Allotted more than 50% of the Issue Size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "*—Bid Process—Application Form*" on page 214.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

We have applied for and received the in-principle approval of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares on the Stock Exchanges. We have filed a copy of the Preliminary Placement Document and a copy of this Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules.

The Issue has been authorised and approved by our Board on September 3, 2020 and our Shareholders through special resolution dated September 26, 2020.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered hereby have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be Qualified Institutional Buyers (as defined in Rule 144A under the U.S. Securities Act) pursuant to Section 4(a)(2) of the U.S. Securities Act, and (b) outside the United States in offshore transactions in reliance upon Regulation S under the U.S. Securities Act. The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 221 and 228, respectively.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

1. On Bid / Issue Opening Date, our Company and/or the BRLMs have circulated serially numbered copies of the Preliminary Placement Document and the serially numbered Application Forms, either in electronic or physical form to Eligible QIBs and the Application Forms were specifically addressed to such Eligible QIBs. In terms of Section 42(3) of the Companies Act, our Company shall maintain complete records of Eligible QIBs to whom the serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form have been dispatched, in

the form and manner prescribed under the PAS Rules. Our Company will make the requisite filings with RoC within the stipulated time period as required under the Companies Act.

2. The list of Eligible QIBs to whom the Preliminary Placement Document and the Application Form were delivered have been determined by our Company in consultation with the BRLMs. Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which included the details of the bank account wherein the Bid Amount was to be deposited, were addressed to a particular Eligible QIB, no invitation to subscribe shall be deemed to have been made to such Eligible QIB. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid. The Application Form was required to be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB could submit an unsigned copy of the Application Form, as long as the Bid Amount was paid along with submission of the Application Form within the Bid/Issue Period. Once a duly filled Application Form was submitted by an Eligible QIB, whether signed or not, and the Bid Amount had been transferred to the Escrow Account, such Application Form constituted an irrevocable offer and could not be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids were made on behalf of the Eligible QIB and this Application Form was unsigned, it was assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB was authorised to do so.

3. Bidders could submit the duly completed Application Form, including any revisions thereof and a copy of the PAN card or PAN allotment letter, to the BRLMs, and deposit the Bid Amount in the Escrow Account, in each case, during the Bid/Issue Period.

4. Bidders were required to indicate the following in the Application Form:

- full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details, phone number and bank account details;
- number of Equity Shares Bid for;
- price at which they were agreeable to subscribe for the Equity Shares and the aggregate Bid Amount;
- details of the beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited;
- Equity Shares held by the Bidders in our Company prior to the Issue; and
- that it had agreed to certain other representations set forth in the Application Form.

NOTE: *Eligible FPIs were required to indicate the SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds were required to specifically state the names of the concerned schemes for which the Bids were made. In case of a Mutual Fund, a separate Bid could be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund were not treated as multiple Bids provided that the Bids clearly indicated the scheme for which the Bid had been made. Application by various schemes or funds of a Mutual Fund were treated as one application from the Mutual Fund. Bidders were advised to ensure that any single Bid from them did not exceed the investment limits or maximum number of Equity Shares that could be held by them under applicable laws.*

5. Bidders were required to make the entire payment of the Bid Amount for the Equity Shares Bid for only through electronic transfer to the Escrow Account opened in the name of "CREDITACCESS GRAMEEN LIMITED - QIP ESCROW ACCOUNT" with the Escrow Agent, along with the submission of its Application Form and within the Bid/ Issue Period as specified in the Application Form. Please note that any payment of Bid Amount for the Equity Shares should have been made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. Bid Amount payable on Equity Shares to be held by joint holders should have been paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Bid Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event (a) any Bidder is not Allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Bid/ Issue Closing Date, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "– *Refunds*" on page 217.

6. Once a duly completed Application Form was submitted by a Bidder and the Bid Amount was transferred to the Escrow Account, such Application Form constituted an irrevocable offer and the Bid could be withdrawn or revised downwards after the Bid/ Issue Closing Date. In case of an upward revision before the Bid/ Issue Closing Date, an additional amount

was required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Bid/ Issue Closing Date was notified to the Stock Exchanges and, upon such notification, the Bidders were deemed to have been given notice of such date.

7. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, on or after the Bid/ Issue Closing Date, our Company, in consultation with Book Running Lead Managers, has determined the final terms, including (i) the Issue Price , (ii) the Successful Bidders to whom Equity Shares shall be Allocated, and (iii) the number of Equity Shares to be Allocated to each Successful Bidder. The Book Running Lead Managers will send the serially numbered CAN to the Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. The dispatch of a CAN, and this Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. **Please note that the Allocation will be at the absolute discretion of our Company and shall be in consultation with the Book Running Lead Managers.**

8. Upon determination of the Issue Price and before Allotment of Equity Shares to the Successful Bidders, the Book Running Lead Managers, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

9. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the respective CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.

10. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary accounts of the Successful Bidders maintained by the depository participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

11. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

12. Our Company will then apply for the final trading approvals from the Stock Exchanges.

13. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

14. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to the Successful Bidders to whom the Equity Shares have been Allotted. Our Company and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Successful Bidders are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

15. A representation that it is either (i) outside the United States acquiring the Equity Shares in an offshore transaction under Regulation S, or (ii) a "qualified institutional buyer" as defined in Rule 144A and it has agreed to certain other representations set forth in the Application Form..

Eligible QIBs

Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations, and that (i) are not otherwise restricted from participating in the Issue under the applicable laws, including the SEBI Regulations, and (ii) are residents of India or are Eligible FPI participating through Schedule II of the FEMA rules, are eligible to invest in the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules are eligible to invest in this Issue. FVCIs are not permitted to participate in the Issue.

Currently, the definition of a QIB as defined in Regulation 2(1)(ss) of the SEBI Regulations includes:

- Mutual funds, venture capital funds, alternate investment funds and foreign venture capital investors registered with SEBI;
- Foreign portfolio investors other than individuals, corporate bodies and family offices;
- Public financial institutions;
- Scheduled commercial banks;
- Multilateral and bilateral development financial institutions;
- State industrial development corporations;

- Insurance companies registered with IRDAI;
- Provident funds with minimum corpus of ₹250 million;
- Pension funds with minimum corpus of ₹250 million;
- National Investment Fund set up by Government of India, set up by resolution no. F. No. 2/3/2005-DDII, dated November 23, 2005 of the Government published in the Gazette of India;
- Insurance funds set up and managed by army, navy or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, India; and
- Systemically important non-banking financial companies.

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA RULES IN THIS ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCIS ARE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

In terms of the SEBI FPI Regulations, the Equity Shares issued to a single Eligible FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) should not exceed 10% of post-Issue equity share capital of our Company. Further, in terms of the FEMA Rules, the total holding of each FPI shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis. With effect from April 1, 2020, the aggregate limit for FPI investments shall be the sectoral cap applicable to our Company, which is 100% under the automatic route. In this regard, please note that as of June 30, 2020, the aggregate FPI shareholding in our Company was 6.16% of our total paid up equity share capital.

In case the holding of an FPI including its investor group increases to 10% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in the Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" beginning on page 221 and 228, respectively.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being our promoter, or any person related to the promoter. Eligible QIBs, which have all or any of the following rights, shall be deemed to be persons related to the promoter:

- rights under a shareholders' agreement or voting agreement entered into with the promoter or members of the promoter group;
- veto rights; or
- a right to appoint any nominee director on our Board,

Provided, however, that an Eligible QIB which does not hold any equity shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the promoter.

Our Company, the BRLMs and any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering an open offer under the Takeover Regulations, and ensure compliance with applicable laws.

A minimum of 10% of the Equity Shares offered in the Issue shall be available for Allocation to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allocated to other Eligible QIBs.

Note: *Affiliates or associates of the BRLMs who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Eligible QIBs were only to use the serially numbered Application Forms (which were addressed to them) supplied by our Company and the BRLMs in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, each Bidder was deemed to have made all the following representations and warranties and the representations, warranties and agreements made under "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 2, 5, 221 and 228, respectively:

1. The Bidder confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI Regulations and is not excluded under Regulation 179(2)(b) of the SEBI Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. The Bidder confirms that it is not the Promoter of the Company, and is not a person related to the Promoter, either directly or indirectly, and its Application Form does not directly or indirectly represent the Promoter or Promoter Group or persons related to the Promoter;

3. The Bidder confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoter or persons related to the Promoter, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoter;

4. The Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India, and is eligible to invest in India under applicable law, including the FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets, and is not an FVCI;

5. The Bidder acknowledges that it has no right to withdraw or revise its Bid after the Bid/ Issue Closing Date;

6. The Bidder confirms that if Equity Shares are Allotted to it through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the floor of the Stock Exchanges;

7. The Bidder comfirms that it is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. Each Bidder further confirms that the holding of the Equity Shares by the Bidder, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Bidder;

8. The Bidder confirms that its Bid would not eventually result in triggering an open offer under the Takeover Regulations;

9. The Bidder agrees that it will make payment of the Bid Amount along with submission of the Application Form within the Bid/ Issue Period. Each Bidder agrees that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date;

10. The Bidder agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Bid/ Issue Period in terms of provisions of the Companies Act and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Managers. The Bidder further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

11. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, the Company has disclosed its name as a "proposed Allottee" and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document and consents to such disclosure, if any Equity Shares are Allocated to it. However, the Bidder further acknowledges and agrees that disclosure of such details in in this Placement Document will not guarantee Allotment to it, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs.

12. The Bidder confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

(a) Bidders "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst a Bidder, its subsidiary(ies) or holding company and any other Bidder ; and

(b) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Regulations;

13. The Bidder confirms that:

(a) If it is within the United States, it is a U.S. QIB who is, or are acquiring the Equity Shares for its own ac-count or for the account of an institutional investor who also meets the requirement of a U.S. QIB, for investment purposes only and not with a view to, or for resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part and are not our affiliate or a person acting on behalf of such an affiliate; and

(b) If it is outside the United States, it is purchasing the Equity Shares in an offshore transaction in reliance upon Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate.

14. The Bidder acknowledges that no Allotment shall be made to it if the price at which it has Bid for in the Issue is lower than the Issue Price.

15. Each Bidder confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

ELIGIBLE QIBS WERE REQUIRED TO PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE ELIGIBLE QIBS SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ ISSUE CLOSING DATE, THE ELIGIBLE QIBS SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and this Placement Document (when dispatched) by our Company (by itself or through any BRLM) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms were required to be duly completed with information, including the name of the Bidder, the price, the Bid Amount, and the number of Equity Shares applied for, along with proof of payment and a copy of the PAN card or PAN allotment letter. The Bid Amount was required to be deposited in the Escrow Account as specified in the Application Form and the Application Form was required to be submitted to the Book Running Lead Managers either through electronic form or through physical delivery at either of the following addresses:

Name	Address	Contact Person	Website and Email	Phone (Telephone and Fax)
ICICI Securities Limited	ICICI Center, H.T. Parekh Marg, Churchgate, Mumbai 400 020	Shekher Asnani/ Anurag Byas	Website: www.icicisecurities.com Email: cagrameen.qip@icicisecurities.com	Tel: +91 22 2288 2460 Fax: +91 22 2282 6580

Name	Address	Contact Person	Website and Email	Phone (Telephone and Fax)
CLSA India Private Limited	8/F Dalamal House Nariman Point Mumbai 400 021	Rahul Choudhary	Website: www.india.clsa.com Email: project.surgent@clsa.com	Tel: +91 22 6650 5050 Fax: +91 22 2284 0271
Nomura Financial Advisory and Securities (India) Private Limited	Ceejay House, Level 11 Plot F, Shivsagar Estate Dr Annie Besant Road Worli, Mumbai – 400 018	Vishal Kanjani	Website: www.nomuraholdings.com/company/group/asia/india/index.html Email: caglqip@nomura.com	Tel: +91 22 4037 4037 Fax: +91 22 4037 4111
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The BRLMs were not required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

Bidders Bidding in the Issue, were required to pay the entire Bid Amount along with the submission of the Application Form, within the Bid/ Issue Period.

Payment of Bid Amount

Our Company has opened the Escrow Account in the name of "CREDITACCESS GRAMEEN LIMITED - QIP ESCROW ACCOUNT" with the Escrow Agent, in terms of the arrangement among our Company, the Book Running Lead Managers and the Escrow Agent. Each Bidder was required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bid/ Issue Period. Bidders could make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments were to be made only through electronic fund transfer. Payments made through cash or cheques were liable to be rejected. Further, if the payment was not made favouring the Escrow Account, the Application Form was liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in "CREDITACCESS GRAMEEN LIMITED - QIP ESCROW ACCOUNT" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount in terms of this Placement Document. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, the excess Bid Amount will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in "*Issue Procedure – Refunds*" on page 217.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. For the purpose of determination of the Floor Price, 'stock exchange' shall mean any of the recognised stock exchanges in which the Equity Shares are listed and in which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. However, our Company may offer a discount of not more than 5% of the Floor Price in accordance with the approval of our Shareholders, accorded through their resolution dated September 26 and in terms of Regulation 176(1) of the SEBI Regulations. Our Company has offered a discount of 0.10% amounting to ₹0.69, on the Floor Price, in terms of the SEBI Regulations.

The "Relevant Date" referred to above will be the date of the meeting in which the Board decided to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares of the issuer of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. After finalisation of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and has filed the same with the Stock Exchanges as this Placement Document.

Build up of the Book

The Bidders shall submit their Bids (including any revision thereof) through the Application Forms within the Bid/ Issue Period to the Book Running Lead Managers. Such Bids cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. The book shall be maintained by the Book Running Lead Managers.

Method of Allocation

Our Company has determined the Allocation in consultation with the BRLMs on a discretionary basis and in compliance with Chapter VI of the SEBI Regulations.

Application Forms received from the Bidders at or above the Issue Price were grouped together to determine the total demand. The Allocation to all such Bidders was made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size was required to be undertaken, subject to valid Bids being received at or above the Issue Price.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BRLMS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBS. ELIGIBLE QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE BID/ ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BRLMS ARE NOT OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the Book Running Lead Managers, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Bid Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Successful Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in the Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and this Placement Document (when dispatched), to the respective Successful Bidders shall be deemed a valid, binding and irrevocable contract for such Bidders to subscribe to the Equity Shares Allocated to them. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLMs.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, a Bidder would have deemed to have made the representations and warranties as specified in "*Notice to Investors*" on page 2 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Allottees.

5. Following the credit of Equity Shares into the respective Allottees' beneficiary accounts, our Company will apply for the final listing and trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and the Company files the return of Allotment in connection with the Issue with the RoC.

7. After finalization of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and has filed it with the Stock Exchanges as this Placement Document, which will include names of the proposed Allottees and the percentage of their post-Issue shareholding in the Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees

in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with this Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or the Bidder has deposited the Bid Amount arrived at using a price higher than the Issue Price or Equity Shares are not Allocated to a Bidder for any reasons or the Issue is cancelled prior to Allocation, or a Bidder lowers or withdraws the Bid prior to the Bid/ Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted as set out in the Application Form. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue, within 60 days from the date of receipt of the Bid Amount, our Company shall repay the Bid Amount within 15 days from expiry of 60 days or such other time period as permitted under applicable law, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act.

In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of application monies, our Company shall repay the application monies within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate of 12% p.a. from expiry of the sixtieth day. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, the Depositories Act and other applicable laws.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

In relation to Eligible QIBs who have been Allotted more than 5% of the Equity Shares in the Issue, our Company shall disclose the name and the number of the Equity Shares Allotted to such Eligible QIB to the Stock Exchanges and the Stock Exchanges will make the same available on their website.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and the Company files the return of Allotment in connection with the Issue with the RoC.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.

Permanent Account Number or PAN

Each Bidder should mention its PAN (except Bids from any category of Bidders, which may be exempted from specifying their PAN for transacting in the securities market) allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Managers, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Managers in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder as set out in the Application Form. For details, see "*Bid Process*" – "*Refund*" on page 217.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Managers shall not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT AND LOCK-UP

Placement Agreement

The BRLMs have entered into the Placement Agreement with our Company, pursuant to which the BRLMs have agreed to procure subscriptions for the Equity Shares to be issued pursuant to the Issue on a reasonable efforts basis.

The Placement Agreement contains customary representations, warranties and indemnities from our Company, the BRLMs and it is subject to termination in accordance with the terms contained therein.

The BRLMs and their affiliates may engage in transactions with and perform services for our Company and its Subsidiaries or affiliates in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company and its Subsidiaries or affiliates, for which they would have received compensation and may in the future receive compensation.

In connection with the Issue, the BRLMs (or their respective affiliates) may, for their own accounts, enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the BRLMs may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue, and no specific disclosure will be made of such positions. Affiliates of the BRLMs which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. See "*Offshore Derivative Instruments*" and "*Representations by Investors*" on pages 11 and 5, respectively.

Lock-up

The Company will not, for a period commencing the date hereof and 90 days after the Closing Date, without the prior written consent of the BRLMs, directly or indirectly (a) issue, offer, contract to issue or otherwise dispose of or grant options, issue warrants or offer rights, in each case, entitling person to subscribe or purchase any interest in any Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned); (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares, regardless, whether any of the transaction is to be settled by the delivery of Equity Shares or other securities convertible into or exercisable or exchangeable for the Equity Shares, in cash or otherwise; (c) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Shares in any depository receipt facility; (d) contract to issue any option or contract to grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares or interest in an entity which holds any Equity Shares or (e) publicly announce any intention to enter into any of the foregoing described in (a), (b), (c) or (d) above; provided however, that the foregoing restrictions shall not be applicable to (i) the Issue (ii) grant of ESOPs under the ESOP Plan; (iii) allotment of Equity Shares upon exercise of vested options under the ESOP Plan; and (iv) allotment of Equity Shares as envisaged under the Proposed Scheme of Amalgamation.

During the period commencing on the Closing Date and ending 60 days after the Closing Date (the "**Lock-up Period**"), our Promoter will not, directly or indirectly (a) offer for sale, sell, pledge, encumber, contract to sell or otherwise dispose of or grant options, or offer rights entitling any person to subscribe or purchase any interest in any Promoter Shares or any securities convertible into or exercisable or exchangeable for the Promoter Shares; (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of the Promoter Shares, whether any such transaction is to be settled by the delivery of Promoter Shares or other securities convertible into or exercisable or exchangeable for the Promoter Shares, in cash or otherwise; or (c) publicly announce any intention to enter into any of the foregoing described in (a), (b) or (c) above. Our Promoter has further agreed that any Equity Shares acquired by it during the Lock-up Period, either from the open market or inter-se transfer, shall constitute Promoter Shares, and shall be subject to the restrictions contained in the Placement Agreement.

SELLING RESTRICTIONS

The distribution of this Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

General

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of the Preliminary Placement Document and this Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document and this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. Each purchaser of the Equity Shares in the Issue will be deemed to have made acknowledgments and agreements as described under "*Transfer Restrictions and Purchaser Representations*" on page 228.

Republic of India

The Preliminary Placement Document and this Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. The Preliminary Placement Document and this Placement Document has not been and will not be filed as a prospectus with the RoC, and will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Australia

The Preliminary Placement Document and this Placement Document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a prospectus or disclosure document under the Australian Corporations Act. The Preliminary Placement Document and this Placement Document have not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it with ASIC. No offer will be made under the Preliminary Placement Document and this Placement Document to any person to whom disclosure is required to be made under Chapter 6D of the Australian Corporations Act. Any offer in Australia of the Equity Shares under the Preliminary Placement Document may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act which permit the offer of the Equity Shares without disclosure under Part 6D.2 of the Australian Corporations Act.

As any offer of Equity Shares under the Preliminary Placement Document will be made without disclosure in Australia under Chapter 6D.2 of the Australian Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Australian Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the Equity Shares you undertake to the Issuer that you will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those securities to any person in Australia except in circumstances where disclosure to such person is not required un ustralian Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Bahrain

THE CENTRAL BANK OF BAHRAIN, THE BAHRAIN BOURSE AND THE MINISTRY OF INDUSTRY, COMMERCE AND TOURISM OF THE KINGDOM OF BAHRAIN TAKE NO RESPONSIBILITY FOR THE ACCURACY OF THE STATEMENTS AND INFORMATION CONTAINED IN THIS PLACEMENT DOCUMENT OR THE PERFORMANCE OF THE EQUITY SHARES, NOR SHALL THEY HAVE ANY LIABILITY TO ANY PERSON, INVESTOR OR OTHERWISE FOR ANY LOSS OR DAMAGE RESULTING FROM RELIANCE ON ANY STATEMENTS OR INFORMATION CONTAINED HEREIN. THIS PLACEMENT DOCUMENT IS ONLY INTENDED FOR ACCREDITED INVESTORS AS DEFINED BY THE CENTRAL BANK OF BAHRAIN. WE HAVE NOT MADE AND WILL NOT MAKE ANY INVITATION TO THE PUBLIC IN THE KINGDOM OF BAHRAIN TO SUBSCRIBE TO THE EQUITY SHARES AND THIS PLACEMENT DOCUMENT WILL NOT BE ISSUED, PASSED TO, OR MADE AVAILABLE TO THE PUBLIC GENERALLY. THE CENTRAL BANK OF BAHRAIN HAS NOT REVIEWED, NOR HAS IT APPROVED, THIS PLACEMENT DOCUMENT OR THE MARKETING THEREOF IN THE KINGDOM OF BAHRAIN. THE CENTRAL BANK OF BAHRAIN IS NOT RESPONSIBLE FOR THE PERFORMANCE OF THE EQUITY SHARES.

Canada

The Equity Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations.* Any resale of the Equity Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Placement Document (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor. Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* ("**NI 33-105**"), the BRLMs are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the Issue.

Cayman Islands

No invitation or offer has or will be made to the public in the Cayman Islands to subscribe for any of the Equity Shares but an invitation or offer may be made to sophisticated persons (as defined in the Cayman Islands Securities Investmen Business Law (the "**SIBL**"), high net worth persons (as defined in the SIBL) or otherwise in accordance with the SIBL. **People's Republic of China**

This Placement Document may not be circulated or distributed in the People's Republic of China (the "**PRC**") and the Equity Shares may not be offered or sold directly or indirectly to any resident of the PRC, or offered or sold to any person for reoffering or resale directly or indirectly to any resident of the PRC except pursuant to applicable laws and regulations of the PRC. Neither this offering circular nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

European Economic Area

In relation to each Member State of the European Economic Area and the United Kingdom (each a "**Relevant State**"), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation), except that offers of Equity Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

(a). to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
(b). to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of Book Running Lead Manager for any such offer; or
(c). in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Shares shall require the Issuer or the Book Running Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.
For the purposes of this provision, the expression an "offer to the public" in relation to any Equity Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decid ares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Hong Kong

This Placement Document has not been delivered for registration to the registrar of companies in Hong Kong, and its contents have not been reviewed or authorized by any regulatory authority in Hong Kong. Accordingly: (i) the Equity Shares have not been and will not be offered or sold in Hong Kong, by means of any document, other than to persons that are considered "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong ("**SFO**") and any rules made thereunder, or in other circumstances which do not result in this document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong and as permitted under the SFO; and (ii) no invitation, advertisement or other document relating to the Equity Shares has been or will be issued (or possessed for the purpose of issue), whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the SFO and any rules made thereunder.

WARNING: The contents of this Placement Document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation ny of the contents of this document, you should obtain independent professional advice.

Japan

The Equity Shares have not been and will not be registered in Japan pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "FIEA") in reliance upon the exemption from the registration requirements since the offering constitutes the small number private placement.

Accordingly, the Equity Shares may not be offered or sold outside of this small number private placement, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, t nd any other applicable laws, regulations and ministerial guidelines of Japan.

Jordan

The Equity Shares have not been and will not be offered, sold or delivered at any time, directly or indirectly, in the Hashemite Kingdom of Jordan in a manner that would constitute a public offering. This Placement Document has not been and will not be reviewed or approved by, or registered with, the Jordan Securities Commission in accordance with its regulations and any other regulations in the Hashemite Kingdom of Jordan. The Equity Shares are not and will not be traded on the Amman Stock Exchange.

Each of the BRLMs have represented and agreed that the Equity Shares have not been and will not be offered, sold or promoted or advertised by it in Jordan other than in compliance with the Securities Law No. (76) of 2002, as amended, the Law Regulating Dealings in Foreign Exchange No. (50) of 2008, and regulations issued pursuant to them governing the issue of offering and sale of securities. Without limiting the foregoing, each Manager has represented and agreed that the Equity Shares have not been and will not, in any manner, be offered, sold, promoted or advertised to more than thirty (30) persons in Jordan, without complying with the required approval and notification requirements set-out under the above-referenced laws and the regulations issued pursuant to them.

Republic of Korea

This Placement Document and the Equity Shares have not been registered and will not be registered with the Financial Services Commission of Korea for a public offering in Korea under the Financial Investment Services and Capital Markets Act of Korea ("**FSCMA**"). The Equity Shares have not been and will not be offered, sold or delivered directly or indirectly, or offered, sold or delivered to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea (as defined in the Foreign Exchange Transactions Law of Korea ("**FETL**") and its Enforcement Decree) within one year of the issuance of the Equity Shares, except (i) where relevant requirements are satisfied, the Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident or (ii) as otherwise permitte and regulations, including the FSCMA and the FETL and the decrees and regulations thereunder.

Kuwait

This Placement Document is not for general circulation to the public in Kuwait. The Equity Shares have not been licensed for offering in Kuwait by the Kuwait Capital Markets Authority or any other relevant Kuwaiti government agency. The offering of the Equity Shares in Kuwait on the basis a private placement or public offering is, therefore, restricted in accordance with Law No. 7 of 2010 and the bylaws thereto (as amended). No private or public offering of the Equity Shares is being made in Kuwait, and no agreement relating to the sale of the Equity Shares will be conclud ing or solicitation or inducement activities are being used to offer or market the Equity Shares in Kuwait.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia ("**Commission**") for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the Equity Shares, as principal, if the offer is on terms that the Equity Shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial

Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the Equity Shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of this Placement Document is subject to Malaysian laws. This Placement Document does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Mauritius

THE PUBLIC OF THE REPUBLIC OF MAURITIUS IS NOT INVITED TO SUBSCRIBE FOR THE INTERESTS OFFERED HEREBY. THIS MEMORANDUM RELATES TO A PRIVATE PLACEMENT AND DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC IN MAURITIUS TO SUBSCRIBE FOR THE INTERESTS OFFERED HEREBY. THE INTERESTS ARE ONLY BEING OFFERED TO A LIMITED NUMBER OF SOPHISTICATED INVESTORS MEETING THE ELIGIBILITY CRITERIA. NO REGULATORY APPROVAL HAS BEEN SOUGHT FOR THE OFFER IN MAURITIUS AND IT MUST BE DISTINCTLY UNDERSTOOD THAT THE MAURITIUS FINANCIAL SERVICES COMMISSION DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF OR ANY REPRESENTATIONS MADE IN CONNECTION WITH THE BANK. THE MEMORANDUM IS FOR DRESSEE AND SHOULD NOT BE GIVEN OR SHOWN TO ANY OTHER PERSON.

The Netherlands

The Equity Shares are not and may not be offered in the Netherlands other than to persons or entities who or which are qualified investors as defined in Section 1:1 Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (which incorporates the term "qualified investors" as used in the Prospectus Directive).

New Zealand

This Placement Document, and the information within and accompanying this Placement Document are not, and are under no circumstances to be construed as an offer of the Equity Shares in New Zealand. No product disclosure statement, prospectus or similar offering or disclosure document in relation to the Equity Shares has been prepared or has been lodged with or reviewed or approved by the Financial Markets Authority, the Registrar of Financial Service Providers or any other regulatory body in New Zealand. The Equity Shares are only available for investment by a "wholesale investor" within the meaning of clause 3(2) of the Financial Markets Conduct Act 2013 ("**FMCA**"). Each recipient of this Placement Document represents and agrees that he, she or it:

(d). is a "wholesale investor" for the purposes of clause 3(1) of Schedule 1 of the FMCA) (as the term "wholesale investor" is defined by clause (3)(2) of Schedule 1 of the FMCA);

(e). has not offered or sold, and agrees he, she or it will not offer or sell, any Equity Shares in New Zealand in a manner that would require disclosure under Part 3 of the FMCA; and

(f). has not distributed or published, and agrees he, she or it will not publish this Placement Document or any offering material or advertisement in relation to any offer of the Equity Shares in New Zealand.

Sultanate of Oman

The information contained in this Placement Document does not constitute a public offer of securities in Oman as contemplated by the Oman Commercial Companies Law (Sultani Decree 18/2019, as amended) or Article 3 of the Capital Market Authority Law (Sultani Decree 80/98, as amended). This Placement Document will only be made available to investors in Oman in accordance with the provisions of Article 139 of the Executive Regulations of the Capital Markets Law (Capital Markets Law Decision No. 1/2009, as amended) (the "**Executive Regulations**") by an entity duly licenced by the Capital Market Authority of Oman to market non-Omani securities in Oman.

This Placement Document is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient. Additionally, this Prel lead to the making of any contract within the territory or under the laws of Oman.

This Placement Document has not been (and will not be) filed with the Capital Market Authority of Oman (except in accordance with Article 139 of the Executive Regulations) or any other regulatory authority in Oman and neither the Capital Market Authority of Oman assumes responsibility for the accuracy and adequacy of the statements and information contained in this Placement Document and shall e or loss resulting from reliance on any statements or information contained herein.

Qatar (excluding the Qatar Financial Centre)

Nothing in this Placement Document is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or the inward marketing of securities or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing the issue, offering and sale of securities under the laws of the State of Qatar and the Qatar Financial Centre.

This Placement Document and any underlying instruments or securities have not been and will not be filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Exchange or any other relevant Qatar governmental body or securities exchange. The Issuer has not been authorized or licensed by any Qatari governmental body or regulator to market, offer or sell the Equity Shares in the State of Qatar or in the Qatar Financial Centre.

This Placement Document is strictly private and confidential. This Placement Document is provided on an exclusive basis to the specifically intended recipient of such document, upon that person’s request and initiative, and for the recipient’s personal use only. It is being distributed to a limited number of qualified investors and must not be provided to any person other than the original recipient. It is not for general circulation in the State of Qatar or the Qatar Financial Centre and may not be reproduced or used for any other purpose. Any distribution of this document by the recipient to third parties in the State of Qatar or the Qatar Financial Centre is not authorised and shall be at the liability of such recipient.

Recourse against the Company and/or its affiliates may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and/or the Qatar Financial Centre.

Qatar Financial Centre

This document does not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Centre (the “**QFC**”), and accordingly should not be construed as such. This document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company has not been approved or licensed by or registered with any licensing authorities within the QFC.

Saudi Arabia

This Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this Placement Document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Placement Document. Prospective purchasers of the securities offered hereby (including, without limitation, the Equity Shares) should conduct their own due diligence on the accuracy of the information you do not understand the contents of this document, you should consult an authorised financial advisor.

Singapore

This Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Book Running Lead Manager has represented, warranted and agreed that it has not offered or sold any Equity Shares or caused the Equity Shares to be made the subject of an invitation for subscription or purchase and will not offer or sell any Equity Shares or cause the Equity Shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “**SFA**”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

South Africa

The Equity Shares may not be offered or sold and will not be offered or sold to the public (as such term is used in Chapter 4 of the Companies Act 71 of 2008 ("**SA Companies Act**")) in the Republic of South Africa save in the circumstances where it is lawful to do so without a registered prospectus being made available before the offer is made. This document does not constitute a registered prospectus for the purposes of and as defined in chapter 4 of the SA Companies Act, and has not been prepared in accordance with the provisions of the SA Companies Act applicable to the content of a prospectus.

This document is not to be distributed, delivered or passed on to any person resident in the Republic of South Africa, unless it is being made only to, or directed only at any person who does not fall within the definition of the public as contemplated in chapter 4 of the South African Companies Act or any other person to whom an offer of the Equity Shares in South Africa may lawfully be made (all such persons together being referred to as "**permitted South African offerees**").

This document must not be acted on or relied on by persons who are not permitted South African offerees.

If the recipient of this document cument relates, the recipient should obtain independent professional advice.

Switzerland

The Equity Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Equity Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Placement Document nor any other offering or marketing material relating to the Equity Shares constitutes a prospectus pursuant to the FinSA, and neither this Placement Document nor any other offering or marketing material relating to the Equity Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The Equity Shares may, however, be offered in Switzerland to professional clients within the meaning of the FinSA, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This Placement Document may only be used by those investors to whom it has been handed out in connection with the Offer des directly nor indirectly be distributed or made available to other persons without our express consent.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. If you are in any doubt about the contents of this document, you should consult an authorised financial adviser.

By receiving this Placement Document, the person or entity to whom it has been issued understands, acknowledges and agrees that this Placement Document has not been approved by or filed with the UAE Central Bank, the UAE Securities and Commodities Authority (the "**SCA**") or any other authorities in the UAE (outside of the financial free zones established pursuant to UAE Federal Law No. 8 of 2004), nor have the BRLM received authorisation or licensing from the UAE Central Bank, SCA or any other authorities in the UAE to market or sell securities or other investments within the UAE. It should not be assumed that any of the BRLM is a licensed broker, dealer or investment adviser under the laws applicable in the UAE, or that any of them advise individuals resident in the UAE as to the appropriateness of investing in or purchasing or selling securities or other financial products.

No marketing of any financial products or services has been or will be made from within the UAE other than in compliance with the laws of the UAE and no subscription to the Equity Shares or other investments may or will be consummated within the UAE. The Equity Shares are not intended for circulation or distribution in or into the UAE, other than to persons who are "Qualified Investors" within the meaning of the SCA's Board of Directors Decision No. 3 of 2017 Concerning the Organisation of Promotion and Introduction to whom the materials may lawfully be communicated. This does not constitute a public offer of securities in the UAE under the SCA Chairman of the Board Resolution No. 11/R.M of 2016 on the Regulations for Issuing and Offering Shares of Public Joint Stock Companies, or otherwise.

Nothing contained in this Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action. Any person considering acquiring securities should consult with an appropriate professional for specific advice rendered based on their respective situation

Dubai International Financial Centre

The Equity Shares have not been offered and will not be offered, and this Placement Document will not be made available to any persons in the Dubai International Financial Centre, except on that basis that:

(a). any offer is an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the "**DFSA**"); and

(b). this Placement Document is made only to, and is only capable of being accepted by, persons who meet the criteria to be a "deemed" Professional Client set out in Rule 2.3.4 of the DFSA Conduct of Business Module of the DFSA rulebook and who is not a natural person.

The DFSA has not approved this Placement Document nor taken steps to verify the information set out in it, and has no responsibility for it. The Equity Shares to which this Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Equity Shares offered should conduct their own due diligence on the Equity Shares. I nt Document, you should consult an authorised financial adviser.

United Kingdom

This document does not constitute an approved prospectus for the purposes of and as defined in section 85 of Financial Services and Markets Act 2000 ("**FSMA**"), has not been prepared in accordance with the prospectus rules issued by the Financial Conduct Authority ("**FCA**") pursuant to section 73A of the FSMA and has not been approved by or filed with the FCA. The Equity Shares may not be offered or sold and will not be offered or sold to the public in the United Kingdom (within the meaning of section 85 and 102B of the FSMA) save in the circumstances where it is lawful to do so without an approved prospectus (within the meaning of section 85 of the FSMA) being made available to the public before the offer is made.

This document is not to be distributed, delivered or passed on to any person resident in the United Kingdom, unless it is being made only to, or directed only at (a) persons falling within the categories of "investment professionals" as defined in Article 19(5) of the Financial Services and Markets Act (Financial Promotion) Order 2005 as amended (the "**Financial Promotion Order**"), (b) persons falling within any of the categories of persons described in Article 49(2) of the Financial Promotion Order (high net worth companies, unincorporated associations etc), or (c) any other person to whom it may otherwise lawfully be made (all such persons together being referred to as "**relevant persons**").

This document must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons. Persons of any other description in the United Kingdom may not receive and should not act or rely on this document or any other marketing materials relating to the Equity Shares.

Potential investors in the United Kingdom are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Equity Shares and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

If the recipient of this document is in any doubt about the investment to which this ould consult a person authorized under the FSMA who specializes in advising on investing in securities.

United States

The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are qualified institutional buyers (as defined in Rule 144A under the Securities Act and referred to in this Placement Document as "U.S. QIBs"), and (b) outside the United States only in an "offshore transaction" in reliance on Regulation S.

TRANSFER RESTRICTIONS AND PURCHASER REPRESENTATIONS

Bidders are advised to consult with legal counsel prior to purchasing any Equity Shares or making any resale, pledge or transfer of such Equity Shares

The Equity Shares Allotted in the Issue are not permitted to be sold for a period of one year from the date of Allotment, except on floor of the Stock Exchanges. Due to the following restrictions, investors are advised to consult legal counsel prior to making any resale, pledge or transfer of the Equity Shares, except if the resale of the Equity Shares is by way of a regular sale on the Stock Exchanges.

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of all states and other jurisdictions of the United States.

Each purchaser of the Equity Shares in the United States is deemed to have represented, agreed and acknowledged as follows:

1. You confirm that:
   a. you are a "qualified institutional buyer" (as defined in Rule 144A under the U.S. Securities Act);
   b. you are not a broker-dealer which owns and invests on a discretionary basis less than US$25 million in securities of unaffiliated companies;
   c. you were not formed for the purpose of investing in our Company; and
   d. you are not an affiliate of our Company or a person acting on behalf of an affiliate of our Company.

2. You are an institution that, in the normal course of business, invests in or purchases securities similar to the Equity Shares, you are not purchasing the Equity Shares with a view to distribution, and you, and any accounts for which you are acting, (a) are a sophisticated investor that has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of its investment in the Equity Shares and (b) are able to bear the economic risk, and sustain a complete loss, of such investment in the Equity Shares. If you are acquiring the Equity Shares as a fiduciary or agent for one or more investor accounts.

   a. each such account is a "qualified institutional buyer" (as defined in Rule 144A under the U.S. Securities Act);
   b. you have sole investment discretion with respect to each account; and
   c. you have full power and authority to make, and do make, the representations, warranties, agreements, undertakings and acknowledgements contained herein on behalf of each such account.

3. You will base your investment decision on a copy of the Preliminary Placement Document and this Placement Document, as amended or supplemented from time to time. You acknowledge that neither our Company nor any of its affiliates nor any other person (including the BRLMs) or any of their respective affiliates have made or will make any representations, express or implied, to you with respect to our Company, the Issue, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning our Company, the Issue or the Equity Shares, other than (in the case of our Company and its affiliates only) the information contained in the Preliminary Placement Document and this Placement Document. You acknowledge that you have not relied on and will not rely on any investigation by, or on any information contained in any research reports prepared by, the BRLMs or any of their respective affiliates.

   You understand that our Company, for U.S. federal income tax purposes, may be considered a "passive foreign investment company" for the current taxable year and that there will be certain consequences under U.S. tax laws resulting from an investment in the Equity Shares, and you will make such investigation and consult such tax and other advisors with respect thereto as you deem appropriate. You will satisfy yourself concerning, without limitation, the effects of U.S. federal, state and local income tax laws and foreign tax laws on your investment in the Equity Shares.

4. Any Equity Shares you acquire will be for your own account (or for the account of an investor who is a "qualified institutional buyer" as to which you exercise sole investment discretion and have authority to make, and do make, the statements contained in this document) for investment purposes, and not with a view to the resale or distribution within the meaning of the U.S. federal securities laws, subject to the understanding that the disposition of its property shall at all times be and remain within its control.

5. You understand that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act or under the securities laws of any state or other jurisdiction of the United States.

   You acknowledge and agree that you are not purchasing the Equity Shares as a result of any general solicitation or general advertising (as defined in Regulation D) or directed selling efforts (as defined in Regulation S).

6. You understand that the Equity Shares will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and you agree that such securities may not be deposited into any unrestricted depository facility established or maintained by any depository bank.

7. You agree, on your own behalf and on behalf of any accounts for which you are acting, that you will not reoffer, resell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S, or pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act.

8. You agree that, prior to any sale of the Equity Shares, you shall notify the purchaser of such Equity Shares or the executing broker, as applicable, (a) of any transfer restrictions that are applicable to the Equity Shares being sold, and (b) that the Equity Shares have not been and will not be registered under the U.S. Securities Act.

9. You acknowledge that neither our Company nor any of its affiliates nor any other person (including the BRLMs) or any of their respective affiliates have made or will make any representations as to the availability of the exemption provided by Rule 144 and Rule 144A for the resale of the Equity Shares, nor the availability of any other exemptions from the registration requirements of the U.S. Securities Act for the resale of the Equity Shares.

10. You understand and acknowledge that our Company shall have no obligation to recognize any offer, sale, pledge or other transfer made other than in compliance with the restrictions on transfer set forth and described herein and that our Company may make notation on its records or give instructions to any transfer agent of the Equity Shares.

11. You understand that the foregoing representations, warranties, agreements, undertakings and acknowledgements are required in connection with United States and other securities laws and that our Company and its respective affiliates, and others are entitled to rely upon the truth and accuracy of the representations, warranties, agreements, undertakings or acknowledgements contained herein. You agree that if any of the representations, warranties, agreements, undertakings and acknowledgements made herein are no longer accurate, you shall promptly notify our Company, the BRLMs in writing. All representations, warranties, agreements, undertakings and acknowledgements you have made in this document shall survive the execution and delivery hereof.

Each other purchaser of the Equity Shares is deemed to have represented, agreed and acknowledged as follows:

1. You are outside the United States and are purchasing the Equity Shares in an "offshore transaction" as defined in Regulation S.

2. You are not an affiliate of our Company or a person acting on behalf of an affiliate of our Company.

3. You are not purchasing the Equity Shares as a result of any directed selling efforts (as defined in Regulation S), or any general solicitation or general advertising (as defined in Regulation D).

   You will base your investment decision on a copy of the Preliminary Placement Document and the Placement Document. You acknowledge that neither our Company nor any of its affiliates nor any other person (including the BRLMs) or any of their respective affiliates have made or will make any representations, express or implied, to you with respect to our Company, the Issue, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning our Company, the Issue or the Equity Shares, other than (in the case of our Company and its affiliates only) the information contained in the Preliminary Placement Document and the Placement Document. You acknowledge that you have not relied on and will not rely on any investigation by, or on any information contained in any research reports prepared by the BRLMs or any of their respective affiliates.

4. You understand that our Company, for U.S. federal income tax purposes, may be considered a "passive foreign investment company" for the current taxable year and that there will be certain consequences under U.S. tax laws resulting from an investment in the Equity Shares, and you will make such investigation and consult such tax and other advisors with respect thereto as you deem appropriate. You will satisfy yourself concerning, without limitation, the effects of U.S. federal, state and local income tax laws and foreign tax laws on your investment in the Equity Shares.

5. You acknowledge (or if acting for the account of another person, such person has confirmed that they acknowledge) that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States.

6. You agree, on your own behalf and on behalf of any accounts for which you are acting, that you will not reoffer, resell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S.

7. None of you, any of your affiliates nor any person acting on behalf of you or any of your affiliates, has made or shall make any directed selling efforts (as defined in Regulation S), or any general solicitation or general advertising (as defined in Regulation D), with respect to the Equity Shares.

8. You agree that, prior to any sale of the Equity Shares, you shall notify the purchaser of such Equity Shares or the executing broker, as applicable, (a) of any transfer restrictions that are applicable to the Equity Shares being sold, and (b) that the Equity Shares have not been and will not be registered under the U.S. Securities Act.

9. You understand and acknowledge that our Company shall have no obligation to recognize any offer, sale, pledge or other transfer made other than in compliance with the restrictions on transfer set forth and described herein and that our Company may make notation on its records or give instructions to any transfer agent of the Equity Shares.

10. You understand that the foregoing representations, warranties, agreements, undertakings and acknowledgements are required in connection with United States and other securities laws and that our Company, the BRLMss and their respective affiliates and others are entitled to rely upon the truth and accuracy of the representations, warranties, agreements, undertakings or acknowledgements contained herein. You agree that if any of the representations, warranties, agreements, undertakings and acknowledgements made herein are no longer accurate, you shall promptly notify our Company, the BRLMs in writing. All representations, warranties, agreements, undertakings and acknowledgements you have made in this document shall survive the execution and delivery hereof.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company, the BRLMs or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Stock Exchanges Regulation

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the SCR (SECC) Rules, which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, protect the interests of investors in securities, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and Delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act, SEBI Listing Regulations and various guidelines and regulations issued by the SEBI and the stock exchanges. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies are required to ensure a minimum public shareholding at 25%. Further, where the public shareholding in a listed company falls below 25% at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement. Further, pursuant to the budget 2019-2020, SEBI has been authorised to consider increase in minimum public shareholding to 35%.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the NIFTY 50 of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands. However, no price bands are applicable on scrips on which derivative products are available. However, scrips on which no derivatives products are available but which are part of index derivatives are subject to price bands.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. It has evolved over the years into its present status as one of the premier stock exchanges of India.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. It has evolved over the years into its present status as one of the premier stock exchanges of India. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched its benchmark index, now known as NIFTY 50 on April 22, 1996.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the “equities” as well as the “derivatives” segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BOLT (BSE On-line Trading facility) in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

NSE has introduced a fully automated trading system called NEAT, which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management’s discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies are governed by the Takeover Regulations which provide specific regulations in relation to substantial acquisition of shares and takeover. The Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

Insider Trading Regulations

The SEBI Insider Trading Regulations have been notified to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**"). The SEBI Insider Trading Regulations, *inter alia*, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations. The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations. The SEBI Insider Trading Regulations also provides for disclosure obligations for promoters, employees and directors, with respect to their shareholding in the company, and the changes therein.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum and Articles of Association and the Companies Act. Prospective investors are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

General

The authorised share capital of our Company is ₹1,600,000,000 consisting of 160,000,000 Equity Shares of face value of ₹10 each.

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of its shareholders at the AGM of shareholders. The shareholders have the right to decrease but not increase dividend amount recommended by the board of directors. Dividends are generally declared as a percentage of par value (on per share basis) and distributed and paid to shareholders. The Companies Act, 2013 provides that shares of the same class of a company must receive equal dividend treatment.

These distributions and payments are required to be deposited into a separate bank account within five days of the declaration of such dividend and paid to shareholders within 30 days of the AGM wherein the resolution for declaration of dividends is approved.

The Companies Act, 2013 states that any dividends that remain unpaid or unclaimed after that period are to be transferred to a special bank account, within seven days of the expiry of the 30 days' period mentioned above. Any dividend amount that remains unclaimed for seven years from the date of such transfer is to be transferred by our Company to a fund, called the Investor Education and Protection Fund, created by the Government of India. In addition, all shares in respect of which dividend has not been paid or claimed for seven consecutive years, shall be transferred by the Company to the Investor Education and Protection Fund along with a statement containing the required details.

The Articles authorize the board of directors of our Company to declare interim dividends, the amount of which must be deposited in a separate bank account within five days and paid to the shareholders within 30 days of the declaration.

Under the Companies Act, 2013 dividends payable can be paid only in cash to the registered shareholder at a record date fixed prior to the relevant annual general meeting, to his order or to the order of his banker. However, any dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend.

Dividends may only be paid out of the profits of our Company for the relevant year and in certain contingencies out of the free reserves of our Company. Before declaring dividends, our Company is required, in accordance with the guidelines of RBI, to transfer a minimum 20% of its net profit to a reserve fund.

Bonus Shares

In addition to permitting dividends to be paid out of current or retained earnings calculated as described above, the Companies Act, 2013 permits the board of directors of our Company, subject to the approval of the shareholders of our Company, to distribute to the shareholders, in the form of fully paid-up bonus shares, an amount transferred from the company's free reserves, securities premium account or the capital redemption reserve account. These bonus equity shares must be distributed to shareholders in proportion to the number of equity shares owned by them.

Bonus shares can only be issued if the company has not defaulted in payments of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus or principal/interest payments on fixed deposits or debt securities issued by it. Bonus shares shall not be issued in lieu of dividend.

Pre-Emptive Rights and Issue of Additional Shares

The Companies Act, 2013 gives shareholders the right to subscribe for new shares in proportion to their existing shareholdings unless otherwise determined by a resolution passed members who, being entitled so to do, vote in person or by proxy or by postal ballot, are required to be not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting. Under the Companies Act, 2013 and the Articles, in the event of an issuance of securities, subject to the limitations set forth above, our Company must first offer the new Equity Shares to the holders of Equity Shares on a fixed record date. The offer, required to be made by notice, must include:

- the right exercisable by the shareholders as on record date, to renounce the Equity Shares offered in favor of any other person;

- the number of Equity Shares offered; and
- the period of the offer, which may not be less than 15 days from the date of the offer and shall not exceed thirty days. If the offer is not accepted, it is deemed to have been declined.

Our Board is permitted to distribute Equity Shares not accepted by existing shareholders in a manner which is not disadvantageous to the Shareholders and the Company.

General Meetings of shareholders

There are two types of general meetings of shareholders: (i) AGM; and (ii) EGM. The Company must hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months.Our Board may convene an EGM when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than one tenth of the Company's paid up share capital (carrying a right to vote in respect of the relevant matter on the date of receipt of the requisition).

Notices, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and a statement of the business to be transacted at the meeting must be given to members at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received, in writing or electronic mode, from not less than 95% of the shareholders entitled to vote at that meeting.

According to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, a company intending to pass a resolution relating to matters such as, but not limited to, amendment in the objects clause of the Memorandum, the issuing of shares with differential rights as to voting or dividend, a variation of the rights attached to a class of shares or debentures or other securities, buy-back of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in our Company's general meeting. A notice to all the Shareholders shall be sent along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a postal ballot by post or through electronic means, within a period of 30 days from the date of dispatch of the notice. Postal ballot includes voting by electronic mode.

Voting Rights

A shareholder has one vote for each equity share and voting may be on a poll or through electronic means or postal ballot.

Ordinary resolutions may be passed by simple majority if the votes cast in favour exceeds the votes cast against the resolution. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution.

A shareholder may exercise his voting rights by proxy to be given in the form required by the Companies Act, 2013 read with the rules issued thereunder. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting. A proxy may not vote except on a poll and does not have the right to speak at meetings.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. Our Company has entered into an agreement for such depository services with National Securities Depository Limited and Central Depository Services Limited. Company shall keep a 'register of transfers' in which every transfer or transmission of shares will be entered.

The Equity Shares shall be freely transferable, subject to applicable laws. Except in case of transmission or transposition of Equity Shares, requests for effecting transfer of Equity Shares shall not be processed unless the Equity Shares are held in dematerialized form with a depository.

Liquidation Rights

Subject to the rights of depositors, creditors and employees, in the event of winding up of our Company, the holders of the Equity Shares are entitled to be repaid the amounts of capital paid up or credited as paid up on these Equity Shares. All surplus assets remaining belong to the holders of the Equity Shares in proportion to the amount paid up or credited as paid up on these Equity Shares, respectively, at the commencement of the winding up.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO CREDITACCESS GRAMEEN LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Date: October 5, 2020

To

The Board of Directors
CreditAccess Grameen Limited
#49, 46th Cross, 8th Block, Jayanagar,
Bengaluru -560070

Subject: Statement of Possible Special Tax Benefits available to the Company and its shareholders under the direct tax laws

Dear Sirs,

We refer to the proposed qualified institutions placement of equity shares (**"Issue"**) of CreditAccess Grameen Limited (**"the Company"**). We enclose herewith the statement (the **"Annexure"**) showing the current position of special tax benefits available to the Company and its shareholders as per the provisions of the Indian direct tax laws, including the Income Tax Act 1961 relevant to the financial year 2020-21 for inclusion in the preliminary placement document and placement document (together as the **"Placement Documents"**) for the Issue, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (**"ICDR Regulations"**).

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the direct taxation laws, including the Income-tax Act 1961. Hence, the ability of the Company or its shareholders to derive these tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed Annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended

to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to specific tax implications arising out of their participation in the issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor are we advising the investor to invest money based on this statement.

We accept no responsibility to the investors or any third party and this should be stated in the Offer Documents. The contents of the Annexure are based on the representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We do not express any opinion or provide any assurance as to whether:

- The Company or its shareholders will continue to obtain these benefits in future; and
- The conditions prescribed for availing the benefits have been/would be met.
- The revenue authorities/courts will concur with the views expressed herein.

This statement is provided solely for the purpose of assisting the Company in discharging its responsibilities under the Securities and Exchange Board of India Regulations.

We hereby give our consent to include this statement and the enclosed Annexure regarding the special tax benefits available to the Company and to its shareholders in the Placement Documents for the Issue, which the Company intends to submit to the Securities and Exchange Board of India and the stock exchanges where the equity shares of the Company are proposed to be listed, provided that the below statement of limitation is included in the Placement Documents.

LIMITATIONS

Our views expressed in the enclosed Annexure are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the Annexure is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed offer relying on the Annexure.

This statement is addressed to you solely for the use of the Company in relation to the proposed issue and, except with our prior written consent, is not to be transmitted or disclosed to or used or relied upon by any other person or used or relied upon by you for any other purpose, save that you may disclose this statement to ICICI Securities Limited, Nomura Financial Advisory and Securities (India) Private Limited, SBI Capital Markets Limited and CLSA India Private Limited (together, the "Lead Managers") on the basis that (i) the Lead Managers cannot rely on this statement, (ii) we do not assume any duty or liability to the Lead Managers, (iii) the Lead Managers have no recourse on Deloitte Haskins & Sells.

We accept no responsibilities of any investor or third party for any action taken or not taken in reliance of this information.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No.008072S)

G. K. Subramaniam
Partner
(Membership No. 109839)
UDIN: 20109839AAAATU4094

Place: Mumbai
Date: October 5, 2020

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO CREDITACCESS GRAMEEN LIMITED ("THE COMPANY") AND THE COMPANY'S SHAREHOLDERS

The information provided below sets out the possible special tax benefits available to the Company and the shareholders of the Company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares of the Company, under the current tax laws presently in force in India. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on commercial imperatives a shareholder faces, may or may not choose to fulfill. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. We do not express any opinion or provide any assurance as to whether the Company or its shareholders will continue to obtain these benefits in future. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THEIR PARTICULAR SITUATION.

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND TO ITS SHAREHOLDERS

Under the Income Tax Act, 1961 (the Act)

I. Special tax benefits available to the Company

A. Section 115BAA of the Act provides that domestic company can opt for a rate of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified deductions or set–off of losses, depreciation etc., and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax would not be applicable and earlier year MAT credit will not be available for set–off. The options needs to be exercised on or before the due date of filing the income tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The company has represented to us that they will opt to apply section 115BAA for the Assessment Year 2020-21

B. Deductions from Gross Total Income

Allowance of provision for bad and doubtful debts under section 36(1)(viia)

In terms of Section 36(1)(viia)(d) of the Act, the Company, being a non-banking financial company is entitled to claim deduction in respect of any provision for bad and doubtful debts made by the Company of an amount not exceeding 5% of the total income (computed before making any deduction under this clause and Chapter VIA of the Act).

Deduction in respect of employment of new employees:

Subject to the fulfillment of prescribed conditions, the Company is entitled to claim deduction of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided under section 80JJAA of the Act.

Deduction in respect of donation to certain funds, charitable institution, etc.

Donations made by the company towards certain specified funds and charitable institution as prescribed under section 80G of the Act shall be eligible for 100%/50% deduction subject to the condition as prescribed.

II. Special tax benefits available to Shareholders

There are no special tax benefits available to the shareholders under the provisions of the Income-tax Act, 1961.

Notes:

1. The benefits in I and II above are as per the Income-tax Act, 1961,as amended by the Finance Act, 2020.

2. This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible Income tax consequences that apply to them.

3. Surcharge is to be levied on domestic companies at the rate of 7% where the income exceeds INR one crore but does not exceed INR ten crores and at the rate of 12% where the income exceeds INR ten crores.

4. If the company opts for concessional income tax rate under section 115BAA, surcharge shall be levied at the rate of 10%.

5. Health and Education Cess @ 4% on the tax and surcharge is payable by all category of tax payers.

6. If the company opts for concessional income tax rate as prescribed under section 115BAA of the Act, it will not be allowed to claim any of the following deductions:

   - Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
   - Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation)
   - Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
   - Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)
   - Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
   - Deduction under section 35CCD (Expenditure on skill development)
   - Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or section 80M;
   - No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above;
   - No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred above

7. Further, section 115JB(5A) of the Act provides that if the Company opts for concessional income tax rate under section 115BAA, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Further, section 115JAA(8) of the Act provides that the provisions of this section shall not apply to a person who has exercised the option under section 115BAA and the Company will not be entitled to claim tax credit relating to MAT.

8. The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following summary is a general discussion of certain U.S. federal income tax considerations to U.S. Holders (as defined below) of acquiring, holding and disposing of Equity Shares purchased in the offering. The following summary applies only to U.S. Holders that hold Equity Shares as capital assets for U.S. federal income tax purposes (generally, property held for investment). The discussion also does not address any aspect of U.S. federal taxation other than U.S. federal income taxation (such as the estate and gift tax or the Medicare tax on net investment income). This summary does not address all tax considerations applicable to investors that own (directly or by attribution) 10 per cent. or more of the Company's stock (by voting power or value), nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special tax treatment (such as financial institutions, insurance companies, real estate investment trusts, regulated investment companies, investors liable for the alternative minimum tax, U.S. expatriates, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, dealers in securities or currencies, securities traders that elect mark-to-market tax accounting, investors that will hold the Equity Shares as part of constructive sales, straddles, hedging, integrated or conversion transactions for U.S. federal income tax purposes or investors whose "functional currency" is not the U.S. dollar).

The following summary is based on the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), U.S. Treasury regulations issued thereunder, published rulings of the U.S. Internal Revenue Service (the "**IRS**") and judicial and administrative interpretations thereof, in each case as available on the date of this Offering Memorandum. Changes to any of the foregoing, or changes in how any of these authorities are interpreted, may affect the tax consequences set out below, possibly retroactively. No ruling will be sought from the IRS with respect to any statement or conclusion in this discussion, and there can be no assurance that the IRS will not challenge such statement or conclusion in the following discussion or, if challenged, a court will uphold such statement or conclusion.

For purposes of the following summary, a "**U.S. Holder**" is a beneficial owner of Equity Shares that is for U.S. federal income tax purposes: (i) a citizen or individual resident of the United States, (ii) a corporation created or organized in or under the laws of the United States or any state thereof or the District of Columbia, (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source or (iv) a trust if (x) a court within the United States is able to exercise primary supervision over its administration and (y) one or more United States persons (as defined in the Code) have the authority to control all of the substantial decisions of such trust.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds Equity Shares, the U.S. federal income tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. An entity or an arrangement treated as a partnership considering an investment in Equity Shares should consult its own tax advisers about the U.S. federal income tax consequences of an investment in the Equity Shares.

Prospective purchasers of Equity Shares should consult their own tax advisers with respect to the U.S. federal, state, local and non-U.S. tax consequences to them in their particular circumstances of acquiring, holding, and disposing of Equity Shares.

Passive Foreign Investment Company Rules

It is likely, and the remainder of this discussion assumes, that the Company will be classified as a passive foreign investment company (a "**PFIC**") for the current taxable year and in the foreseeable future. A non-U.S. corporation is a PFIC in any taxable year in which, after taking into account certain look-through rules, either (i) at least 75 percent of its gross income is passive income or (ii) at least 50 percent of the average value (determined based on quarterly values) of its assets is attributable to assets that produce or are held to produce passive income. Passive income for this purpose generally includes, among other things, interest.

Excess Distribution Regime

If a U.S. Holder is unable to or does not make a mark-to-market election as discussed below, the U.S. Holder will generally be subject to the following rules.

<u>Distributions</u>

The PFIC rules tax "excess distributions" less favourably than other distributions. In general, an excess distribution is any distribution actually or constructively received by a U.S. Holder that is greater than 125 percent of the average annual distributions received by the U.S. Holder during the three preceding taxable years or, if shorter, the U.S. Holder's holding period for Equity Shares.

Under these rules (i) any excess distribution would be allocated ratably over the U.S. Holder's holding period for the Equity Shares, (ii) the amount allocated to the taxable year in which the excess distribution was realized would be taxable as ordinary income in that year, (iii) the amount allocated to earlier taxable years would be subject to tax at the highest rate in effect for corporations or individuals, as applicable, for that earlier year and (iv) an amount equal to the interest charge generally applicable to underpayments of tax would be imposed in respect of the tax allocated to each earlier year as if the amounts were owed on the original due date for the returns for those years.

To the extent distributions with respect to the Equity Shares do not constitute excess distributions to a U.S. Holder, the U.S. dollar value of the gross amount of any distributions paid by the Company to a U.S. Holder that are actually or constructively received by the U.S. Holder generally will be subject to U.S. federal income tax as foreign source ordinary dividend income to the extent paid out of the Company's current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Because the Company does not expect to maintain calculations of its earnings and profits in accordance with U.S. federal income tax principles, U.S. Holders should expect that a distribution generally will be treated as a dividend for U.S. federal income tax purposes. Such distributions will not be eligible for the dividends received deduction allowed to certain corporations, and will not be eligible for reduced rates of taxation available for dividends received by non-corporate investors with respect to certain dividends.

Dispositions

A U.S. Holder generally will recognize gain or loss upon the sale, exchange or other taxable disposition of Equity Shares equal to the difference, if any, between the U.S. dollar amount realized on the sale, exchange or other taxable disposition of the Equity Shares and the U.S. Holder's tax basis in the Equity Shares. Any gain recognized will be taxable as if it were an excess distribution as discussed above under "-Distributions". Any loss recognized on a sale, exchange or other taxable disposition of Equity Shares will generally be treated as a capital loss. Capital losses will be long-term capital loss if the Equity Shares have been held for more than one year at the time of disposition. The deductibility of capital losses is subject to significant limitations.

For these purposes, a U.S. Holder who uses Equity Shares as collateral for a loan would be treated as having disposed of such Equity Shares.

Mark-to-Market Election Regime

In certain circumstances, an investor in a PFIC may be able to elect to be subject to a mark-to-market basis of taxation rather than the excess distribution regime discussed above under "*–Excess Distribution Regime*". This election can be made if Equity Shares are considered to be "marketable securities" for these purposes. The Equity Shares will be marketable securities for these purposes to the extent they are "regularly traded" on a "qualified exchange." Generally, Equity Shares will be treated as "regularly traded" in any calendar year in which more than a *de minimis* quantity of the Equity Shares are traded on a qualified exchange on at least 15 days during each calendar quarter. A non-U.S. exchange will be a qualified exchange if it is (i) regulated or supervised by a governmental authority of the country in which the market is located; (ii) has trading volume, listing, financial disclosure, surveillance, and other requirements designed to prevent fraudulent and manipulative acts and practices, to remove impediments to and perfect the mechanism of a free and open, fair and orderly, market, and to protect investors; and the laws of the country in which the exchange is located and the rules of the exchange ensure that such requirements are actually enforced; and (iii) the rules of the exchange effectively promote active trading of listed stocks. No assurance can be given that the Equity Shares will be regularly traded on a qualified exchange for purposes of the mark-to-market election. The mark-to-market election cannot be revoked without the consent of the IRS unless the Equity Shares in question cease to be marketable securities.

Mark-to-Market

A U.S. Holder electing the mark-to-market regime generally would, during any year in which the Company is treated as a PFIC, compute gain or loss at the end of such year as if the Equity Shares had been sold at fair value. Any gain recognized by the U.S. Holder under the mark-to-market election would be treated as ordinary income, and the U.S. Holder would be allowed an ordinary deduction for any decrease in the value of the Equity Shares as of the end of any taxable year but only to the extent, in each case, of previously included mark-to-market income not offset by previously deducted decreases in value. A mark-to-market election under the PFIC rules applies to all future years of an electing U.S. Holder during which the Equity Shares are regularly traded on a qualifying exchange or other market, unless revoked with the IRS' consent.

A mark-to-market election under the PFIC rules with respect to Equity Shares would not apply to a lower-tier PFIC, if any, and a U.S. Holder generally would not be able to make such a mark-to-market election in respect of its indirect ownership interest in that lower-tier PFIC. Consequently, U.S. Holders of Equity Shares generally would be subject to the excess distribution regime discussed above under "*–Excess Distribution Regime*" with respect to indirect income and gain from any lower-tier PFICs.

Distributions

The U.S. dollar value of the gross amount of any distributions paid by the Company to a U.S. Holder that are actually or constructively received by the U.S. Holder generally will be subject to U.S. federal income tax as foreign source ordinary dividend income to the extent paid out of the Company's current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Because the Company does not expect to maintain calculations of its earnings and profits in accordance with U.S. federal income tax principles, U.S. Holders should expect that a distribution generally will be treated as a dividend for U.S. federal income tax purposes. Such distributions will not be eligible for the dividends received deduction allowed to certain corporations, and will not be eligible for reduced rates of taxation available for dividends received by non-corporate investors with respect to certain dividends.

Dispositions

A U.S. Holder generally will recognize gain or loss upon the sale, exchange or other taxable disposition of Equity Shares equal to the difference, if any, between the U.S. dollar amount realized on the sale, exchange or other taxable disposition of the Equity Shares and the U.S. Holder's tax basis in the Equity Shares. Any gain recognized will be taxable as ordinary income, and losses will be ordinary losses, but only to the extent of previously included mark-to-market income not offset by previously deducted decreases in value. Any excess losses will be capital losses. Capital losses will be long-term capital loss if the Equity Shares have been held for more than one year at the time of disposition. The deductibility of capital losses is subject to significant limitations.

Prospective U.S. Holders are urged to consult their own tax advisers about the consequences of holding Equity Shares if the Company is considered a PFIC in any taxable year, including the availability of the mark-to-market election, and whether making the election would be advisable in their particular circumstances.

Payments made or received in non-functional currency

U.S. Holders should consult their tax advisers about how to account for payments made or received in a currency other than U.S. dollars for U.S. federal income tax purposes.

PFIC Tax Filing

Each U.S. Holder generally will be required to file a separate annual information return with the IRS with respect to the Company if it is treated as a PFIC, and with respect to any lower-tier PFICs.

Backup Withholding and Information Reporting

A U.S. Holder may be subject to information reporting on amounts received by such U.S. Holder from a distribution on, or disposition of, Equity Shares, unless such U.S. Holder establishes that it is exempt from these rules. If a U.S. Holder does not establish that it is exempt from these rules, it may be subject to backup withholding on the amounts received unless it provides a taxpayer identification number and otherwise complies with the requirements of the backup withholding rules. Backup withholding is not an additional tax and the amount of any backup withholding from a payment that is received generally will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability and may entitle such U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

U.S. Holders should consult their own tax advisors about any reporting obligations that may apply as a result of the acquisition, holding or disposition of the Equity Shares. Failure to comply with applicable reporting obligations could result in the imposition of substantial penalties.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISER ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN EQUITY SHARES IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.

LEGAL PROCEEDINGS

Our Company and our Subsidiaries are, from time to time, involved in various litigation proceedings in the ordinary course of our business. These legal proceedings are primarily in the nature of criminal cases, civil cases and tax proceedings.

Except as disclosed in this section, there are no outstanding legal proceedings which have been considered material in accordance with our Company's 'Policy on Determination of Materiality' framed in accordance with Regulation 30 of the SEBI Listing Regulations and adopted by our Board pursuant to its resolution dated December 1, 2017. Further, as on the date of this Placement Document, except as disclosed hereunder, our Company, Subsidiaries and Directors are not involved in: (i) any outstanding action initiated by regulatory and statutory authorities (such as SEBI, RBI, Stock Exchanges or such similar authorities); (ii) any outstanding civil litigation or tax proceedings, where the amount involved is ₹32.75 million (being 1 % of the profit after tax of the Company for Fiscal 2020, on a standalone basis) or above; (iii) any outstanding criminal litigation ; and (iv) any other litigation which may be considered material by our Company for the purposes of disclosure in this section of this Placement Document, solely for the purpose of this Issue.

Except as disclosed in this section, there are no (i) inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 in the last three years preceding the year of this Placement Document involving our Company and/ or its Subsidiaries, and any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Placement Document involving our Company and/ or its Subsidiaries; (ii) any material fraud committed against our Company and/ or its Subsidiaries in the last three years, and if so, the action taken by our Company and our Subsidiaries; (iii) any significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company or its future operations; (iv) any default by our Company including therein the amount involved, duration of default and present status, in repayment of: (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; or (d) loan from any bank or financial institution and interest thereon; (v) any default in annual filing of our Company under the Companies Act, 2013; and (vi) any litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoter of our Company during the last three years immediately preceding the year of this Placement Document, and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, our Subsidiaries, our Promoter or our Directors as the case may be, have not been considered as litigation until such time that the above-mentioned entities are not impleaded as a defendant in litigation proceedings before any judicial forum.

I. *Litigation involving our Company*

Material Civil Litigation against our Company

1. A public interest litigation bearing number 5640 of 2017 dated February 24, 2017 has been filed before the High Court of Judicature at Bombay (the "**High Court**") by Shivaji Anappa Kate and others (the "**Complainants**") against six MFIs operating in Maharashtra including our Company (the "**Accused Persons**"). The complainants alleged that the agents of accused persons harassed and tortured the complainants in order to recover dues from them. Consequently, the relatives of certain complainants committed suicide on account of alleged torture and harassment committed by the agents of certain accused persons (other than our Company). The complainants further alleged that the accused persons charged high interest rates which exceeded the rates prescribed by the RBI. Hence, the complainant registered an FIR against the accused persons under sections 306 and 304 of the IPC for abetment to suicide and culpable homicide and under the provisions of the Prevention of Money Laundering Act, 2002. The matter is currently pending before the High Court.

Criminal Litigation by our Company

As on the date of this Placement Document, the following are the outstanding criminal cases filed by our Company in respect of each of its verticals.

1. An FIR bearing FIR No. 50/2010 dated April 27, 2010 was filed by M. Thimmappa Marithimmegaowda, divisional manager of our Company against Mohsin Iqbal (the "**Accused Person**") under sections 403, 408 and 420 of the IPC in relation to an alleged fraud committed by him against our Company. The Accused Person was serving as the Kendra manager in our Company and his role involves distributing loans to members and collect loan repayments. The Accused Person has allegedly been forging signatures of members, fabricating documents and pretended as loans were disbursed and used the monies for his personal use. The FIR has been registered with the Principal Civil Judge and JMFC, Kanakapura. The matter is currently pending.

2. An FIR bearing FIR No. 109/ 10 dated August 5, 2010 was filed by Madhav Singh, a manager of our Company against Mahadev Shankar Chande, a branch manager of our Company, under section 408 of the IPC in relation to

an alleged fraud committed by him against our Company. The FIR has been registered with the JMFC, Basmath. The matter is currently pending.

3. An FIR bearing FIR No. 417 dated September 18, 2010 was filed by our Company against Shankarappa and Mohamed Arif Hussain (the "**Accused Persons**"). Company under sections 420 and 408 of the IPC in relation to an alleged fraud committed by them against our Company. The Accused Persons were serving as employees at our Company, and their role involved collecting cash and depositing with our Company. By order dated April 6, 2013 the Civil Judge (Junior Division) and JMFC, Heggadadevankota, Mysore took cognizance of the offence under sections 420 and 408 of the IPC. The matter is currently pending.

4. An FIR bearing FIR No. 245/ 2011 dated December 22, 2014 was filed by Anand Naik, an employee of our Company against Sandeep Kshirsagar and Pavan Agarwal, both employees of our Company (the "**Accused Persons**") under sections 406, 408, 409, 420 and 34 of the IPC in relation to alleged fraud committed by the Accused Persons against our Company. The FIR has been registered with the First Class Magistrate, Jintur, Parbani. The matter is currently pending.

5. An FIR bearing FIR No. 89/ 12 dated June 7, 2012 was filed by Anand Naik, an employee of our Company against Anil Madhukar Chavan, assistant area manager of our Company (the "**Accused Person**") under sections 409, 465 and 381 of the IPC in relation to alleged fraud committed by the accused person against our Company. The Accused Person has allegedly created bogus documents and loan accounts and used for his personal purpose. The FIR has been registered with Civil Judge, Junior Division, Akkalkot, JMFC. The matter is currently pending.

6. An FIR bearing FIR No. 1151/ 2011 dated November 26, 2011 was filed by our Company against Manikanda D, Nagesh, B. G. Vijay, T. Shivashankar, Shivashankar G., Vidya Shankar, D. N. Sanjay, A. Jagdish, Ramesh and Harani (the "**Accused Persons**") under 420 of the IPC in relation to an alleged fraud committed by them against our Company. The Accused Persons served as branch managers and credit officers in our Company. The Accused Persons have colluded and cheated our Company to the tune of ₹ 2,317,231. The FIR has been registered with the 3rd Additional CMM Court, Nrupatunga Road, Bangalore. The matter is currently pending.

7. An FIR bearing FIR No. 62/ 2013 dated July 10, 2013 was filed by Sunil Narayan Badakh, an employee of our Company against Sachin Dinkar Shelke and three others, under sections 408, 467, 420, 468, 477, 34 and 120B of the IPC in relation to an alleged misuse of the Company's funds. The FIR has been registered with the First Class Magistrate, Rahata Court, Ahmadnagar. The matter is currently pending.

8. An FIR bearing FIR No. 139/ 13 dated December 28, 2013 was filed by Jivan Nikam, an employee of our Company, against Parashuram Chandrakanth Raichuraker under section 381 of the IPC in relation to an alleged theft of money from the office of our Company. The FIR has been registered with the JMFC, Pune, Maharashtra. The matter is currently pending.

9. An FIR bearing FIR No. 250 dated December 7, 2014 was filed by Hanumant Dashrath Belke, branch manager at the Jintur branch of our Company, against Sachin Mandewad (the "**Accused Person**") under sections 406 and 408 of the IPC in relation to an alleged fraud committed by him against our Company and its members. The Accused Person was serving as the trainee manager in our Company and his role involved recovery of repayment and submitting the recovery at the respective branch. The Accused Person has allegedly collected repayment money from members and used the monies for his personal use. The FIR has been registered with the Civil Judge (Jr. Division Jintur) CJM and JMFC, Jintur. The matter is currently pending.

10. An FIR bearing FIR No. 0019/2020 dated February 2, 2020 was filed by Gopal M, an employee of our Company, against Puttaraju and others, employees of our Company under section 380 of the IPC in relation to an alleged theft. The FIR has been registered with the Principal Civil Judge (Senior Division) and Court of the Chief Judicial Magistrate, Hassan District, Sakaleshapura. The matter is currently pending.

11. An FIR bearing FIR No. 62/2018 dated May 18, 2018 was filed by Abdul Magbhul Basha, divisional manager of our Company , against Satish Balu Hirote, Nandlal Namdev Patil, Somnath Mandal, Shashikanth Tribhuvan and Vishal Shelke, employees of our Company under section 420 of the IPC in relation to the alleged creation of fictitious loans and misappropriation of loan money. The FIR has been registered with the Civil Judge and JMFC, Sakri. The matter is currently pending.

12. A private complaint dated January 29, 2019 was filed by our Company against Sanam Sharma, Mo. Javid, Shubham Joshi, Pramod Khode and Laxman Mujalde, employees of our Company under section 120 B, 408, 420, 424, 463, 464, 468 and 474 of the IPC in relation to an alleged offence of fraud, misappropriation and embezzlement for an amount of ₹16,05,000, out of which a sum of ₹5,02,751 has been recovered. The complaint has been filed with the First Additional Civil Judge and JMFC at Sardarpur. The matter is currently pending.

13. An FIR bearing FIR No. 0004/2019 dated January 7, 2019 was filed by Venkat Naik an employee of our Company, against Ramesh Yamanappa Bandi and Ashok Tavanappa Honawad, employees of our Company under section 406, 408, 465, 467, 468, 471 and 420 of the IPC in relation to the alleged creation of fictitious loans and collection of pre-closure amounts on loans from the customers. The FIR has been registered with the Principal Civil Judge (Junior Division) and JMFC Court, Sankeshwar, Belgaum. The matter is currently pending.

14. An FIR bearing FIR No. 133 dated June 25, 2010 was filed by Sri Suresh R.P. branch manager of our Company, against Narayana M, an employee of our Company under section 468, 471 and 420 of the IPC in relation to the alleged creation of fictitious loan. The FIR has been registered with the III Additional Civil Judge (Junior Division) and JMFC, Mysore. The matter is currently pending.

15. There are 23 cases filed by our Company pending before various forums across the country for alleged violation of section 138 of the Negotiable Instruments Act, 1881 by the customers/ debtors of our Company which involves an aggregate sum of ₹0.6 million.

Tax Litigation involving our Company

1. ***Income Tax***

The Office of Deputy Commissioner of Income Tax Circle 2(1)(1), Bangalore ("**IT Department**") issued a show cause notice dated December 22, 2019, against our Company for *inter alia*, making of other deduction in Schedule BP, deduction of ancillary borrowing costs from the profit and loss account, claim for reversal of provision made for doubtful assets such as fraud and misappropriation, and claiming CSR expenses as deduction under Section 80G of the IT Act. The IT Department, pursuant to its assessment order dated December 28, 2019, disallowed other deduction in Schedule BP, disallowed (i) the deduction of ancillary borrowing costs from the profit and loss account, and (ii) the claim for reversal of provision made for doubtful assets like fraud and misappropriation, and added the amounts to the income of our Company. It further disallowed the claim to treat CSR expenses as deductions under Section 80G of the IT Act, as such expenses do not qualify as donations, adding back such amount to our Company's returned income. Accordingly, the IT Department made additions aggregating to ₹65.03 million to our Company's returned income' for the purposes of income tax Pursuant to the order, our Company has filed an appeal dated January 24, 2020 under Section 248 of the IT Act on grounds laid down in Sections 143, 37, 28, 80G, 234B and 246A of the IT Act, before the Commissioner of Income Tax (Appeals) against the assessment order. The matter is currently pending.

II. ***Litigation involving our Subsidiaries***

A. Criminal Litigation by our Subsidiaries

There are 226 cases filed by our Subsidiary MMFL pending before various forums across the country for alleged violation of section 138 of the Negotiable Instruments Act, 1881 by the customers/ debtors of our Company which involves an aggregate sum of ₹ 14.85 million.

B. Actions Taken by Regulatory and Statutory Authorities against our Subsidiaries

1. An enquiry under Section 7-A of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("**Act**") was initiated against our Subsidiary, MMFL, by the Assistant Provident Fund Commissioner on the basis of a report dated November 12, 2012 filed by the Enforcement Officer. The Enforcement Officer in his report alleged that (i) 15 employees were found not enrolled as member of Employees Provident Fund Scheme, 1952 with a sum of ₹0.03 million due towards contribution in respect of such employees, and (ii) the salary paid to the employees during the period October to November with the wage structure comprising of basic, HRA, medical allowance, conveyance allowance and other allowance which was altered by MMFL two times thereafter in November and December was less than the minimum wages in various categories as prescribed by the Government of Tamil Nadu. MMFL in its response contended that (i) the 15 people were given some data entry work occasionally and were not required to work in the premises of the establishment, (ii) they engaged certain part time employees from Member Welfare Associations who work in their spare time and hence all statutory contributions were not due for them, and (iii) many employees had already left the service of the establishment and therefore dues shall not be determined on wages paid to them. The Regional Provident Fund Commissioner II after observing the evidence, imposed a penalty of ₹2.53 million on MMFL by an order dated February 28, 2013 ("**Order**") under Section 7-A of the Act.

   MMFL filed an appeal before the Employees Provident Fund, Appellate Tribunal, Delhi ("**Tribunal**") challenging the said Order. The Tribunal on December 24, 2013 set aside the Order on the grounds that such part time and casual employees are not treated as employees under section 2(f) of the Act and hence provident fund contributions shall not be attracted. Aggrieved by the Tribunal's judgement the Central Board of Trustees, Employee Provident

Fund Organization through the Regional Provident Fund Commission filed a Writ Petition No. 6759/2016 before the High Court of Madras ("**HC**") to set aside the Tribunal's order and stay all further proceedings. MMFL in response filed a counter affidavit dated August 26, 2018 before the HC for dismissal of the same. The matter is currently pending before the HC.

2. The Financial Intelligence Unit of the Ministry of Finance ("**FIU**"), issued a show-cause notice dated March 6, 2020 ("**SCN** ") to MMFL under Section 13 of Prevention of Money Laundering Act, 2002, ("**PML Act**") for contravention of Section 12 of the PML Act and Rules 7 and 9 of the Prevention of Money Laundering Rules, 2005 for failing to carry out, (i) risk assessment to mitigate money laundering and terrorist financing risk, (ii) internal mechanism for detecting the transactions with its clients, (iii) screening of customers with watch lists/sanction list, designated individuals/entities under the Unlawful Activities (Prevention) Act, 1962, and those suspected of having terrorist links and (iv) client due diligence, and to show cause as to why suitable directions including penalty should not be imposed on it. On August 28, 2020, FIU issued a notice to MMFL to respond to the SCN within a period of 15 days, or for the matter to be decided *ex-parte*. MMFL submitted its response dated September 1, 2020 stating that (i) it has complied with guidelines issued by the RBI, (ii) was conducting borrowers verification, money laundering and terrorist financing checks and (iii) has developed a stringent Know Your Customer (KYC) policy. MMFL has requested for condonation of delay pursuant to the response letter dated September 1, 2020 and to accept the clarifications in relation to the non-compliances. The matter is currently pending.

C. Compounding of offences in the last three years immediately preceding the year of this Placement Document involving our Subsidiaries

1. MMFL has filed an application dated December 9, 2019, under Section 441(1) of the Companies Act, 2013 for compounding of potential lapse under Section 67 and other applicable provisions of the Companies Act, 2013 with the Regional Director, Chennai ("**Regional Director**") for contravention of provisions of the Section 67(3) of Companies Act, 1956 and the erstwhile SEBI (Disclosure and Investor Protection) Guidelines, 2000 ("**SEBI DIP Guidelines, 2000**"). On July 4, 2006 and September 1, 2006, MMFL had allotted 1,34,300 equity shares to 350 shareholders, in violation of the said provisions of the Companies Act, 1956 and the SEBI DIP Guidelines, 2000. The 350 shareholders were part of the select offerees list and known to or identified by MMFL and were not members of the general public. MMFL submitted that the lapse committed was inadvertent, unintentional and was not prejudicial to public interest. The Assistant Registrar of Companies, Chennai pursuant to its email dated May 28, 2020 directed MMFL to file the compounding application on behalf of the relevant directors/ officers in respect of the default in allocation in 2006. MMFL, pursuant to its response dated September 24, 2020, stated that the managing director at the time of the occurrence of the contravention, had passed away in 2007 and accordingly cannot file a compounding application. Subsequently, the Ministry of Corporate Affairs, pursuant to rejection note dated September 30, 2020, rejected the compounding application on the grounds that it was not the relevant form and directed MMFL to file the relevant form with the relevant authority. MMFL is in the process of refiling the relevant compounding application.

   Further, MMFL also filed a settlement application with SEBI to settle the violation of provisions of Section 67(3) of Companies Act, 1956 and the SEBI (Disclosure and Investor Protection) Guidelines, 2000 on December 16, 2019. However, the settlement application was returned by SEBI pursuant to its letter dated August 10, 2020 ("**SEBI Letter**"). In terms of the SEBI Letter, SEBI directed MMFL to refile the settlement application after having completed the exit offer process as laid down by SEBI in circular bearing reference no. CIR/CFD/DIL3/18/2015 dated December 31, 2015. The board of directors of MMFL pursuant to a resolution passed by circulation on September 7, 2020 have approved providing exit to the current shareholders of MMFL as per the exit offer process as laid down by the SEBI circulars. MMFL is currently in the process of complying with the SEBI Letter and the SEBI circulars. See, "*Risk Factors - One of our Subsidiaries, MMFL had allotted certain equity shares to shareholders in violation of Section 67(3) of Companies Act, 1956 and the Securities and Exchange Board of India (erstwhile SEBI (Disclosure and Investor Protection) Guidelines, 2000)*" on page 68.

III. ***Litigation involving our Directors***

A. ***Actions Taken by Regulatory and Statutory Authorities against our Directors***

1. A complaint bearing number 52/ 2016 dated January 5, 2016 was filed by the Enforcement Officer, Employee Provident Funds, Palakkad (the "**Complainant**") against Hope Micro Credit Finance India Private Limited, Joy Varghese and R. Prabha (the "Accused Persons") for violations committed by the Accused Persons under section 6C of Employee Provident Funds and Miscellaneous Provisions Act, 1952 and Employee Deposit Linked Insurance Scheme. The Accused Persons are bound to contribute to the Employee Deposit Linked Insurance Scheme (the "Scheme") in respect of the employees of the said establishment for every month within 15 days after that month. The accused persons had not contributed to the Scheme for the three months in 2013. The complaint is registered with the Court of Chief Judicial Magistrate, Palakkad. The matter is currently pending.

2. A complaint bearing number 50/ 2016, dated January 5, 2016 was filed by the Enforcement Officer, Employee Provident Funds, Palakkad (the "**Complainant**") against Hope Micro Credit Finance India Private Limited, Joy Varghese and R. Prabha (the "Accused Persons") for violations committed by the accused persons under sections 14(1A), 14(1A)(a) and 14(A) of the Employees Provident Funds Act and Employees Provident Fund Scheme, 1952. The Accused Persons had not contributed to the scheme for the three months in 2013. The complaint is registered with the Court of Chief Judicial Magistrate, Palakkad. The matter is currently pending.

3. A complaint bearing number 51/ 2016, dated January 5, 2016 was filed by the Enforcement Officer, Employee Provident Funds, Palakkad (the "**Complainant**") against Hope Micro Credit Finance India Private Limited, Joy Varghese and R. Prabha (the "Accused Persons") for violations committed by the accused persons under sections 14(2) and 14(A) of the Employees Provident Funds and Miscellaneous Provisions Act, 1952. The Accused Persons had not contributed to the scheme for the three months in 2013. The complaint is registered with the Court of Chief Judicial Magistrate, Palakkad. The matter is currently pending.

IV. ***Details of acts of material frauds committed against our Company and our Subsidiaries in the last three years, if any, and if so, the action taken by our Company***

In accordance with the Master Directions – Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 dated September 29, 2016, the Audit Committee of our Company monitors and reviews all frauds involving an amount of ₹10 million or more. There have been no acts of material frauds, i.e. frauds involving an amount of ₹10 million or more, committed against our Company in the last three years. Further, there have been no acts of material frauds i.e. frauds involving an amount of ₹10 million or more, against our Subsidiaries in the last three years.

OUR STATUTORY AUDITORS

Deloitte Haskins & Sells, Chartered Accountants, our Statutory Auditor as required by the Companies Act, have been appointed pursuant to our Shareholders' approval at the annual general meeting held on August 11, 2020, for a period of five years. Our unaudited special purpose interim condensed consolidated financial information for the four month period ended July 31, 2020, as included in this Placement Document in "*Financial Statements*" on page 251, have been subjected to a limited review by Deloitte Haskins & Sells, Chartered Accountants.

Our standalone and consolidated financial statements, as applicable, for Fiscal 2018, Fiscal 2019 and Fiscal 2020, as included in this Placement Document in "*Financial Statements*" on page 251, have been audited by our previous auditor, S. R. Batliboi & Co. LLP, Chartered Accountants. Further, our unaudited standalone and consolidated Ind AS financial results for the three months ended June 30, 2020 prepared in accordance with Regulation 33 of SEBI Listing Regulations, as included in this Placement Document in "*Financial Statements*" on page 251, have been subjected to a limited review by S. R. Batliboi & Co. LLP.

GENERAL INFORMATION

- Our Company was incorporated as Sanni Collection Private Limited ("**SCPL**") on June 12, 1991 at Calcutta, West Bengal, India as a private limited company under the Companies Act, 1956. In February 2007, the entire shareholding of SCPL was acquired by Vinatha M. Reddy, Vijitha Subbaiah and Suresh K. Krishna, in their respective individual capacity. At the time of the acquisition, SCPL also held a certificate of registration as a non-deposit taking NBFC dated March 30, 1998. Subsequently, in October 2007, the microfinance business being operated under T. Muniswamappa Trust ("**TMT**"), a public charitable trust engaged in the business of providing micro loans in Karnataka (including all associated assets, liabilities, goodwill, receivables, loan assets and intellectual property, including the brand name "**Grameen Koota**") was transferred to SCPL. The microfinance business being operated under TMT was established as a programme under the name "Grameen Koota" in 1999. Subsequent to the acquisition of SCPL and the transfer of the microfinance business of TMT to SCPL, SCPL was rebranded under the "Grameen" name, and pursuant to a resolution of the shareholders of SCPL, its name was changed from SCPL to Grameen Financial Services Private Limited ("**GFSPL**"). A fresh certificate of incorporation consequent upon change of name was issued to our Company by the Registrar of Companies, West Bengal on March 14, 2008, post which the Reserve Bank of India ("**RBI**") granted a certificate of registration dated July 28, 2009 reflecting the change of name. Subsequently, the RBI granted a fresh certificate of registration dated February 6, 2012 for registration as an NBFC under Section 45 IA of the Reserve Bank of India Act, 1934. Our Company was granted NBFC-Microfinance Institution ("**NBFC-MFI**") status by the RBI with effect from September 5, 2013. Subsequently, pursuant to a resolution passed by the Shareholders, the name of our Company was changed to Grameen Koota Financial Services Private Limited, and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on November 13, 2014. Further, a fresh certificate of registration consequent upon change of name was issued to our Company by the RBI on December 16, 2014. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at the EGM held on November 27, 2017 and the name of our Company was changed to Grameen Koota Financial Services Limited ("**GFSL**"). A fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the RoC on December 18, 2017. Our Company also received a no objection certificate for change of name issued by the RBI dated December 28, 2017. Subsequently, pursuant to a resolution passed by the shareholders of our Company at the EGM held on January 2, 2018, the name of our Company was changed to CreditAccess Grameen Limited, and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on January 12, 2018. Subsequently, the RBI granted a fresh certificate of registration dated January 19, 2018, bearing registration number B – 02.00252 for registration as an NBFC under Section 45 IA of the Reserve Bank of India Act, 1934 under the name "CreditAccess Grameen Limited".

- Our Equity Shares have been listed on the BSE and NSE since August 23, 2018.

- The Issue was authorised and approved by our Board, through its resolution dated September 3, 2020 and our Shareholders through special resolution dated September 26, 2020.

- Our Company has received in-principle approvals under Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for listing of the Equity Shares to be issued pursuant to the Issue from BSE and NSE, both dated October 5, 2020.

- Copies of our Memorandum and Articles of Association will be available for inspection between 10:00 am to 4:00 pm on any weekday (except Saturdays and public holidays) at our Registered and Corporate Office. There has been no material change in our financial or trading position since July 31, 2020, being the date of the reviewed Ind AS unaudited special purpose interim condensed consolidated financial statements of the Group included in this Placement Document, except as disclosed herein.

- Our Company's statutory auditors are Deloitte Haskins & Sells, Chartered Accountants. Deloitte Haskins & Sells, Chartered Accountants, our Statutory Auditor as required by the Companies Act, have been appointed pursuant to our Shareholders' approval at the annual general meeting held on August 11, 2020, for a period of five years. Our unaudited special purpose interim condensed consolidated financial information for the four month period ended July 31, 2020, as included in this Placement Document in "*Financial Statements*" on page 251, have been subjected to a limited review by Deloitte Haskins & Sells, Chartered Accountants.

- Our standalone and consolidated financial statements, as applicable, for Fiscal 2018, Fiscal 2019 and Fiscal 2020, as included in this Placement Document in "*Financial Statements*" on page 251, have been audited by our previous auditor, S. R. Batliboi & Co. LLP, Chartered Accountants. Further, our unaudited standalone and consolidated Ind AS financial results for the three month ended June 30, 2020 prepared in accordance with Regulation 33 of SEBI Listing Regulations, as included in this Placement Document in "*Financial Statements*" on page 251, have been subjected to a limited review by S. R. Batliboi & Co. LLP.

- The unaudited proforma consolidated financial information of the Group for the year ended March 31, 2020 as included in "*Financial Statements*" on page 251 have been subjected to an assurance engagement by Rao Associates, Charted Accountants.

- Our Company confirms that it will comply with the minimum public shareholding requirements within the stipulated period as specified in the SCRR and the SEBI Listing Regulations.

- The Floor Price is ₹707.69 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI Regulations. Our Company has offered a discount of 0.10% amounting to ₹0.69, on the Floor Price, in accordance with the approval of our Shareholders accorded through their resolution dated September 26, 2020 and in terms of Regulation 176(1) of the SEBI Regulations.

- The details of our Company Secretary and Compliance Office, M. J. Mahadev Prakash are as follows:

  New No. 49 (Old No. 725)
  46th Cross, 8th Block, Jayanagar
  Next to Rajalakshmi Kalyana Mantap
  Bengaluru 560 070, Karnataka
  Tel: +91 80 2263 7300
  Fax: +91 80 2664 3433
  E-mail: csinvestors@creditaccessgrameen.com
  Website: www.creditaccessgrameen.com

FINANCIAL STATEMENTS

Consolidated Ind AS Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Members of CreditAccess Grameen Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of CreditAccess Grameen Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance Sheet as at March 31, 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

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

Basis for Opinion

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

Emphasis of matter

We draw attention to Note 42 (b) to these consolidated Ind AS financial statements, which describes the economic and social disruption as a result of COVID-19 pandemic of the Group's business and financial metrics including the Group's estimates of impairment of loans to customers and assumptions used in testing the impairment of the carrying value of goodwill, which are highly dependent on uncertain future developments. Our opinion is not modified in respect of this matter.

We draw attention to the following paragraphs in the 'Emphasis of Matter' section in the audit opinion on the consolidated financial statements of Madura Micro Finance Limited, a subsidiary of the Holding Company, issued by their auditors as follows:

'Pursuant to Reserve Bank Of India (RBI) issuing 'COVID-19 Regulatory package-Asset classification and Provisioning' on 17'th April 2020 , the holding company has granted a three month moratorium and consequential asset classification benefit until May 31'st 2020 to its borrowers. As at 31'st March 2020, for determination of Expected Credit Loss (ECL) provisioning, the ageing of these Loans and Advances and their Asset Classification will remain unchanged as per the Regulatory package. Moreover, the estimates and assumptions made by management in determining the ECL provision required for its loans are subject to uncertainties that are associated with the outcome of the pandemic. Hence the actual results may vary from these estimates. Refer note 43 to the financial statements.'

'The appointment and payment of remuneration to the Managing director of the holding company for the period from October 2013 to September 2016 is subject to the approval of the Central government. A sum of Rs.132.50 lakhs (excluding gratuity) had been paid as remuneration to the Managing Director for this period subject to central government approval, and charged to the Statement of Profit and Loss in the respective years. Refer note 39 to the financial statements'.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Acquisition of Madura Micro Finance Limited (as described in note 41 of the consolidated Ind AS financial statements)	
The Holding Company (the "acquirer") completed acquisition of controlling interests in Madura Micro Finance Limited (the "MMFL" or "acquiree") on March 18, 2020 pursuant to share subscription agreements executed with the shareholders of MMFL. The Group has assessed "acquisition method", stipulated under Indian Accounting Standard (Ind AS) 103 – Business Combinations, as the appropriate method for accounting the aforesaid acquisition. The acquisition method requires the acquirer to recognise and measure all identifiable assets acquired and identifiable liabilities assumed at their fair value on the date of acquisition with a corresponding goodwill representing excess of fair value over consideration discharged thereon. Further, the acquisition method requires the acquirer to recognise intangible assets separately from goodwill which may not be recognised by the acquiree in its separate financial statements.	• Performed inquiries with the managements of the acquirer and acquiree to understand the business rationale for such acquisition and assessed whether application of acquisition method is appropriate. • Reviewed the share subscription agreements and other relevant documents provided to us by the Group to corroborate our understanding of the acquisition with the inquiries referred above and assessed whether all significant terms and conditions stipulated therein have been considered for accounting using acquisition method. • Read the review report issued by the statutory auditors of the acquiree on the special purpose financial information to assess the completeness of assets and liabilities existing on the date of acquisition. • Evaluated the competence, capability and objectivity of the professional valuer engaged by the Holding Company's management in accordance with Standard on Auditing (SA) 500.

The Group had engaged professional valuer to determine the fair values of the assets and liabilities acquired / assumed including intangible assets not recognised by the acquiree earlier for the purpose of measuring goodwill arising on acquisition, commonly referred as the purchase price allocation (the "PPA") As implementation of the above requirements involves application of significant judgements and estimates by the management and considering the materiality of the acquired business to the overall assets of the Group, we have considered this area as a key audit matter.	• Engaged our internal specialists to review the report specifically with respect to significant inputs, assumptions and underlying methodology for determining PPA by the professional valuer. • Reviewed calculations performed by the Holding Company's management to determine goodwill arising on acquisition, as stipulated under Ind AS 103, including arithmetical accuracy thereof. • Assessed whether the disclosures made in the consolidated Ind AS financial statements of the Group with respect to such acquisition are in accordance with the requirements of Ind AS.

Key audit matters reported in the standalone Ind AS financial statements of the Holding Company

(a) Impairment of financial assets (expected credit losses)
(as described in note 7 of the standalone Ind AS financial statements)

Ind AS 109 requires the Company to provide for impairment of its loan portfolio (designated at amortised cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances and investments. In the process, a significant degree of judgement has been applied by the management for: • Staging of financial assets (i.e. classification in 'significant increase in credit risk' ("SICR") and 'default' categories); • Grouping of the loan portfolio under homogenous pools in order to determine probability of default on a collective basis; • Determining effect of less frequent past events on future probability of default; • Estimation of management overlay for macro-economic factors which could impact the credit quality of the loans.	• Read and assessed the Company's accounting policy for impairment of financial assets and its compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020. • Read and assessed the Company's policy with respect to moratorium pursuant to the RBI circular and tested the implementation of such policy on a sample basis. • Tested samples for staging of loans based on their past-due status to check compliance with requirements of Ind AS 109. • Tested the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets for determining the PD and LGD rates. Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records. • Tested assumptions used by the management in determining the overlay for macro-economic factors (including COVID-19 pandemic). • Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets.

Pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020, issued as part of the COVID-19 Regulatory Package ("RBI circular"), allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company has extended moratorium to its borrowers in accordance with its Board approved policy. In management's view and considering the guidance provided by the Institute of Chartered Accountants of India, providing moratorium to borrowers at a mass scale, based on RBI directives, by itself is not considered to result in a SICR for such borrowers. The Company has recorded a management overlay of around Rs.83 crore as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic. Given the unique nature and scale of the economic impact of this pandemic, and its timing being close to the year-end, the management overlay is based on various uncertain variables, which could result in actual credit loss being different than that being estimated. In view of the high degree of management's judgement involved in estimation of ECL, accentuated by the COVID-19 pandemic, it is considered as a key audit matter.	• Assessed disclosures included in the standalone Ind AS financial statements in respect of expected credit losses including the specific disclosures made with regard to the management's evaluation of the uncertainties arising from COVID-19 and its impact on ECL estimation.
(b) IT systems and controls	
We identified IT systems and controls over financial reporting as a key audit matter for the Company because its financial accounting and reporting systems are fundamentally reliant on IT systems and IT controls to process significant transaction volumes Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting. Of particular importance are system calculations, other IT application controls and interfaces between IT systems.	• Tested the design and operating effectiveness of the Company's IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls. • Tested IT general controls which include logical access, changes management and aspects of IT operational controls. • Tested the Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorization. • Tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting.

Key audit matters reported by the auditors of Madura Micro Finance Limited ('MMFL')

Transition to Ind AS accounting framework (as described in note 44, 45 and 46 of the consolidated financial statements of MMFL)	
In accordance with the Companies (Indian Accounting Standards) Rules, 2015 that sets out timelines for implementation of Ind AS for non-banking financial companies, MMFL has adopted Ind AS from April 1, 2019 with an effective date of April 1, 2018 for such transition. For periods up to and including the year ended March 31, 2019, MMFL had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). In order to give effect of the transition to Ind AS, these financial statements for the year ended March 31, 2020, together with the comparative financial information for the previous year ended March 31, 2019 and the transition date balance sheet as at April 1, 2018 have been prepared under Ind AS. This change in the financial reporting framework involved detailed evaluation by management of the potential impact on every component of the financial statements and to apply significant judgements for selection of appropriate accounting policies suitable for the transactions and operations of MMFL and selection of options available for transition of balances on transition date from previous GAAP to new GAAP. The transition has also brought about significant changes in the MMFL's financial reporting processes, including generation of reliable and supportable financial information and additional disclosures required by the Ind AS framework as compared to the previous GAAP. The transition has also required the management to exercise judgement in determining the impact of Ind AS on specific disclosure requirements prescribed under extant Reserve Bank of India (RBI) directions. In view of the significance of the transition with respect to the financial statements and the complexities in implementing Ind AS discussed above, we have considered this as a key audit matter.	• Considered the Ind AS impact assessment performed by management to identify areas to be impacted on account of Ind AS transition. Also considered the changes made to the accounting policies in the light of the requirements of the new framework. • Obtained an understanding of management's processes and controls around implementing Ind AS and seeking explanations from management for areas involving complex judgements or interpretations. • Reviewed the implementation of exemptions availed and options selected by MMFL for first time adoption of Ind AS to see if they are in accordance with Ind AS 101. • Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS. • Evaluated the appropriateness and adequacy of disclosures included in the Ind AS financial statements, with the requirements of the applicable standards. • Assessed the judgement applied by the management in reporting of areas where the accounting treatment prescribed under Ind AS was different from the extant RBI directions and the impact of such differences on specific regulatory disclosures such as capital to risk weighted assets ratio (CRAR) and Net interest margin.

Other Information

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

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matter

We did not audit the financial statements and other financial information, in respect of two subsidiaries whose Ind AS financial statements include total assets of Rs 2,148.14 crore as at March 31, 2020, and total revenues of Rs 21.02 crore and net cash inflows of Rs 63.54 crore for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such other auditors.

We draw attention to the following paragraph in the other matters section of the audit opinion on the consolidated financial statements of MMFL issued by their auditors:

'The financial information of the Group for the year ended March 31, 2019 and the transition date opening balance sheet as at April 1, 2018 included in these Ind AS information, are based on the previously issued statutory financial statements for the years ended March 31, 2019 and March 31, 2018 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us for the holding company and on which we expressed modified opinion dated 27 May 2019 and 4 May 2018 respectively and which were audited by another auditor for the subsidiary and on which an unmodified opinion had been expressed by him in his reports dated 24 May 2019 and 2 May 2018. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us for the holding company and by the other auditor for the subsidiary.'

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

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

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate Report in “Annexure 1” to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act, except for the matter reported by other auditors stated in the Emphasis of Matter section.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – Refer Note 33 to the consolidated Ind AS financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2020.

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

per Shrawan Jalan
Partner
Membership Number: 102102
UDIN: 20102102AAAAFP5086

Mumbai
May 30, 2020

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

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

In conjunction with our audit of the consolidated financial statements of CreditAccess Grameen Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of CreditAccess Grameen Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to these two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, incorporated in India.

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

per Shrawan Jalan
Partner
Membership Number: 102102
UDIN: 20102102AAAAFP5086

Mumbai
May 30, 2020

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

₹ in crores

Sr. No.	Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS				
(1)	**Financial assets**			
(a)	Cash and cash equivalents	4	644.87	573.73
(b)	Bank balance other than cash and cash equivalents	5	72.77	41.82
(c)	Other receivables	6	0.22	0.09
(d)	Loans	7		
	- Loan portfolio (excluding securitised assets)		11,004.31	6,404.18
	- Securitised assets re-recognised on balance sheet		94.60	198.65
(e)	Investments	8	45.56	0.20
(f)	Other financial assets	9	55.48	46.70
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	29	22.11	13.23
(b)	Deferred tax assets (net)	29	57.44	43.14
(c)	Property, plant and equipment	11 (A)	31.69	18.74
(d)	Right to use assets	11 (A)	54.60	-
(e)	Goodwill		317.58	-
(f)	Intangible assets under development	11 (B)	2.84	2.36
(g)	Intangible assets	11 (A)	172.63	6.01
(h)	Other non-financial assets	10	12.89	8.29
Total assets			**12,589.59**	**7,357.14**
LIABILITIES AND EQUITY				
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises		35.60	8.09
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises		73.05	95.64
(b)	Borrowings			
	- Debt securities	12	775.67	556.16
	- Borrowings (other than debt securities)	13	8,580.00	4,114.50
	- Subordinated liabilities	14	103.03	37.07
	- Financial liability towards securitisation (re-recognised on balance sheet)	15	80.97	158.84
(c)	Other financial liabilities	16	62.18	-
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	29	-	-
(b)	Provisions	18	20.31	11.88
(c)	Other non-financial liabilities	17	15.61	9.90
(3)	**Equity**			
(a)	Equity share capital	19	143.99	143.55
(b)	Other equity	20	2,590.23	2,221.51
(c)	Non-controlling interests		108.95	-
Total liabilities and equity			**12,589.59**	**7,357.14**

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

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

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

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

Udaya Kumar Hebbar
Managing Director & CEO

Diwakar B R
Director-Finance & CFO

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

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

₹ in crores

Sr. No.	Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
I	**Revenue from operations**			
(a)	Interest income	21		
	- Interest on loans		1,603.94	1,156.09
	- Income on securitisation (re-recognised on balance sheet)		23.06	55.24
	- Interest on deposits with banks and financial institutions		6.34	6.99
	- Income from portfolio purchased under assignment		0.05	-
(b)	Fees and commission	22	5.00	1.34
(c)	Net gain on fair value changes	23	56.35	56.55
(d)	Bad Debt Recovery		5.38	6.05
(e)	Others		4.19	-
	Total revenue from operations (I)		**1,704.31**	**1,282.26**
II	**Other income**	**24**	**1.17**	**1.06**
III	**Total income (I+II)**		**1,705.48**	**1,283.32**
IV	**Expenses**			
(a)	Finance costs	25		
	- On borrowings		570.89	398.68
	- On financial liability towards securitisation (re-recognised on balance sheet)		9.09	18.07
(b)	Impairment of financial instruments	26	237.27	74.86
(c)	Employee benefits expenses	27	262.05	186.05
(d)	Depreciation and amortisation expenses	11	20.37	7.79
(e)	Other expenses	28	144.21	100.13
	Total expenses (IV)		**1,243.88**	**785.58**
V	**Profit before tax (III-IV)**		**461.60**	**497.74**
VI	**Tax expense**	**29**		
	(1) Current tax		160.47	176.35
	(2) Deferred tax		(34.36)	(0.37)
	Total tax expense (VI)		**126.11**	**175.98**
VII	**Profit / (loss) for the year (V-VI)**		**335.49**	**321.76**
VIII	**Other comprehensive income**			
(a)	(1) Items that will not be reclassified to profit or loss			
	- Remeasurement (losses) and gains on defined benefit obligations (net)		0.02	(1.91)
	(2) Income tax relating to items that will not be reclassified to profit or loss		(0.01)	0.67
	Subtotal (a)		**0.01**	**(1.24)**
(b)	(1) Items that will be reclassified to profit or loss			
	- Net change in fair value of loans measured at fair value through other comprehensive income		(34.83)	(13.36)
	(2) Income tax relating to items that will be reclassified to profit or loss		7.46	4.67
	Subtotal (b)		**(27.37)**	**(8.69)**
	Other comprehensive income (VIII = a+b)		**(27.36)**	**(9.93)**
IX	**Total comprehensive income (VII+VIII) (comprising profit / (loss) and other comprehensive income for the year)**		**308.13**	**311.83**
X	**Profit is attributable to:**			
	Owners of the Company		333.55	321.76
	Non-controlling interest		1.94	-
XI	**Other comprehensive Income is attributable to:**			
	Owners of the Company		(27.35)	(9.93)
	Non-controlling interest		(0.01)	-
XII	**Total comprehensive Income is attributable to:**			
	Owners of the Company		306.19	311.83
	Non-controlling interest		1.94	-
XIII	**Earnings per equity share (face value of `₹10.00 each)**			
	Basic (EPS)		23.20	23.37
	Diluted (DPS)		23.00	23.14

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

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

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

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

Udaya Kumar Hebbar
Managing Director & CEO

Diwakar B R
Director-Finance & CFO

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

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

Equity share capital

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

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

Other equity

₹ in crores

Particulars	Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	Capital reserve	Securities premium	Stock option outstanding	Retained earnings	Other items of comprehensive income (fair valuation on loan portfolio)	Total
As at March 31, 2018	**73.57**	**49.95**	**883.08**	**5.08**	**297.38**	**(0.01)**	**1,309.05**
Profit for the year	-	-	-	-	321.76	-	321.76
Other comprehensive income	-	-	-	-	(1.24)	(8.69)	(9.93)
Premium on equity shares issued during the year	-	-	615.07	-	-	-	615.07
Premium on exercise of stock options	-	-	1.59	(0.81)	-	-	0.78
Transferred to statutory reserves	64.35	-	-	-	(64.35)	-	(0.00)
Expenses incurred towards initial public offering of equity shares (net of tax)	-	-	(19.74)	-	-	-	(19.74)
Employee stock option compensation for the year	-	-	-	4.52	-	-	4.52
As at March 31, 2019	**137.92**	**49.95**	**1,480.00**	**8.79**	**553.55**	**(8.70)**	**2,221.51**
Profit for the year	-	-	-	-	335.49	-	335.49
Other comprehensive income	-	-	-	-	0.01	(27.37)	(27.36)
Premium on equity shares issued during the year	-	-	-	-	-	-	-
Premium on exercise of stock options	-	-	5.85	(2.69)	-	-	3.16
Transferred to statutory reserves (Parent's contribution)	65.50	-	-	-	(65.50)	-	-
Transferred to statutory reserves (Parent's contribution from subsidiary's share of profit)	1.27	-	-	-	(1.27)	-	-
Transferred to statutory reserves (Non-controlling interest contribution)	0.41	-	-	-	-	-	0.41
Acquired from MMFL	60.52	-	-	-		-	60.52
Profit for the year attributable to Non-Controlling Interest	-	-	-	-	(1.94)	-	(1.94)
Equity adjustment on account of subsequent acquisition in subsidiary	-	-	-	-	(1.81)	-	(1.81)
Effect of tax rate change on the carrying value of deferred tax assets recognised through equity	-	-	(2.26)	-	-	-	(2.26)
Employee stock option compensation for the year	-	-	-	2.51	-	-	2.51
As at March 31, 2020	**265.62**	**49.95**	**1,483.59**	**8.61**	**818.53**	**(36.07)**	**2,590.23**

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

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

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

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

Udaya Kumar Hebbar
Managing Director & CEO

Diwakar B R
Director-Finance & CFO

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

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

₹ in crores

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flow from operating activities:		
Profit before tax	461.60	497.74
Adjustments to reconcile profit before tax to net cash flows:		
Interest income on loans	(1,609.79)	(1,154.76)
Income on securitisation (re-recognised on balance sheet)	(23.06)	(55.24)
Depreciation, amortisation and impairment	20.37	7.79
Interest expense on borrowings	568.83	394.30
Interest expenses on financial liability towards securitisation (re-recognised on balance sheet)	9.09	18.07
Impairment of financial instruments	243.55	73.52
Net loss on disposal of property, plant and equipment	(0.01)	0.07
Net gain on financial instruments at fair value through profit or loss	(19.21)	(10.55)
Share based payments to employees	2.51	4.53
	(807.72)	**(722.27)**
Operational cash flows from interest:		
Interest received on loans	1,569.66	1,162.03
Interest received on loans securitised (re-recognised on balance sheet)	23.56	54.71
Interest paid on borrowings	(554.88)	(379.08)
Interest on financial liability towards securitisation (re-recognised on balance sheet)	(9.25)	(18.07)
Working capital changes:		
Increase in derivative finacial instruments	1.10	-
Increase in loans	(2,953.54)	(1,602.82)
Decrease / (increase) in securitised assets re-recognised on balance sheet	199.09	(198.12)
Decrease / (increase) in bank balance other than cash and cash equivalents	23.85	(28.78)
(Increase) / decrease in other receivables	(0.13)	5.38
Decrease / (increase) in other financial assets	0.30	(34.14)
Increase in other non-financial assets	(4.45)	(3.68)
(Decrease) / increase in trade and other payables	(23.34)	68.65
Decrease in other financial liabilities	(0.07)	-
Increase in provisions	4.19	3.45
Increase / (decrease) in other non-financial liabilities	5.57	(1.04)
	(2,747.43)	**(1,791.10)**
Income tax paid	(164.02)	(182.05)
Net cash flows used in operating activities	**(2,228.48)**	**(1,378.09)**
Investing activities		
Purchase of property, plant and equipment	(14.40)	(14.69)
Proceeds from sale of property, plant and equipment	0.12	0.03
Purchase of Intangible assets	(7.44)	(3.03)
Purchase of investments at fair value through profit and loss	(9,240.63)	(7,056.42)
Sale of investments at fair value through profit and loss	9,285.72	7,066.97
Investment in equity shares of subsidiary	(661.24)	-
Net cash flows used ininvesting activities	**(637.87)**	**(7.14)**
Financing activities		
Debt securities issued / (repaid) (net)	71.81	(223.17)
Borrowings other than debt securities issued (net)	3,030.47	1,339.61
Subordinated liabilities repaid (net)	(11.39)	(47.46)
Financial liability towards securitisation (re-recognised on balance sheet) (repaid) / issued (net)	(173.70)	158.84
Proceeds from issuance of equity share capital including securities premium	3.59	630.97
Expenses incurred towards issuance of equity shares	-	(29.86)
Net cash flows from financing activities	**2,920.78**	**1,828.93**
Net decrease in cash and cash equivalents	**54.43**	**443.70**
Cash and cash equivalents as at the beginning of the year* (Refer Note 4)	**590.44**	**130.03**
Cash and cash equivalents as at the end of the year (Refer Note 4)	**644.87**	**573.73**

* Includes cash and cash equivalents of MMFL as at the acquisition date ₹16.71 crores.

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

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

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

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

Udaya Kumar Hebbar
Managing Director & CEO

Diwakar B R
Director-Finance & CFO

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

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

1. CORPORATE INFORMATION

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

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

2. BASIS OF PREPARATION

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

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

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

2.1. Presentation of consolidated financial statements

The Group presents its balance sheet in order of liquidity.

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

2.2. Critical accounting estimates and judgements

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

- Business model assessment (Refer Note no. 3.14)
- Fair value of financial instruments (Refer Note no. 3.17)
- Effective interest rate (EIR) (Refer Note no. 3.1.1)
- Impairment of financial assets (Refer Note no. 3.15)
- Provisions (Refer Note no. 3.8)
- Contingent liabilities and assets (Refer Note no.3.9)
- Provision for tax expenses (Refer note no. 3.11)
- Residual value and useful life of property, plant and equipment (Refer Note no. 3.6.1)

2.3. Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiary (from the date control is gained), being the entity that it controls. Control is evidenced where the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns.

1. The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
2. Profits or losses resulting from intra-group transactions that are recognised in assets, such as Property, Plant and Equipment, are eliminated in full.
3. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with the policies adopted by the Group.
4. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
5. The carrying amount of the parent's investment in subsidiary is offset (eliminated) against the parent's portion of equity in subsidiary.
6. Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1. Revenue recognition

3.1.1. Interest income

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

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

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

3.1.3. Dividend income is recognised when the right to receive payment is established.

3.1.4. The Group recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue From Contracts with Customers'. The Group identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

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

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

3.2. Finance cost

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

3.3. Cash and cash equivalents

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

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

Initial Recognition and measurement:

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

3.5. Intangible assets

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

3.6. Depreciation and amortization

3.6.1. Depreciation

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

Category of Assets	Useful Life (Years)	
	Parent Company	Subsidiary Company
Furniture and fittings	10	6.67
Office Equipments	05	05
Vehicles	08	05
Buildings	30	30
Electrical equipment	10	05
Temporary Structures	NA	01
Computers (including servers)	03	03

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

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

3.6.2. Amortisation of intangible assets and Impairment of Goodwill

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The useful lives of intangible assets are reviewed at each financial year and adjusted.

Category of Assets	Useful Life (Years)	
	Parent	Subsidiary
Customer relationships	NA	10
Other intangible assets	05	03

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

3.7. Impairment of non–financial assets

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

3.8. Provisions

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

3.9. Contingent liabilities and assets

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

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

3.10. Retirement and other employee benefits

3.10.1. Defined contribution plan

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

3.10.2. Defined benefit plan

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

3.10.3. Other employee benefits

The Group treats accumulated leave expected to be carried forward beyond twelve months as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

3.11. Taxes

3.11.1. Current income tax

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

3.11.2. Deferred tax

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

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

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

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

3.12. Earning per share

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

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

3.13. Share based payments

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

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

3.14. Financial instruments

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

3.14.1. Financial Assets

3.14.1.1. Initial recognition and measurement

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

3.14.1.2. Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:
- Loans at amortised cost
- Loans at fair value through other comprehensive income (FVTOCI)
- Investments in debt instruments and equity instruments at fair value through profit or loss (FVTPL)

3.14.1.3. Loans at amortised costs

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

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

3.14.1.4. Loans at fair value through other comprehensive income (FVTOCI)

Loans are classified as at the FVTOCI if both of the following criteria are met:
- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Loans included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is recognised as interest income using the EIR method.

3.14.1.5. Investment in debt instruments and equity instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

3.14.2. Financial Liabilities

3.14.2.1. Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments, which are measured at amortised cost.

3.14.2.2. Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. The EIR amortisation is included as finance costs in the statement of profit and loss.

3.14.3. Reclassification of financial assets and liabilities

The Group doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

3.14.4. De-recognition of financial assets and liabilities

3.14.4.1. De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Group also de-recognises the financial asset if it has transferred the financial asset and the transfer qualifies for de-recognition.

The Group has transferred the financial asset if, and only if, either:
- It has transferred its contractual rights to receive cash flows from the financial asset
Or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:
- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients. A transfer only qualifies for de-recognition if either:
- The Group has transferred substantially all the risks and rewards of the asset
or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset in its entirety, the difference between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit or loss account.

3.14.4.2. De-recognition of financial liabilities

Financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

3.15. Impairment of financial assets

3.15.1. Overview of the Expected Credit Loss (ECL) allowance principles

The Group is recording the allowance for expected credit losses for all loans at amortised cost and FVOCI and other debt financial assets not held at FVTPL.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in Note 3.16.2). The Group's policies for determining if there has been a significant increase in credit risk are set out in Note 40.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on a collective basis for identified homogenous pool of loans. The Group's policy for grouping financial assets measured on a collective basis is explained in Note 40.

Accordingly, the Group groups its loans into Stage 1, Stage 2, Stage 3, as described below:

Stage 1: When loans are first recognised, the Group recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the company records an allowance for the LTECLs.

Stage 3: Loans considered credit-impaired (as outlined in Note 40). The Group records an allowance for the LTECLs.

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) de-recognition of the financial asset.

3.15.2. The calculation of ECL

The Group calculates ECLs based on a probability-weighted scenarios and historical data to measure the expected cash shortfalls. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

ECL consists of three key components: Probability of Default (PD), Exposure at Default (EAD) and Loss given default (LGD). ECL is calculated by multiplying them. Refer Note 40 for explanation of the relevant terms.

The maximum period for which the credit losses are determined is the expected life of a financial instrument.

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Group recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

3.16. Write-offs

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to the statement profit and loss account.

3.17. Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantegeous market must be accessible by the Group.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured are categorised with fair value hierachy into Level I, Level II and Level III based on level of input.

3.18. Segment information

The Group operates in a single business segment i.e. lending to members, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Group operates in a single geographical segment i.e. domestic.

3.19. Business combination

3.19.1 Business combinations under common control

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The Group accounts for business combinations under common control as per the pooling of interest method. The pooling of interest method involves the following:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

(iii) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

3.19.2. Other business combinations

The Group uses the acquisition method of accounting to account for business combinations other than those under common control. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration. Any goodwill that arises on account of such business combination is tested annually for impairment. Any contingent consideration is measured at fair value at the date of acquisition. A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Group incurs in connection with a business combination, such as Stamp Duty for title transfer in the name of the Group, finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

3.20. Foreign currency

3.20.1. All transactions in foreign currency are recognised at the exchange rate prevailing on the date of the transaction.

3.20.2. Foreign currency monetary items are reported using the exchange rate prevailing at the close of the period.

3.20.3. Exchange differences arising on the settlement of monetary items or on the restatement of Group's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise.

3.21. Leases (where the Group is the lessee)

Short term leases not covered under Ind AS 116 are classified as operating lease. Lease payments during the year are charged to statement of profit and loss. Future minimum rentals payable under non-cancellable operating leases.

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

CAGL has adopted Ind AS 116 - Leases with effect from April 1, 2019 and applied to all lease contracts existing on April 1, 2019 using the Modified Retrospective Approach. In accordance with the transitional provisions, the Group has not restated the comparative figures. The adoption of new standard resulted in recognition of right-of-use asset and a corresponding lease liability of ₹ 64.5 crores on April 1, 2019. The effect of this adoption is not material to the profit for the period and earnings per share.

MMFL is first time adopter of Ind AS & has applied the lease retrospectively.

4. CASH AND CASH EQUIVALENTS

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Cash in hand	1.38	12.34
Balances with Banks in current accounts	203.25	276.24
Bank deposit with maturity of less than 3 months	440.24	285.15
Total	**644.87**	**573.73**

5. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Fixed deposit with bank not considered as cash and cash equivalents*	72.77	41.82
Total	**72.77**	**41.82**

*Balances with banks to the extent held as margin money or security against the borrowings.

6. OTHER RECEIVABLES

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Other receivables		
Unsecured, considered good	0.22	0.09
Unsecured, considered doubtful	-	-
Less: Provision for doubtful receivables	-	-
Total	**0.22**	**0.09**

The above does not include the debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms including limited liability partnerships (LLPs), private companies respectively in which any director is a partner or a director or a member.

7. LOANS

₹ in crores

Particulars	March 31,2020			March 31, 2019		
	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total
(A) Term loans:						
Joint liability loans	949.00	7,989.03	8,938.03	789.16	5,363.87	6,153.03
Individual loans	500.36	-	500.36	325.03	-	325.03
Total - Gross loans of parent	**1,449.36**	**7,989.03**	**9,438.39**	**1,114.19**	**5,363.87**	**6,478.06**
Less: Impairment loss allowance	42.20	223.55	265.75	13.01	60.87	73.88
Total - Net	**1,407.16**	**7,765.48**	**9,172.64**	**1,101.18**	**5,303.00**	**6,404.18**
Self help group	1,868.81	-	1,868.81	-	-	-
Individual loans-MMFL	5.95	-	5.95	-	-	-
Total - Gross loans acquired	**1,874.76**	**-**	**1,874.76**	**-**	**-**	**-**
Less: Impairment loss allowance	43.09	-	43.09	-	-	-
Total - Net loans acquired	**1,831.67**	**-**	**1,831.67**	**-**	**-**	**-**
(B) (a) Secured	1.93	-	1.93	2.22	-	2.22
(b) Unsecured	3,322.19	7,989.03	11,311.22	1,111.97	5,363.87	6,475.84
Total - Gross	**3,324.12**	**7,989.03**	**11,313.15**	**1,114.19**	**5,363.87**	**6,478.06**
Less: Impairment loss allowance	85.29	223.55	308.84	13.01	60.87	73.88
Total - Net	**3,238.83**	**7,765.48**	**11,004.31**	**1,101.18**	**5,303.00**	**6,404.18**
(C) (I) Loans in India						
(a) Public sector	-	-	-	-	-	-
(b) Others	3,324.12	7,989.03	11,313.15	1,114.19	5,363.87	6,478.06
Total - Gross	**3,324.12**	**7,989.03**	**11,313.15**	**1,114.19**	**5,363.87**	**6,478.06**
Less: Impairment loss allowance	85.29	223.55	308.84	13.01	60.87	73.88
Total - Net	**3,238.83**	**7,765.48**	**11,004.31**	**1,101.18**	**5,303.00**	**6,404.18**
(C) (II) Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total - Net	**-**	**-**	**-**	**-**	**-**	**-**

SECURITISED ASSETS RE-RECOGNISED ON BALANCE SHEET

₹ in crores

Particulars	March 31,2020			March 31, 2019		
	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total
(A) Term loans:						
Self help group						
Securitised assets	98.14	-	98.14	201.74	-	201.74
Total - Gross	**98.14**	**-**	**98.14**	**201.74**	**-**	**201.74**
Less: Impairment loss allowance (Self help group)	3.54	-	3.54	3.09	-	3.09
Total - Net	**94.60**	**-**	**94.60**	**198.65**	**-**	**198.65**
(B) (a) Secured			-			-
(b) Unsecured	98.14	-	98.14	201.74	-	201.74
Total - Gross	**98.14**	**-**	**98.14**	**201.74**	**-**	**201.74**
Less: Impairment loss allowance	3.54	-	3.54	3.09	-	3.09
Total - Net	**94.60**	**-**	**94.60**	**198.65**	**-**	**198.65**
(C) (I) Loans in India						
(a) Public sector	-	-	-	-	-	-
(b) Others	98.14	-	98.14	201.74	-	201.74
Total - Gross	**98.14**	**-**	**98.14**	**201.74**	**-**	**201.74**
Less: Impairment loss allowance	3.54	-	3.54	3.09	-	3.09
Total - Net	**94.60**	**-**	**94.60**	**198.65**	**-**	**198.65**
(C) (II) Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total - Net	**-**	**-**	**-**	**-**	**-**	**-**

7(A) GROUP LENDING LOANS

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Group lending loans:

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2019*	**8,257.10**	**61.56**	**65.07**	**8,383.73**
New assets originated during the year, netted off for repayments and derecognised portfolio	2,569.39	(3.87)	3.38	2,568.90
Assets written off during the year	-	-	(47.65)	(47.65)
Movement between stages	-	-	-	
Transfer from Stage 1	(146.11)	10.91	135.20	-
Transfer from Stage 2	0.77	(8.84)	8.06	-
Transfer from Stage 3	0.02	0.01	(0.02)	-
Gross carrying value of assets as at 31st March 2020	**10,681.17**	**59.77**	**164.04**	**10,904.98**

* Includes the gross carrying amount of MMFL as at acquisition date (18th March 2020)

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2019*	**58.01**	**11.96**	**48.17**	**118.14**
New assets originated during the year, netted off for repayments and derecognised portfolio	17.56	(1.37)	2.43	18.62
Assets written off during the year	-	-	(47.65)	(47.65)
Movement between stages	-	-	-	
Transfer from Stage 1	(1.00)	0.07	0.93	-
Transfer from Stage 2	0.16	(3.20)	3.05	-
Transfer from Stage 3	0.01	0.00	(0.02)	-
Impact on ECL on account of movement between stages / updates to the ECL model	87.34	10.01	111.23	208.58
ECL allowance as at 31st March2020	**162.08**	**17.47**	**118.14**	**297.69**

* Includes the ECL allowance of MMFL as at acquisition date (18th March 2020)

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2018	**4,857.09**	**12.60**	**37.45**	**4,907.14**
New assets originated during the year, netted off for repayments and derecognised portfolio	1,512.00	0.34	(4.06)	1,508.28
Assets written off during the year	-	-	(60.66)	(60.66)
Movement between stages				
Transfer from Stage 1	(70.04)	10.20	59.84	-
Transfer from Stage 2	0.08	(0.55)	0.47	-
Transfer from Stage 3	0.01	0.00	(0.01)	-
Gross carrying value of assets as at 31st March 2019	**6,299.14**	**22.59**	**33.03**	**6,354.76**

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2018	**23.18**	**3.08**	**35.83**	**62.09**
New assets originated during the year, netted off for repayments and derecognised portfolio	7.09	0.08	(3.89)	3.28
Assets written off during the year	-	-	(60.66)	(60.66)
Movement between stages				
Transfer from Stage 1	(0.33)	0.05	0.28	-
Transfer from Stage 2	0.02	(0.13)	0.11	-
Transfer from Stage 3	0.01	0.00	(0.01)	-
Impact on ECL on account of movement between stages / updates to the ECL model	8.48	1.18	56.00	65.66
ECL allowance as at 31st March 2019	**38.45**	**4.26**	**27.66**	**70.37**

7(B) INDIVIDUAL LENDING

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Individual lending loans:

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2019*	**329.89**	**0.61**	**0.53**	**331.03**
New assets originated during the year netted off for repayments	177.92	0.14	(0.11)	177.95
Assets written off during the year	-	-	(2.54)	(2.54)
Transfer from Stage 1	(16.79)	4.93	11.86	-
Transfer from Stage 2	0.00	(0.02)	0.02	-
Transfer from Stage 3	0.00	-	(0.00)	-
Gross carrying value of assets as at 31st March 2020	**491.02**	**5.66**	**9.76**	**506.44**

* Includes the gross carrying amount of MMFL as at acquisition date (18th March 2020)

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2019*	**6.17**	**0.00**	**0.49**	**6.66**
New assets originated during the year netted off for repayments	0.67	0.08	(0.11)	0.64
Assets written off during the year	-	-	(2.54)	(2.54)
Transfer from Stage 1	(0.06)	0.02	0.04	-
Transfer from Stage 2	0.00	(0.01)	0.01	-
Transfer from Stage 3	0.00	-	(0.00)	-
Impact on ECL on account of movement between stages/ updates to the ECL model	(4.92)	2.88	11.97	9.93
ECL allowance as at 31st March2020	**1.86**	**2.97**	**9.86**	**14.69**

* Includes the ECL allowance of MMFL as at acquisition date (18th March 2020)

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2018	**51.11**	**0.01**	**0.02**	**51.14**
New assets originated during the year netted off for repayments	273.83	0.02	0.04	273.89
Assets written off during the year	-	-	-	
Transfer from Stage 1	(1.01)	0.59	0.42	-
Transfer from Stage 2	-	(0.01)	0.01	-
Transfer from Stage 3	-	-	-	-
Gross carrying value of assets as at 31st March 2019	**323.93**	**0.61**	**0.49**	**325.03**

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2018	**0.67**	**0.00**	**0.00**	**0.67**
New assets originated during the year netted off for repayments	5.87	0.00	0.04	5.91
Assets written off during the year				
Transfer from Stage 1	(0.43)	0.01	0.42	0.00
Transfer from Stage 2	-	(0.01)	0.01	-
Transfer from Stage 3	-	-	-	-
ECL allowance as at 31st March 2019	**6.11**	**0.00**	**0.47**	**6.58**

8. INVESTMENTS (FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
A) In India		
Investments at FVTPL		
-in mutual funds	45.02	-
-in equity instruments	0.54	0.20
B) Outside India	-	-
Total	**45.56**	**0.20**

9. OTHER FINANCIAL ASSETS (AT AMORTISED COST)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Retained interest on assets assigned	35.77	30.12
Security deposits (unsecured, considered good)	11.71	10.10
Loans and advances to employees (unsecured, considered good)	6.59	5.41
Fixed deposit with financial institution	-	1.07
Others	1.41	-
Total	**55.48**	**46.70**

10. OTHER NON-FINANCIAL ASSETS (AT AMORTISED COST)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Prepaid expenses (unsecured, considered good)	5.18	4.76
Other advances		
Unsecured, considered good	7.71	3.53
Unsecured, considered doubtful	1.33	1.53
Less: Provision for doubtful advances	(1.33)	(1.53)
Share issue expenses	-	
Total	**12.89**	**8.29**

11 (A)

₹ in crores

Particulars	Property, plant and equipment									Right to use assets			Intangible assets		
	Computer	Electrical Equipment	Furniture & Fixtures	Leasehold Improvement	Office equipment	Vehicles	Building	Freehold Land	Total	Buildings	Computer	Total	Computer software	Customer relationships (Refer Note 41)	Total
Cost:															
At March 31, 2018	6.20	0.37	4.35	4.30	4.16	0.62	-	-	20.00	-	-	**-**	12.34	-	**12.34**
Additions	2.26	0.18	1.48	2.50	8.27	-	-	-	14.69	-	-	**-**	1.73	-	**1.73**
Disposals	(0.35)	(0.01)	(0.05)	-	(0.38)	-	-	-	(0.79)	-	-	**-**	-	-	**-**
At March 31, 2019	**8.11**	**0.54**	**5.78**	**6.80**	**12.05**	**0.62**	**-**	**-**	**33.90**	**15.19**	**33.39**	**48.58**	**14.07**	**-**	**14.07**
Additions	3.42	0.24	3.59	2.25	4.81	-	-	-	14.31	7.35	4.46	**11.81**	6.97	-	**6.97**
Additions relating to acquisitions	4.48	0.17	1.33	0.25	0.99	0.00	0.21	0.17	7.60	1.69		**1.69**	0.91	162.82	**163.73**
Disposals	(0.16)	(0.02)	(0.06)	-	(0.40)	-	-	-	(0.64)	-	-	**-**	(0.01)	-	**(0.01)**
At March 31, 2020	**15.85**	**0.93**	**10.64**	**9.30**	**17.45**	**0.62**	**0.21**	**0.17**	**55.17**	**24.23**	**37.85**	**62.08**	**21.94**	**162.82**	**184.76**
Depreciation:															
At March 31, 2018	4.14	0.34	2.89	1.32	1.59	0.24	-	-	10.52	-	-	**-**	5.66	-	**5.66**
Depreciation charge for the year	1.50	0.18	1.04	1.08	1.45	0.08	-	-	5.33	-	-	**-**	2.40	-	**2.40**
Disposals	(0.32)	(0.01)	(0.04)	-	(0.32)	-	-	-	(0.69)	-	-	**-**	-	-	**-**
At March 31, 2019	**5.32**	**0.51**	**3.89**	**2.40**	**2.72**	**0.32**	**-**	**-**	**15.16**	**-**	**-**	**-**	**8.06**	**-**	**8.06**
Depreciation charge for the year	2.10	0.22	1.77	1.51	3.15	0.08	0.00	-	8.83	3.82	3.66	**7.48**	3.50	0.58	**4.08**
Disposals	(0.15)	(0.02)	(0.05)	-	(0.29)	-	-	-	(0.51)	-	-	**-**	(0.01)	-	**(0.01)**
At March 31, 2020	**7.27**	**0.71**	**5.61**	**3.91**	**5.58**	**0.40**	**0.00**	**-**	**23.48**	**3.82**	**3.66**	**7.48**	**11.55**	**0.58**	**12.13**
Net book value:															
At March 31, 2019	**2.79**	**0.03**	**1.89**	**4.40**	**9.33**	**0.30**	**-**	**-**	**18.74**	**15.19**	**33.39**	**48.58**	**6.01**	**-**	**6.01**
At March 31, 2020	**8.58**	**0.22**	**5.03**	**5.39**	**11.87**	**0.22**	**0.21**	**0.17**	**31.69**	**20.41**	**34.19**	**54.60**	**10.39**	**162.24**	**172.63**

Note: The land and building is under mortgage as additional security for debentures issued by MMFL

11(B) INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Opening	2.36	1.06
Additions during the year	2.96	1.33
Less: Capitalised during the year	(2.48)	(0.03)
Closing	**2.84**	**2.36**

12. DEBT SECURITIES (AT AMORTISED COST)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Debentures (secured)	775.67	556.16
Total	**775.67**	**556.16**
Debt securities in India	137.30	-
Debt securities outside India	638.37	556.16
Total	**775.67**	**556.16**

Nature of security

The above debentures are secured by the way of first and exclusive charge over eligible book debts of the Company.

DEBENTURES (SECURED) (AT AMORTISED COST)

Terms of debentures	Number of debentures		Face value	Amount in crores	
	March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019
12.24% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. November 25, 2013. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	250	1,000,000	-	25.53
12.33% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. November 25, 2013. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	250	1,000,000	-	25.53
11.68% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 28, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	195	195	1,000,000	19.49	19.45

11.47% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 28, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	195	195	1,000,000	19.50	19.46
11.11% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Three yearsfrom the date of allotment i.e. February 28, 2020.	800	-	1,000,000	80.16	-
12.10% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. February 26, 2014. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	300	1,000,000	-	30.16
11.80% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. July 25, 2014. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	300	300	1,000,000	30.72	30.21
13.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. October 29, 2015. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	-	1,000,000	-	-
12.30% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 15, 2016. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	1,000	1,000,000	-	100.23

11.60% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. July 31, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	1,000	1,000	1,000,000	101.52	101.44
14.16% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable on May 13, 2018 (25%) and November 13, 2018 (75%) (subject to exercise of option on December 24, 2017 by the lender for redemption on May 13, 2019 (25%) and November 13, 2019 (75%)).	-	-	1,000,000	-	-
11.21% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of forty six months) from the date of allotment i.e. March 31, 2015. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	300	300	1,000,000	29.31	29.23
10.34% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after five years from the date of allotment i.e. May 31, 2017.	1,350	1,350	1,000,000	138.88	138.32
9.50% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Five yearsfrom the date of allotment i.e. November 8, 2019.	2,140	-	1,000,000	218.58	-
11.50% Non-Convertible Debentures - Privately placed, Listed Secured by exclusive charge on loans created out of the proceeds of the debentures and immovable properties. The NCD is redeemable in one bullet payment on 31-July-2020.	400	-	1,000,000	40.83	-
14.15% Non-convertible Debentures - Privately placed, Listed. Secured by hypothecation of loans granted to Self Help Groups. The maturity date of the Debentures is 13-Sep-2020, with 99.99% redeemed on 13-Sep-2019 and balance redeemable on maturity date.	366	-	1,000,000	0.00	-

11.40% Non-convertible Debentures - Privately placed, Un-listedSecured by exclusive charge on loans created out of the proceeds of the debentures and immovable properties. The NCD is redeemable in one bullet payment on 05-Dec-2020.	330	-	1,000,000	34.39	-
11.40% Non-convertible Debentures - Privately placed, ListedSecured by exclusive charge on loans created out of the proceeds of the debentures and immovable properties. The NCD is redeemable in one bullet payment on 31-Dec-2020.	250	-	1,000,000	24.99	-
11.00% Non-Convertible Debentures - Privately placed, unlisted Secured by exclusive charge on the loans created out of the proceeds of the debentures and immovable properties. 99.99% of the principal amount of the NCD is redeemable on 13-May-2021 and balance on 13-May-2023.	360	-	1,000,000	37.30	-
Total	**7,986**	**5,140**		**775.67**	**556.16**

Note: The rates mentioned above are the original coupons rates as per the individual contracts.

13. BORROWINGS OTHER THAN DEBT SECURITIES (AT AMORTISED COST)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Term loans (secured)		
Banks	6,037.68	2,667.44
Financials institutions	1,993.49	1,112.69
Non-banking financial companies	307.50	186.40
External commercial borrowings	241.32	147.97
Cash Credit (secured)		
Banks	0.01	-
Total	**8,580.00**	**4,114.50**
Borrowings in India	8,338.68	3,966.53
Borrowings outside India	241.32	147.97
Total	**8,580.00**	**4,114.50**

The above loans are secured by hypothecation of book debts and on margin money deposits

14. SUBORDINATED LIABILITIES (AT AMORTISED COST)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Non Convertible Debentures	52.80	-
Term Loan	50.23	37.07
Total	**103.03**	**37.07**
Borrowings in India	103.03	24.99
Borrowings outside India	-	12.08
Total	**103.03**	**37.07**

Terms of debentures	March 31, 2020	
	Number of debentures	Amount
14.25% Subordinated, unsecured, Non Convertible Debentures- privately placed, Listed of face value of ₹.1,000,000. The NCDs are redeemable on 29-Mar-2024	500	52.80

15. FINANCIAL LIABILITY TOWARDS SECURITISATION (RE-RECOGNISED ON BALANCE SHEET)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Borrowings under securitisation arrangement		
- Banks	80.97	158.84
Total	**80.97**	**158.84**

Represents securities issued by the Special Purpose Vehicles (SPVs) to the investors pursuant to the securitisation arrangement carrying a rate of interest in the rate of 7% - 9%. Since such arrangements do not fulfil the derecognition criteria under Ind AS 109, the Company has recognised the associated liabilities.

Terms of repayment of borrowings as on March 31, 2020

₹ in crores

Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
		No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
1-3 years	6%-6.5%	24	118.72	23	117.82	2	16.00	-	-	-	-	-	-	252.54
	6.5%-7%	12	14.52	6	7.33	-	-	-	-	-	-	-	-	21.85
	7%-7.5%	12	10.72	11	9.82	-	-	-	-	-	-	-	-	20.55
	8.5%-9%	150	945.99	129	875.55	10	279.24	-	-	-	-	-	-	2,100.78
	9%-9.5%	200	804.31	99	357.71	2	4.17	-	-	-	-	-	-	1,166.19
	9.5%-10%	49	122.99	17	23.95	-	-	-	-	-	-	-	-	146.94
	10%-10.5%	73	114.23	28	30.20	11	16.67	-	-	-	-	-	-	161.10
	10.5%-11%	91	68.28	20	17.07	-	-	-	-	-	-	-	-	85.35
	11%-11.5%	253	267.34	160	178.54	31	30.52	-	-	-	-	-	-	476.40
	11.5%-12%	44	33.68	20	11.54	-	-	-	-	-	-	-	-	45.22
	12%-12.5%	12	4.44	7	2.64	-	-	-	-	-	-	-	-	7.08
	12.5%-13%	12	40.00	12	40.00	-	-	-	-	-	-	-	-	80.00
Above 3 years	9%-9.5%	18	87.50	24	116.67	24	116.67	6	29.17	-	-	-	-	350.01
	10%-10.5%	11	5.06	3	1.29	-	-	-	-	-	-	-	-	6.35
	10.5%-11%	39	14.12	32	8.89	24	6.67	4	1.11	-	-	-	-	30.79
	11%-11.5%	10	1.11	12	1.33	1	0.11	-	-	-	-	-	-	2.55
Quarterly				-		-		-		-		-		
1-3 years	8%-8.5%	8	120.00	-	-	-	-	-	-	-	-	-	-	120.00
	8.5%-9%	63	410.61	37	155.79	-	-	-	-	-	-	-	-	566.40
	9%-9.5%	11	96.88	2	16.25	-	-	-	-	-	-	-	-	113.13
	9.5%-10%	3	20.33	-	-	-	-	-	-	-	-	-	-	20.33
	10%-10.5%	4	25.00	2	12.50	-	-	-	-	-	-	-	-	37.50
	10.5%-11%	7	25.36	3	9.38	-	-	-	-	-	-	-	-	34.74
	11%-11.5%	14	77.14	2	15.71	-	-	-	-	-	-	-	-	92.85
	11.5%-12%	12	12.79	9	10.12	2	2.73	-	-	-	-	-	-	25.64
Above 3 years	11%-11.5%	4	3.33	1	0.83	-	-	-	-	-	-	-	-	4.16
	11.5%-12%	4	15.00	4	15.00	4	12.25	4	2.50	3	1.50	-	-	46.25

Half Yearly														
Above 3 years	9.5%-10%	-	-	-	-	-	-	2	107.00	2	107.00	-	-	214.00
	10.5%-11%	10	40.00	10	17.00	7	11.50	-	-	-	-	-	-	68.50
	11%-11.5%	4	3.60	4	3.60	1	0.80	-	-	-	-	-	-	8.00
	11.5%-12%	20	209.75	19	305.83	18	331.90	16	409.15	6	180.00	-	-	1,436.63
Annually														
1-3 years	9%-9.5%	-	-	-	-	-	-	-	-	-	-	-	-	-
Above 3 years	10%-10.5%	1	44.55	1	44.55	1	45.90	-	-	-	-	-	-	135.00
Bullet														
1-3 years	8%-8.5%	1	50.00	-	-	-	-	-	-	-	-	-	-	50.00
	8.5%-9%	1	12.50	1	17.50	-	-	-	-	-	-	-	-	30.00
	9%-9.5%	10	344.00	-	-	-	-	-	-	-	-	-	-	344.00
	7%-7.5%	4	200.00	-	-	-	-	-	-	-	-	-	-	200.00
	10.5%-11%	7	140.00	-	-	-	-	-	-	-	-	-	-	140.00
	11%-11.5%	1	20.00	-	-	-	-	-	-	-	-	-	-	20.00
Above 3 years	10%-10.5%	-	-	1	33.80	1	17.00	-	-	-	-	-	-	50.80
	10.5%-11%	-	-	1	95.00	-	-	-	-	-	-	-	-	95.00
	11.00%-11.5%	2	49.50	-	-	2	173.43	-	-	-	-	-	-	222.93
	11.5%-12%	3	149.50	-	-	-	-	-	-	-	-	-	-	149.50
	14.5%-15%	-	-	1	25.00	-	-	-	-	-	-	-	-	25.00
					-	-	-	-	-	-	-	-	-	-
Grand Total		**1,204**	**4,722.85**	**701**	**2,578.21**	**141**	**1,065.56**	**32**	**548.93**	**11**	**288.50**	**-**	**-**	**9,204.04**

This pertains to the principal outstanding only.

Terms of repayment of subordinate liabilities as on March 31, 2020

Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
		No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Subordinate liabilities														
Bullet Above 3 years	14%-14.5%	-	-	-	-	-	-	-	-	-	-	2	25.00	25.00
		-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2**	**25.00**	**25.00**

As per Reserve Bank of India circular dated March 27, 2020 on COVID-19 Regulatory package, the Parent Company applied to Banks and Financial Institutions for grant of moratorium in respect of only principal repayments due from March 30, 2020 and onwards. Principal repayment of ₹ 51.79 Crore has not been paid as on March 31, 2020, for less than 3 days in each individual case, pending moratorium approval from Banks. The Company's request for moratorium has been approved by Banks/ Financial Institutions subsequently and repayment has been made good in respect of those Banks who has not granted the moratorium. The lender wise details are tabulated as under;

₹ in crores

Bank / financial institution	Amount (dues delayed) as on the Balance sheet date	Period of delay since
Axis Bank Limited	10.25	30-Mar-20
Axis Bank Limited	12.50	31-Mar-20
Bajaj Finance Ltd	6.02	31-Mar-20
Bank of Baroda	1.04	31-Mar-20
DCB Bank Limited	0.83	31-Mar-20
Indian Bank	0.43	30-Mar-20
Kotak Mahindra Bank Limited	3.75	30-Mar-20
Oriental Bank of Commerce	1.04	31-Mar-20
Hongkong and Shanghai Banking Corporation Limited	7.50	31-Mar-20
The Lakshmi Vilas Bank Limited	3.64	31-Mar-20
Woori Bank	4.79	31-Mar-20
Total	**51.79**	

Terms of repayment of borrowings as on March 31, 2019

₹ in crores

Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
		No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Monthly														
1-3 years	8.5%-9%	67	92.87	12	8.70	1	0.73	-	-	-	-	-	-	102.30
	9%-9.5%	219	673.14	97	351.04	3	2.50	-	-	-	-	-	-	1,026.68
	9.5%-10%	224	432.71	30	90.32	-	-	-	-	-	-	-	-	523.03
	10%-10.5%	72	134.07	8	22.98	-	-	-	-	-	-	-	-	157.05
	10.5%-11%	43	62.20	3	3.12	-	-	-	-	-	-	-	-	65.32
	11.5%-12%	3	3.12	-	-	-	-	-	-	-	-	-	-	3.12
Above 3 years	9.5%-10%	24	16.36	9	5.45	-	-	-	-	-	-	-	-	21.81
	10%-10.5%	12	5.16	12	5.16	-	-	-	-	-	-	-	-	10.32
	10.5%-11%	2	0.01	-	-	-	-	-	-	-	-	-	-	0.01
Quarterly														
1-3 years	8.5%-9%	11	66.88	-	-	-	-	-	-	-	-	-	-	66.88
	9%-9.5%	23	233.21	15	187.05	-	-	-	-	-	-	-	-	420.26
	9.5%-10%	29	133.56	4	24.62	-	-	-	-	-	-	-	-	158.18
	10%-10.5%	5	24.29	-	-	-	-	-	-	-	-	-	-	24.29
Half Yearly														
Above 3 years	10.5%-11%	8	112.50	8	28.00	8	15.00	5	9.50	-	-	-	-	165.00
	11.5%-12%	9	123.33	8	90.00	8	160.00	8	205.00	8	270.00	3	60.00	908.33
Annually														
1-3 years	9%-9.5%	1	12.50	-	-	-	-	-	-	-	-	-	-	12.50
Above 3 years	10%-10.5%	-	-	1	44.55	1	44.55	1	45.90	-	-	-	-	135.00
Bullet														
1-3 years	8%-8.5%	-	-	2	120.00	-	-	-	-	-	-	-	-	120.00
	9%-9.5%	6	213.00	3	112.50	-	-	-	-	-	-	-	-	325.50
	10.5%-11%	-	-	-	-	1	95.00	-	-	-	-	-	-	95.00
	11.00%-11.5%	-	-	1	19.50	-	-	-	-	-	-	-	-	19.50
	11.5%-12%	-	-	2	119.50	-	-	-	-	-	-	-	-	119.50
	12%-12.5%	1	100.00	-	-	-	-	-	-	-	-	-	-	100.00
Above 3 years	10%-10.5%	1	17.00	-	-	1	33.80	-	-	-	-	-	-	50.80
	10.5%-11%	2	37.00	-	-	-	-	-	-	-	-	-	-	37.00
	11.5%-12%	-	-	1	30.00	-	-	-	-	-	-	-	-	30.00
	12%-12.5%	3	80.00	-	-	-	-	-	-	-	-	-	-	80.00
	14.5%-15%	-	-	1	30.00	1	25.00	-	-	-	-	-	-	55.00
	16.5%-17%	1	11.40	-	-	-	-	-	-	-	-	-	-	11.40
Grand Total		**766**	**2,584.31**	**217**	**1,292.49**	**24**	**376.58**	**14**	**260.40**	**8**	**270.00**	**3**	**60.00**	**4,843.78**

This pertains to the principal outstanding only.

16. OTHER FINANCIAL LIABILITIES

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Finance lease obligations	61.90	-
Contingent liability acquired from MMFL (Refer Note 41)	0.28	-
Total	**62.18**	**-**

17. OTHER NON-FINANCIAL LIABILITIES

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Statutory dues payable	10.59	5.89
Others	5.02	4.01
Total	**15.61**	**9.90**

18. PROVISIONS

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Provision for employee benefits:		
Gratuity	6.27	4.14
Leave encashment and availment	14.04	7.74
Total	**20.31**	**11.88**

19. ISSUED CAPITAL

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Authorised		
Equity shares of Rs. 10 each	160.00	160.00
	160.00	**160.00**
	March 31, 2020	**March 31, 2019**
Issued, subscibed and fully paid up		
143,985,459 (March 31, 2019: 143,552,261) equity shares of Rs.10 each fully paid	143.99	143.55

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity shares	31-Mar-20		31-Mar-19	
	No. of Shares	Amount (₹ in crores)	No. of Shares	Amount (₹ in crores)
At the beginning of the year	143,552,261	143.55	128,427,337	128.43
Add: Issued during the year on account of Initial Public Offer	-	-	14,928,909	14.92
Add: Issued during the year on fresh capital infusion from holding company	-	-	-	-
Add: Issued during the year- Employee Stock Option Plan	433,198	0.44	196,015	0.20
Outstanding at the end of the year	**143,985,459**	**143.99**	**143,552,261**	**143.55**

During the previous year, the Company had completed the Initial Public Offer (IPO) comprising a fresh issue of 14,928,909 equity shares having a face value of Rs.10 each at an offer price of Rs.422 each aggregating Rs.630 crores by the Company and an offer for sale of 11,876,485 equity shares by the promoters, CreditAccess Asia N.V aggregating Rs.501.18 crores. Pursuant to the IPO, the equity shares of the Company have got listed on BSE Limited and NSE India Limited on August 23, 2018.

(b) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. Any dividends proposed by the Board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2020		March 31, 2019	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of Rs. 10 each fully paid				
CreditAccess Asia NV	115,109,028	79.94	115,109,028	80.19

(d) For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company refer Note 37.

(e) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particulars	31-Mar-20 (No. of equity shares)	31-Mar-19 (No. of equity shares)	31-Mar-18 (No. of equity shares)	31-Mar-17 (No. of equity shares)	31-Mar-16 (No. of equity shares)
Equity shares alloted to Equity Share holders and Compulsorily Convertible Debentureholders of MV Microfin Private Limited as a purchase consideration for amalgamation of business with the Company	-	-	4,890,140	-	-
Equity shares alloted to CreditAccess Asia N.V in lieu of conversion of compulsorily convertible debentures	-	-	12,987,012	-	-
Total	**-**	**-**	**17,877,152**	**-**	**-**

20. OTHER EQUITY*

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	265.62	137.92
Capital reserve	49.95	49.95
Securities premium	1,483.59	1,480.00
Stock option outstanding	8.61	8.79
Retained earnings	818.53	553.55
Other comprehensive income	(36.07)	(8.70)
Total	**2,590.23**	**2,221.51**

* For detailed movement of reserves refer Statement of Consolidated Changes in Equity for the year ended March 31, 2020

Nature and purpose of reserve

20.1. Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

20.2. Capital reserve

During the year ended 2018, the Company pursuant to the scheme of amalgamation acquired MV Microfin Private Limited with effect from April 1, 2017, per the accounting treatment of the scheme of amalgamation approved by the Honourable High Court of Karnataka the differential amount between the carrying value of investments and net assets acquired from the transferor companies has been accounted as Capital reserve.

20.3. Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)

Statutory reserve represents the accumulation of amount transferred from surplus year on year based on the fixed percentage of profit for the year, as per section 45-IC of Reserve Bank of India Act 1934. This also includes the statutory reserve of MMFL acquired as a part of acquisition.

20.4. Stock option outstanding

The stock option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.

20.5. Other comprehensive income

Re-measurement of the net defined benefit liability/(asset) comprises actuarial gain and losses and return on plan assets (excluding interest income). And net fair valuation gain/(loss) on financial assets measured at fair value through other comprehensive income.

₹ in crores

Movement of other comprehensive income for the year	March 31, 2020	March 31, 2019
Opening balance	(8.70)	(0.01)
(+) Fair value change during the year	(229.95)	(16.01)
(-) Impairment allowance transferred to statement of profit and loss	202.58	7.32
Closing balance	**(36.07)**	**(8.70)**

₹ in crores

Movement of Non-controlling Interest (NCI) for the year	March 31, 2020
Opening balance	-
(+) Proportionate share of NCI accounted on acquisition date	109.44
(+) Profit for the year attributable to Non-Controlling Interest	1.94
(-) Transferred to statutory reserves (Non-controlling interest contribution)	(0.41)
(-) Equity adjustment on account of subsequent acquisition in subsidiary	(2.02)
Closing balance	**108.95**

21. INTEREST INCOME

₹ in crores

Particulars	For the year ended March 31, 2020			For the year ended March 31, 2019		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total
Interest on loans	1,358.59	245.37	**1,603.94**	975.80	180.29	**1,156.09**
Income from securitisation	-	23.06	**23.06**	-	55.24	**55.24**
Interest on deposits with banks and financial institutions	-	6.34	**6.34**	-	6.99	**6.99**
Total	**1,358.59**	**274.77**	**1,633.34**	**975.80**	**242.52**	**1,218.32**

22. FEES AND COMMISSION

₹ in crores

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Loan portfolio servicing fees	0.31	0.41
Service & Administration Charges	3.77	0.93
Distribution Income	0.92	-
Total	**5.00**	**1.34**

23. NET GAIN / (LOSS) ON FAIR VALUE CHANGES *

₹ in crores

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(A) Net gain / (loss) on fair value instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	15.02	10.55
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others		
(i) Gain on derecognition of loans designated at FVTOCI	41.33	46.00
Total Net gain / (loss) on fairvalue changes (C)	**56.35**	**56.55**
Fair Value changes:		
- Realised	56.34	56.55
- Unrealised	0.01	-
Total Net gain / (loss) on fair value changes (D) to tally with (C)	**56.35**	**56.55**

23(A) OTHERS

₹ in crores

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Gain on de-recognition of loans under assignment	4.19	-
Total	**4.19**	**-**

24. OTHER INCOME

₹ in crores

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net gain / (loss) on derecognition of property, plant and equipment	0.00	(0.07)
Net gain / (loss) on foreign currency transaction and translation (other than considered as finance cost)	0.06	(0.05)
Others	1.11	1.18
Total	**1.17**	**1.06**

25. FINANCE COSTS

₹ in crores

Particulars	On financial assets measured at amortised cost	
	For the year ended March 31, 2020	For the year ended March 31, 2019
(A) On borrowings		
Interest on debt securities	64.25	79.81
Interest on borrowings other than debt securities	494.68	304.67
Interest on subordinated liabilities	4.27	9.82
Other finance costs	2.04	4.38
On finance lease obligations	5.65	-
Total	**570.89**	**398.68**
(B) On financial liability towards securitisation (re-recognised on balance sheet)	**9.09**	**18.07**

26. IMPAIRMENT OF FINANCIAL INSTRUMENTS

₹ in crores

Particulars	For the year ended March 31, 2020			For the year ended March 31, 2019		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total
Joint liability loans	202.58	25.84	**228.42**	7.32	61.62	**68.94**
Individual loans	-	10.57	**10.57**	-	5.92	**5.92**
Self Help Group	-	(1.72)	**(1.72)**	-	-	**-**
Total	**202.58**	**34.69**	**237.27**	**7.32**	**67.54**	**74.86**

27. EMPLOYEE BENEFIT EXPENSES

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Salaries and wages	233.54	164.41
Contribution to provident and other funds	22.47	14.13
Share based payments to employees	2.51	4.53
Staff welfare expenses	3.53	2.98
Total	**262.05**	**186.05**

28. OTHER EXPENSES

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Rental charges payable under operating leases (Refer Note 32)	12.93	12.68
Bank charges	3.79	0.47
Rates and taxes	4.69	4.17
Insurance	0.89	0.31
Repairs and maintenance	7.12	4.79
Electricity	2.82	1.96
Travelling and conveyance	47.07	36.88
Postage and telecommunication	9.80	10.24
Printing and stationery	6.40	4.75
Professional and consultancy charges	23.86	5.79
Remuneration to directors	0.58	1.06
Auditors remuneration (refer Note below)		
Audit fees	1.07	0.76
Certificate Fee	0.19	-
Out of pocket fees	0.06	0.07
Training expenses	6.83	4.72
Donations	0.95	0.84
Corporate Social Responsibility expenses	5.55	2.93
Miscellaneous expenses	9.29	6.99
Provision for other assets	0.32	0.72
Total	**144.21**	**100.13**

Auditors remuneration

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
As auditor		
Audit fee	0.78	0.42
Limited review	0.28	0.16
Others	-	0.17
In other capacity		
Certification services	0.19	-
Taxation matter	-	-
Reimbursement of expenses	0.06	0.07
Total	**1.31**	**0.82**

Details of CSR expenditure

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
a) Gross amount required to be spent by the Company during the year	5.55	2.93
b) Amount spent during the year (in cash)		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	5.55	2.93

29(A) INCOME TAX

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Current tax	160.47	176.35
Deferred tax	(34.36)	(0.37)
Total tax charge	**126.11**	**175.98**

29(B) RECONCILIATION OF TAX EXPENSE AND ACCOUNTING PROFIT MULTIPLIED BY INDIA'S DOMESTIC TAX RATE

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Profit before tax	461.60	497.74
At India's statutory income tax rate of 25.17% (2018: 34.94%)	116.19	173.93
(a) Non deductible expenses	1.43	2.37
Penalties	-	-
Interest u/s 234	(0.00)	
Others	1.43	2.24
Donations @50%	0.47	0.42
CSR @50%	2.74	1.47
Employe stock option cost	2.51	4.53
(b) Change in tax rate	8.49	-
(c) Additional allowance of certain expenditure	-	(0.32)
(d) Income not subject to tax	(0.00)	-
Income tax expense reported in statement of profit and loss (a)+(b)+(c)+(d)	**126.11**	**175.98**

* From the current financial year, the Company has opted for reduced rate of 25.17% for computation of income tax as per newly inserted Section 115BAA of the Income Tax Act, 1961.

29(C) MOVEMENT IN DEFERRED TAX BALANCES FOR THE YEAR ENDED MARCH 31, 2020

₹ in crores

Particulars	Net balance April 1, 2019 *	(Charge)/ credit in profit and loss	Recognised in OCI	Recognised in other equity	Arising through business combination (Refer Note 41)	Net balance March 31, 2020	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)								
Impact of difference between tax depreciation/ amortisation	2.33	0.52	-	-	-	2.85	2.85	-
Remeasurement gain / (loss) on defined benefit plan	3.81	0.41	-	-	-	4.22	4.22	-
Provision for donation	0.70	(0.08)	-	-	-	0.62	0.62	-
Impairment allowance for loans	35.82	33.29	-	-	-	69.11	69.11	-
Expenses incurred on Initial Public Offering	8.10	(1.46)	-	(2.26)	-	4.38	4.38	-
Other items	6.33	1.53	7.46	-	-	15.32	15.32	-
On account of acquisition of MMFL (Refer Note 41)	-	0.15	-	-	(39.21)	(39.06)	-	(39.06)
Net Deferred tax assets / (liabilities)	**57.09**	**34.36**	**7.46**	**(2.26)**	**(39.21)**	**57.44**	**96.50**	**(39.06)**

* Includes Deferred tax asset/ liability of MMFL as at acquisition date (18th March 2020)

29(D) MOVEMENT IN DEFERRED TAX BALANCES FOR THE YEAR ENDED MARCH 31, 2019

₹ in crores

Particulars	Net balance April 1, 2018	(Charge)/credit in profit and loss	Recognised in OCI	Recognised in other equity	Net balance March 31, 2019	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Impact of difference between tax depreciation/ amortisation	0.92	0.84	-	-	1.76	1.76	-
Remeasurement gain / (loss) on defined benefit plan	1.69	1.05	-	-	2.76	2.76	-
Provision for donation	0.92	(0.22)	-	-	0.70	0.70	-
Impairment allowance for loans	19.90	4.50	-	-	24.39	24.39	-
Expenses incurred on Initial Public Offering	-	-	-	8.10	8.10	8.10	-
Other items	6.57	(5.80)	4.67	-	5.44	5.44	-
Net Deferred tax assets / (liabilities)	**30.00**	**0.39**	**4.67**	**8.10**	**43.14**	**43.14**	**-**

29(E) The following tables provides the details of income tax assets and income tax liabilities as at:

CURRENT TAX ASSETS (NET)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Income tax assets	497.39	328.54
Income tax liabilities	475.28	315.31
Total	**22.11**	**13.23**

30. TRANSFER OF FINANCIAL ASSETS

30.1. Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for de-recognition, together with the associated liabilities:

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Securitisations		
Carrying amount of transferred assets measured at fair value through other comprehensive income	98.14	199.94
Carrying amount of associated liabilities (debt securities - measured at amortised cost)	80.79	-
Fair value of assets	-	199.94
Fair value of associated liabilities	-	159.48
Net position at amortised cost	**17.35**	**40.46**

31. DEFINED BENEFIT PLAN

31.1. Reconciliation of net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/assets and its components:

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	12.89	6.37
Current service cost	3.63	2.61
Interest cost	0.61	0.48
Past service cost		-
Benefits settled	(0.38)	(0.26)
Actuarial (gains)/ losses recognised in other comprehensive income		-
- Changes in experience adjustments	(1.22)	0.78
- Changes in demographic assumptions	(0.69)	0.71
- Changes in financial assumptions	2.00	(0.34)
Obligation at the end of the year	**16.84**	**10.35**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	6.21	4.60
Interest income on plan assets	0.49	0.41
Re-measurement- actuarial gain	0.12	(0.31)
Return on plan assets recognised in other comprehensive income		-
Contributions	4.13	1.77
Benefits settled	(0.38)	(0.26)
Plan assets at the end of the year, at fair value	**10.57**	**6.21**
Net defined benefit liability	**6.27**	**4.14**

31.2. Expense recognised in profit or loss

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Current service cost	3.63	2.61
Interest cost	0.13	0.07
Past service cost	-	-
Interest income	(0.00)	-
Net gratuity cost	**3.76**	**2.68**

31.3. Re-measurement recognised in other comprehensive income

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Re-measurement of the net defined benefit liability		
- Changes in experience adjustments	(1.22)	1.80
- Changes in demographic assumptions	(0.69)	0.43
- Changes in financial assumptions	2.00	(0.59)
Re-measurement of the net defined benefit asset		-
Return on plan assets (greater)/ less than discount rate	(0.12)	0.27
Total Actuarial (gain)/ loss included in OCI	**(0.03)**	**1.91**

31.4. Plan assets

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Funds managed by insurer	100%	100%

31.5. Defined benefit obligation - Actuarial assumptions

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Discount rate	4.09% - 6.03%	7.62%
Future salary growth	10.00%	10.00%
Attrition rate	24.8% - 30%	22.38%
Average term of liabilty (in years)	9.05	11.65

Expected contribution to the plan for the next annual reporting period is ₹ 5.19 crores.

31.6. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

₹ in crores

Particulars	March 31, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	1.35	4.04	(0.80)	0.94
Future salary growth (1% movement)	3.81	1.51	0.80	(0.70)
Attrition rate (1% movement) (In case of MMFL 50% movement)	1.71	4.07	(0.24)	0.27

32. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

(A) Maturity analysis of assets and liabilities as at March 31, 2020

₹ in crores

Sl. No.	Particulars	Within 12 months	After 12 months	Total
ASSETS				
(1)	**Financial assets**			
(a)	Cash and cash equivalents	644.87	-	**644.87**
(b)	Bank balance other than cash and cash equivalents	31.10	41.67	**72.77**
(c)	Receivables	0.22	-	**0.22**
(d)	Loans			
	- Loan portfolio (excluding securitised assets)	6,479.13	4,525.18	**11,004.31**
	- Securitised assets re-recognised on balance sheet	84.67	9.93	**94.60**
(e)	Investments	45.02	0.54	**45.56**
(f)	Other financial assets	43.76	11.72	**55.48**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	22.11	**22.11**
(b)	Deferred tax assets (net)	-	57.44	**57.44**
(c)	Property, plant and equipment	7.46	24.23	**31.69**
(d)	Right to use assets	7.85	46.75	**54.60**
(e)	Goodwill	-	317.58	**317.58**
(f)	Intangible assets under development	-	2.84	**2.84**
(g)	Intangible assets	3.16	169.47	**172.63**
(h)	Other non-financial assets	9.04	3.85	**12.89**
Total assets		**7,356.28**	**5,233.31**	**12,589.59**
LIABILITIES AND EQUITY				
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	35.60	-	**35.60**
	(II) Other payables	-	-	**-**
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	73.03	0.03	**73.06**
(b)	Borrowings	-	-	**-**
	- Debt securities	399.85	375.82	**775.67**
	- Borrowings (other than debt securities)	5,075.65	3,504.35	**8,580.00**
	- Subordinated liabilities	0.01	103.02	**103.03**
	- Financial liability towards securitisation (re-recognised on balance sheet)	75.48	5.49	**80.97**
(c)	Other financial liabilities	10.11	52.07	**62.18**
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	-	-	**-**
(b)	Provisions	12.62	7.69	**20.31**
(c)	Other non-financial liabilities	15.55	0.06	**15.61**
(3)	**Equity**			
(a)	Equity share capital	-	143.99	**143.99**
(b)	Other equity	-	2,590.22	**2,590.22**
(c)	Non-controlling interests	-	108.95	**108.95**
Total liabilities and equity		**5,697.90**	**6,891.69**	**12,589.59**

(B) Maturity analysis of assets and liabilities as at March 31, 2019

₹ in crores

Sl. No.	Particulars	Within 12 months	After 12 months	Total
ASSETS				
(1)	**Financial assets**			
(a)	Cash and cash equivalents	573.73	-	**573.73**
(b)	Bank balance other than cash and cash equivalents	38.93	2.89	**41.82**
(c)	Other receivables	0.09	-	**0.09**
(d)	Loans			
	- Loan portfolio (excluding securitised assets)	4,323.25	2,080.93	**6,404.18**
	- Securitised assets re-recognised on balance sheet	198.32	0.33	**198.65**
(e)	Investments	-	0.20	**0.20**
(f)	Other financial assets	34.74	11.96	**46.70**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	13.23	**13.23**
(b)	Deferred tax assets (net)	-	43.14	**43.14**
(c)	Property, plant and equipment	5.34	13.40	**18.74**
(d)	Intangible assets under development	2.36	-	**2.36**
(e)	Intangible assets	2.40	3.61	**6.01**
(f)	Other non-financial assets	3.29	5.00	**8.29**
Total assets		**5,182.45**	**2,174.69**	**7,357.14**
LIABILITIES AND EQUITY				
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	7.80	0.29	**8.09**
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	95.60	0.04	**95.64**
(b)	Borrowings			
	- Debt securities	222.16	334.00	**556.16**
	- Borrowings (other than debt securities)	2,214.03	1,900.47	**4,114.50**
	- Subordinated liabilities	12.07	25.00	**37.07**
	- Financial liability towards securitisation (re-recognised on balance sheet)	158.84	-	**158.84**
(2)	**Non-financial liabilities**			
(a)	Provisions	6.66	5.22	**11.88**
(b)	Other non-financial liabilities	9.90	-	**9.90**
(3)	**Equity**			
(a)	Equity share capital	-	143.55	**143.55**
(b)	Other equity	-	2,221.51	**2,221.51**
Total liabilities and equity		**2,727.04**	**4,630.08**	**7,357.14**

33. CONTINGENT LIABILITIES

(A) Contingent liabilities not provided for in respect of

₹ in crores

Particulars	March 31, 2020
Performance security provided by the Company pursuant to service provider agreement	0.12
Indemnity undertaking given to Bajaj Allianz Life Insurance Company Limited for insurance claims (in relation to MMFL)	0.20

(B) For FY 2018-19

The Supreme Court has recently, delivered its ruling on the composition of basic wages for the purposes of deduction and contribution to the Employees Provident and Pension funds. The company, in the interest of its employees, awaits clarity on the complexities revolving around the application of the said order, the ambiguity reflected by the divergent views of legal experts and the response/direction from the authorities, including on representations made by an industry association in this regard.

(C) For FY 2019-20

The Assesing Officer, Income Tax, Bangalore, through an order dated 28th December 2019, has confirmed the demand of ₹.6.50 Cr from the Company. The Company has preferred an appeal before Commissioner of Income Tax against said assement order. The Company, in line with the opinion obtained from a legal counsel, is of view that the said demand is not tenable and expects to succeed in its appeal.

(D) In addition, the Company is involved in other legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.

34. CAPITAL COMMITMENTS

Estimated amounts of contracts remaining to be executed on capital account (net of capital advances) and not provided:

₹ in crores

Particulars	March 31, 2020	March 31, 2019
For purchase / development of computer software	1.23	0.89

35. LEASES

Operating Lease

Head office and branch office premises are acquired on operating lease. The branch office premises are generally rented on cancellable term for period of eleven to sixty months with no escalation clause and renewable at the option of the Company.There are no restrictions imposed by lease arrangements. There are no subleases. Lease payments during the year are charged to statement of profit and loss. Future minimum rentals payable under non-cancellable operating leases are as follows:

₹ in crores

Particulars - For Group Lending	March 31, 2020	March 31, 2019
Minimum lease obligations		
Not later than one year	6.77	2.99
Later than 1 year but not later than 5 years	-	2.27
Later than 5 years	-	-

35.1. Effective April 1, 2019, the Parent has applied the standard to all lease contracts existing on April 1, 2019 using the Modified Retrospective method along with the transition option to recognise the Right Of Use asset (ROU) at an amount equal to the Lease liability. Being the first year of INDAS adoption, the Company has recognised the lease liability and right-of-use asset as per above mentioned measurement principles at the date of transition to INDAS as permitted by the Standard. A sum of Rs. 48.58 crores has been recognised as ROU asset and a similar sum of Rs. 48.58 crores has been recognised as lease liability as on transition date of April 1, 2019.

Effective April 1 2019, the subsidiary has applied the standard to all lease contracts existing on April 1 2019 using the retrospective method as it is first time adopting Ind AS. Being the first year of INDAS adoption, company has recognised the lease liability and right-of-use asset as per above mentioned measurement principles at the date of transition to INDAS as permitted by the Standard. A sum of Rs. 0.61 crores has been recognised as ROU asset and a similar sum of Rs.0.61 crores has been recognised as lease liability as on transition date of 1 Apr 2018.

35.2. The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

35.3. In case of Parent - the company's leased assets mainly comprise office building and servers taken on lease. Leases contain a wide range of different terms and conditions. The term of property leases ranges from 1-10 years. The company has used an incremental borrowing rate of 11.50% to determine the lease liability and right to use of asset for leases entered into before March 2019 and accounted under Ind AS 116 and 10.56% for leases entered into in 2019-20.

In case of subsidiary - the company's leased assets mainly comprise office building. Leases contain a wide range of different terms and conditions. The term of property leases ranges from 1-3 years. The company has used an incremental borrowing rate of 12.98% to determine the lease liability and right to use of asset for leases entered into before March 2019 and accounted under Ind AS 116 and 11.84% for leases entered into in 2019-20.

35.4. Total lease liabilities are analysed as at

₹ in crores

a)

Denominated in the following currencies:	March 31, 2020
Rupees	61.90
Foreign currency	-
Total	**61.90**

₹ in crores

b)

Maturity of Lease liability	March 31, 2020
Current	10.04
Non Current	51.86
Total	**61.90**

35.5. The following amounts were recognised as expense in the year:

₹ in crores

Particulars	March 31, 2020
Depreciation of right-of-use assets	7.48
Expense relating to variable lease payments	-10.42
Expense relating to short-term leases and low-value assets	12.93
Interest on lease liabilities	5.65
Total recognised in the income statement	**15.64**

35.6. The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:

₹ in crores

Maturity analysis:	March 31, 2020
Less than 1 year	13.19
Between 1 and 2 years	9.58
Between 2 and 5 years	25.17
More than 5 years	32.21
Total	**80.15**

35.7. The following is the movement in lease liabilities during the year ended March 31, 2020

₹ in crores

Particulars	March 31, 2020
Balance as at April 1, 2019	50.44
Additions during the period	11.80
Finance cost incurred during the period	5.65
Payment of lease liabilities	5.99
Balance as of March 31, 2020	**61.90**

Note: Refer Note 11 for movement in right to use of assets.

36. RELATED PARTY TRANSACTIONS

Names of the related parties (as per IndAS – 24)

Key management personnel and Additional Director of MMFL (w.e.f March 18, 2020)	Mr. Udaya Kumar Hebbar, Managing Director & CEO
Holding Company	CreditAccess India NV
Company under common control	Scisphere Analytics India Private Limited
Company under common control	Scimergent Analytics and Education Private Limited
Company under common control	Microcredit Foundation of India
Chairman (from October 30, 2019) & Nominee Director and Additional Director of MMFL (w.e.f. March 18, 2020)	Mr. Paolo Brichetti
Independent Director	Mr. R Prabha
Independent Director	Mr. Anal Kumar Jain
Independent Director	Ms. Sucharita Mukherjee

Independent Director and Additional Director (w.e.f. March 18, 2020)	Mr. George Joseph
Additional & Independent Director (w.e.f.October 30, 2019) and Additional Director of MMFL (w.e.f. March 18, 2020)	Mr. Manoj Kumar
Nominee Director	Mr. Sumit Kumar
Nominee Director	Mr. Massimo Vita
Director- Finance (w.e.f June 14, 2020) & CFO and Additional Director (w.e.f. March 18, 2020)	Mr. Diwakar B R
Independent Director & Chairman (upto October 29, 2019)	Mr. M.N Gopinath
Key Management Personnel	Ms Tara Thiagarajan
Key Management Personnel	Mr F S Mohan Eddy
Key Management Personnel (w.e.f. August 01, 2019)	Mr M Narayanan
Independent Director	Mr. N C Sarabeswaran
Relative of Key Management Personnel	Mrs. Pamela Mohan

₹ in crores

Particulars	Key management personnel	
	March 31, 2020	March 31, 2019
Transactions during the year		
Mr. Udaya Kumar Hebbar		
Salary and perquisites	1.97	1.89
ESOPs exercised	0.41	0.31
Mr. Diwakar B R		
Salary and perquisites	1.09	-
ESOPs exercised	0.34	-
Salary and perquisites given by MMFL to KMPs-		
Ms Tara Thiagarajan	0.04	-
Mr F S Mohan Eddy	0.04	-
Mr M Narayanan	0.04	-

Provisions for gratuity and leave benefits are made for the Company as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.

₹ in crores

Sitting fees	Other related parties	
	March 31, 2020	March 31, 2019
Mr. R Prabha	0.08	0.07
Mr. Paolo Brichetti	0.04	-
Mr. Sumit Kumar	0.02	-
Mr. Massimo Vita	0.02	-
Mr. Anal Kumar Jain	0.04	0.05
Mr. M N Gopinath	0.01	0.05
Ms. Sucharita Mukherjee	0.02	0.03
Mr. George Joseph	0.07	0.07
Mr. Manoj Kumar	0.01	-
Rent paid by MMFL		
Mrs. Pamela Mohan	0.01	-

₹ in crores

Commission	March 31, 2020	March 31, 2019
Mr. R Prabha	0.07	0.17
Mr. Anal Kumar Jain	0.08	0.19
Mr. M N Gopinath	0.03	0.18
Ms. Sucharita Mukherjee	0.03	0.12
Mr. George Joseph	0.08	0.15
Mr. Manoj Kumar	0.02	-
Professional fees paid to Scisphere Analytics India Private Limited	0.13	-

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Transactions during the year		
CreditAccess India NV	**Holding Company**	
CreditAccess India NV - Service Fee	1.75	-
Reimbursment of expenditure incurred from related party	-	21.43

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Balances at the end of the year		
Sitting fees payable	**Other related parties**	
	March 31, 2020	**March 31, 2019**
Mr. Ashok Mirza	0.03	-
Mrs. Kavitha Vijay	0.04	-
Mr. N C Sarabeswaran	0.06	-
Mr. R Ramaraj	0.05	-
Mrs. Siva Kameswari Vissa	0.05	-
Paolo Brichetti	0.04	-
Massimo Vita	0.02	-
Sumit Kumar	0.02	-
Mr. R Prabha	-	0.005
Mr. Anal Kumar Jain	-	0.002
Mr. M N Gopinath	-	0.003
Ms. Sucharita Mukherjee	-	0.003
Mr. George Joseph	-	0.004

₹ in crores

Commission payable	March 31, 2020	March 31, 2019
Mr. R Prabha	0.08	0.08
Mr. Anal Kumar Jain	0.06	0.10
Mr. M N Gopinath	0.08	0.09
Ms. Sucharita Mukherjee	0.05	0.06
Mr. George Joseph	0.07	0.08

37. EMPLOYEE STOCK OPTIONS

Stock options

The Company has provided share based payments to its employees under the 'Grameen Koota Financial Services Private Limited – Employees Stock Option Plan 2011'. The various Tranches I, II, III, IV, V and VI represent different grants made under the plan. During year ended March 31, 2020, the following stock option grant were in operation:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI
Date of grant	Apr 1, 2012	Oct 1, 2013	Jun 1, 2014	Jul 1, 2016	Jan 1, 2017	Jan 1,2018
Date of Board / Compensation Committee approval	Oct 15, 2011	Aug 22, 2012	Jul 30, 2014	Jun 29, 2016	May 17, 2017	Jan 24, 2018
Number of Options granted	716,676	631,339	443,000	431,000	521,000	971,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Graded vesting period:						
Day following the expiry of 12 months from grant	25%	25%	25%	25%	25%	25%
Day following the expiry of 24 months from grant	25%	25%	25%	25%	25%	25%
Day following the expiry of 36 months from grant	25%	25%	25%	25%	25%	25%
Day following the expiry of 48 months from grant	25%	25%	25%	25%	25%	25%
Exercise period	48 months from date of vesting					
Vesting conditions	Employee to be in service at the time of vesting					
Weighted average remaining contractual life (years)						
-I	-	-	-	1.25	1.76	2.76
-II	-	-	0.17	2.25	2.76	3.76
-III	-	0.50	1.17	3.25	3.76	4.76
-IV	0.00	1.50	2.17	4.25	4.76	5.76
Weighted average exercise price per option ( )	27.00	27.00	39.86	63.90	84.47	120.87
Weighted average fair value of options ( )	-	18.73	38.46	75.78	61.95	86.27

Reconciliation of options

Particulars	March 31, 2020	March 31, 2019
Tranche I		
Options outstanding at the beginning of the year	5,250	5,250
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	4,500	-
Expired during the year	750	-
Outstanding at the end of the year	-	5,250
Exercisable at the end of the year	-	5,250
Tranche II		
Options outstanding at the beginning of the year	11,500	49,000
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	2,500	37,500
Expired during the year	1,500	-
Outstanding at the end of the year	7,500	11,500
Exercisable at the end of the year	7,500	11,500
Tranche III		
Options outstanding at the beginning of the year	139,250	235,500
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	99,250	95,750
Expired during the year	1,500	500
Outstanding at the end of the year	38,500	139,250
Exercisable at the end of the year	38,500	139,250
Tranche IV		
Options outstanding at the beginning of the year	336,750	371,500
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	84,500	34,750
Expired during the year	-	-
Outstanding at the end of the year	252,250	336,750
Exercisable at the end of the year	144,500	120,000
Tranche V		
Options outstanding at the beginning of the year	436,550	456,000
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	80,250	19,450
Expired during the year	-	-
Outstanding at the end of the year	356,300	436,550
Exercisable at the end of the year	226,050	166,050
Tranche VI		
Options outstanding at the beginning of the year	879,080	949,687
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	162,198	8,565
Expired during the year	28,357	62,042
Outstanding at the end of the year	688,525	879,080
Exercisable at the end of the year	252,489	197,453

38. REVENUE FROM CONTRACTS WITH CUSTOMERS

₹ in crores

(A)

Particulars	March 31, 2020	March 31, 2019
Type of services		
Service fees for management of assigned portfolio of loans	0.31	0.41
Service and administration charges	3.77	0.93
Distribution Income	0.92	-
Other Income	1.11	1.18
Total	**6.11**	**2.52**

(B) Geographical markets

₹ in crores

Particulars	March 31, 2020	March 31, 2019
India	6.11	2.52
Outside India	-	-
Total	**6.11**	**2.52**

(C) Timing of revenue recognition

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Services transferred at a point in time	6.11	2.52
Services transferred over time	-	-
Total	**6.11**	**2.52**

(D) Receivables

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Distribution Income	0.55	-

39. FINANCIAL INSTRUMENTS – FAIR VALUES

39.1. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

₹ in crores

Financial assets (assets measured at fair value)	March 31, 2020			March 31, 2019		
	Fair value			Fair value		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Loans (measured at FVOCI)	-	7,765.48	-	-	5,303.00	-
Investments	-	0.20	45.36	-	0.20	-
Total	**-**	**7,765.68**	**45.36**	**-**	**5,303.20**	**-**

Fair values of Loans and Investments designated under FVOCI have been measured under level 2 at fair value based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest.

₹ in crores

Fair value of financial assets and liabilities measured at amortised cost	March 31, 2020				March 31, 2019			
	Amortised cost	Fair value			Amortised cost	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Loans (measured at amortised cost)	3,333.43	-	3,335.53	-	1,299.83	-	1,273.49	-
Debt securities	775.67	-	559.72	-	556.16	-	632.74	-
Borrowings other than debt securities	8,580.00	-	8,750.86	-	4,114.50	-	4,149.83	-
Subordinated liabilities	103.03	-	148.94	-	37.07	-	40.23	-
Financial liability towards securitisation (re-recognised on balance sheet)	80.97	-	80.97	-	158.84	-	159.33	-
Total	**12,873.11**	**-**	**12,876.02**	**-**	**6,166.40**	**-**	**6,255.62**	**-**

The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, other receivables,loans measured at Amortised cost, other financial assets / liabilities,other non-financial assets / liabilities, payables and provisions are considered to be the same as their fair values, due to their short-term nature.

40. RISK MANAGEMENT

40.1. Introduction and risk profile

CreditAccess Grameen Limited ("Company") is one of the leading microfinance institutions in India focused on providing financial support to women from low income households engaged in economic activity with limited access to financial services. The Company predominantly offers collateral free loans to women from low income households, willing to borrow in a group and agreeable to take joint liability. The wide range of lending products address the critical needs of customers throughout their lifecycle and include income generation, home improvement, children's education, sanitation and personal emergency loans. With a view to diversifying the product profile, the company has introduced individual loans for matured group lending customers. These loans are offered to customers having requirement of larger loans to expand an existing business in their individual capacity.

The common risks for the company are operational, business environment, political, regulatory, concentration, expansion and liquidity. As a matter of policy, these risks are assessed and steps as appropriate, are taken to mitigate the same.

40.1.a. Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.The Risk Management framework approved by the Board has laid down the governance structure supporting the identification, assessment, monitoring, reporting and mitigation of risk throughout the company. The objective of the risk management platform is to make a conscious effort in developing risk culture within the organisation and having appropriate systems and tools for timely identification, measurement and reporting of risks for managing them.

The Board has a Risk Management committee which is responsible for monitoring the overall risk process within the Company and reports to the Board of Directors.

The Risk Management guidelines will be implemented through the established organization structure of Risk Department. The overall monitoring of the Risks is done by the Head-Risk Management with the support from all the department heads of the Company. The Board will reviews the status and progress of the risk and risk management system, on quarterly basis through the Audit Committee and Risk Management Committee. The individual departments are responsible for ensuring implementation of the risk management framework and policies, systems and methodologies as approved by the Board. Assignment of responsibilities in relation to risk management is prerogative of the Heads of Departments, in coordination with Head-Risk.While each department focuses on its specific area of activity, the Risk Management Unit operates in coordination with all other departments, utilising all significant information sourced to ensure effective management of risks in accordance with the guidelines approved by the Board. The unit works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework.

Heads of Departments is accountable to a Management-Level Risk Committee (MLRC) comprising of MD&CEO, CFO and Head-Risk. The departmental heads will report for the implementation of above mentioned guideline within their respective areas of responsibility. The department heads are also accountable to the MLRC for identification, assessment, aggregation, reporting and monitoring of the risk related to their respective domain.

The Company's policy is that risk management processes throughout the Company are audited quarterly by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Audit Committee.

40.1.b. Risk mitigation and risk culture

Risk assessments are conducted for all business activities. The assessments are to address potential risks and to comply with relevant legal and regulatory requirements. Risk assessments are performed by competent personnel from individual departments and risk management department including, where appropriate, expertise from outside the Company. Procedures are established to update risk assessments at appropriate intervals and to review these assessments regularly. Based on the Risk Control and Self Assessment (RCSA), the Company formulates its Risk Management Strategy / Risk Management plan on annual basis. The strategy will broadly entail choosing among the various options for risk mitigation for each identified risk. The risk mitigation is planned using the following key strategies:

Risk Avoidance: By not performing an activity that could carry risk. Avoidance may seem the answer to all risks, but avoiding risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed.

Risk Transfer: Mitigation by having another party to accept the risk, either partial or total, typically by contract or by hedging.

Risk Reduction: Employing methods/solutions that reduce the severity of the loss.

Risk Retention: Accepting the loss when it occurs. Risk retention is a viable strategy for small risks where the cost of insuring against the risk would be greater over time than the total losses sustained. All risks that are not avoided or transferred are retained by default. This includes risks that are so large or catastrophic that they either cannot be insured against or the premiums would be infeasible.

40.1.c. Risk measurement and reporting systems

The heads of all the departments in association with risk management department are responsible for coordinating the systems for identifying risks within their own department or business activity through RCSA exercise to be conducted at regular intervals.

Based on a cost / benefit assessment of a risk, as is undertaken, some risks may be judged as having to be accepted because it is believed mitigation is not possible or warranted.

As the risk exposure of any business may undergo change from time to time due to continuously changing environment, the updation of the Risk Register will be done on a regular basis.

All the strategies with respect to managing these major risks shall be monitored by the Head-Risk and MLRC.

The Management Level Risk Committee meetings are held as necessary or at least once a month. The Management Level Risk Committee would monitor the management of major risks specifically and other risks of the Company in general. The Committee takes an integrated view of the risks facing the entity and monitor implementation of the directives received from Risk Management Committee and actionable items drawn from the risk management framework.

Accordingly, the Management Level Risk Committee reviews the following aspects of business specifically from a risk indicator perspective and suitably record the deliberations during the monthly meeting.

- Review of business growth and portfolio quality.
- Discuss and review the reported details of PAR, Key Risk Threshold breaches (KRI's), consequent responses and review of operational loss events, if any.
- Review of process compliances including audit performance across organisation.
- Review of HR management, training and employee attrition.
- Review of new initiatives and product/policy/process changes.
- Discuss and review performance of IT systems.
- Review the status of strategic projects initiated.
- Review, where necessary, policies that have a bearing on the operational risk management and recommend amendments.
- Discuss and recommend suitable controls/mitigations for managing operational risk and assure that adequate resources are being assigned to mitigate the risks.
- Review analysis of frauds, potential losses, non-compliance, breaches etc. and determine corrective measures to prevent their recurrences.
- Understand changes and threats, concur on areas of high priority and possible actions for managing/mitigating the same.

40.1.d. Risk Management Strategies

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

The following management strategies and policies are adopted by the Company to manage the various key risks.

Political Risk mitigation measures:

- Low cost operations and low pricing for customers.
- Customer centric approach, high customer retention.
- Rural focus.
- Systematic customer awareness activities.
- High social focused activities.
- Adherence to client protection guidelines.
- Robust grievance redressal mechanism.
- Adherence to regulatory guidelines in letter and spirit.

Concentration risk mitigation measures:

- District centric approach.
- District exposure cap.
- Restriction on growth in urban locations.
- Maximum disbursement cap per loan account.
- Maximum loan exposure cap per customer.
- Diversified funding resources.

Operational & HR Risk mitigation measures:

- Stringent customer enrolment process.
- Multiple products.
- Proper recruitment policy and appraisal system.
- Adequately trained field force.
- Weekly & fortnightly collections – higher customer touch, lower amount instalments.
- Multilevel monitoring framework.
- Strong, Independent and fully automated Internal Audit function.
- Strong IT system with access to real time client and loan data.

Liquidity risk mitigation measures:

- Diversified funding resources.
- Asset liability management.
- Effective fund management.
- Maximum cash holding cap.

Expansion risk mitigation measures:

- Contiguous growth.
- District centric approach.
- Rural focus.
- Branch selection based on census data & credit bureau data.
- Three level survey of the location selected.

40.2. Impairment assessment

The references below show where the Group's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the summary of significant accounting policies.

40.2.a. Definition of default, significant increase in credit risk and stage assessment

For the measurement of ECL, Ind AS 109 distinguishes between three impairment stages. All loans need to be allocated to one of these stages, depending on the increase in credit risk since initial recognition (i.e. disbursement date):

Stage 1: includes loans for which the credit risk at the reporting date is in line with the credit risk at the initial recognition (i.e. disbursement date).
Stage 2: includes loans for which the credit risk at reporting date is significantly higher than at the risk at the initial recognition (Significant Increase in Credit Risk).

Stage 3: includes default loans. A loan is considered default at the earlier of (i) the Company considers that the obligor is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realizing collateral (if held); or (ii) the obligor is past due more than 90 days on any material credit obligation to the company.

The group offers products with weekly repayment frequency, whereby 15 and above Days past due ('DPD') means already 2 missed instalments from the borrower, and accordingly, the group has identified the following stage classification to be the most appropriate for weekly repayment Loans:

Stage 1: 0 to 15 DPD.
Stage 2: 16 to 60 DPD (SICR).
Stage 3: above 60 DPD (Default).

For loan portfolio with monthly repayment frequency, group has identified the following stage classification to be the most appropriate.

Stage 1: 0 to 30 DPD.
Stage 2: 31 to 90 DPD (SICR).
Stage 3: above 90 DPD (Default).

40.2.b. Probability of Default ('PD')

PD describes the probability of a loan to eventually falling into Stage 3. PD %age is calculated for each loan account separately and is determined by using available historical observations.

PD for stage 1: is derived as %age of all loans in stage 1 moving into stage 3 in 12-months' time.
PD for stage 2: is derived as %age of all loans in stage 2 moving into stage 3 in the maximum lifetime of the loans under observation.
PD for stage 3: is derived as 100% considering that the default occurs as soon as the loan becomes overdue for 60 days which matches the definition of stage 3.

40.2.c. Exposure at default (EAD)

Exposure at default (EAD) is the sum of outstanding principal and the interest amount accrued but not received on each loan as at reporting date.

40.2.d. Loss given default (LGD)

LGD is the opposite of recovery rate. LGD = 1 – (Recovery rate). LGD is calculated based on past observations of Stage 3 loans.

Joint liability loans (JLG)

LGD is computed as below:

1. All Loans which are above 60 DPD as on 31 March 2013, are taken and the difference in the principal outstanding as on 31st March 2013 and 31st March 2020 is considered as recovery.
2. Likewise the same is done for all the loans (excluding the loans which are already considered in previous years) which are above 60 DPD as on 31 March 2014, 31 March 2015, 31 March 2016, 31 March 2017, 31 March 2018, 31 March 2019 and recovery rate is computed for each year.
3. LGD = 1- Recovery rate which is computed for each period of observation.

Individual loans

LGD is computed as below:

1. All Loans which are above 90 DPD as on 31 March 2018, are taken and the difference in the principal outstanding as on 31st March 2018 and 31st March 2020 is considered as recovery.
2. Likewise the same is done for all the loans (excluding the loans which are already considered in previous years) which are above 60 DPD as on each month end from March 31, 2018 till February 29, 2020 and recovery rate is computed for each month.

3. LGD = 1 - Recovery rate which is computed for each period of observation.

In relation to loan portfolio of MMFL

LGD is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the Exposure at Default.

40.2.e. Grouping financial assets measured on a collective basis

The Group believes that the Joint Liability Group (JLG) loans & Self help group (SHG) loans have shared risk characteristics (i.e. homogeneous) and Individual loans (IL) have not shared risk characteristics. Therefore, JLG/SHG and IL are treated as two separate groups for the purpose of determining impairment allowance.

40.2.f. Analysis of inputs to the ECL model under multiple economic scenarios

Adjusting the ECL to reflect the expected changes (if any) in the economic environment for forward looking information in the form of management overlay.

Based on the historical loss experience, adjustments need to be made on the average PD computed to give effect of the current conditions which is done through management overlay by assigning probability weightages to different scenarios.

The methodology and assumptions used for estimating future cash flows should be reviewed regularly so that there is minimum difference between expected loss and the actual loss expenses.

40.3. Interest Rate Risk (IRR)

RBI has allowed NBFCs to price most of their assets and liabilities. Interest rate risk is the risk where changes in market interest rates might adversely affect CAGL's financial condition and the changes in interest rates affect CAGL in a larger way. The immediate impact of changes in interest rates is on earnings (i.e. reported profits) by changing its Net Interest Margin (NIM). The risk from the earnings perspective can be measured as changes in Net Interest Margin (NIM). In line with RBI guidelines, the traditional GAP analysis is considered as a suitable method to measure the Interest Rate Risk for CAGL.

CAGL shall also adhere to these prudential limits and the tolerance/prudential limits for structural liquidity under different time bucket.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible charge in interest rates (all other variables being constant) of the Company'sprofit and loss statement.

₹ in crores

Particulars	Basis points	Effect on profit / loss and equity for the year 2019-20	Effect on profit / loss and equity for the year 2018-19
Borrowings			
Increase in basis points	+ 25	(9.21)	(4.61)
Decrease in basis points	- 25	9.21	4.61

40.4. Capital Management

Capital

The Company actively manages its capital base to cover risks inherent to its business and meet the capital adequacy requirement of RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

(i) Capital management

The Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Company aims to maintain a strong capital base to support the risks inherent to its business and growth strategies. The Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks– which include credit, liquidity and interest rate.

The Company monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis through its Assets Liability Management Committee (ALCO).

The Company endeavours to maintain its CRAR higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

(ii) Regulatory capital (CAGL Standalone)

Particulars	March 31, 2020	March 31, 2019
Tier I CRAR	22.30%	34.38%
Tier II CRAR	1.30%	0.88%
Total	**23.60%**	**35.26%**

(iii) Regulatory capital (MMFL Standalone)

Particulars	March 31, 2020	March 31, 2019
Tier I CRAR	19.53%	16.63%
Tier II CRAR	3.48%	2.82%
Total	**23.01%**	**19.45%**

40.5. Liquidity risk and funding management

Liquidity risk arises due to the unavailability of adequate amount of funds at an appropriate cost and tenure. The Company may face an asset-liability mismatch caused by a difference in the maturity profile of our assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. We monitor liquidity risk through our Asset Liability Management Committee. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term. We actively monitor our liquidity position to ensure that we can meet all borrower and lender-related funding requirements.

There are Liquidity Risk mitigation measures put in place which helps in maintaining the following:

Diversified funding resources:

The group's treasury department secures funds from multiple sources, including banks, financial institutions and capital markets and is responsible for diversifying our capital sources, managing interest rate risks and maintaining strong relationships with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies. The Group continuously seek to diversify its sources of funding to facilitate flexibility in meeting our funding requirements. Due to the composition of our loan portfolio, which also qualifies for priority sector lending, it also engages in securitization and assignment transactions.

Asset Liability Management (ALM) can be termed as a risk management technique designed to earn an adequate return while maintaining a comfortable surplus of assets over liabilities. ALM, among other functions, is also concerned with risk management and provides a comprehensive as well as dynamic framework for measuring, monitoring and managing liquidity and interest rate risks. ALM is an integral part of the financial management process of CAGL. It is concerned with strategic balance sheet management, involving risks caused by changes in the interest rates and the liquidity position of CAGL. It involves assessment of various types of risks and altering the asset-liability portfolio in a dynamic way in order to manage risks.

ALM committee constitutes of Board of Directors who would review the tolerance limits for liquidity/ interest rate risks and would recommend to Board of Directors for its approval from time to time. As per the directions of the Board, the ALM statements would be reported to the ALM committee on quarterly basis for necessary guidance.

The scope of ALM function can be described as follows:
i. Funding and Capital Managementm,
ii. Liquidity risk management ,
iii. Interest Rate risk management ,
iv. Forecasting and analyzing 'What if scenario' and preparation of contingency plans.

Capital guidelines ensure the maintenance and independent management of prudent capital levels for CAGL to preserve the safety and soundness of the company, to support desired balance sheet growth and the realization of new business; and to provide a cushion against unexpected losses. Refer Note 35(a) with respect to regulatory capital of the Company as at the reporting dates.

Liquidity assessment as on March 31, 2020

₹ in crores

Particulars	Upto 30 / 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings									
Debt securities	0.73	13.20	53.17	222.57	116.26	303.36	246.95	-	**956.23**
Borrowings (other than debt securities)	344.71	199.74	543.66	1,425.34	2,480.53	3,837.12	692.77	-	**9,523.86**
Subordinated liabilities	0.30	0.31	0.31	0.93	1.85	27.44	49.95	24.97	**106.06**
Financial liability towards securitisation	13.57	-	-	29.93	31.98	5.31	-	-	**80.79**
	359.31	**213.25**	**597.14**	**1,678.77**	**2,630.62**	**4,173.23**	**989.67**	**24.97**	**10,666.94**

Liquidity assessment as on March 31, 2019

₹ in crores

Particulars	Upto 30 / 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings									
Debt securities	0.56	-	8.71	59.22	109.21	262.27	271.82	-	**711.79**
Borrowings (other than debt securities)	162.04	190.13	203.80	714.08	1,236.54	1,587.86	571.39	63.42	**4,729.26**
Subordinated liabilities	0.30	12.65	0.30	0.93	1.85	31.16	-	-	**47.20**
	162.90	**202.78**	**212.81**	**774.23**	**1,347.60**	**1,881.29**	**843.21**	**63.42**	**5,488.25**

40.6. Market Risk

40.6.1. Market risk

Market the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Group classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

40.6.2. Interest rate risk

Interest rate risk is the risk where changes in market interest rates might adversely affect the Group's financial condition and the changes in interest rates affect the Group in a larger way. The immediate impact of changes in interest rates is on earnings (i.e. reported profits) by changing its Net Interest Margin (NIM). The risk from the earnings perspective can be measured as changes in Net Interest Margin (NIM). In line with RBI guidelines, the traditional Gap analysis is considered as a suitable method to measure the Interest Rate Risk for the Group.

In case of the Group, it may be noted that portfolio loans are not rate sensitive as there is no re-pricing of existing loans are carried out. Only liabilities in the form of borrowings are rate sensitive and considering the size of our business the quantum of impact of change of interest rate of borrowings on liquidity is not significant and can be managed with appropriate treasury action.

40.6.3. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Group manages its foreign currency risk by entering in to cross currency swaps and forward contract. When a derivative is entered in to for the purpose of being as hedge. The Group currently doesnot have any exposure to Foreign currency.

MMFL

Total market risk exposure

₹ in crores

Particulars	March 2020			Primary risk sensitivity
	Carrying amount	Traded risk	Non-traded risk	
Assets				
Cash and cash equivalent and other bank balances	80.24	-	80.24	No market risk
Fixed deposits	56.94	-	56.94	Interest rate risk
Financial assets at Amortised cost	-	-	-	
Loans	1,926.58	-	1,926.58	No market risk as fixed interest rate
Financial investments–FVTPL	45.36	45.02	0.34	Price risk 1%-Rs45,01,593
Other financial assets at amortised cost	12.60	-	12.60	No market risk as fixed interest rate
	-	-	-	
Total	**2,121.72**	**45.02**	**2,076.70**	

Liabilities				
Borrowings (other than Debt Securities)	1,417.64	-	1,417.64	Interest rate risk on floating rate interest loans
ECB loan	-	-	-	Currency risk & interest rate risk- Squared off during the year
Debt Securities	137.30	-	137.30	No interest risk as fixed interest rate
Subordinate debt	74.90	-	74.90	No interest risk as fixed interest rate
Borrowings under securitisation arrangement	80.79	-	80.79	No interest risk as fixed interest rate
Other financial liabilities	1.79	-	1.79	
Total	**1,712.42**	**-**	**1,712.42**	

*The sensitivity of the statement of profit and loss is the effect of the changes in market interest rates on debt securities, other borrowings and subordinated liabilities or price on investments and forex rates on foreign currency exposures

Market risk – trading (trading book)
The Group has invested in listed Mutual funds in 2019-20 which is subject to security price risk. The Group's exposure to such investments is limited. The Group manages the risk by diversifying the portfolio or for holding the investments in only very short spans of time before deploying them in business.

41. BUSINESS COMBINATIONS / ACQUISITION OF SUBSIDIARIES

41.1. Summary of acquisition

CAGL has acquired 75.64% stake on 18th March 2020 from existing shareholders of MMFL at ₹ 1208 per share by discharging ₹ 661.24 crores cash consideration. The acquisition will provide access to a large and unique client base of the MMFL and would result in the geographical diversification of the portfolio of the parent entity and strengthens its leadership position in the microfinance market.

41.2. Details of the purchase consideration, the net assets acquired and goodwill are as follows:

₹ in crores

Purchase consideration	Madura Micro Finance Limited
Cash paid	657.41
Contingent consideration	-
Total purchase consideration	**657.41**

41.3. The assets and liabilities recognised as a result of the acquisition are as follows:

₹ in crores

Particulars	Fair Value
Bank balance other than cash and cash equivalents	54.80
Borrowings (other than debt securities)	(1,423.90)
Cash and cash equivalents	16.69
Current tax asset	5.35
Debt securities	(137.67)
Financial liability towards securitisation (re-recognised on balance sheet)	(96.00)

Deferred tax liability	(25.27)
Derivative Asset	1.10
Finance lease assets	1.69
Intangible Assets	163.73
Investments	75.42
Loans	1,976.21
Other financial assets	9.07
Other non financial assets	0.15
Other non financial liabilities	(0.11)
Other payable Non MSME	(15.65)
Property, plant and equipment	7.45
Provisions	(4.26)
Statutory reserve	(60.52)
Subordinated liabilities	(86.11)
Trade payable Non MSME	(12.61)
Contingent liability	(0.28)
Net identifiable assets acquired	**449.28**

As per Ind AS 103, purchase consideration has been allocated on the basis of fair valuation determined by an independent Valuer.

₹ in crores

41.4.

Calculation of goodwill	March 31, 2020
Consideration transferred (Cash consideration)	657.41
Non-controlling interest in the acquired entity	109.44
Less: Net identifiable assets acquired	(449.27)
Goodwill	**317.58**

41.5. Goodwill on consolidation

₹ in crores

Particulars	March 31, 2020
Cost as at beginning of the year	-
Addition relating to acquisition of subsidiary	317.58
Cost as at end of the year	**317.58**
Impairment as at beginning of year	-
Charge for the year	-
Impairment as at end of the year	**-**
Net carrying value as at beginning of the year	**-**
Net carrying value as at end of the year	**317.58**

Goodwill recognized during the year ended March 31, 2020 relates to the acquisition of the 75.64% equity stake by the Company in Madura Micro Finance Limited (MMFL). The goodwill relates to synergies from combining the acquiree activities with those of the Group including it's assembled workforce.

The goodwill is attributable to the assembled workforce and the synergy benefits of the acquired business. It will not be deductible for tax purposes.

41.6. Significant judgement:

(i) Contingent liability

A contingent liability of ₹ 0.28 crores was recognised on the acquisition of Madura Micro Finance Limited for a pending demand under Income tax act, 1961 & Employee provident fund act, 1952. It is expected that the these will have reached a decision on this case by June 2020. As at 31 March 2020, there has been no change in the amount recognised for the liability in March 2020, as there has been no change in the probability of the outcome of the lawsuit.

(ii) Acquired receivables

The fair value of acquired Loan is ₹ 1,976 crores. The gross contractual amount for loan due is ₹ 1,973 crores, with a loss allowance of ₹ 46 crores.

(iii)Accounting policy choice for non-controlling interests

The group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in MMFL, the group elected to recognise the non-controlling interests in at its proportionate share of the acquired net identifiable assets.

(iv)Revenue and profit contribution

The acquired business contributed revenues of ₹ 20.81 crores and net profit of ₹ 7.97 crores to the group for the period from 19 March to 31 March 2020.If the acquisition had occurred on 1 April 2019, consolidated pro-forma revenue and profit for the year ended 31 March 2020 would have been ₹ 471.51 crores and ₹ 79.67 crores respectively. These amounts have been calculated using the subsidiary's results and adjusting them for:

- differences in the accounting policies between the group and the subsidiary, and
- the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 April 2019, together with the consequential tax effects.

41.7. Acquisition related costs

Acquisition-related costs of ₹ 15.23 crores that were not directly attributable to the issue of shares are included in other expenses in the statement of profit and loss and in operating cash flows in the statement of cash flows. These costs are recognised under "Professional and consultancy charges".

Additional Information as required under Schedule III of Companies Act, 2013, of enterprises consolidated as subsdiary.

₹ in crores

41.8.

Particulars	Net assets, i.e total assets minus total liabilities	
	As % of consolidated net assets	Amount
Parent		
CreditAccess Grameen Limited	93.88%	2,669.07
Subsidiary		
Madura Micro Finance Limited	6.12%	174.10
Total	**100.00%**	**2,843.17**

₹ in crores

Particulars	Share in profit or loss account		Share in other comprehensive income	
	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent				
CreditAccess Grameen Limited	97.42%	327.54	99.89%	(27.33)
Subsidiary				
Madura Micro Finance Limited	2.58%	7.95	0.11%	(0.03)
Total	**100.00%**	**335.49**	**100.00%**	**(27.36)**

41.9. Pursuant to the acquisition of controlling stake in MMFL, the Parent Company has prepared these consolidated financial results for the first time. Accordingly, figures for the corresponding periods represent the standalone financial results of the Parent Company and are not comparable.

42 (A) IMPACT OF COVID-19

The Novel Coronavirus (COVID-19) pandemic (declared as such by the World Health Organisation on March 11, 2020), has contributed to a significant decline and volatility, and a significant decrease in economic activity, in global and Indian markets. The Government of India announced a strict 40-day nation-wide lockdown to contain the spread of the virus till May 3, 2020, which was further extended till May 31, 2020. This has led to significant disruptions and dislocations for individuals and businesses, impacting Group's regular operations including lending and collection activities due to inability of employees to physically reach borrowers.

42 (B) IMPACT OF COVID-19 ON EXPECTED CREDIT LOSSES

As discussed in Note 42 (a) above, the COVID-19 pandemic has led to a significant impact on Group's regular operations including lending and collection activities.

Further, pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020 allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Group has extended/ will be extending moratorium to its borrowers in accordance with policies approved by the respective Board of Directors of the Holding Company and the subsidiary company.

In Holding Company's management's view and considering the guidance provided by the Institute of Chartered Accountants of India, providing moratorium to borrowers at a mass scale based on RBI directives, by itself is not considered to result in a significant increase in credit risk ('SICR') for such borrowers. The Group has recorded a management overlay allowance of approximately Rs.93 crore as part of its Expected Credit Loss, to reflect, among other things, an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic based on the information available at this point in time. Given the unique nature and scale of the economic impact of this pandemic, and its timing being close to the year-end, the management overlay is based on various variables and assumptions, which could result in actual credit loss being different than that being estimated.

However, the full extent of impact of the pandemic on the Company's operations and financial metrics (including impact on impairment allowances for loan portfolio and the assumptions used in testing the impairment of the carrying value of goodwill) will depend on future developments including governmental and regulatory measures and the Group's responses thereto, which are highly uncertain at this time.

43. The approval for re-appointment of Ms. Tara Thiagarajan as the Managing Director of MMFL for the period Oct 2013 to Sep 2016 is pending with the Central Government for approval. MMFL has furnished all the necessary documents/clarifications in this regard to the Ministry of Corporate Affairs (MCA). During this period an amount of ₹ 1.32 crores excluding gratuity was paid to Ms. Tara Thiagarajan as remuneration. The outbreak of COVID-19 pandemic has created a technical delay for obtaining the approval order from MCA. However, MMFL is confident of getting the approval at earliest based on the recent communication from MCA.

44. EARNINGS PER SHARE (EPS)

The following reflects the profit / loss after tax and equity share data used in the basic and diluted EPS calculations:

Particulars	March 31, 2020	March 31, 2019
Net profit/ (loss) after tax as per statement of profit and loss (₹ in crores)	333.55	321.76
Net profit/ (loss) as above for calculation of basic EPS and diluted EPS (₹ in crores)	333.55	321.76
Net profit/ (loss) for calculation of diluted EPS (₹ in crores)	333.55	321.76
Weighted average number of equity shares in calculating basic EPS	143,765,813	137,706,065
Stock options granted under ESOP	1,228,624	1,312,700
Weighted average number of equity shares in calculating dilutive EPS	144,994,437	139,018,765
Earnings per share	23.20	23.37
Dilutive earnings per share[#]	23.00	23.14
Nominal value per share	10.00	10.00

As per our report of even date

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

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

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

Udaya Kumar Hebbar
Managing Director & CEO

Diwakar B R
Director-Finance & CFO

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

Standalone Ind AS Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Members of CreditAccess Grameen Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

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

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

Basis for Opinion

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

Emphasis of matter

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

Key Audit Matters

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

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

Key audit matters	How our audit addressed the key audit matter
(a) Impairment of financial assets (expected credit losses) *(as described in note 7 of the standalone Ind AS financial statements)*	
Ind AS 109 requires the Company to provide for impairment of its loan portfolio (designated at amortised cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances and investments. In the process, a significant degree of judgement has been applied by the management for: • Staging of financial assets (i.e. classification in 'significant increase in credit risk' (“SICR”) and 'default' categories); • Grouping of the loan portfolio under homogenous pools in order to determine probability of default on a collective basis; • Determining effect of less frequent past events on future probability of default; • Estimation of management overlay for macro-economic factors which could impact the credit quality of the loans. Pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020, issued as part of the COVID-19 Regulatory Package (“RBI circular”), allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company has extended moratorium to its borrowers in accordance with its Board approved policy. In management's view and considering the guidance provided by the Institute of Chartered Accountants of India, providing moratorium to borrowers at a mass scale, based on RBI directives, by itself is not considered to result in a SICR for such borrowers. The Company has recorded a management overlay of around Rs.83 crore as part of its ECL, to reflect among other things an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic. Given the unique nature and scale of the economic impact of this pandemic, and its timing being close to the year-end, the management overlay is based on various uncertain variables, which could result in actual credit loss being different than that being estimated. In view of the high degree of management's judgement involved in estimation of ECL, accentuated by the COVID-19 pandemic, it is considered as a key audit matter.	• Read and assessed the Company's accounting policy for impairment of financial assets and its compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020. • Read and assessed the Company's policy with respect to moratorium pursuant to the RBI circular and tested the implementation of such policy on a sample basis. • Tested samples for staging of loans based on their past-due status to check compliance with requirements of Ind AS 109. • Tested the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets for determining the PD and LGD rates. Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records. • Tested assumptions used by the management in determining the overlay for macro-economic factors (including COVID-19 pandemic). • Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets. • Assessed disclosures included in the standalone Ind AS financial statements in respect of expected credit losses including the specific disclosures made with regard to the management's evaluation of the uncertainties arising from COVID-19 and its impact on ECL estimation.

(b) IT systems and controls

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

Other Information

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

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

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

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

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

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

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

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

Mumbai
May 30, 2020

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

Re: CreditAccess Grameen Limited

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

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

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

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

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

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

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

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

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

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

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

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

paid under protest

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Mumbai
May 30, 2020

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

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

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

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

Opinion

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

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

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

Mumbai
May 30, 2020

FINANCIAL STATEMENTS

STANDALONE BALANCE SHEET AS AT MARCH 31, 2020

₹ in crores

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

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

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

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

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

Udaya Kumar Hebbar
Managing Director & CEO

Diwakar B R
Director-Finance & CFO

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

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

₹ in crores

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

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

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

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

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

Udaya Kumar Hebbar
Managing Director & CEO

Diwakar B R
Director-Finance & CFO

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

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

Equity share capital

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

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

Other equity

₹ in crores

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

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

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

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

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

Udaya Kumar Hebbar
Managing Director & CEO

Diwakar B R
Director-Finance & CFO

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

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

₹ in crores

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

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

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

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

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

Udaya Kumar Hebbar
Managing Director & CEO

Diwakar B R
Director-Finance & CFO

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

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

1. CORPORATE INFORMATION

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

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

2. BASIS OF PREPARATION

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

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

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

2.1. Presentation of standalone financial statements

The Company presents its balance sheet in order of liquidity.

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

2.2. Critical accounting estimates and judgements

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1. Revenue recognition

3.1.1. Interest income

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

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

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

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

AS 115 'Revenue From Contracts with Customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.
(a) Distribution income is earned by selling of services and products of other entities under distribution arrangements. The income so earned is recognised on successful sales on behalf of other entities subject to there being no significant uncertainty of its recovery.

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

3.2. Finance cost

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

3.3. Cash and cash equivalents

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

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

Initial Recognition and measurement:

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

3.5. Intangible assets

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

3.6. Depreciation and amortization

3.6.1. Depreciation

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

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

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

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

3.6.2. Amortisation of intangible assets

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

3.7. Impairment of non–financial assets

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

3.8. Provisions

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

3.9. Contingent liabilities and assets

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

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

3.10. Retirement and other employee benefits

3.10.1. Defined contribution plan

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

3.10.2. Defined benefit plan

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

3.10.3. Other employee benefits

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

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

3.11. Taxes

3.11.1. Current income tax

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

3.11.2. Deferred tax

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

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

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

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

3.12. Earning per share

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

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

3.13. Share based payments

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

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

3.14. Financial instruments

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

3.14.1. Financial Assets

3.14.1.1. Initial recognition and measurement

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

3.14.1.2. Classification and Subsequent measurement

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

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

3.14.1.3. Loans at amortised costs

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

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

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

3.14.1.4. Loans at fair value through other comprehensive income (FVTOCI)

Loans are classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Loans included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is recognised as interest income using the EIR method.

3.14.1.5. Investment in debt instruments and equity instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

3.14.2. Financial Liabilities

3.14.2.1. Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments, which are measured at amortised cost.

3.14.2.2. Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. The EIR amortisation is included as finance costs in the statement of profit and loss.

3.14.3. Reclassification of financial assets and liabilities

The Company doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

3.14.4. De-recognition of financial assets and liabilities

3.14.4.1. De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Company also de-recognises the financial asset if it has transferred the financial asset and the transfer qualifies for de-recognition.

The Company has transferred the financial asset if, and only if, either:
- It has transferred its contractual rights to receive cash flows from the financial asset
Or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:
- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients. A transfer only qualifies for de-recognition if either:
- The Company has transferred substantially all the risks and rewards of the asset
or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit or loss account.

3.14.4.2. De-recognition of financial liabilities

Financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the re-cognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

3.15. Impairment of financial assets

3.15.1. Overview of the Expected Credit Loss (ECL) allowance principles

The Company is recording the allowance for expected credit losses for all loans at amortised cost and FVOCI and other debt financial assets not held at FVTPL.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in Note 3.15.2). The Company's policies for determining if there has been a significant increase in credit risk are set out in Note 41.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on a collective basis for identified homogenous pool of loans. The Company's policy for grouping financial assets measured on a collective basis is explained in Note 41.

Accordingly, the Company groups its loans into Stage 1, Stage 2, Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the company records an allowance for the LTECLs.

Stage 3: Loans considered credit-impaired (as outlined in Note 41). The Company records an allowance for the LTECLs.

For financial assets for which the company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) de-recognition of the financial asset.

3.15.2. The calculation of ECL

The Company calculates ECLs based on a probability-weighted scenarios and historical data to measure the expected cash shortfalls. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

ECL consists of three key components: Probability of Default (PD), Exposure at Default (EAD) and Loss given default (LGD). ECL is calculated by multiplying them. Refer Note 41 for explanation of the relevant terms.

The maximum period for which the credit losses are determined is the expected life of a financial instrument.

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Company recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

3.16. Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to the statement profit and loss account.

3.17. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantegeous market must be accessible by the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured are categorised with fair value hierachy into Level I, Level II and Level III based on level of input.

3.18. Segment information

The Company operates in a single business segment i.e. lending to members, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Company operates in a single geographical segment i.e. domestic.

3.19. Business combinations

A) Business combinations under common control

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The Company accounts for business combinations under common control as per the pooling of interest method. The pooling of interest method involves the following:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

(iii) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

B) Other business combinations

The Company uses the acquisition method of accounting to account for business combinations other than those under common control. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Any goodwill that arises on account of such business combination is tested annually for impairment. Any contingent consideration is measured at fair value at the date of acquisition. A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Company recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Company incurs in connection with a business combination, such as Stamp Duty for title transfer in the name of the Company, finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

3.20. Foreign currency

3.20.1 All transactions in foreign currency are recognised at the exchange rate prevailing on the date of the transaction.

3.20.2. Foreign currency monetary items are reported using the exchange rate prevailing at the close of the period.

3.20.3. Exchange differences arising on the settlement of monetary items or on the restatement of Company's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise.

3.21. Leases (where the Company is the lessee)

Short term leases not covered under Ind AS 116 are classified as operating lease. Lease payments during the year are charged to statement of profit and loss. Future minimum rentals payable under non-cancellable operating leases.

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company has adopted Ind AS 116 - Leases with effect from April 1, 2019 and applied to all lease contracts existing on April 1, 2019 using the Modified Retrospective Approach. In accordance with the transitional provisions, the Company has not restated the comparative figures. The adoption of new standard resulted in recognition of right-of-use asset and a corresponding lease liability of 64.5 crores on April 1, 2019. The effect of this adoption is not material to the profit for the period and earnings per share.

3.22. Investment in subsidiaries

Investment in subsidiaries is recognised at cost and are not adjusted to fair value at the end of each reporting period.Cost of investment represents amount paid for acquisition of the said investment.The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

4. CASH AND CASH EQUIVALENTS

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Cash in hand	1.35	12.34
Balances with Banks in current accounts	163.08	276.24
Bank deposit with maturity of less than 3 months	400.19	285.15
Total	**564.62**	**573.73**

5. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Fixed deposit with bank not considered as cash and cash equivalents*	15.82	41.82
Total	**15.82**	**41.82**

*Balances with banks to the extent held as margin money or security against the borrowings.

6. OTHER RECEIVABLES

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Unsecured, considered good	0.22	0.09
Total	**0.22**	**0.09**

The above does not include the debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms including limited liability partnerships (LLPs), private companies respectively in which any director is a partner or a director or a member.

7. LOANS

₹ in crores

Particulars	March 31,2020			March 31, 2019		
	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total
(A) Term loans:						
Joint liability loans	949.00	7,989.03	8,938.03	789.16	5,363.87	6,153.03
Individual loans	500.36	-	500.36	325.03	-	325.03
Total - Gross	**1,449.36**	**7,989.03**	**9,438.39**	**1,114.19**	**5,363.87**	**6,478.06**
Less: Impairment loss allowance	42.20	223.55	265.75	13.01	60.87	73.88
Total - Net*	**1,407.16**	**7,765.48**	**9,172.64**	**1,101.18**	**5,303.00**	**6,404.18**
(B) (a) Secured	1.67	-	1.67	2.22	-	2.22
(b) Unsecured	1,447.69	7,989.03	9,436.72	1,111.97	5,363.87	6,475.84
Total - Gross	**1,449.36**	**7,989.03**	**9,438.39**	**1,114.19**	**5,363.87**	**6,478.06**
Less: Impairment loss allowance	42.20	223.55	265.75	13.01	60.87	73.88
Total - Net*	**1,407.16**	**7,765.48**	**9,172.64**	**1,101.18**	**5,303.00**	**6,404.18**
(C) (I) Loans in India						
(a) Public sector	-	-	-	-	-	-
(b) Others	1,449.36	7,989.03	9,438.39	1,114.19	5,363.87	6,478.06
Total - Gross	**1,449.36**	**7,989.03**	**9,438.39**	**1,114.19**	**5,363.87**	**6,478.06**
Less: Impairment loss allowance	42.20	223.55	265.75	13.01	60.87	73.88
Total - Net*	**1,407.16**	**7,765.48**	**9,172.64**	**1,101.18**	**5,303.00**	**6,404.18**
(C) (II) Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total - Net*	-	-	-	-	-	-

*Represents fair value of loans designated at FVOCI.

SECURITISED ASSETS RE-RECOGNISED ON BALANCE SHEET

₹ in crores

Particulars	March 31,2020			March 31, 2019		
	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total
(A) Term loans:						
Joint liability loans						
Securitised assets	-	-	-	201.73	-	201.73
Total - Gross	-	-	-	**201.73**	-	**201.73**
Less: Impairment loss allowance	-	-	-	3.08	-	3.08
Total - Net*	-	-	-	**198.65**	-	**198.65**

(B) (a) Secured	-	-	-	-	-	-
(b) Unsecured	-	-	-	201.73	-	201.73
Total - Gross	**-**	**-**	**-**	**201.73**	**-**	**201.73**
Less: Impairment loss allowance	-	-	-	3.08	-	3.08
Total - Net*	**-**	**-**	**-**	**198.65**	**-**	**198.65**
(C) (I) Loans in India						
(a) Public sector	-	-	-	-	-	-
(b) Others	-	-	-	201.73	-	201.73
Total - Gross	**-**	**-**	**-**	**201.73**	**-**	**201.73**
Less: Impairment loss allowance	-	-	-	3.08	-	3.08
Total - Net*	**-**	**-**	**-**	**198.65**	**-**	**198.65**
(C) (II) Loans outside India	**-**	**-**	-	**-**	**-**	-
Less: Impairment loss allowance	**-**	**-**	-	**-**	**-**	-
Total - Net*	**-**	**-**	**-**	**-**	**-**	**-**

*Represents fair value of loans designated at FVOCI.

7(A) GROUP LENDING LOANS

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Group lending loans:

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2019	**6,299.14**	**22.59**	**33.03**	**6,354.76**
New assets originated during the year, netted off for repayments and derecognised portfolio	2,631.08	(3.45)	3.29	2,630.92
Assets written off during the year	-	-	(47.65)	(47.65)
Movement between stages				
Transfer from Stage 1	(147.36)	11.85	135.51	-
Transfer from Stage 2	0.04	(8.27)	8.23	-
Transfer from Stage 3	0.02	0.01	(0.03)	-
Gross carrying value of assets as at 31st March 2020	**8,782.92**	**22.73**	**132.38**	**8,938.03**

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2019	**38.45**	**4.26**	**27.66**	**70.37**
New assets originated during the year, netted off for repayments and derecognised portfolio	18.09	(1.29)	2.38	19.18
Assets written off during the year	-	-	(47.65)	(47.65)
Movement between stages				
Transfer from Stage 1	(1.01)	0.08	0.93	-
Transfer from Stage 2	0.01	(3.09)	3.08	-
Transfer from Stage 3	0.01	0.00	(0.01)	-
Impact on ECL on account of movement between stages / updates to the ECL model	87.57	10.15	111.52	209.24
ECL allowance as at 31st March2020	**143.12**	**10.11**	**97.91**	**251.14**

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2018	4,857.09	12.60	37.45	4,907.14
New assets originated during the year, netted off for repayments and derecognised portfolio	1,512.00	0.34	(4.06)	1,508.28
Assets written off during the year	-	-	(60.66)	(60.66)
Movement between stages				
Transfer from Stage 1	(70.04)	10.20	59.84	-
Transfer from Stage 2	0.08	(0.55)	0.47	-
Transfer from Stage 3	0.01	0.00	(0.01)	-
Gross carrying value of assets as at 31st March 2019	**6,299.14**	**22.59**	**33.03**	**6,354.76**

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2018	**23.18**	**3.08**	**35.83**	**62.09**
New assets originated during the year, netted off for repayments and derecognised portfolio	7.09	0.08	(3.89)	3.28
Assets written off during the year	-	-	(60.66)	(60.66)
Movement between stages				
Transfer from Stage 1	(0.33)	0.05	0.28	-
Transfer from Stage 2	0.02	(0.13)	0.11	-
Transfer from Stage 3	0.01	0.00	(0.01)	-
Impact on ECL on account of movement between stages / updates to the ECL model	8.48	1.18	56.00	65.66
ECL allowance as at 31st March2019	**38.45**	**4.26**	**27.66**	**70.37**

7(B) INDIVIDUAL LENDING

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Individual lending loans:

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2019	323.93	0.61	0.49	325.03
New assets originated during the year netted off for repayments	177.84	0.14	(0.11)	177.87
Assets written off during the year	-	-	(2.54)	(2.54)
Transfer from Stage 1	(16.79)	4.93	11.86	-
Transfer from Stage 2	0.00	(0.02)	0.02	-
Transfer from Stage 3	0.00	-	(0.00)	-
Gross carrying value of assets as at 31st March 2020	**484.98**	**5.66**	**9.72**	**500.36**

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2019	**6.11**	**0.00**	**0.47**	**6.58**
New assets originated during the year netted off for repayments	0.67	0.08	(0.11)	0.64
Assets written off during the year			(2.54)	(2.54)
Transfer from Stage 1	(0.06)	0.02	0.04	-
Transfer from Stage 2	0.00	(0.01)	0.01	-
Transfer from Stage 3	0.00		(0.00)	-
Impact on ECL on account of movement between stages/ updates to the ECL model	(4.92)	2.88	11.97	9.93
ECL allowance as at 31st March2020	**1.80**	**2.97**	**9.84**	**14.61**

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2018	51.11	0.01	0.02	51.14
New assets originated during the year netted off for repayments	273.83	0.02	0.04	273.89
Assets written off during the year	-	-	-	
Transfer from Stage 1	(1.01)	0.59	0.42	-
Transfer from Stage 2	-	(0.01)	0.01	-
Transfer from Stage 3	-	-	-	-
Gross carrying value of assets as at 31st March 2019	**323.93**	**0.61**	**0.49**	**325.03**

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2018	**0.67**	**0.00**	**0.00**	**0.67**
New assets originated during the year netted off for repayments	5.87	0.00	0.04	5.91
Assets written off during the year				
Transfer from Stage 1	(0.43)	0.01	0.42	0.00
Transfer from Stage 2	-	(0.01)	0.01	-
Transfer from Stage 3	-	-	-	-
ECL allowance as at 31st March2019	**6.11**	**0.00**	**0.47**	**6.58**

8. INVESTMENTS (FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Investments		
A) In India		
Equity instruments		
(a) Investment in subsidiary (at cost)		
Madura Micro Finance Limited (MMFL)	661.24	-
(b) Others (at fair value through profit and loss)	0.20	0.20
Total	**661.44**	**-**
B) Outside India	-	-
Total	**661.44**	**0.20**

9. OTHER FINANCIAL ASSETS (AT AMORTISED COST)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Retained interest on assets assigned	27.31	30.12
Security deposits (unsecured, considered good)	9.59	10.10
Loans and advances to employees (unsecured, considered good)	5.87	5.41
Fixed deposit with financial institution	-	1.07
Others	0.10	-
Total	**42.87**	**46.70**

10. OTHER NON-FINANCIAL ASSETS (AT AMORTISED COST)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Prepaid expenses (unsecured, considered good)	5.18	4.76
Other advances		
Unsecured, considered good	7.55	3.53
Unsecured, considered doubtful	1.33	1.53
Less: Provision for doubtful advances	(1.33)	(1.53)
Total	**12.73**	**8.29**

11 (A)

₹ in crores

Particulars	Property, plant and equipment						Total	Right to use assets		Total	Intangible assets	
	Computer	Electrical Equipment	Furniture & Fixtures	Leasehold Improvement	Office equipment	Vehicles		Buildings	Computer		Computer software	Total
Cost:												
At March 31, 2018	6.20	0.37	4.35	4.30	4.16	0.62	20.00	-	-	**-**	12.34	**12.34**
Additions	2.26	0.18	1.48	2.50	8.27	-	14.69	-	-	**-**	1.73	**1.73**
Disposals	(0.35)	(0.01)	(0.05)	-	(0.38)	-	(0.79)	-	-	**-**	-	**-**
At March 31, 2019	**8.11**	**0.54**	**5.78**	**6.80**	**12.05**	**0.62**	**33.90**	**-**	**-**	**-**	**14.07**	**14.07**
At April 1, 2019	-	-	-	-	-	-	-	15.19	33.39	**48.58**	-	**-**
Additions	3.42	0.24	3.59	2.25	4.81	-	14.31	7.35	4.45	**11.80**	6.97	**6.97**
Disposals	(0.16)	(0.02)	(0.06)	-	(0.40)	-	(0.64)	-	-	**-**	(0.01)	**(0.01)**
At March 31, 2020	**11.37**	**0.76**	**9.31**	**9.05**	**16.46**	**0.62**	**47.57**	**22.54**	**37.84**	**60.38**	**21.03**	**21.03**
Depreciation:												
At March 31, 2018	4.14	0.34	2.89	1.32	1.59	0.24	10.52	-	-	**-**	5.66	**5.66**
Depreciation charge for the year	1.50	0.18	1.04	1.08	1.45	0.08	5.33	-	-	**-**	2.40	**2.40**
Disposals	(0.32)	(0.01)	(0.04)	-	(0.32)	-	(0.69)	-	-	**-**	-	**-**
At March 31, 2019	**5.32**	**0.51**	**3.89**	**2.40**	**2.72**	**0.32**	**15.16**	**-**	**-**	**-**	**8.06**	**8.06**
Depreciation charge for the year	2.02	0.22	1.76	1.51	3.14	0.08	8.73	3.79	3.66	**7.45**	3.48	**3.48**
Disposals	(0.15)	(0.02)	(0.05)	-	(0.29)	-	(0.51)	-	-	**-**	(0.01)	**(0.01)**
At March 31, 2020	**7.19**	**0.71**	**5.60**	**3.91**	**5.57**	**0.40**	**23.38**	**3.79**	**3.66**	**7.45**	**11.53**	**11.53**
Net book value:												
At March 31, 2018	**2.06**	**0.03**	**1.46**	**2.98**	**2.57**	**0.38**	**9.48**	**-**	**-**	**-**	**6.68**	**6.68**
At March 31, 2019	**2.79**	**0.03**	**1.89**	**4.40**	**9.33**	**0.30**	**18.74**	**-**	**-**	**-**	**6.01**	**6.01**
At March 31, 2020	**4.18**	**0.05**	**3.71**	**5.14**	**10.89**	**0.22**	**24.19**	**18.75**	**34.18**	**52.93**	**9.50**	**9.50**

11(B) INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Opening	2.36	1.06
Additions during the year	2.96	1.33
Less: Capitalised during the year	(2.48)	(0.03)
Closing	**2.84**	**2.36**

12. DEBT SECURITIES (AT AMORTISED COST)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Debentures (secured)	638.16	556.16
Total	638.16	**556.16**
Debt securities in India	-	-
Debt securities outside India	638.16	556.16
Total	**638.16**	**556.16**

Nature of security

The above debentures are secured by the way of first and exclusive charge over eligible book debts of the Company.

DEBENTURES (SECURED) (AT AMORTISED COST)

Terms of debentures	Number of debentures		Face value	Amount in crores	
	March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019
12.24% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. November 25, 2013. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	250	1,000,000	-	25.53
12.33% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. November 25, 2013. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	250	1,000,000	-	25.53

11.68% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 28, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	195	195	1,000,000	19.49	19.45
11.47% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 28, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	195	195	1,000,000	19.50	19.46
11.11% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Three yearsfrom the date of allotment i.e. February 28, 2020.	800	-	1,000,000	80.16	-
12.10% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. February 26, 2014. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	300	1,000,000	-	30.16
11.80% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. July 25, 2014. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	300	300	1,000,000	30.72	30.21

13.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. October 29, 2015. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	-	1,000,000	-	-
12.30% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 15, 2016. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	1,000	1,000,000	-	100.23
11.60% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. July 31, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	1,000	1,000	1,000,000	101.52	101.44
14.16% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable on May 13, 2018 (25%) and November 13, 2018 (75%) (subject to exercise of option on December 24, 2017 by the lender for redemption on May 13, 2019 (25%) and November 13, 2019 (75%)).	-	-	1,000,000	-	-
11.21% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of forty six months) from the date of allotment i.e. March 31, 2015. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	300	300	1,000,000	29.31	29.23

10.34% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after five years from the date of allotment i.e. May 31, 2017.	1,350	1,350	1,000,000	138.88	138.32
9.50% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Five yearsfrom the date of allotment i.e. November 8, 2019.	2,140	-	1,000,000	218.58	-
Total	**6,280**	**5,140**		**638.16**	**519.56**

COMPULSORILY CONVERTIBLE DEBENTURES (UNSECURED)

13.50% (net of withholding tax as applicable) Unsecured Compulsorily Convertible Debentures of face value of Rs.10,000,000 each convertible into equity shares with an option to exercise at Rs.140, Rs.158, Rs.180 and Rs.204 per equity share at the end of financial years 2017-18, 2018-19, 2019-20 and 2020-21 respectively issued to a related party (Refer Note 36).	-	-	1,000,000	-	-

13. BORROWINGS OTHER THAN DEBT SECURITIES (AT AMORTISED COST)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Term loans (secured)		
Banks	5,088.24	2,667.44
Financials institutions	1,668.89	1,112.69
Non-banking financial companies	160.95	186.40
External commercial borrowings	241.32	147.97
Total	**7,159.40**	**4,114.50**
Borrowings in India	6,918.08	3,966.53
Borrowings outside India	241.32	147.97
Total	**7,159.40**	**4,114.50**

14. SUBORDINATED LIABILITIES (AT AMORTISED COST)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Term Loan	25.00	37.07
Total	**25.00**	**37.07**
Borrowings in India	25.00	24.99
Borrowings outside India	-	12.08
Total	**25.00**	**37.07**

15. FINANCIAL LIABILITY TOWARDS SECURITISATION (RE-RECOGNISED ON BALANCE SHEET)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Borrowings under securitisation arrangement		
- Banks	-	158.84
Total	**-**	**158.84**

Represents securities issued by the Special Purpose Vehicles (SPVs) to the investors pursuant to the securitisation arrangement carrying a rate of interest in the rate of 7% - 9%. Since such arrangements do not fulfil the derecognition criteria under Ind AS 109, the Company has recognised the associated liabilities.

Terms of repayment of borrowings as on March 31, 2020

₹ in crores

Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
		No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Monthly														
1-3 years	8.5%-9%	150	945.99	129	875.55	10	279.24	-	-	-	-	-	-	2,100.78
	9%-9.5%	200	804.31	99	357.71	2	4.17	-	-	-	-	-	-	1,166.19
	9.5%-10%	35	112.99	5	13.04	-	-	-	-	-	-	-	-	126.03
	10%-10.5%	24	53.38	-	-	-	-	-	-	-	-	-	-	53.38
	10.5%-11%	2	4.17	-	-	-	-	-	-	-	-	-	-	4.17
	6%-6.5%	12	108.00	12	108.00	2	16.00	-	-	-	-	-	-	232.00
Above 3 years	9%-9.5%	18	87.50	24	116.67	24	116.67	6	29.17	-	-	-	-	350.01
	10%-10.5%	11	5.06	3	1.29	-	-	-	-	-	-	-	-	6.35
	10.5%-11%	10	6.06	-	-	-	-	-	-	-	-	-	-	6.06
Quarterly														
1-3 years	8%-8.5%	8	120.00	-	-		-	-	-	-	-	-	-	120.00
	8.5%-9%	63	410.61	37	155.79		-	-	-	-	-	-	-	566.40
	9%-9.5%	11	96.88	2	16.25		-	-	-	-	-	-	-	113.13
	9.5%-10%	3	20.33	-	-		-	-	-	-	-	-	-	20.33
Half Yearly														
Above 3 years	9.5%-10%	-	-	-	-	-	-	2	107.00	2	107.00	-	-	214.00
	10.5%-11%	8	28.00	8	15.00	5	9.50	-	-	-	-	-	-	52.50
	11.5%-12%	12	165.00	12	280.00	12	325.00	12	405.00	6	180.00	-	-	1,355.00
Annually														
Above 3 years	10%-10.5%	1	44.55	1	44.55	1	45.90	-	-	-	-	-	-	135.00
Bullet														
1-3 years	8%-8.5%	1	50.00	-	-	-	-	-	-	-	-	-	-	50.00
	8.5%-9%	1	12.50	1	17.50	-	-	-	-	-	-	-	-	30.00
	9%-9.5%	10	344.00	-	-	-	-	-	-	-	-	-	-	344.00
	7%-7.5%	4	200.00	-	-	-	-	-	-	-	-	-	-	200.00
Above 3 years	10%-10.5%	-	-	1	33.80	1	17.00	-	-	-	-	-	-	50.80
	10.5%-11%	-	-	1	95.00	-	-	-	-	-	-	-	-	95.00
	11.00%-11.5%	2	49.50	-	-	2	173.44	-	-	-	-	-	-	222.94
	11.5%-12%	3	149.50	-	-	-	-	-	-	-	-	-	-	149.50
	14.5%-15%	-	-	1	25.00	-	-	-	-	-	-	-	-	25.00
					-		-	-	-	-	-	-	-	-
Grand Total		**589**	**3,818.33**	**336**	**2,155.15**	**59**	**986.92**	**20**	**541.17**	**8**	**287.00**	**-**	**-**	**7,788.57**

This pertains to the principal outstanding only.

As per Reserve Bank of India circular dated March 27, 2020 on COVID-19 Regulatory package, the Company applied to Banks and Financial Institutions for grant of moratorium in respect of only principal repayments due from March 30, 2020 and onwards. Principal repayment of ₹ 51.79 Crore has not been paid as on March 31, 2020, for less than 3 days in each individual case, pending moratorium approval from Banks. The Company's request for moratorium has been approved by Banks/ Financial Institutions subsequently and repayment has been made good in respect of those Banks who has not granted the moratorium. The lender wise details are tabulated as under;

₹ in crores

Bank / financial institution	Amount (dues delayed) as on the Balance sheet date*	Period of delay since
Axis Bank Limited	10.25	30-Mar-20
Axis Bank Limited	12.50	31-Mar-20
Bajaj Finance Ltd	6.02	31-Mar-20
Bank of Baroda	1.04	31-Mar-20
DCB Bank Limited	0.83	31-Mar-20
Indian Bank	0.43	30-Mar-20
Kotak Mahindra Bank Limited	3.75	30-Mar-20
Oriental Bank of Commerce	1.04	31-Mar-20
Hongkong and Shanghai Banking Corporation Limited	7.50	31-Mar-20
The Lakshmi Vilas Bank Limited	3.64	31-Mar-20
Woori Bank	4.79	31-Mar-20
Total	**51.79**	

Terms of repayment of borrowings as on March 31, 2019

₹ in crores

Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
		No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Monthly														
1-3 years	8.5%-9%	67	92.87	12	8.70	1	0.73	-	-	-	-	-	-	102.30
	9%-9.5%	219	673.14	97	351.04	3	2.50	-	-	-	-	-	-	1,026.68
	9.5%-10%	224	432.71	30	90.32	-	-	-	-	-	-	-	-	523.03
	10%-10.5%	72	134.07	8	22.98	-	-	-	-	-	-	-	-	157.05
	10.5%-11%	43	62.20	3	3.12	-	-	-	-	-	-	-	-	65.32
	11.5%-12%	3	3.12	-	-	-	-	-	-	-	-	-	-	3.12
Above 3 years	9.5%-10%	24	16.36	9	5.45	-	-	-	-	-	-	-	-	21.81
	10%-10.5%	12	5.16	12	5.16	-	-	-	-	-	-	-	-	10.32
	10.5%-11%	2	0.01	-	-	-	-	-	-	-	-	-	-	0.01
Quarterly														
1-3 years	8.5%-9%	11	66.88	-	-	-	-	-	-	-	-	-	-	66.88
	9%-9.5%	23	233.21	15	187.05	-	-	-	-	-	-	-	-	420.26
	9.5%-10%	29	133.56	4	24.62	-	-	-	-	-	-	-	-	158.18
	10%-10.5%	5	24.29	-	-	-	-	-	-	-	-	-	-	24.29
Half Yearly														
Above 3 years	10.5%-11%	8	112.50	8	28.00	8	15.00	5	9.50	-	-	-	-	165.00
	11.5%-12%	9	123.33	8	90.00	8	160.00	8	205.00	8	270.00	3	60.00	908.33
Annually														
1-3 years	9%-9.5%	1	12.50	-	-	-	-	-	-	-	-	-	-	12.50
Above 3 years	10%-10.5%	-	-	1	44.55	1	44.55	1	45.90	-	-	-	-	135.00
Bullet														
1-3 years	8%-8.5%	-	-	2	120.00	-	-	-	-	-	-	-	-	120.00
	9%-9.5%	6	213.00	3	112.50	-	-	-	-	-	-	-	-	325.50
	10.5%-11%	-	-	-	-	1	95.00	-	-	-	-	-	-	95.00
	11.00%-11.5%	-	-	1	19.50	-	-	-	-	-	-	-	-	19.50
	11.5%-12%	-	-	2	119.50	-	-	-	-	-	-	-	-	119.50
	12%-12.5%	1	100.00	-	-	-	-	-	-	-	-	-	-	100.00
Above 3 years	10%-10.5%	1	17.00	-	-	1	33.80	-	-	-	-	-	-	50.80
	10.5%-11%	2	37.00	-	-	-	-	-	-	-	-	-	-	37.00
	11.5%-12%	-	-	1	30.00	-	-	-	-	-	-	-	-	30.00
	12%-12.5%	3	80.00	-	-	-	-	-	-	-	-	-	-	80.00
	14.5%-15%	-	-	1	30.00	1	25.00	-	-	-	-	-	-	55.00
	16.5%-17%	1	11.40	-	-	-	-	-	-	-	-	-	-	11.40
Grand Total		**766**	**2,584.31**	**217**	**1,292.49**	**24**	**376.58**	**14**	**260.40**	**8**	**270.00**	**3**	**60.00**	**4,843.78**

This pertains to the principal outstanding only.

16. OTHER FINANCIAL LIABILITIES

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Finance lease obligations	60.11	-
Total	**60.11**	**-**

17. OTHER NON-FINANCIAL LIABILITIES

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Statutory dues payable	9.09	5.89
Others	4.96	4.01
Total	**14.05**	**9.90**

18. PROVISIONS

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Provision for employee benefits:		
Gratuity	3.69	4.14
Leave encashment and availment	12.33	7.74
Total	**16.02**	**11.88**

19. ISSUED CAPITAL

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Authorised		
Equity shares of Rs. 10 each	160.00	160.00
	160.00	**160.00**
	March 31, 2020	**March 31, 2019**
Issued, subscibed and fully paid up		
143,985,459 (March 31, 2019: 143,552,261) equity shares of Rs.10 each fully paid	143.99	143.55

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity shares	31-Mar-20		31-Mar-19	
	No. of Shares	Amount (₹ in crores)	No. of Shares	Amount (₹ in crores)
At the beginning of the year	143,552,261	143.55	128,427,337	128.43
Add: Issued during the year on account of Initial Public Offer	-	-	14,928,909	14.92
Add: Issued during the year on fresh capital infusion from holding company	-	-	-	-
Add: Issued during the year- Employee Stock Option Plan	433,198	0.44	196,015	0.20
Outstanding at the end of the year	**143,985,459**	**143.99**	**143,552,261**	**143.55**

During the previous year, the Company had completed the Initial Public Offer (IPO) comprising a fresh issue of 14,928,909 equity shares having a face value of ₹ 10 each at an offer price of ₹ 422 each aggregating ₹ 630 crores by the Company and an offer for sale of 11,876,485 equity shares by the promoters, CreditAccess Asia N.V aggregating ₹ 501.18 crores. Pursuant to the IPO, the equity shares of the Company have got listed on BSE Limited and NSE India Limited on August 23, 2018.

(b) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. Any dividends proposed by the Board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2020		March 31, 2019	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of Rs. 10 each fully paid				
CreditAccess Asia NV	115,109,028	79.94	115,109,028	80.19

(d) For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company refer Note 37.

(e) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particulars	31-Mar-20 (No. of equity shares)	31-Mar-19 (No. of equity shares)	31-Mar-18 (No. of equity shares)	31-Mar-17 (No. of equity shares)	31-Mar-16 (No. of equity shares)
Equity shares alloted to Equity Share holders and Compulsorily Convertible Debentureholders of MV Microfin Private Limited as a purchase consideration for amalgamation of business with the Company	-	-	4,890,140	-	-
Equity shares alloted to CreditAccess Asia N.V in lieu of conversion of compulsorily convertible debentures	-	-	12,987,012	-	-
Total	**-**	**-**	**17,877,152**	**-**	**-**

20. OTHER EQUITY*

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	203.42	137.92
Capital reserve	49.95	49.95
Securities premium	1,483.59	1,480.00
Stock option outstanding	8.61	8.79
Retained earnings	815.59	553.55
Other comprehensive income	(36.07)	(8.70)
Total	**2,525.09**	**2,221.51**

* For detailed movement of reserves refer statement of changes in equity for the year ended March 31, 2020.

Nature and purpose of reserve

20.1. Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

20.2. Capital reserve

During the year ended 2018, the Company pursuant to the scheme of amalgamation acquired MV Microfin Private Limited with effect from April 1, 2017, per the accounting treatment of the scheme of amalgamation approved by the Honourable High Court of Karnataka the differential amount between the carrying value of investments and net assets acquired from the transferor companies has been accounted as Capital reserve.

20.3. Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)

Statutory reserve represents the accumulation of amount transferred from surplus year on year based on the fixed percentage of profit for the year, as per section 45-IC of Reserve Bank of India Act 1934.

20.4. Stock option outstanding

The stock option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.

20.5. Other comprehensive income

Re-measurement of the net defined benefit liability/(asset) comprises actuarial gain and losses and return on plan assets (excluding interest income). And net fair valuation gain/(loss) on financial assets measured at fair value through other comprehensive income.

₹ in crores

Movement of other comprehensive income for the year	March 31, 2020	March 31, 2019
Opening balance	(8.70)	(0.01)
(+) Fair value change during the year	(229.94)	(16.01)
(-) Impairment allowance transferred to statement of profit and loss	202.58	7.32
Closing balance	**(36.07)**	**(8.70)**

21. INTEREST INCOME

₹ in crores

Particulars	For the year ended March 31, 2020			For the year ended March 31, 2019		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total
Interest on loans	1,358.58	230.22	**1,588.80**	975.80	180.29	**1,156.09**
Income from securitisation	-	22.25	**22.25**	-	55.24	**55.24**
Interest on deposits with banks and financial institutions	-	6.14	**6.14**	-	6.99	**6.99**
Total	**1,358.58**	**258.61**	**1,617.19**	**975.80**	**242.52**	**1,218.32**

22. FEES AND COMMISSION

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Service fees for management of assigned portfolio of loans	0.26	0.41
Service and administration charges	3.77	0.93
Distribution Income	0.92	-
Total	**4.95**	**1.34**

23. NET GAIN / (LOSS) ON FAIR VALUE CHANGES *

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
(A) Net gain / (loss) on fair value instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	14.82	10.55
(B) Others		
(i) Gain on derecognition of loans designated at FVTOCI	41.33	46.00
Total Net gain / (loss) on fairvalue changes (C)	**56.15**	**56.55**
Fair Value changes:		
- Realised	56.15	56.55
- Unrealised	-	-
Total Net gain / (loss) on fair value changes (D) to tally with (C)	**56.15**	**56.55**

24. OTHER INCOME

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Net gain / (loss) on derecognition of property, plant and equipment	0.00	(0.07)
Net gain / (loss) on foreign currency transaction and translation (other than considered as finance cost)	(0.03)	(0.05)
Others	0.90	1.18
Total	**0.87**	**1.06**

25. FINANCE COSTS (MEASURED AT AMORTISED COST)

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
(A) On borrowings		
Interest on debt securities	63.69	79.81
Interest on borrowings other than debt securities	488.65	304.68
Interest on subordinated liabilities	3.89	9.81
Other finance costs	2.01	4.38
Total (A)	**558.24**	**398.68**
(B) On financial liability towards securitisation (re-recognised on balance sheet)	**8.78**	**18.07**
(C) On finance lease obligations	**5.65**	**-**

26. IMPAIRMENT OF FINANCIAL INSTRUMENTS

₹ in crores

Particulars	For the year ended March 31, 2020			For the year ended March 31, 2019		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total
Joint liability loans	202.58	25.83	228.41	7.32	61.62	68.94
Individual loans	-	10.57	10.57	-	5.92	5.92
Total	**202.58**	**36.40**	**238.98**	**7.32**	**67.54**	**74.86**

27. EMPLOYEE BENEFIT EXPENSES

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Salaries and wages	231.48	164.41
Contribution to provident and other funds	22.23	14.13
Share based payments to employees	2.51	4.53
Staff welfare expenses	3.42	2.98
Total	**259.64**	**186.05**

28. OTHER EXPENSES

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Rental charges payable under operating leases (Refer Note 35)	12.89	12.68
Bank charges	3.79	0.47
Rates and taxes	4.69	4.17
Insurance	0.86	0.31
Repairs and maintenance	6.97	4.79
Electricity	2.81	1.96
Travelling and conveyance	46.57	36.88
Postage and telecommunication	9.64	10.24
Printing and stationery	6.34	4.75
Professional and consultancy charges	23.49	5.79
Remuneration to directors	0.58	1.06
Auditors remuneration (refer Note below)		
Audit fees	0.94	0.76
Certification fee	0.19	-
Out of pocket fees	0.06	0.07
Training expenses	6.82	4.72
Donations	0.95	0.84
Corporate Social Responsibility expenses	5.42	2.93
Miscellaneous expenses	9.21	6.99
Provision for other assets	0.32	0.72
Total	**142.54**	**100.13**

Auditors remuneration

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
As auditor		
Audit fee	0.65	0.42
Limited review	0.28	0.16
Others	-	0.17
In other capacity		
Certification services	0.19	-
Taxation matter	-	-
Reimbursement of expenses	0.06	0.07
Total	**1.18**	**0.82**

Acquisition-related costs

Acquisition-related costs of ₹ 15.22 crores that were not directly attributable to the issue of shares are included in other expenses in the statement of profit and loss and in operating cash flows in the statement of cash flows.

Details of CSR expenditure

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
a) Gross amount required to be spent by the Company during the year	5.42	2.93
b) Amount spent during the year (in cash)		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	5.42	2.93

29(A) INCOME TAX

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Current tax	159.32	176.35
Deferred tax	(35.93)	(0.37)
Total tax charge	**123.39**	**175.98**

29(B) RECONCILIATION OF TAX EXPENSE AND ACCOUNTING PROFIT MULTIPLIED BY INDIA'S DOMESTIC TAX RATE

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Profit before tax	**450.89**	**497.74**
At India's statutory income tax rate of 25.17% (2019: 34.94%) *	113.49	173.93
(a) Non deductible expenses	1.43	2.37
Penalties	-	-
Interest u/s 234		
Others	1.43	2.24
Donations @50%	0.47	0.42
CSR @50%	2.71	1.47
Employe stock option cost	2.51	4.53
(b) Change in tax rate	8.47	-
(c) Additional allowance of certain expenditure	-	(0.32)
(d) Income not subject to tax	-	-
Income tax expense reported in statement of profit and loss (a)+(b)+(c)+(d)	**123.39**	**175.98**

* From the current financial year, the Company has opted for reduced rate of 25.17% for computation of income tax as per newly inserted Section 115BAA of the Income Tax Act, 1961.

29(C) MOVEMENT IN DEFERRED TAX BALANCES FOR THE YEAR ENDED MARCH 31, 2020

₹ in crores

Particulars	Net balance April 1, 2019	(Charge)/credit in profit and loss	Recognised in OCI	Recognised in other equity	Net balance March 31, 2020	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Impact of difference between tax depreciation/ amortisation	1.76	0.52	-	-	2.28	2.28	-
Remeasurement gain / (loss) on defined benefit plan	2.74	0.40	-	-	3.14	3.14	-
Provision for donation	0.70	(0.08)	-	-	0.62	0.62	-
Impairment allowance for loans	24.40	33.65	-	-	58.05	58.05	-
Expenses incurred on Initial Public Offering	8.10	(1.46)	-	(2.26)	4.38	4.38	-
Other items	5.44	2.89	7.46	-	15.79	15.79	-
Net Deferred tax assets / (liabilities)	**43.14**	**35.93**	**7.46**	**(2.26)**	**84.27**	**84.27**	**-**

29(D) MOVEMENT IN DEFERRED TAX BALANCES FOR THE YEAR ENDED MARCH 31, 2019

₹ in crores

Particulars	Net balance April 1, 2018	(Charge)/credit in profit and loss	Recognised in OCI	Recognised in other equity	Net balance March 31, 2019	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Impact of difference between tax depreciation/ amortisation	0.92	0.84	-	-	1.76	1.76	-
Remeasurement gain / (loss) on defined benefit plan	1.69	1.05	-	-	2.74	2.74	-
Provision for donation	0.92	(0.22)	-	-	0.70	0.70	-
Impairment allowance for loans	19.90	4.50	-	-	24.40	24.40	-
Expenses incurred on Initial Public Offering	-	-	-	8.10	8.10	8.10	-
Other items	6.57	(5.80)	4.67	-	5.44	5.44	-
Net Deferred tax assets / (liabilities)	**30.00**	**0.37**	**4.67**	**8.10**	**43.14**	**43.14**	**-**

29(E) The following tables provides the details of income tax assets and income tax liabilities as at:

CURRENT TAX ASSETS (NET)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Income tax assets	492.70	328.54
Income tax liabilities	475.11	315.31
Total	**17.59**	**13.23**

CURRENT TAX LIABILITIES (NET)

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Income tax assets	-	-
Income tax liabilities	-	-
Total	**-**	**-**

30. TRANSFER OF FINANCIAL ASSETS

Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for de-recognition, together with the associated liabilities:

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Securitisations		
Carrying amount of transferred assets measured at fair value through other comprehensive income	-	199.94
Carrying amount of associated liabilities (debt securities - measured at amortised cost)	-	-
Fair value of assets	-	199.94
Fair value of associated liabilities	-	159.48
Net position at fair value	**-**	**40.46**

There are no securitisation transactions outstanding as at March 31, 2020.

31. DEFINED BENEFIT PLAN

31.1. Reconciliation of net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability / assets and its components:

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	10.35	6.37
Current service cost	3.61	2.61
Interest cost	0.61	0.48
Past service cost		-
Benefits settled	(0.38)	(0.26)
Actuarial (gains)/ losses recognised in other comprehensive income		-
- Changes in experience adjustments	(1.21)	0.78
- Changes in demographic assumptions	(0.69)	0.71
- Changes in financial assumptions	1.97	(0.34)
Obligation at the end of the year	**14.26**	**10.35**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	6.21	4.60
Interest income on plan assets	0.49	0.41
Re-measurement- actuarial gain	0.12	(0.31)
Return on plan assets recognised in other comprehensive income		-
Contributions	4.13	1.77
Benefits settled	(0.38)	(0.26)
Plan assets at the end of the year, at fair value	**10.57**	**6.21**
Net defined benefit liability	**3.69**	**4.14**

31.2. Expenses recognised in statement of profit or loss

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Current service cost	3.61	2.61
Interest cost	0.12	0.07
Net gratuity cost	**3.73**	**2.68**

31.3. Re-measurement recognised in other comprehensive income

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Re-measurement of the net defined benefit liability		
- Changes in experience adjustments	(1.21)	1.80
- Changes in demographic assumptions	(0.69)	0.43
- Changes in financial assumptions	1.97	(0.59)
Re-measurement of the net defined benefit asset		
Return on plan assets (greater)/ less than discount rate	(0.12)	0.27
Total Actuarial (gain)/ loss included in OCI	**(0.05)**	**1.91**

31.4. Plan assets

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Funds managed by insurer	100%	100%

31.5. Defined benefit obligation - Actuarial assumptions

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Discount rate	6.03%	7.62%
Future salary growth	10.00%	10.00%
Attrition rate	24.80%	22.38%
Average term of liabilty (in years)	9.05	11.65

31.6. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

₹ in crores

Particulars	March 31, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.13)	1.34	(0.80)	0.94
Future salary growth (1% movement)	1.13	(0.99)	0.80	(0.70)
Attrition rate (1% movement)	(0.41)	0.47	(0.24)	0.27

31.7. Expected contribution to the plan for the next annual reporting period is ₹ 5.19 crores.

32. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

(A) Maturity analysis of assets and liabilities as at March 31, 2020

₹ in crores

Sl. No.	Particulars	Within 12 months	After 12 months	Total
ASSETS				
(1)	**Financial assets**			
(a)	Cash and cash equivalents	564.62	-	**564.62**
(b)	Bank balance other than cash and cash equivalents	2.77	13.05	**15.82**
(c)	Other receivables	0.22	-	**0.22**
(d)	Loans			
	- Loan portfolio (excluding securitised assets)	5,349.99	3,822.65	**9,172.64**
	- Securitised assets re-recognised on balance sheet	-	-	**-**
(e)	Investments	-	661.44	**661.44**
(f)	Other financial assets	31.89	10.98	**42.87**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	17.59	**17.59**
(b)	Deferred tax assets (net)	-	84.27	**84.27**
(c)	Property, plant and equipment	7.46	16.73	**24.19**
(d)	Right to use assets	7.80	45.13	**52.93**
(e)	Intangible assets under development	-	2.84	**2.84**
(f)	Intangible assets	3.16	6.34	**9.50**
(g)	Other non-financial assets	8.88	3.85	**12.73**
Total assets		**5,976.79**	**4,684.87**	**10,661.66**
LIABILITIES AND EQUITY				
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	13.27	-	**13.27**
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	66.54	0.03	**66.57**
(b)	Borrowings			
	- Debt securities	298.26	339.90	**638.16**
	- Borrowings (other than debt securities)	4,167.75	2,991.65	**7,159.40**
	- Subordinated liabilities	-	25.00	**25.00**
	- Financial liability towards securitisation (re-recognised on balance sheet)	-	-	**-**
(c)	Other financial liabilities	9.25	50.86	**60.11**
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	-	-	**-**
(b)	Provisions	11.40	4.62	**16.02**
(c)	Other non-financial liabilities	14.05	-	**14.05**
(3)	**Equity**			
(a)	Equity share capital	-	143.99	**143.99**
(b)	Other equity	-	2,525.09	**2,525.09**
Total liabilities and equity		**4,580.52**	**6,081.14**	**10,661.66**

(B) Maturity analysis of assets and liabilities as at March 31, 2019

₹ in crores

Sl. No.	Particulars	Within 12 months	After 12 months	Total
ASSETS				
(1)	**Financial assets**			
(a)	Cash and cash equivalents	573.73	-	**573.73**
(b)	Bank balance other than cash and cash equivalents	38.93	2.89	**41.82**
(c)	Other receivables	0.09	-	**0.09**
(d)	Loans			
	- Loan portfolio (excluding securitised assets)	4,323.25	2,080.93	**6,404.18**
	- Securitised assets re-recognised on balance sheet	198.32	0.33	**198.65**
(e)	Investments	-	0.20	**0.20**
(f)	Other financial assets	34.74	11.96	**46.70**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	13.23	**13.23**
(b)	Deferred tax assets (net)	-	43.14	**43.14**
(c)	Property, plant and equipment	5.34	13.40	**18.74**
(d)	Intangible assets under development	2.36	-	**2.36**
(e)	Intangible assets	2.40	3.61	**6.01**
(f)	Other non-financial assets	3.29	5.00	**8.29**
Total assets		**5,182.45**	**2,174.69**	**7,357.14**
LIABILITIES AND EQUITY				
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	7.80	0.29	**8.09**
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	95.60	0.04	**95.64**
(b)	Borrowings			
	- Debt securities	222.16	334.00	**556.16**
	- Borrowings (other than debt securities)	2,214.03	1,900.47	**4,114.50**
	- Subordinated liabilities	12.07	25.00	**37.07**
	- Financial liability towards securitisation (re-recognised on balance sheet)	158.84	-	**158.84**
(2)	**Non-financial liabilities**			
(a)	Provisions	6.66	5.22	**11.88**
(b)	Other non-financial liabilities	9.90	-	**9.90**
(3)	**Equity**			
(a)	Equity share capital	-	143.55	**143.55**
(b)	Other equity	-	2,221.51	**2,221.51**
Total liabilities and equity		**2,727.06**	**4,630.08**	**7,357.14**

33. CONTINGENT LIABILITIES

(A) Contingent liabilities not provided for in respect of the below:

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Performance security provided by the Company pursuant to service provider agreement	0.12	0.16

(B) For FY 2018-19

The Supreme Court had delivered its ruling on the composition of basic wages for the purposes of deduction and contribution to the Employees Provident and Pension funds. The company, in the interest of its employees, awaits clarity on the complexities revolving around the application of the said order, the ambiguity reflected by the divergent views of legal experts and the response/direction from the authorities, including on representations made by an industry association in this regard.

(C) For FY 2019-20

The Assesing Officer, Income Tax, Bangalore, through an order dated 28th December 2019, has confirmed the demand of ₹.6.50 Cr from the Company. The Company has preferred an appeal before Commissioner of Income Tax against said assement order. The Company, in line with the opinion obtained from a legal counsel, is of view that the said demand is not tenable and expects to succeed in its appeal.

(D) In addition, the Company is involved in other legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.

34. CAPITAL COMMITMENTS

Estimated amounts of contracts remaining to be executed on capital account (net of capital advances) and not provided:

₹ in crores

Particulars	March 31, 2020	March 31, 2019
For purchase / development of computer software	1.23	0.89

35. LEASES

Operating Lease

Short term leases not covered under Ind AS 116 are classified as operating lease. Lease payments during the year are charged to statement of profit and loss. Future minimum rentals payable under non-cancellable operating leases are as follows:

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Minimum lease obligations		
Not later than one year	6.77	2.99
Later than 1 year but not later than 5 years	-	2.27
Later than 5 years	-	-

35.1. Effective April 1, 2019, the Company has applied the standard to all lease contracts existing on April 1, 2019 using the Modified Retrospective method along with the transition option to recognise the Right Of Use asset (ROU) at an amount equal to the Lease liability. Being the first year of INDAS adoption, the Company has recognised the lease liability and right-of-use asset as per above mentioned measurement principles at the date of transition to INDAS as permitted by the Standard. A sum of ₹ 48.58 crores has been recognised as ROU asset and a similar sum of ₹ 48.58 crores has been recognised as lease liability as on transition date of April 1, 2019.

35.2. The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

35.3. The company's leased assets mainly comprise office building and servers taken on lease. Leases contain a wide range of different terms and conditions. The term of property leases ranges from 1-10 years. The company has used an incremental borrowing rate of 11.50% to determine the lease liability and right to use of asset for leases entered into before March 2019 and accounted under Ind AS 116 and 10.56% for leases entered into in 2019-20.

35.4. Total lease liabilities are analysed as at

₹ in crores

a)

Denominated in the following currencies:	March 31, 2020
Rupees	60.11
Foreign currency	-
Total	**60.11**

₹ in crores

b)

Maturity of Lease liability	March 31, 2020
Current	9.25
Non Current	50.86
Total	**60.11**

35.5. The following amounts were recognised as expense in the year:

₹ in crores

Particulars	March 31, 2020
Depreciation of right-of-use assets	7.45
Expense relating to variable lease payments	(10.42)
Expense relating to short-term leases and low-value assets	12.89
Interest on lease liabilities	5.64
Total recognised in the income statement	**15.56**

35.6. The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:

₹ in crores

Maturity analysis:	March 31, 2020
Less than 1 year	8.53
Between 1 and 2 years	8.51
Between 2 and 5 years	25.17
More than 5 years	32.21
Total	**74.42**

35.7. The following is the movement in lease liabilities during the year ended March 31, 2020

₹ in crores

Particulars	March 31, 2020
Balance as at April 1, 2019	48.58
Additions during the period	11.80
Finance cost incurred during the period	5.64
Payment of lease liabilities	5.92
Balance as of March 31, 2020	**60.10**

Note: Refer Note 11 for movement in right to use of assets.

36. RELATED PARTY TRANSACTIONS

Names of the related parties (as per IndAS – 24)

Key management personnel	Mr. Udaya Kumar Hebbar, Managing Director & CEO
Holding Company	CreditAccess India NV (Formerly known as CreditAccess Asia NV)
Subsidiary Company	Madura Microfinance Limited (From March 18, 2020)
Chairman & Nominee Director	Mr. Paolo Brichetti (From October 30, 2019)
Independent Director	Mr. R Prabha
Independent Director	Mr. Anal Kumar Jain
Independent Director	Ms. Sucharita Mukherjee
Independent Director	Mr. George Joseph
Additional & Independent Director	Mr. Manoj Kumar (From October 30, 2019)
Nominee Director	Mr. Sumit Kumar
Nominee Director	Mr. Massimo Vita
Director- Finance & CFO	Mr. Diwakar B R (From June 14, 2019)
Independent Director & Chairman	Mr. M.N Gopinath(upto Oct 29, 2019)

₹ in crores

Particulars	Key management personnel	
	March 31, 2020	March 31, 2019
Transactions during the year		
Mr. Udaya Kumar Hebbar		
Salary and perquisites	1.97	1.89
Employee Stock Options exercised	0.41	0.31
Mr. Diwakar B R		
Salary and perquisites	1.09	-
Employee Stock Options exercised	0.34	-
Sitting fees	**Other related parties**	
	March 31, 2020	**March 31, 2019**
Mr. R Prabha	0.08	0.07
Mr. Paolo Brichetti	0.04	-
Mr. Sumit Kumar	0.02	-
Mr. Massimo Vita	0.02	-
Mr. Anal Kumar Jain	0.04	0.05
Mr. M N Gopinath	0.01	0.05
Ms. Sucharita Mukherjee	0.02	0.03
Mr. George Joseph	0.07	0.07
Mr. Manoj Kumar	0.01	-
Commission	**Other related parties**	
	March 31, 2020	**March 31, 2019**
Mr. R Prabha	0.07	0.17
Mr. Anal Kumar Jain	0.08	0.19
Mr. M N Gopinath	0.03	0.18
Ms. Sucharita Mukherjee	0.03	0.12
Mr. George Joseph	0.08	0.15
Mr. Manoj Kumar	0.02	-

Provisions for gratuity and leave benefits are made for the Company as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Transactions during the year		
Holding Company		
Arranger fee	1.75	-
Reimbursment of expenditure incurred from related party	-	21.43
Subsidiary Company		
Investment in subsidiary *	661.24	-
Deposit placed with subsidary	0.03	-

* Represents acquisition of controlling stake from previous shareholders of Madura Micro Finance Limited

₹ in crores

Particulars	Holding Company	
	March 31, 2020	March 31, 2019
Balances at the end of the year		
Sitting fees payable	**Other related parties**	
	March 31, 2020	**March 31, 2019**
Mr. R Prabha	-	0.005
Mr. Anal Kumar Jain	-	0.002
Mr. M N Gopinath	-	0.003
Ms. Sucharita Mukherjee	-	0.003
Mr. George Joseph	-	0.004
Mr. Paolo Brichetti	0.036	-
Mr. Massimo Vita	0.024	-
Mr. Sumit Kumar	0.023	-
Commission payable	**Other related parties**	
	March 31, 2020	**March 31, 2019**
Mr. R Prabha	0.08	0.08
Mr. Anal Kumar Jain	0.06	0.10
Mr. M N Gopinath	0.08	0.09
Ms. Sucharita Mukherjee	0.05	0.06
Mr. George Joseph	0.07	0.08

37. EMPLOYEE STOCK OPTIONS

Stock options

The Company has provided share based payments to its employees under the 'Grameen Koota Financial Services Private Limited – Employees Stock Option Plan 2011'. The various Tranches I, II, III, IV, V and VI represent different grants made under the plan. During year ended March 31, 2020, the following stock option grant were in operation:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI
Date of grant	Apr 1, 2012	Oct 1, 2013	Jun 1, 2014	Jul 1, 2016	Jan 1, 2017	Jan 1,2018
Date of Board / Compensation Committee approval	Oct 15, 2011	Aug 22, 2012	Jul 30, 2014	Jun 29, 2016	May 17, 2017	Jan 24, 2018
Number of Options granted	716,676	631,339	443,000	431,000	521,000	971,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Graded vesting period:						
Day following the expiry of 12 months from grant	25%	25%	25%	25%	25%	25%
Day following the expiry of 24 months from grant	25%	25%	25%	25%	25%	25%
Day following the expiry of 36 months from grant	25%	25%	25%	25%	25%	25%
Day following the expiry of 48 months from grant	25%	25%	25%	25%	25%	25%
Exercise period	48 months from date of vesting					
Vesting conditions	Employee to be in service at the time of vesting					
Weighted average remaining contractual life (years)						
-I	-	-	-	1.25	1.76	2.76
-II	-	-	0.17	2.25	2.76	3.76
-III	-	0.50	1.17	3.25	3.76	4.76
-IV	0.00	1.50	2.17	4.25	4.76	5.76
Weighted average exercise price per option (₹)	27.00	27.00	39.86	63.90	84.47	120.87
Weighted average fair value of options (₹)	-	18.73	38.46	75.78	61.95	86.27

Reconciliation of options

Particulars	March 31, 2020	March 31, 2019
Tranche I		
Options outstanding at the beginning of the year	5,250	5,250
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	4,500	-
Expired during the year	750	-
Outstanding at the end of the year	-	5,250
Exercisable at the end of the year	-	5,250
Tranche II		
Options outstanding at the beginning of the year	11,500	49,000
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	2,500	37,500
Expired during the year	1,500	-
Outstanding at the end of the year	7,500	11,500
Exercisable at the end of the year	7,500	11,500
Tranche III		
Options outstanding at the beginning of the year	139,250	235,500
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	99,250	95,750
Expired during the year	1,500	500
Outstanding at the end of the year	38,500	139,250
Exercisable at the end of the year	38,500	139,250
Tranche IV		
Options outstanding at the beginning of the year	336,750	371,500
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	84,500	34,750
Expired during the year	-	-
Outstanding at the end of the year	252,250	336,750
Exercisable at the end of the year	144,500	120,000
Tranche V		
Options outstanding at the beginning of the year	436,550	456,000
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	80,250	19,450
Expired during the year	-	-
Outstanding at the end of the year	356,300	436,550
Exercisable at the end of the year	226,050	166,050
Tranche VI		
Options outstanding at the beginning of the year	879,080	949,687
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	162,198	8,565
Expired during the year	28,357	62,042
Outstanding at the end of the year	688,525	879,080
Exercisable at the end of the year	252,489	197,453

38. REVENUE FROM CONTRACTS WITH CUSTOMERS

₹ in crores

(A)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Type of services		
Service fees for management of assigned portfolio of loans	0.26	0.41
Service and administration charges	3.77	0.93
Distribution Income	0.92	-
Total	**4.95**	**1.34**

(B) Geographical markets

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
India	4.95	1.34
Outside India	-	-
Total	**4.95**	**1.34**

(C) Timing of revenue recognition

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Services transferred at a point in time	4.95	1.34
Services transferred over time	-	-
Total	**4.95**	**1.34**

(D) Receivables

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Distribution Income	0.55	-

39. DISCLOSURES PURSUANT TO THE MASTER DIRECTION- NON-BANKING FINANCIAL COMPANY-SYSTEMATICALLY IMPORTANT NON- DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016 ('THE MASTER DIRECTIONS') ISSUED BY RBI

A. Capital to risk assets ratio ('CRAR')

₹ in crores

Particulars	March 31, 2020	March 31, 2019
CRAR (%)	23.60%	35.26%
CRAR-Tier I Capital (%)	22.30%	34.38%
CRAR-Tier II Capital (%)	1.30%	0.88%
Amount of subordinated debt raised as Tier II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

CRAR as at March 31, 2020 has been determined in accordance with the RBI Master Directions read with RBI notification RBI/2019-20/170, DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on implementation of Indian Accounting Standards. Accordingly, CRAR for March 31, 2019 is not comparable.

B. Investments

₹ in crores

Particulars	March 31, 2020	March 31, 2019
1. Value of Investments		
(I) Gross value of investments		
(a) in India	661.44	0.20
(b) outside India	-	-
(ii) Provisions for depreciation		
(a) in India	-	-
(b) outside India	-	-
(iii) Net value of investments		
(a) in India	661.44	0.20
(b) outside India	-	-
2. Movement of provision held towards depreciation		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less: Write-off / write-back of excess provision	-	-
(iv) Closing balance	-	-

C. Derivatives

The Company has no transactions / exposure in derivatives in the current and previous year.

The Company has no unhedged foreign currency exposure as on March 31, 2020 (March 31, 2019: Nil).

D. Disclosure related to securitization

During the year the Company has transferred loans through securitization.

₹ in crores

Particulars	March 31, 2020	March 31, 2019
No of SPVs sponsored by the NBFC for securitization transactions	1	7
Amount of securitized assets as per books of SPV sponsored by NBFC	110.35	861.69
Amount of exposures retained by NBFC to comply with MRR as on the date of balance sheet	11.59	92.92
a. Off-balance sheet exposure		
· First loss	-	-
· Others	-	-
b. On-balance sheet exposure		
· First loss – cash collateral	4.97	39.39
· Others	-	-

Amount of exposures other than MRR		
a. Off-balance sheet exposure		
i. Exposure to own securitizations		
· First loss	-	-
· Loss	-	-
ii. Exposure to third party transactions		
· First loss	-	-
· Others	-	-
b. On-balance sheet exposure		
i. Exposure to own securitizations		
· Others	-	-
ii. Exposure to third party transactions		
· First loss	-	-
· Others	-	-

E. Details of financial assets sold to securitization / reconstruction company for asset reconstruction

The Company has not sold any financial asset to securitization / reconstruction company for asset reconstruction in the current and previous year.

F. Details of assignment transactions

The Company has undertaken 4 assignment transactions during the current year (March 31, 2019: 4 transactions).

₹ in crores

Particulars	March 31, 2020	March 31, 2019
Number of loans assigned	337,660	451,830
Aggregate value (net of provisions) of accounts sold	649.64	715.90
Aggregate consideration	649.64	715.90
Income recognised in statement of profit and loss	41.33	19.43

* this represents principal amount outstanding as at the date of transaction adjusted for any specific provisions.

G. Details of non-performing financial asset purchased / sold

The Company has not purchased / sold any non-performing financial assets in the current and previous year.

H. Asset liability management

Maturity pattern of assets and liabilities as on March 31, 2020:

₹ in crores

Particulars	1 to 7 days	8 to 14 days	Over 14 days to one month	Over one month to 2 months	Over 2 months to 3 months	Over 3 Months upto 6 months	Over 6 Months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Borrowings	125.42	27.14	122.45	113.66	471.65	1,170.84	1,841.10	3,122.13	828.16	-	**7,822.55**
Advances*	0.51	0.22	3.58	2.48	325.45	1,860.95	3,148.45	3,848.41	33.23	5.19	**9,228.46**
Investments	-	-	-	-	-	-	-	-	-	661.44	**661.44**
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	**-**
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	**-**

Maturity pattern of assets and liabilities as on March 31, 2019:

₹ in crores

Particulars	1 to 7 days	8 to 14 days	Over 14 days to one month	Over one month to 2 months	Over 2 months to 3 months	Over 3 Months upto 6 months	Over 6 Months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Borrowings	11.27	199.95	96.16	178.20	176.58	760.20	1,184.74	1,669.07	530.40	60.00	**4,866.57**
Advances*	-	0.00	523.80	492.52	410.65	1,232.05	1,901.48	2,092.07	0.57	4.77	**6,657.91**
Investments	-	-	-	-	-	-	-	-	-	0.20	**0.20**
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	**-**
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	**-**

Note applicable for FY 2019-20

1. The maturity pattern of advances has been presented considering the effect of revised contractual dues of loans pursuant to moratorium granted to its borrowers upto May 31, 2020, as described in Note No 42 and Note No 43. Such maturity pattern does not reflect additional moratorium upto August 31, 2020 allowed by the RBI vide its notification dated May 23, 2020 as it represents an event subsequent to the date of these standalone financial statements.

2. The maturity pattern of borrowings has been presented considering the effect of moratorium on contractual repayments upto May 31, 2020 to the extent confirmed by the lenders subsequently.

I. Exposures

The Company has no exposure to the real estate sector and capital market directly or indirectly in the current and previous year.

J. Unsecured advances: Refer Note 7

K. Registration obtained from other financial regulators

Regulator - Insurance Regulator and Development Authority	Registration No.	Validity
Corporate Agents for : - HDFC Life Insurance Company Limited - ICICI Prudential Life Insurance Company Limited - Kotak Mahindra Life Insurance Company Limited	Ca0642	March 15, 2019 to March 14, 2022

L. Disclosure of penalties imposed by RBI and other regulators

No penalties were imposed by RBI and other regulators during current and previous year.

M. Ratings assigned by credit rating agencies and migration of ratings

Particulars	Name of rating agency	Date of rating	Rating / (Previous year rating)	Borrowing limit / conditions imposed by rating agency (₹ in crores)	Valid up to
Long-term debt	ICRA	24-Sep-19	[ICRA]A+(Stable)/ [ICRA]A+(Stable)	2,500.00	31-May-20
Long-term debt	India Ratings and Research	19-Feb-20	Ind A+ Stable / NA	1,000.00	18-Feb-21
Non-convertible debentures	ICRA	24-Sep-19	[ICRA]A+(Stable)/ [ICRA]A+(Stable)	334.00	31-Mar-20
Non-convertible debentures	India Ratings and Research	19-Feb-20	Ind A+ Stable/ / NA	100.00	18-Feb-21
Subordinated debt	ICRA	24-Sep-19	[ICRA]A+(Stable)/ [ICRA]A+(Stable	14.03	31-May-20
Commercial paper	ICRA	24-Sep-19	[ICRA]A1+ / [ICRA]A1+	200.00	24-Sep-20
Organization grading	CRISIL	26-Sep-19	M1C1/M1C1	NA	30-Sep-20
Axis Direct Assignment (Axis DA-1)	India Ratings and Research	27-Sep-19	PL-1/ / NA	132.46	NA
BOM Direct Assignment (BOM DA -1)	India Ratings and Research	30-Dec-19	PL-1/ / NA	278.36	NA

N. Provisions and contingencies (shown under the head expenditure in statement of profit and loss)

₹ in crores

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Impairment of financial instruments	238.98	74.86
Provision for income tax	159.32	176.35
Provision for gratuity	3.74	4.13
Provision for leave encashment and availment	12.33	7.74
Provision fraud and misappropriation (net of recoveries)	1.05	1.01
Provision for other assets (net)	0.32	0.72
Total	**415.74**	**264.81**

O. Drawdown from reserves

There has been no draw down from reserves during the year ended March 31, 2020 (previous year: Nil).

P. Concentration of advances, exposures and NPAs

₹ in crores

Particulars	March 31, 2020	March 31, 2019*
Concentration of advances		
Total advances to twenty largest borrowers	0.83	0.83
(%) of advances to twenty largest borrowers to total advances	0.01%	0.01%
Concentration of exposures		
Total exposure to twenty largest borrowers / customers	0.83	0.83
(%) of exposures to twenty largest borrowers / customers to total exposure	0.01%	0.01%
Concentration of NPAs		
Total Exposure to top four NPA accounts	0.06	0.04

Q. Sector-wise NPAs

Particulars	Percentage of NPAs to Total Advances in that sector as at March 31, 2020	Percentage of NPAs to Total Advances in that sector as at March 31, 2019
Agriculture and allied activities	1.29%	0.54%
MSME	-	-
Corporate borrowers	-	-
Services	1.84%	0.30%
Others	1.60%	-
Unsecured personal loans	0.98%	0.71%
Auto loans	1.30%	0.13%
Other personal loans	-	-

R. Movement of NPAs

₹ in crores

Particulars	March 31, 2020	March 31, 2019
(i) Net NPAs to Net Advances (%)	**0.37%**	**0.17%**
(ii) Movement of NPAs (Gross):		
Opening balance	38.54	37.41
Additions during the year	153.90	61.77
Reductions during the year	50.34	60.64
Closing balance	**142.10**	**38.54**
(iii) Movement of Net NPAs		
Opening balance	10.89	1.61
Additions during the year	23.49	11.86
Reductions during the year	0.03	2.58
Closing balance	**34.35**	**10.89**
(iv) Movement of provisions for NPAs		
Opening balance	27.65	35.80
Provisions made during the year	130.41	49.91
Write-off / write-back of excess provisions	50.31	58.06
Closing balance	**107.75**	**27.65**

S. Disclosure of customer complaints

Particulars	March 31, 2020	March 31, 2019
a. No. of complaints pending at the beginning of the year	3	1
b. No. of complaints received during the year	2,912	894
c. No. of complaints redressed during the year	2,915	892
d. No. of complaints pending at the end of the year	-	3

T. Information on instances of fraud

Instances of fraud reported during the year ended March 31, 2020:

₹ in crores

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount provided
Cash Embezzlement	1	0.02	0.00	0.02

Instances of fraud reported during the year ended March 31, 2019:

₹ in crores

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount provided
Cash Embezzlement	3	0.32	-	0.32

U. The net interest margin (NIM)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Average interest (a)	19.61%	20.16%
Average effective cost of borrowing (b)*	9.79%	10.73%
Net interest margin (a-b)	9.82%	9.43%

Note:

1. Above computation is in accordance with the method accepted by RBI vide its letter no DNBS.PD.NO.4906/03.10.038/2012-13 dated April 4, 2013 to Micro-finance Institutions Network (the "MFIN format") read with the FAQs issued by RBI on October 14, 2016 and RBI circulated dated March 13, 2020 on implementation of Indian Accounting Standards.

2. Average loan outstanding determined for the purpose of calculating NIM is based on carrying value of loans under Ind AS, excluding effect of following:
   a. Fair value changes recognised through other comprehensive income;
   b. Securitised loans qualifying for de-recognition as per RBI's "true sale" criteria and related interest income have not been considered for computation of "average interest charged" in accordance with the MFIN format. Accordingly, the purchase consideration received towards such securitisations and related finance costs have also not been considered for computation of "average effective cost of borrowings".
   c. Impairment allowance adjusted from the carrying value of loans in accordance with Ind AS 109;
   d. Carrying value of loans classified as Stage III loans (i.e. erstwhile NPA classification) as per specific communication from RBI.

3. Interest income considered for computation of "average interest charged" excludes loan processing fee collected from customers in accordance with para 56 (vi) of the RBI Master Directions. As per Ind AS 109, such loan processing fee forms part of interest income in the Ind AS standalone financial statements.

V. Public disclosure on Liquidity risk management

i. Funding concentration based on significant Counterparty *(both deposits and borrowings)

Number of significant counterparties	Amount (Rs. in Crore)	% of Total Deposits	% of Total Liabilities
23	7,477.92	NA	93.56%

ii. Top 20 large deposits (amount in Rs. Crore and % of total deposits)- Not applicable.

The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

iii. Top 10 borrowings (amount in Rs. Crore and % of total borrowings)

Amount (Rs in Crore)	% of Total Borrowings
5,722.29	73.15%

iv. Funding concentration based on significant instrument / product*

Name of the instrument/ product	Amount (₹ in Crore)	% of Total Liabilities
Term loans from Banks	5,088.21	63.66%
Term Loans from Financial Institutions	1,668.89	20.88%
Non Convertible debentures	829.08	10.37%
Term Loans from Non banking Financial Companies	160.85	2.01%

v. Stock Ratios

Particulars	as a % of total public funds*	as a % of total liabilities*	as a % of total assets
Commercial papers	0%	0%	0%
Non-convertible debentures (original maturity of less than one year)	0%	0%	0%
Other short-term liabilities	1.94%	1.43%	1.07%

vi. Institutional set-up for liquidity risk management

The Company's Board of Directors has the overall responsibility of management of liquidity risk. The Board decides the strategic policies and procedures of the Company to manage liquidity risk in accordance with the risk tolerance/limits decided by it.

The Company also has a Risk Management Committee, which is a sub-committee of the Board and is responsible for evaluating the overall risk faced by the Company including liquidity risk.

Asset Liability Management Committee (ALCO) of the Company is responsible ensuring adherence to the risk tolerance/limits as well as implementing the liquidity risk management strategy of the Company.

Chief Risk Officer shall be part of the process of identification, measurement and mitigation of liquidity risks.

The ALM support group consist of CFO and Head-Treasury who shall be responsible for analysing, monitoring and reporting the liquidity profile to the ALCO.

***Notes**

1. A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

2. A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

3. Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.

4. "Public funds" shall include funds raised either directly or indirectly through public deposits, commercial paper, debentures, inter-corporate deposits and bank finance but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue as defined in Regulatory Framework for Core Investment Companies issued vide Notification No. DNBS (PD) CC.No. 206/03.10.001/2010-11 dated January 5, 2011.

5. The amount stated in this disclosure is based on the audited standalone financial statements for the year ended March 31, 2020.

W. Asset classification as per IRAC norms

As at 31st March 2020

₹ in crores

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms (Refer Note 1 & 2 below)	Difference between Ind AS 109 provisions and IRACP norms
-1-	-2-	-3-	-4-	(5)=(3)-(4)	-6-	(7) = (4)-(6)
Performing Assets						
Standard	Stage I	9,267.90	144.92	9,122.98	64.55	80.37
	Stage II	28.39	13.07	15.32	1.42	11.65
Subtotal		**9,296.29**	**157.99**	**9,138.30**	**65.97**	**92.02**
Non-Performing Assets (NPA)						
Substandard	**Stage III**	**142.10**	**107.75**	**34.35**	**27.29**	**80.46**
Doubtful - Up to 1 year	Stage III	-	-	-	-	-
- 1 to 3 years	Stage III	-	-	-	-	-
- More than 3 years	Stage III	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage III	-	-	-	-	-
Subtotal for NPA		**142.10**	**107.75**	**34.35**	**27.29**	**80.46**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms.	Stage I	-	-	-	-	-
	Stage II	-	-	-	-	-
	Stage III	-	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**	**-**
Total	**Stage I**	**9,267.90**	**144.92**	**9,122.98**	**64.55**	**80.37**
	Stage II	**28.39**	**13.07**	**15.32**	**1.42**	**11.65**
	Stage III	**142.10**	**107.75**	**34.35**	**27.29**	**80.46**
	Total	**9,438.39**	**265.74**	**9,172.65**	**93.26**	**172.48**

Notes

1. Figures under this columns Represents provisions determined in accordance with the Asset classification and provisioning norms as stipulated under Master Directions.
2. Includes additional provision pursuant to the RBI notification dated April 17, 2020 on accounts classified as standard but overdue as at February 29, 2020.

X. Disclosures pursuant to RBI Notification - RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated 17th April, 2020 SMA/overdue categories, where the moratorium/deferment was extended ('RBI circular')

Details of moratorium granted to overdue accounts as at February 29, 2020

₹ in crores

Asset classification as per Ind AS 109	Exposure (March 31, 2020) (A)	Asset classification benefit*
Stage I	9.91	-
Stage II	28.39	19.38
Stage III	142.10	-
Total	**180.40**	**19.38**

*represents accounts out of A which were not classified as Stage III (non-performing assets) as at March 31, 2020.

Note:

1. Amounts indicated in the above represent gross carrying value of these exposures before adjustment for impairment allowance as required under Ind AS 109 as at March 31, 2020.

Y. The Company has not disbursed any loans against the security of gold.

40. FINANCIAL INSTRUMENTS – FAIR VALUES

40.1. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

₹ in crores

Financial assets (assets measured at fair value)	March 31, 2020			March 31, 2019		
	Fair value			Fair value		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Loans (measured at FVOCI)	-	7,765.48	-	-	5,303.00	-
Investments	-	0.20	-	-	0.20	-
Total	**-**	**7,765.68**	**-**	**-**	**5,303.20**	**-**

Fair values of Loans and Investments designated under FVOCI have been measured under level 2 at fair value based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest.

₹ in crores

Fair value of financial assets and liabilities measured at amortised cost	March 31, 2020				March 31, 2019			
	Amortised cost	Fair value			Amortised cost	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Loans (measured at amortised cost)	1,407.16	-	1,377.06	-	1,299.83	-	1,273.49	-
Debt securities	638.16		419.48		556.16		632.74	
Borrowings other than debt securities	7,159.40	-	7,321.77	-	4,114.50	-	4,149.83	-
Subordinated liabilities	25.00	-	63.85	-	37.07	-	40.23	-
Financial liability towards securitisation (re-recognised on balance sheet)	-	-	-	-	158.84	-	159.33	-
Total	**9,229.72**	**-**	**9,182.16**	**-**	**6,166.40**	**-**	**6,255.62**	**-**

The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, other receivables,loans measured at Amortised cost, other financial assets / liabilities,other non-financial assets / liabilities, payables and provisions are considered to be the same as their fair values, due to their short-term nature.

41. RISK MANAGEMENT

41.1. Introduction and risk profile

CreditAccess Grameen Limited ("Company") is one of the leading microfinance institutions in India focused on providing financial support to women from low income households engaged in economic activity with limited access to financial services. The Company predominantly offers collateral free loans to women from low income households, willing to borrow in a group and agreeable to take joint liability. The wide range of lending products address the critical needs of customers throughout their lifecycle and include income generation, home improvement, children's education, sanitation and personal emergency loans. With a view to diversifying the product profile, the company has introduced individual loans for matured group lending customers. These loans are offered to customers having requirement of larger loans to expand an existing business in their individual capacity.

The common risks for the company are operational, business environment, political, regulatory, concentration, expansion and liquidity. As a matter of policy, these risks are assessed and steps as appropriate, are taken to mitigate the same.

41.1.a. Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.The Risk Management framework approved by the Board has laid down the governance structure supporting the identification, assessment, monitoring, reporting and mitigation of risk throughout the company. The objective of the risk management platform is to make a conscious effort in developing risk culture within the organisation and having appropriate systems and tools for timely identification, measurement and reporting of risks for managing them.

The Board has a Risk Management committee which is responsible for monitoring the overall risk process within the Company and reports to the Board of Directors.

The Risk Management guidelines will be implemented through the established organization structure of Risk Department. The overall monitoring of the Risks is done by the Chief Risk Officer (CRO) with the support from all the department heads of the Company. The Board will reviews the status and progress of the risk and risk management system, on quarterly basis through the Audit Committee and Risk Management Committee. The individual departments are responsible for ensuring implementation of the risk management framework and policies, systems and methodologies as approved by the Board. Assignment of responsibilities in relation to risk management is prerogative of the Heads of Departments, in coordination with CRO.While each department focuses on its specific area of activity, the Risk Management Unit operates in coordination with all other departments, utilising all significant information sourced to ensure effective management of risks in accordance with the guidelines approved by the Board. The unit works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework.

Heads of Departments is accountable to a Management-Level Risk Committee (MLRC) comprising of MD&CEO, CFO, CAO, CBO and CRO. The departmental heads will report for the implementation of above mentioned guideline within their respective areas of responsibility. The department heads are also accountable to the MLRC for identification, assessment, aggregation, reporting and monitoring of the risk related to their respective domain.

The Company's policy is that risk management processes throughout the Company are audited quarterly by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Audit Committee.

41.1.b. Risk mitigation and risk culture

Risk assessments are conducted for all business activities. The assessments are to address potential risks and to comply with relevant legal and regulatory requirements. Risk assessments are performed by competent personnel from individual departments and risk management department including, where appropriate, expertise from outside the Company. Procedures are established to update risk assessments at appropriate intervals and to review these assessments regularly. Based on the Risk Control and Self Assessment (RCSA), the Company formulates its Risk Management Strategy / Risk Management plan on annual basis. The strategy will broadly entail choosing among the various options for risk mitigation for each identified risk. The risk mitigation is planned using the following key strategies:

Risk Avoidance

By not performing an activity that could carry risk. Avoidance may seem the answer to all risks, but avoiding risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed.

Risk Transfer

Mitigation by having another party to accept the risk, either partial or total, typically by contract or by hedging.

Risk Reduction

Employing methods/solutions that reduce the severity of the loss.

Risk Retention

Accepting the loss when it occurs. Risk retention is a viable strategy for small risks where the cost of insuring against the risk would be greater over time than the total losses sustained. All risks that are not avoided or transferred are retained by default. This includes risks that are so large or catastrophic that they either cannot be insured against or the premiums would be infeasible.

41.1.c. Risk measurement and reporting systems

The heads of all the departments in association with risk management department are responsible for coordinating the systems for identifying risks within their own department or business activity through RCSA exercise to be conducted at regular intervals.

Based on a cost / benefit assessment of a risk, as is undertaken, some risks may be judged as having to be accepted because it is believed mitigation is not possible or warranted.

As the risk exposure of any business may undergo change from time to time due to continuously changing environment, the updation of the Risk Register will be done on a regular basis.

All the strategies with respect to managing these major risks shall be monitored by the CRO and MLRC.

The Management Level Risk Committee meetings are held as necessary or at least once a month. The Management Level Risk Committee would monitor the management of major risks specifically and other risks of the Company in general. The Committee takes an integrated view of the risks facing the entity and monitor implementation of the directives received from Risk Management Committee and actionable items drawn from the risk management framework.

Accordingly, the Management Level Risk Committee reviews the following aspects of business specifically from a risk indicator perspective and suitably record the deliberations during the monthly meeting.

- Review of business growth and portfolio quality.
- Discuss and review the reported details of Key Risk Threshold breaches (KRI's), consequent actions taken and review of operational loss events, if any.
- Review of process compliances including audit performance across organisation.
- Review of HR management, training and employee attrition.
- Review of new initiatives and product/policy/process changes.
- Discuss and review performance of IT systems.
- Review the status of strategic projects initiated.
- Review, where necessary, policies that have a bearing on the operational & credit risk management and recommend amendments.
- Discuss and recommend suitable controls/mitigations for managing operational & credit risk and assure that adequate resources are being assigned to mitigate the risks.
- Review analysis of frauds, potential losses, non-compliance, breaches etc. and determine corrective measures to prevent their recurrences.
- Understand changes and threats, concur on areas of high priority and possible actions for managing/mitigating the same.

41.1.d. Risk Management Strategies

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

The following management strategies and policies are adopted by the Company to manage the various key risks.

Political Risk mitigation measures:

- Low cost operations and low pricing for customers.
- Customer centric approach, high customer retention.
- Rural focus.

- Systematic customer awareness activities.
- High social focused activities.
- Adherence to client protection guidelines.
- Robust grievance redressal mechanism.
- Adherence to regulatory guidelines in letter and spirit.

Concentration risk mitigation measures:
- District centric approach.
- District exposure cap.
- Restriction on growth in urban locations.
- Maximum disbursement cap per loan account.
- Maximum loan exposure cap per customer.
- Diversified funding resources.

Operational & HR Risk mitigation measures:
- Stringent customer enrolment process.
- Multiple products.
- Proper recruitment policy and appraisal system.
- Adequately trained field force.
- Weekly & fortnightly collections – higher customer touch, lower amount instalments.
- Multilevel monitoring framework.
- Strong, Independent and fully automated Internal Audit function.
- Strong IT system with access to real time client and loan data.

Liquidity risk mitigation measures:
- Diversified funding resources.
- Asset liability management.
- Effective fund management.
- Maximum cash holding cap.

Expansion risk mitigation measures:
- Contiguous growth.
- District centric approach.
- Rural focus.
- Branch selection based on census data & credit bureau data.
- Three level survey of the location selected.

41.2. Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the summary of significant accounting policies.

41.2.a. Definition of default, significant increase in credit risk and stage assessment

For the measurement of ECL, Ind AS 109 distinguishes between three impairment stages. All loans need to be allocated to one of these stages, depending on the increase in credit risk since initial recognition (i.e. disbursement date):

Stage 1: includes loans for which the credit risk at the reporting date is in line with the credit risk at the initial recognition (i.e. disbursement date).

Stage 2: includes loans for which the credit risk at reporting date is significantly higher than at the risk at the initial recognition (Significant Increase in Credit Risk).

Stage 3: includes default loans. A loan is considered default at the earlier of (i) the Company considers that the obligor is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realizing collateral (if held); or (ii) the obligor is past due more than 90 days on any material credit obligation to the company.

(i) Joint liability loans (JLG)

Unlike banks which have more of monthly repayments, the Company offers products with weekly repayment frequency, whereby 15 and above Days past due ('DPD') means already 2 missed instalments from the borrower, and accordingly, the Company has identified the following stage classification to be the most appropriate for its JLG:

Stage 1: 0 to 15 DPD.
Stage 2: 16 to 60 DPD (SICR).
Stage 3: above 60 DPD (Default).

(ii) Individual loans

Since Individual loans are on monthly repayment model, the Company has identified the following stage classification to be the most appropriate for these loans:

Stage 1: 0 to 30 DPD.
Stage 2: 30 to 90 DPD (SICR).
Stage 3: Above 90 DPD (Default).

41.2.b. Probability of Default ('PD')

PD describes the probability of a loan to eventually falling into Stage 3. PD %age is calculated for each loan account separately and is determined by using available historical observations.

PD for stage 1: is derived as %age of all loans in stage 1 moving into stage 3 in 12-months' time.

PD for stage 2: is derived as %age of all loans in stage 2 moving into stage 3 in the maximum lifetime of the loans under observation.

PD for stage 3: is derived as 100% considering that the default occurs as soon as the loan becomes overdue for 60 days which matches the definition of stage 3.

41.2.c. Exposure at default (EAD)

Exposure at default (EAD) is the sum of outstanding principal and the interest amount accrued but not received on each loan as at reporting date.

41.2.d. Loss given default (LGD)

LGD is the opposite of recovery rate. LGD = 1 – (Recovery rate). LGD is calculated based on past observations of Stage 3 loans.

(i) Joint liability loans (JLG)

LGD is computed as below:

1. All Loans which are above 60 DPD as on 31 March 2013, are taken and the difference in the principal outstanding as on 31st March 2013 and 31st March 2020 is considered as recovery.

2. Likewise the same is done for all the loans (excluding the loans which are already considered in previous years) which are above 60 DPD as on 31 March 2014, 31 March 2015, 31 March 2016, 31 March 2017, 31 March 2018, 31 March 2019 and recovery rate is computed for each year.

3. LGD = 1 - Recovery rate which is computed for each period of observation.

(ii) Individual loans

LGD is computed as below:

1. All Loans which are above 90 DPD as on 31 March 2018, are taken and the difference in the principal outstanding as on 31st March 2018 and 31st March 2020 is considered as recovery.

2. Likewise the same is done for all the loans (excluding the loans which are already considered in previous years) which are above 60 DPD as on each month end from March 31, 2018 till February 29, 2020 and recovery rate is computed for each month.

3. LGD = 1- Recovery rate which is computed for each period of observation.

41.2.e. Grouping financial assets measured on a collective basis

The Company believes that the Joint Liability Group (JLG) loans have shared risk characteristics (i.e. homogeneous) and Individual loans (IL) have not shared risk characteristics. Therefore, JLG and IL are treated as two separate groups for the purpose of determining impairment allowance.

41.2.f. Analysis of inputs to the ECL model under multiple economic scenarios

Adjusting the ECL to reflect the expected changes (if any) in the economic environment for forward looking information in the form of management overlay.

Based on the historical loss experience, adjustments need to be made on the average PD computed to give effect of the current conditions which is done through management overlay by assigning probability weightages to different scenarios.

The methodology and assumptions used for estimating future cash flows should be reviewed regularly so that there is minimum difference between expected loss and the actual loss expenses.

41.3. Interest Rate Risk (IRR)

RBI has allowed NBFCs to price most of their assets and liabilities. Interest rate risk is the risk where changes in market interest rates might adversely affect CAGL's financial condition and the changes in interest rates affect CAGL in a larger way. The immediate impact of changes in interest rates is on earnings (i.e. reported profits) by changing its Net Interest Margin (NIM). The risk from the earnings perspective can be measured as changes in Net Interest Margin (NIM). In line with RBI guidelines, the traditional GAP analysis is considered as a suitable method to measure the Interest Rate Risk for CAGL.

CAGL shall also adhere to these prudential limits and the tolerance/prudential limits for structural liquidity under different time bucket.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible charge in interest rates (all other variables being constant) of the Company'sprofit and loss statement.

₹ in crores

Particulars	Basis points	Effect on profit / loss and equity for the year 2019-20	Effect on profit / loss and equity for the year 2018-19
Borrowings			
Increase in basis points	+ 25	(7.82)	(4.61)
Decrease in basis points	- 25	7.82	4.61

41.3 (A). Capital

The Company actively manages its capital base to cover risks inherent to its business and meet the capital adequacy requirement of RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

(i) Capital management

The Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Company aims to maintain a strong capital base to support the risks inherent to its business and growth strategies. The Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks– which include credit, liquidity and interest rate.

The Company monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis through its Assets Liability Management Committee (ALCO).

The Company endeavours to maintain its CRAR higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

(ii) Regulatory capital

Particulars	As at March 31, 2020	As at March 31, 2019
Tier I CARR	22.30%	34.38%
Tier II CARR	1.30%	0.88%
	23.60%	**35.26%**

41.4. Liquidity risk and funding management

Liquidity risk arises due to the unavailability of adequate amount of funds at an appropriate cost and tenure. The Company may face an asset-liability mismatch caused by a difference in the maturity profile of our assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. We monitor liquidity risk through our Asset Liability Management Committee. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term. We actively monitor our liquidity position to ensure that we can meet all borrower and lender-related funding requirements.

There are Liquidity Risk mitigation measures put in place which helps in maintaining the following:

Diversified funding resources

The Company's treasury department secures funds from multiple sources, including banks, financial institutions and capital markets and is responsible for diversifying our capital sources, managing interest rate risks and maintaining strong relationships with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies. The Company continuously seek to diversify its sources of funding to facilitate flexibility in meeting our funding requirements. Due to the composition of our loan portfolio, which also qualifies for priority sector lending, it also engages in securitization and assignment transactions.

Asset Liability Management (ALM) can be termed as a risk management technique designed to earn an adequate return while maintaining a comfortable surplus of assets over liabilities. ALM, among other functions, is also concerned with risk management and provides a comprehensive as well as dynamic framework for measuring, monitoring and managing liquidity and interest rate risks. ALM is an integral part of the financial management process of CAGL. It is concerned with strategic balance sheet management, involving risks caused by changes in the interest rates and the liquidity position of CAGL. It involves assessment of various types of risks and altering the asset-liability portfolio in a dynamic way in order to manage risks.

ALM committee constitutes of Board of Directors who would review the tolerance limits for liquidity/ interest rate risks and would recommend to Board of Directors for its approval from time to time. As per the directions of the Board, the ALM statements would be reported to the ALM committee on quarterly basis for necessary guidance.

The scope of ALM function can be described as follows:

i. Funding and Capital Managementm,
ii. Liquidity risk management ,
iii. Interest Rate risk management ,
iv. Forecasting and analyzing 'What if scenario' and preparation of contingency plans.

Capital guidelines ensure the maintenance and independent management of prudent capital levels for CAGL to preserve the safety and soundness of the company, to support desired balance sheet growth and the realization of new business; and to provide a cushion against unexpected losses. Refer Note 35(a) with respect to regulatory capital of the Company as at the reporting dates.

Liquidity assessment as on March 31, 2020

₹ in crores

Particulars	Upto 30 / 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings									
Debt securities	-	10.14	53.19	182.64	58.36	267.62	246.97	-	**818.92**
Borrowings (other than debt securities)	304.39	168.83	439.53	1,154.44	2,033.41	3,322.38	683.23	-	**8,106.21**
Subordinated liabilities	0.30	0.31	0.30	0.93	1.84	27.48	-	-	**31.16**
Total	**304.69**	**179.28**	**493.02**	**1,338.01**	**2,093.61**	**3,617.48**	**930.20**	**-**	**8,956.29**

Liquidity assessment as on March 31, 2019

₹ in crores

Particulars	Upto 30 / 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings									
Debt securities	0.56	-	8.71	59.22	109.21	262.27	271.82	-	**711.79**
Borrowings (other than debt securities)	162.04	190.13	203.80	714.08	1,236.54	1,587.86	571.39	63.42	**4,729.26**
Subordinated liabilities	0.30	12.65	0.30	0.93	1.85	31.16	-	-	**47.19**
Total	**162.90**	**202.78**	**212.81**	**774.23**	**1,347.60**	**1,881.29**	**843.21**	**63.42**	**5,488.24**

41.5. Market Risk

41.5.1. Market risk

Market the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

41.5.2. Interest rate risk

Interest rate risk is the risk where changes in market interest rates might adversely affect CAGL's financial condition and the changes in interest rates affect CAGL in a larger way. The immediate impact of changes in interest rates is on earnings (i.e. reported profits) by changing its Net Interest Margin (NIM). The risk from the earnings perspective can be measured as changes in Net Interest Margin (NIM). In line with RBI guidelines, the traditional Gap analysis is considered as a suitable method to measure the Interest Rate Risk for CAGL.

In case of CAGL it may be noted that portfolio loans are not rate sensitive as there is no re-pricing of existing loans are carried out. Only liabilities in the form of borrowings are rate sensitive and considering the size of our business the quantum of impact of change of interest rate of borrowings on liquidity is not significant and can be managed with appropriate treasury action.

41.5.3. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Company manages its foreign currency risk by entering in to cross currency swaps and forward contract. When a derivative is entered in to for the purpose of being as hedge. The Company currently doesnot have any exposure to Foreign currency.

42. IMPACT OF COVID 19

The Novel Coronavirus (COVID-19) pandemic (declared as such by the World Health Organisation on March 11, 2020), has contributed to a significant decline and volatility, and a significant decrease in economic activity, in global and Indian markets. The Government of India announced a strict 40-day nation-wide lockdown to contain the spread of the virus till May 3, 2020, which was further extended till May 31, 2020. This has led to significant disruptions and dislocations for individuals and businesses, impacting Company's regular operations including lending and collection activities due to inability of employees to physically reach borrowers.

43. IMPACT OF COVID 19 ON EXPECTED CREDIT LOSSES

As discussed in Note No 42 , the COVID-19 pandemic has led to a significant impact on Company's regular operations including lending and collection activities.

Further, pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020 allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company has extended/ will be extending moratorium to its borrowers in accordance with its Board approved policy.

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

However, the full extent of impact of the pandemic on the Company's operations and financial metrics (including impact on impairment allowances for loan portfolio) will depend on future developments including governmental and regulatory measures and the Company's responses thereto, which are highly uncertain at this time.

44. BUSINESS COMBINATION

During the year ended March 31, 2020, the Company acquired 76.08% stake in Madura Micro Finance Limited (MMFL) a non-banking financial company – micro finance institution.

45. EARNINGS PER SHARE (EPS)

The following reflects the profit / loss after tax and equity share data used in the basic and diluted EPS calculations:

Particulars	March 31, 2020	March 31, 2019
Net profit/ (loss) after tax as per statement of profit and loss (₹ in crores)	327.50	321.76
Net profit/ (loss) as above for calculation of basic EPS and diluted EPS (₹ in crores)	327.50	321.76
Net profit/ (loss) for calculation of diluted EPS (₹ in crores)	327.50	321.76
Weighted average number of equity shares in calculating basic EPS	143,765,813	137,706,065
Stock options granted under ESOP	1,228,624	1,312,700
Weighted average number of equity shares in calculating dilutive EPS	144,994,437	139,018,765
Earnings per share	22.78	23.37
Dilutive earnings per share[#]	22.59	23.14
Nominal value per share	10.00	10.00

As per our report of even date

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

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

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

Udaya Kumar Hebbar
Managing Director & CEO

Diwakar B R
Director-Finance & CFO

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

Financial Reports

INDEPENDENT AUDITOR'S REPORT

To the Members of CreditAccess Grameen Limited (formerly known as Grameen Koota Financial Services Private Limited)

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of CreditAccess Grameen Limited (formerly known as Grameen Koota Financial Services Private Limited) ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">(a) Transition to Ind AS accounting framework
(as described in note 40 of the Ind AS financial statements)</td></tr>
<tr><td>In accordance with the roadmap for implementation of Ind AS for non-banking financial companies, as announced by the Ministry of Corporate Affairs, the Company has adopted Ind AS from April 1, 2018 with an effective date of April 1, 2017 for such transition. For periods up to and including the year ended March 31, 2018, the Company had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). In order to give effect of the transition to Ind AS these financial statements for the year ended March 31, 2019, together with the comparative financial information for the previous year ended March 31, 2018 and the transition date balance sheet as at April 1, 2017 have been prepared under Ind AS.

The transition has involved significant changes in the Company's financial reporting processes, including generation of reliable and supportable financial information. The transition has also required the management to exercise judgement in determining the impact of Ind AS on specific disclosure requirements prescribed under extant Reserve Bank of India (RBI) directions.

In view of the complexities in implementing Ind AS discussed above, we have focused on this area in our audit.</td><td>• Considered the Ind AS impact assessment performed by management to identify areas to be impacted on account of Ind AS transition. Also considered the changes made to the accounting policies in light of the requirements of the new framework.

• Understood the financial statement closure process and the additional controls (including IT controls) established by the Company for transition to Ind AS.

• Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS.

• Assessed the judgement applied by the management in reporting of areas where the accounting treatment prescribed under Ind AS was different from the extant RBI directions and the impact of such differences on specific regulatory disclosures such as capital to risk-weighted assets ratio (CRAR) and net interest margin (NIM).

• Compared the disclosures included in the Ind AS financial statements,in respect of the previous periods presented,with the requirements of Ind AS 101.</td></tr>
<tr><td colspan="2">(b) Impairment of financial instruments (expected credit losses)
(as described in note 6 of the Ind AS financial statements)</td></tr>
<tr><td>Ind AS 109 requires the Company to provide for impairment of its financial instruments using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management in respect of following matters:</td><td>• Our audit procedures included considering the Company's accounting policies for impairment of financial instruments and assessing compliance with the policies in terms of Ind AS 109.

• Engaged our specialists to review management's approach for calculating the impairment provision and assess the key assumptions i.e., Probability of Default (PD) and Loss Given Default (LGD) used to determine the impairment provision.</td></tr>
</table>

a) Defining thresholds for 'significant increase in credit risk' and 'default'. b) Grouping of the loan portfolio under homogenous pools in order to determine probability of default on a collective basis. c) Determining effect of less frequent past events on future probability of default. d) Estimation of management overlay for macro-economic factors which could impact the credit quality of the loans. Given the complexity and judgement involved in the estimation of expected credit losses, we have considered this area as a key audit matter.	• Tested the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets for determining the PD and LGD rates. • Tested the operating effectiveness of the controls for staging of loans based on their past-due status. Tested a sample of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3. • Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets. • Tested assumptions used for management overlay in accordance with the governance framework approved by the Board of Directors. • Compared the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109.
(a) IT systems and controls	
We identified IT systems and controls over financial reporting as a key audit matter for the Company because its financial accounting and reporting systems are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure accurate financial reporting.	For testing the IT general controls, we included specialized IT auditors as part of our audit team. The specialized team also assisted in testing the information produced by the Company's IT systems. We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Company's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application controls identified as key to our audit. In addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting. Where deficiencies were identified, we tested compensating controls or performed alternate procedures.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the annual report, but does not include the Ind AS 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 Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read such other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and to comply with the relevant applicable requirements of the standard on auditing for auditor's responsibility in relation to other information in documents containing audited financial statements.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1"a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

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

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

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

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

(g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

    i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 30 to the Ind AS financial statements;

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

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

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

per Shrawan Jalan
Partner
Membership Number: 102102

Mumbai
May 8, 2019

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

Re: CA Grameen

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

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

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

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

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

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

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

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

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

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

(b) According to the information and explanations given to us, there are no dues of income tax, sales-tax,service tax, customs duty, excise duty, value added tax, goods and service tax and cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank or dues to debenture holders.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilised the monies raised by way of initial public offer in the nature of equity shares for the purposes for which they were raised.

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

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

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

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

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

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

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

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

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

per Shrawan Jalan
Partner
Membership Number: 102102

Mumbai
May 8, 2019

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

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

We have audited the internal financial controls over financial reporting of CreditAccess Grameen Limited (the "Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls 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 Ind AS 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 Ind AS 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 Ind AS 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, 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Shrawan Jalan
Partner
Membership Number: 102102

Mumbai
May 8, 2019

Balance sheet as at March 31, 2019

₹ in crores

Sr. No.	Particulars	Notes	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
	ASSETS				
(1)	**Financial assets**				
(a)	Cash and cash equivalents	4	573.73	130.03	332.28
(b)	Bank balance other than cash and cash equivalents	5	41.82	13.03	44.67
(c)	Other receivables		0.29	5.46	-
(d)	Loans	6	6,602.84	4,895.53	2,840.07
(e)	Investments	7	0.20	0.20	0.20
(f)	Other financial assets	8(A)	46.70	12.56	7.88
(2)	**Non-financial assets**				
(a)	Current tax assets (net)	26	13.23	4.84	1.07
(b)	Deferred tax assets (net)	26	43.14	30.00	89.71
(c)	Property, plant and equipment	9	18.73	9.48	5.98
(d)	Capital work in progress		-	-	0.70
(e)	Intangible assets under development		2.36	1.06	2.33
(f)	Intangible assets	9	6.01	6.68	6.28
(g)	Other non-financial assets	8(B)	8.31	4.70	6.89
	Total assets		**7,357.36**	**5,113.57**	**3,338.06**
	LIABILITIES AND EQUITY				
(1)	**Financial liabilities**				
(a)	Payables				
	(I) Trade payables				
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		8.29	4.05	3.50
	(II) Other payables				
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		95.64	31.03	15.30
(b)	Borrowings				
	- Debt securities	10	715.00	786.41	738.83
	- Borrowings (other than debt securities)	11	4,114.50	2,754.46	1,858.04
	- Subordinated liabilities	12	37.07	82.59	88.29
(2)	**Non-financial liabilities**				
(a)	Current tax liabilities (net)	26	-	-	10.15
(b)	Provisions	14	11.88	6.53	4.84
(c)	Other non-financial liabilities	13	9.92	11.02	6.09
(3)	**Equity**				
(a)	Equity share capital	15	143.55	128.43	85.68
(b)	Other equity	16	2,221.51	1,309.05	527.34
	Total liabilities and equity		**7,357.36**	**5,113.57**	**3,338.06**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

per Shrawan Jalan
Partner
Membership No. 102102

Place: Mumbai
Date: May 08, 2019

For and on behalf of Board of Directors of
"CreditAccess Grameen Limited"
(Formerly known as Grameen Koota Financial Services Private Limited)

Udaya Kumar Hebbar
Managing Director & CEO
Place: Bangalore
Date: May 08, 2019

M N Gopinath
Chairman
Place: Mumbai
Date: May 08, 2019

Diwakar B R
Chief Financial Officer
Place: Atlanta, Georgia, USA
Date: May 08, 2019

Syam Kumar R
Company Secretary
Place: Bangalore
Date: May 08, 2019

Statement of profit and loss for the year ended March 31, 2019

₹ in crores

Sr. No.	Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
I	**Revenue from operations**			
(a)	Interest income	17	1,218.32	859.69
(b)	Fees and commission	18	0.41	0.00
(c)	Dividend income		-	0.17
(d)	Net gain on fair value changes	19	56.55	4.11
(e)	Others	20	6.05	6.61
	Total revenue from operations (I)		**1,281.33**	**870.58**
II	**Other income**	21	1.99	0.95
III	**Total income (I+II)**		**1,283.32**	**871.53**
IV	**Expenses**			
(a)	Finance costs	22	416.75	353.65
(b)	Impairment of financial instruments	23	74.86	(13.42)
(c)	Employee benefits expenses	24	186.05	130.44
(d)	Depreciation, amortisation and impairment	9	7.79	5.17
(e)	Other expenses	25	100.13	67.47
	Total expenses (IV)		**785.58**	**543.31**
V	**Profit before tax (III-IV)**		**497.74**	**328.22**
VI	**Tax expense**	26		
	(1) Current tax		176.35	54.80
	(2) Deferred tax		(0.37)	60.90
	(3) Tax of earlier period		-	0.04
	Total tax expense (VI)		**175.98**	**115.74**
VII	**Profit / (loss) for the year (V-VI)**		**321.76**	**212.48**
VIII	**Other comprehensive income**			
(a)	(1) Items that will not be reclassified to profit or loss			
	- Remeasurement (losses) and gains on defined benefit obligations (net)		(1.91)	1.35
	(2) Income tax relating to items that will not be reclassified to profit or loss		0.67	(0.47)
	Subtotal (a)		**(1.24)**	**0.88**

₹ in crores

Sr. No.	Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
(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		(13.36)	(3.47)
	(2) Income tax relating to items that will be reclassified to profit or loss		4.67	1.20
	Subtotal (b)		**(8.69)**	**(2.27)**
	Other comprehensive income (VIII = a+b)		**(9.93)**	**(1.39)**
IX	**Total comprehensive income (VII+VIII) (comprising profit / (loss) and other comprehensive income for the year)**		**311.83**	**211.09**
X	**Earnings per equity share (face value of ₹10.00 each)**			
	Basic		23.37	20.91
	Diluted		23.14	20.65

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

per Shrawan Jalan
Partner
Membership No. 102102

Place: Mumbai
Date: May 08, 2019

For and on behalf of Board of Directors of
"CreditAccess Grameen Limited"
(Formerly known as Grameen Koota Financial Services Private Limited)

Udaya Kumar Hebbar
Managing Director & CEO
Place: Bangalore
Date: May 08, 2019

M N Gopinath
Chairman
Place: Mumbai
Date: May 08, 2019

Diwakar B R
Chief Financial Officer
Place: Atlanta, Georgia, USA
Date: May 08, 2019

Syam Kumar R
Company Secretary
Place: Bangalore
Date: May 08, 2019

Statement of changes in equity for the year ended March 31, 2019

Equity share capital

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

Particulars	No of shares	₹ in crores
At April 1, 2017	8,56,81,343	85.68
Changes in equity share capital during the year	4,27,45,994	42.75
At March 31, 2018	12,84,27,337	128.43
Changes in equity share capital during the year	1,51,24,924	15.12
At March 31, 2019	14,35,52,261	143.55

Other Equity

₹ in crores

Particulars	Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	Capital reserve	Securities premium	Stock option outstanding	Related earnings	Other items of comprehensive income (fair valuation on loan portfolio)	Total
As at April 1, 2017	**48.17**	**-**	**365.98**	**2.50**	**108.43**	**2.26**	**527.34**
Profit for the year	-	-	-	-	212.48	-	212.48
Other comprehensive income	-	-	-	-	0.88	(2.27)	(1.39)
Premium on shares issued during the year	-	-	513.16	-	-	-	513.16
Expenses incurred towards issue of share capital	-	-	-	-	(0.95)	-	(0.95)
Premium on exercise of stock options	-	-	3.94	(1.40)	-	-	2.54
Adjustment pursuant to the Scheme (refer Note 37)	0.47	49.95	-	-	1.47	-	51.89
Transferred to statutory reserves	24.93	-	-	-	(24.93)	-	-
Employee stock option compensation for the year	-	-	-	3.98	-	-	3.98
As at March 31, 2018	**73.57**	**49.95**	**883.08**	**5.08**	**297.38**	**(0.01)**	**1,309.05**
Profit for the year	-	-	-	-	321.76	-	321.76
Other comprehensive income	-	-	-	-	(1.24)	(8.69)	(9.93)
Premium on equity shares issued during the year	-	-	615.07	-	-	-	615.07
Premium on exercise of stock options	-	-	1.59	(0.81)	-	-	0.78
Transferred to statutory reserves	64.35	-	-	-	(64.35)	-	-
Expenses incurred towards initial public offering of equity shares (net of tax)	-	-	(19.74)	-	-	-	(19.74)
Employee stock option compensation for the year	-	-	-	4.52	-	-	4.52
As at March 31, 2019	**137.92**	**49.95**	**1,480.00**	**8.79**	**553.55**	**(8.70)**	**2,221.51**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

per Shrawan Jalan
Partner
Membership No. 102102

Place: Mumbai
Date: May 08, 2019

For and on behalf of Board of Directors of
"CreditAccess Grameen Limited"
(Formerly known as Grameen Koota Financial Services Private Limited)

Udaya Kumar Hebbar Managing Director & CEO Place: Bangalore Date: May 08, 2019	**M N Gopinath** Chairman Place: Mumbai Date: May 08, 2019
Diwakar B R Chief Financial Officer Place: Atlanta, Georgia, USA Date: May 08, 2019	**Syam Kumar R** Company Secretary Place: Bangalore Date: May 08, 2019

Statement of cash flows for the year ended March 31, 2019

₹ in crores

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Cash flow from operating activities:		
Profit before tax	497.74	328.22
Adjustments to reconcile profit before tax to net cash flows:		
Interest income	(1,210.00)	(842.82)
Depreciation and amortisations	7.79	5.17
Interest expense	412.37	351.54
Impairment on financial instruments	73.52	(23.75)
Net loss on disposal of property, plant and equipment	0.07	0.00
Net gain on financial instruments at fair value through profit or loss	(10.55)	(4.08)
Dividend Income	-	(0.17)
Share based payments to employees	4.53	3.98
	(722.27)	(510.13)
Operational cash flows from interest:		
Interest received on loans	1,216.74	868.59
Interest paid on borrowings	(397.15)	(332.92)
Working capital changes:		
Increase in loans	(1,800.94)	(2,060.95)
(Increase) / decrease in bank balance other than cash and cash equivalents	(28.78)	32.53
Decrease in trade receivables	-	0.58
(Increase) / decrease in other receivables	5.17	(5.46)
Increase in other financial assets	(34.15)	(4.68)
(Increase) / decrease in other non-financial assets	(3.61)	2.19
Increase in trade and other payables	68.86	16.21
Increase in provisions	3.45	3.04
(Decrease) / increase in other non-financial liabilities	(1.10)	4.67
	(1,791.10)	**(2,011.87)**
Income tax paid	(182.05)	(67.48)
Net cash flows used in operating activities	**(1,378.09)**	**(1,725.59)**
Investing activities		
Purchase of property, plant and equipment	(14.69)	(5.92)
Proceeds from sale of property, plant and equipment	0.03	0.10
Purchase of Intangible assets	(3.03)	(1.19)
Purchase of investments at fair value through profit and loss	(7,056.42)	(3,350.45)
Sale of investments at fair value through profit and loss	7,066.97	3,357.91
Cash and cash equivalents acquired pursuant to the Scheme of Arrangement (refer Note 36)	-	53.19
Net cash flows (used in) / from investing activities	**(7.14)**	**53.64**

Financing activities		
Debt securities (repaid) / issued (net)	(64.33)	238.13
Borrowings other than debt securities issued (net)	1,339.61	888.04
Subordinated liabilities repaid (net)	(47.46)	(8.77)
Proceeds from issuance of equity share capital including securities premium	630.97	353.25
Expenses incurred towards issuance of equity shares	(29.86)	(0.95)
Net Cash flows from financing activities	**1,828.93**	**1,469.70**
Net increase / (decrease) in cash and cash equivalents	**443.70**	**(202.24)**
Cash and cash equivalents as at the beginning of the year	**130.03**	**332.28**
Cash and cash equivalents as at the end of the year	**573.73**	**130.03**

As per our report of even date

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

per Shrawan Jalan
Partner
Membership No. 102102

Place: Mumbai
Date: May 08, 2019

For and on behalf of Board of Directors of
"CreditAccess Grameen Limited"
(Formerly known as Grameen Koota Financial Services Private Limited)

Udaya Kumar Hebbar
Managing Director & CEO
Place: Bangalore
Date: May 08, 2019

M N Gopinath
Chairman
Place: Mumbai
Date: May 08, 2019

Diwakar B R
Chief Financial Officer
Place: Atlanta, Georgia, USA
Date: May 08, 2019

Syam Kumar R
Company Secretary
Place: Bangalore
Date: May 08, 2019

Notes to the financial statements for the year ended March 31, 2019

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 two recognised stock exchanges in India.

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

2. Basis Of Preparation

The 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 financial statements have been prepared on a going concern basis.

For all periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP) notified under section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI.

The financial statements for the year ended March 31, 2019 are the first, the Company has prepared in accordance with Ind AS. The Company has applied Ind AS 101 - First time adoption of Indian Accounting Standards, for transition from previous GAAP to Ind AS. An explanation of how transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note No. 40.

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

2.1. Presentation of financial statements

The Company presents its balance sheet in order of liquidity.

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

2.2. Critical accounting estimates and judgements

"The preparation of the Company's 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)

3. Summary of significant accounting policies

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

3.1 Revenue recognition

3.1.1 Interest income

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

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

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

3.1.3 Dividend income is recognised when the right to receive payment is established.

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

3.2 Finance cost

Borrowing cost on financial liabilities are recognised by applying the EIR.

3.3 Cash and cash equivalents

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

3.4 Property, plant and equipment ('PPE')

Initial Recognition and measurement:

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

3.5 Intangible assets

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

3.6 Depreciation and amortization

3.6.1 Depreciation

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

Category of Asset	Usefull 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

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

3.7 Impairment of non-financial assets

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

3.8 Provisions

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

3.9 Contingent liabilities and assets

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

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

3.10 Retirement and other employee benefits

3.10.1 Defined contribution plan

Retirement benefits in the form of provident fund and superannuation are defined contribution schemes. The

Company has no obligation, other than the contribution payable to the respective funds. The Company recognises contribution payable to the respective funds as expenditure, when an employee renders the related service.

3.10.2 Defined benefit plan

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

3.10.3 Other employee benefits

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

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

3.11 Taxes

3.11.1 Current income tax

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

3.11.2 Deferred tax

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

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

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

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

3.12 Earning per share

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

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

3.13 Share based payments

Equity-settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based payments transactions are set out in Note 34.

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

3.14 Financial instruments

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

3.14.1 Financial Assets

3.14.1.1 Initial recognition and measurement

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

3.14.1.2 Classification and Subsequent measurement

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

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

3.14.1.3 Loans at amortised costs

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

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

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

3.14.1.4 Loans at fair value through other comprehensive income (FVTOCI)

Loans are classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Loans included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is recognised as interest income using the EIR method.

3.14.1.5 **Investment in debt instruments and equity instruments at fair value through profit or loss (FVTPL)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

3.14.2 **Financial Liabilities**

3.14.2.1 **Initial recognition and measurement**

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments, which are measured at amortised cost.

3.14.2.2 **Borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. The EIR amortisation is included as finance costs in the statement of profit and loss.

3.14.3 **Reclassification of financial assets and liabilities**

The company doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

3.14.4 **De-recognition of financial assets and liabilities**

3.14.4.1 **De-recognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Company also de-recognises the financial asset if it has transferred the financial asset and the transfer qualifies for de-recognition.

The Company has transferred the financial asset if, and only if, either:

- It has transferred its contractual rights to receive cash flows from the financial asset

  Or

- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients. A transfer only qualifies for de-recognition if either:

- The Company has transferred substantially all the risks and rewards of the asset

  or

- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit or loss account.

3.14.4.2 De-recognition of financial liabilities

Financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the re-cognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

3.15 Impairment of financial assets

3.15.1 Overview of the Expected Credit Loss (ECL) allowance principles

The Company is recording the allowance for expected credit losses for all loans at amortised cost and FVOCI and other debt financial assets not held at FVTPL.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in Note 3.16.2). The Company's policies for determining if there has been a significant increase in credit risk are set out in Note 39.

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 39.

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 39). 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 38 for explanation of the relevant terms.

The maximum period for which the credit losses are determined is the expected life of a financial instrument.

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Company recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

3.16 Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to the statement profit and loss account.

3.17 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:- In the principal market for the asset or liability, or- In the absence of a principal market, in the most advantageous market for the asset or liability.The principal or the most advantegeous market must be accessible by the Company.The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.All assets and liabilities for which fair value is measured are categorised with fair value hierachy into Level I, Level II and Level III based on level of input.

3.18 Segment information

The Company operates in a single business segment i.e. lending to members, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Company operates in a single geographical segment i.e. domestic.

3.19 Business combinations involving common control

In accordance with Ind AS 103, business combinations of entities under common control are accounted using the pooling of interest method. Refer Note 37.

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)

Leases where the lessor effectively retains, substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss account on a straight-line basis over the lease term.

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under

Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from 1 April2019. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its financial statements.

Notes to accounts for the year ended March 31, 2019

4 Cash and cash equivalents

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Cash in hand	12.34	10.89	8.36
Balances with Banks in current accounts	276.24	117.14	73.75
Bank deposit with maturity of less than 3 months	285.15	2.00	250.17
Total	**573.73**	**130.03**	**332.28**

5 Bank balance other than cash and cash equivalents

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Fixed deposit with bank not considered as cash and cash equivalents*	41.82	13.03	44.67
Total	**41.82**	**13.03**	**44.67**

*Balances with banks to the extent held as margin money or security against the borrowings.

5(B) Other receivables

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Other receivables			
Unsecured, considered good	0.29	5.46	-
Unsecured, considered doubtful	-	-	-
Less: Provision for doubtful receivables	-	-	-
Total	**0.29**	**5.46**	**-**

6 Loans

₹ in crores

Particulars	March 31, 2019			March 31, 2018			April 1, 2017		
	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total
(A) Term loans:									
Joint liability loans	789.15	5,565.61	6,354.76	698.13	4,209.01	4,907.14	783.44	2,293.82	3,077.26
Individual loans	325.04	-	325.04	51.14	-	51.14	0.61	-	0.61
Total - Gross	**1,114.19**	**5,565.61**	**6,679.80**	**749.27**	**4,209.01**	**4,958.28**	**784.05**	**2,293.82**	**3,077.87**
Less: Impairment loss allowance	13.01	63.95	76.96	5.83	56.92	62.75	18.56	219.24	237.80
Total - Net*	**1,101.18**	**5,501.66**	**6,602.84**	**743.44**	**4,152.09**	**4,895.53**	**765.49**	**2,074.58**	**2,840.07**
(B) (a) Secured	2.22	-	2.22	1.26	-	1.26	-	-	-
(b) Unsecured	1,111.97	5,565.61	6,677.58	748.01	4,209.01	4,957.02	784.05	2,293.82	3,077.87
Total - Gross	**1,114.19**	**5,565.61**	**6,679.80**	**749.27**	**4,209.01**	**4,958.28**	**784.05**	**2,293.82**	**3,077.87**
Less: Impairment loss allowance	13.01	63.95	76.96	5.83	56.92	62.75	18.56	219.24	237.80
Total - Net*	**1,101.18**	**5,501.66**	**6,602.84**	**743.44**	**4,152.09**	**4,895.53**	**765.49**	**2,074.58**	**2,840.07**
(C) (I) Loans in India									
(a) Public sector	-	-	-	-	-	-	-	-	-
(b) Others	1,114.19	5,565.61	6,679.80	749.27	4,209.01	4,958.28	784.05	2,293.82	3,077.87
Total - Gross	**1,114.19**	**5,565.61**	**6,679.80**	**749.27**	**4,209.01**	**4,958.28**	**784.05**	**2,293.82**	**3,077.87**
Less: Impairment loss allowance	13.01	63.95	76.96	5.83	56.92	62.75	18.56	219.24	237.80
Total - Net*	**1,101.18**	**5,501.66**	**6,602.84**	**743.43**	**4,152.09**	**4,895.53**	**765.48**	**2,074.58**	**2,840.07**
(C) (II) Loans outside India	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-
Total - Net*	-	-	-	-	-	-	-	-	-

6(A) Group lending loans

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Group lending loans:

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2018	4,857.09	12.60	37.45	4,907.14
New assets originated during the year, netted off for repayments and derecognised portfolio	1,512.00	0.34	(4.06)	1,508.28
Assets written off during the year	-	-	(60.66)	(60.66)
Movement between stages				
Transfer from Stage 1	(70.04)	10.20	59.84	-
Transfer from Stage 2	0.08	(0.55)	0.47	-
Transfer from Stage 3	0.01	0.00	(0.01)	-
Gross carrying value of assets as at 31st March 2019	**6,299.14**	**22.59**	**33.03**	**6,354.76**

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2018	23.18	3.08	35.83	62.09
New assets originated during the year, netted off for repayments and derecognised portfolio	7.09	0.08	(3.89)	3.28
Assets written off during the year	-	-	(60.64)	(60.64)
Movement between stages				
Transfer from Stage 1	(0.33)	0.05	0.28	-
Transfer from Stage 2	0.02	(0.13)	0.11	-
Transfer from Stage 3	0.01	0.01	(0.02)	-
Impact on ECL on account of movement between stages / updates to the ECL model	8.48	1.18	55.98	65.64
ECL allowance as at 31st March 2019	**38.45**	**4.27**	**27.65**	**70.37**

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 1st April 2017	**2,706.16**	**123.07**	**248.03**	**3,077.26**
New assets originated during the year, netted off for repayments and derecognised portfolio	2,194.21	(87.28)	(115.42)	1,991.51
Assets written off during the year	-	-	(161.63)	(161.63)
Movement between stages				
Transfer from Stage 1	(45.59)	11.82	33.77	-
Transfer from Stage 2	1.76	(35.08)	33.32	-
Transfer from Stage 3	0.55	0.07	(0.62)	-
Gross carrying value of assets as at 31st March 2018	**4,857.09**	**12.60**	**37.45**	**4,907.14**

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1st April 2017	**0.54**	**18.34**	**218.87**	**237.75**
New assets originated during the year, netted off for repayments and derecognised portfolio	0.44	(12.95)	(102.24)	(114.75)
Assets written off during the year	-	-	(161.62)	(161.62)
Movement between stages				
Transfer from Stage 1	(0.01)	0.00	0.01	-
Transfer from Stage 2	0.26	(5.21)	4.95	-
Transfer from Stage 3	0.49	0.07	(0.56)	-
Impact on ECL on account of movement between stages / updates to the ECL model	21.46	2.83	76.42	100.71
ECL allowance as at 31st March 2018	**23.18**	**3.08**	**35.83**	**62.09**

6(B) Individual lending

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Individual lending loans:

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2018	**51.11**	**0.01**	**0.02**	**51.14**
New assets originated during the year netted off for repayments	273.84	0.02	0.04	273.90
Assets written off during the year	-	-	-	-
Transfer from Stage 1	(1.01)	0.59	0.42	-
Transfer from Stage 2	-	(0.01)	0.01	-
Transfer from Stage 3	-	-	-	-
Gross carrying value of assets as at 31st March 2019	**323.94**	**0.61**	**0.49**	**325.04**

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2018	**0.67**	**0.00**	**0.00**	**0.67**
New assets originated during the year netted off for repayments	5.89	0.00	0.04	5.93
Assets written off during the year				-
Transfer from Stage 1	(0.43)	0.01	0.42	-
Transfer from Stage 2	-	(0.01)	0.01	-
Transfer from Stage 3	-	-	-	-
ECL allowance as at 31st March 2019	**6.13**	**0.00**	**0.47**	**6.60**

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 1st April 2017	**0.61**	**-**	**-**	**0.61**
New assets originated during the year netted off for repayments	50.53	(0.00)	(0.00)	50.53
Assets written off during the year				-
Transfer from Stage 1	(0.03)	0.01	0.02	-
Transfer from Stage 2	-	-	-	-
Transfer from Stage 3	-	-	-	-
Gross carrying value of assets as at 31st March 2018	**51.11**	**0.01**	**0.02**	**51.14**

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1st April 2017	**0.05**	**-**	**-**	**0.05**
New assets originated during the year netted off for repayments	0.62	(0.00)	(0.00)	0.62
Assets written off during the year				-
Transfer from Stage 1	-0.00	0.00	0.00	-
Transfer from Stage 2	-	-	-	-
Transfer from Stage 3	-	-	-	-
ECL allowance as at 31st March 2018	**0.67**	**0.00**	**0.00**	**0.67**

7 Investments (fair value through profit and loss account)

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Investments			
A) In India			
Equity instruments	0.20	0.20	0.20
B) Outside India	-	-	-
Total	**0.20**	**0.20**	**0.20**

8(A) Other financial assets (at amortised cost)

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Retained interest on assets assigned	30.12	-	-
Security deposits (unsecured, considered good)	10.10	5.65	4.26
Loans and advances to employees (unsecured, considered good)	5.41	4.53	1.23
Fixed deposit with financial institution	1.07	2.38	2.39
Others	-	-	-
Total	**46.70**	**12.56**	**7.88**

8(B) Other non-financial assets (at amortised cost)

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Prepaid expenses (unsecured, considered good)	4.76	2.01	2.15
Other advances			
Unsecured, considered good	3.55	2.69	4.74
Unsecured, considered doubtful	1.53	1.17	1.75
Less: Provision for doubtful advances	(1.53)	(1.17)	(1.75)
Total	**8.31**	**4.70**	**6.89**

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₹ in crores

Particulars	Property, plant and equipment							Intangible assets	
	Computer	Electrical Equipment	Furniture & Fixture	Leasehold Improvement	Office equipment	Vehicles	Total	Computer software	Total
Cost:									
At April 1, 2017	4.62	0.27	3.26	2.45	2.26	0.62	**13.48**	9.88	9.88
Additions	1.58	0.10	1.10	1.85	2.00	-	**6.63**	2.46	2.46
Disposals	(0.00)	-	(0.01)	-	(0.10)	-	**(0.11)**	-	-
At March 31, 2018	**6.20**	**0.37**	**4.35**	**4.30**	**4.16**	**0.62**	**20.00**	**12.34**	**12.34**
Additions	2.26	0.18	1.48	2.50	8.27	-	**14.69**	1.73	1.73
Disposals	(0.35)	(0.01)	(0.05)	-	(0.38)	-	**(0.79)**	-	-
At March 31, 2019	**8.11**	**0.54**	**5.78**	**6.80**	**12.05**	**0.62**	**33.90**	**14.07**	**14.07**
Depreciation:									
At April 1, 2017	3.04	0.24	2.15	0.75	1.16	0.16	**7.50**	3.60	3.60
Depreciation charge for the year	1.10	0.10	0.75	0.57	0.51	0.08	**3.11**	2.06	2.06
Disposals	(0.00)	-	(0.01)	-	(0.08)	-	**(0.08)**	-	-
At March 31, 2018	**4.14**	**0.34**	**2.89**	**1.32**	**1.59**	**0.24**	**10.52**	**5.66**	**5.66**
Depreciation charge for the year	1.50	0.18	1.04	1.08	1.45	0.08	**5.33**	2.40	2.40
Disposals	(0.32)	(0.01)	(0.04)	-	(0.32)	-	**(0.69)**	-	-
At March 31, 2019	**5.32**	**0.51**	**3.89**	**2.40**	**2.72**	**0.32**	**15.16**	**8.06**	**8.06**
Net book value:									
At April 1, 2017	**1.58**	**0.03**	**1.11**	**1.70**	**1.10**	**0.46**	**5.98**	**6.28**	**6.28**
At March 31, 2018	**2.06**	**0.03**	**1.46**	**2.98**	**2.57**	**0.38**	**9.48**	**6.68**	**6.68**
At March 31, 2019	**2.79**	**0.03**	**1.89**	**4.40**	**9.33**	**0.30**	**18.73**	**6.01**	**6.01**

10 Debt securities (at amortised cost)

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Debentures (secured)	556.16	786.41	538.51
Compulsorily Convertible Debentures (unsecured)	-	-	200.32
Borrowings under securitisation arrangement			
- Banks	158.84	-	-
Total	**715.00**	**786.41**	**738.83**
Debt securities in India	158.84	-	-
Debt securities outside India	556.16	786.41	738.83
Total	**715.00**	**786.41**	**738.83**

Nature of security
The above debentures are secured by the way of first and exclusive charge over eligible book debts of the Company.

11 Debentures (secured) (at amortised cost)

Terms of debentures	Number of debentures			Face Value	Amount in crores		
	March 31, 2019	March 31, 2018	April 1, 2017		March 31, 2019	March 31, 2018	April 1, 2017
12.24% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. November 25, 2013. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	250	250	250	10,00,000	25.53	25.29	24.85
12.33% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. November 25, 2013. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	250	250	250	10,00,000	25.53	25.29	24.83

11.53% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 28, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	195	195	-	10,00,000	19.45	19.42	-
11.47% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 28, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	195	195	-	10,00,000	19.46	19.43	-
12.10% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. February 26, 2014. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	300	300	300	10,00,000	30.16	29.73	28.96
11.80% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. July 25, 2014. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	300	300	300	10,00,000	30.21	29.77	30.88

13.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. October 29, 2015. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	1,000	1,000	10,00,000	-	104.90	104.66
12.30% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 15, 2016. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	1,000	1,000	1,000	10,00,000	100.23	100.19	100.12
11.60% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. July 31, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	1,000	1,000	-	10,00,000	101.44	101.40	-
14.16% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable on May 13, 2018 (25%) and November 13, 2018 (75%) (subject to exercise of option on December 24, 2017 by the lender for redemption on May 13, 2019 (25%) and November 13, 2019 (75%)	-	580	580	10,00,000	-	60.82	60.44

14.50% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of forty six months) from the date of allotment i.e. March 31, 2015. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	300	300	300	10,00,000	29.23	29.94	30.04
11.21% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. June 30, 2015. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	630	630	10,00,000	-	65.03	64.88
10.58% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after four years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. August 19, 2015. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	370	370	370	10,00,000	36.60	37.34	36.96
10.34% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after five years from the date of allotment i.e. May 31, 2017.	1,350	1,350	-	10,00,000	138.32	137.86	-
15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each, Rs.150,000,000 is redeemable after 2 years and balance at the end of three years from the date of allotment i.e. October 22, 2014.	-	-	300	10,00,000	-	-	31.89
Total	**5,510**	**7,720**	**5,280**		**556.16**	**786.41**	**538.51**

Compulsorily Convertible Debentures (unsecured)

13.50% (net of withholding tax as applicable) Unsecured Compulsorily Convertible Debentures of face value of Rs.10,000,000 each convertible into equity shares with an option to exercise at Rs.140, Rs.158, Rs.180 and Rs.204 per equity share at the end of financial years 2017-18, 2018-19, 2019-20 and 2020-21 respectively issued to a related party (Refer Note 33)	-	-	2,000	10,00,000	-	-	200.32

Other borrowings

Represents securities issued by the Special Purpose Vehicles (SPVs) to the investors pursuant to the securitisation arrangement carrying a rate of interest in the rate of 7% - 9%. Since such arrangements do not fulfil the derecognition criteria under Ind AS 109, the Company has recognised the associated liabilities.

11 Borrowings other than debt securities (at amortised cost)

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Term loans (secured)			
Banks	2,667.44	2,214.85	1,089.06
Financials institutions	1,112.69	486.36	622.57
Non-banking financial companies	186.40	30.06	113.23
External commercial borrowings	147.97	16.94	16.96
Term loans (unsecured)			
Non-banking financial companies	-	6.25	16.22
Total	4,114.50	2,754.46	1,858.04
Borrowings in India	3,966.53	2,737.52	1,841.08
Borrowings outside India	147.97	16.94	16.96
Total	**4,114.50**	**2,754.46**	**1,858.04**

12 Subordinated liabilities (at amortised cost)

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Sub debt (unsecured)	37.07	82.59	88.29
Total	**37.07**	**82.59**	**88.29**
Borrowings in India	24.99	64.94	65.09
Borrowings outside India	12.08	17.65	23.20
Total	**37.07**	**82.59**	**88.29**

Terms of repayment of borrowings as on March 31, 2019

Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
		No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Monthly														
1-3 years	8.5% -9%	67.00	92.87	12.00	8.70	1.00	0.73	-	-	-	-	-	-	102.30
	9% -9.5%	219.00	673.14	97.00	351.04	3.00	2.50	-	-	-	-	-	-	1,026.68
	9.5% -10%	224.00	432.71	30.00	90.32	-	-	-	-	-	-	-	-	523.03
	10% -10.5%	72.00	134.07	8.00	22.98	-	-	-	-	-	-	-	-	157.05
	10.5% -11%	43.00	62.20	3.00	3.12	-	-	-	-	-	-	-	-	65.32
	11.5% -12%	3.00	3.12	-	-	-	-	-	-	-	-	-	-	3.12
Above 3 years	9.5% -10%	24.00	16.36	9.00	5.45	-	-	-	-	-	-	-	-	21.81
	10% -10.5%	12.00	5.16	12.00	5.16	-	-	-	-	-	-	-	-	10.32
	10.5% -11%	2.00	0.01	-	-	-	-	-	-	-	-	-	-	0.01
Quarterly														
1-3 years	8.5%-9%	11.00	66.88	-	-	-	-	-	-	-	-	-	-	66.88
	9%-9.5%	23.00	233.21	15.00	187.05	-	-	-	-	-	-	-	-	420.26
	9.5%-10%	29.00	133.56	4.00	24.62	-	-	-	-	-	-	-	-	158.18
	10%-10.5%	5.00	24.29	-	-	-	-	-	-	-	-	-	-	24.29
Half Yearly														
Above 3 years	10.5%-11%	8.00	112.50	8.00	28.00	8.00	15.00	5.00	9.50	-	-	-	-	165.00
	11.5%-12%	9.00	123.33	8.00	90.00	8.00	160.00	8.00	205.00	8.00	270.00	3.00	60.00	908.33
Annually														
1-3 years	9%-9.5%	1.00	12.50	-	-	-	-	-	-	-	-	-	-	12.50
Above 3 years	10%-10.5%	-	-	1.00	44.55	1.00	44.55	1.00	45.90	-	-	-	-	135.00
Bullet														
1-3 years	8%-8.5%	-	-	2.00	120.00	-	-	-	-	-	-	-	-	120.00
	9%-9.5%	6.00	213.00	3.00	112.50	-	-	-	-	-	-	-	-	325.50
	10.5%-11%	-	-	-	-	1.00	95.00	-	-	-	-	-	-	95.00
	11.00%-11.5%	-	-	1.00	19.50	-	-	-	-	-	-	-	-	19.50
	11.5%-12%	-	-	2.00	119.50	-	-	-	-	-	-	-	-	119.50
	12%-12.5%	1.00	100.00	-	-	-	-	-	-	-	-	-	-	100.00
Above 3 years	10%-10.5%	1.00	17.00	-	-	1.00	33.80	-	-	-	-	-	-	50.80
	10.5%-11%	2.00	37.00	-	-	-	-	-	-	-	-	-	-	37.00
	11.5%-12%	-	-	1.00	30.00	-	-	-	-	-	-	-	-	30.00
	12%-12.5%	3.00	80.00	-	-	-	-	-	-	-	-	-	-	80.00
	14.5%-15%	-	-	1.00	30.00	1.00	25.00	-	-	-	-	-	-	55.00
	16.5%-17%	1.00	11.40	-	-	-	-	-	-	-	-	-	-	11.40
Grand Total		**766.00**	**2,584.31**	**217.00**	**1,292.49**	**24.00**	**376.58**	**14.00**	**260.40**	**8.00**	**270.00**	**3.00**	**60.00**	**4,843.78**

This pertains to the principal outstanding only.

Terms of repayment of borrowings as on March 31, 2018

Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
		No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Monthly														
1-3 years	7.5%-8.0%	12.00	10.00	12.00	10.00	-	-	-	-	-	-	-	-	20.00
	8%-8.5%	12.00	8.50	11.00	7.79	-	-	-	-	-	-	-	-	16.29
	8.5%-9%	71.00	159.17	55.00	109.17	-	-	-	-	-	-	-	-	268.34
	9%-9.5%	138.00	305.68	125.00	241.87	3.00	4.91	-	-	-	-	-	-	552.46
	9.5%-10%	171.00	224.44	103.00	111.25	3.00	1.46	-	-	-	-	-	-	337.15
	10%-10.5%	157.00	180.67	33.00	57.89	5.00	14.20	-	-	-	-	-	-	252.76
	10.5%-11%	68.00	116.58	21.00	43.83	-	-	-	-	-	-	-	-	160.41
	11%-11.5%	22.00	15.11	-	-	-	-	-	-	-	-	-	-	15.11
	11.5%-12%	18.00	23.27	-	-	-	-	-	-	-	-	-	-	23.27
	12%-12.5%	17.00	11.32	-	-	-	-	-	-	-	-	-	-	11.32
	13%-13.5%	8.00	6.78	-	-	-	-	-	-	-	-	-	-	6.78
	13.5%-14%	3.00	0.91	-	-	-	-	-	-	-	-	-	-	0.91
	14%-14.5%	5.00	4.58	-	-	-	-	-	-	-	-	-	-	4.58
Above 3 years	9%-9.5%	12.00	7.27	12.00	7.27	9.00	5.45	-	-	-	-	-	-	19.99
	10%-10.5%	34.00	21.83	24.00	14.25	12.00	5.16	-	-	-	-	-	-	41.24
	12%-12.5%	12.00	4.02	-	-	-	-	-	-	-	-	-	-	4.02
	13.5%-14%	1.00	0.08	-	-	-	-	-	-	-	-	-	-	0.08
	14%-14.5%	2.00	1.67	-	-	-	-	-	-	-	-	-	-	1.67
Quarterly														
1-3 years	8%-8.5%	4.00	39.00	-	-	-	-	-	-	-	-	-	-	39.00
	8.5%-9%	12.00	42.50	9.00	33.13	-	-	-	-	-	-	-	-	75.63
	9%-9.5%	9.00	24.43	12.00	32.57	-	-	-	-	-	-	-	-	57.00
	9.5%-10%	8.00	38.66	2.00	8.57	-	-	-	-	-	-	-	-	47.23
	10%-10.5%	1.00	7.50	-	-	-	-	-	-	-	-	-	-	7.50
	11%-11.5%	3.00	7.50	-	-	-	-	-	-	-	-	-	-	7.50
	12%-12.5%	1.00	3.13	-	-	-	-	-	-	-	-	-	-	3.13
Half Yearly														
1-3 years	11%-11.5%	1.00	16.67	-	-	-	-	-	-	-	-	-	-	16.67
	11.5%-12%	2.00	16.67	-	-	-	-	-	-	-	-	-	-	16.67
Above 3 years	10.5%-11%	8.00	112.50	8.00	112.50	8.00	28.00	8.00	15.00	5.00	9.50	-	-	277.50
	11.5%-12%	2.00	66.67	1.00	33.33	-	-	-	-	-	-	-	-	100.00
	14%-14.5%	2.00	58.00	-	-	-	-	-	-	-	-	-	-	58.00
	16.5%-17%	2.00	5.25	-	-	-	-	-	-	-	-	-	-	5.25
Annually														
1-3 years	8.5%-9%	1.00	12.50	1.00	12.50	-	-	-	-	-	-	-	-	25.00
Bullet														
1-3 years	8%-8.5%	8.00	192.50	-	-	-	-	-	-	-	-	-	-	192.50
	8.5%-9%	3.00	55.00	-	-	-	-	-	-	-	-	-	-	55.00
	9%-9.5%	1.00	25.00	-	-	-	-	-	-	-	-	-	-	25.00
	9.5%-10%	2.00	32.50	-	-	-	-	-	-	-	-	-	-	32.50
	10%-10.5%	1.00	18.00	-	-	-	-	-	-	-	-	-	-	18.00
	11.5%-12%	-	-	-	-	3.00	139.00	-	-	-	-	-	-	139.00
	12%-12.5%	-	-	1.00	100.00	-	-	-	-	-	-	-	-	100.00
	13%-13.5%	1.00	100.00	-	-	-	-	-	-	-	-	-	-	100.00
	14.5%-15%	1.00	63.00	-	-	-	-	-	-	-	-	-	-	63.00
Above 3 years	10%-10.5%	1.00	17.00	-	-	1.00	44.55	1.00	44.55	1.00	45.90	-	-	152.00
	11.5%-12%	-	-	-	-	1.00	30.00	-	-	-	-	-	-	30.00
	12%-12.5%	-	-	3.00	80.00	-	-	-	-	-	-	-	-	80.00
	14%-14.5%	1.00	37.00	-	-	-	-	-	-	-	-	-	-	37.00
	14.5%-15%	1.00	30.00	-	-	-	-	1.00	25.00	-	-	-	-	55.00
	15.5%-16%	-	-	-	-	-	-	1.00	40.00	-	-	-	-	40.00
	16.5%-17%	-	-	1.00	11.40	-	-	-	-	-	-	-	-	11.40
Grand Total		**839.00**	**2,122.86**	**434.00**	**1,027.32**	**45.00**	**272.73**	**11.00**	**124.55**	**6.00**	**55.40**	**-**	**-**	**3,602.86**

This pertains to the principal outstanding only.

Terms of repayment of borrowings as on April 1, 2017

Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
		No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Monthly														
1-3 years	10%-10.5%	3.00	53.41	-	-	-	-	-	-	-	-	-	-	53.41
	11%-11.5%	3.00	68.00	-	-	-	-	-	-	-	-	-	-	68.00
	11.5%-12%	8.00	93.30	-	-	-	-	-	-	-	-	-	-	93.30
	12%-12.5%	8.00	69.79	-	-	-	-	-	-	-	-	-	-	69.79
	12.5%-13%	6.00	19.35	-	-	-	-	-	-	-	-	-	-	19.35
	13%-13.5%	6.00	19.99	-	-	-	-	-	-	-	-	-	-	19.99
	14%-14.5%	1.00	4.17	-	-	-	-	-	-	-	-	-	-	4.17
	9.0%-10%	1.00	14.29	-	-	-	-	-	-	-	-	-	-	14.29
Above 3 years	10%-10.5%	14.00	107.15	14.00	51.12	14.00	3.90	14.00	1.25	-	-	-	-	163.42
	10.5%-11%	5.00	50.71	5.00	20.83	-	-	-	-	-	-	-	-	71.54
	11%-11.5%	7.00	64.59	7.00	27.31	-	-	-	-	-	-	-	-	91.90
	11.5%-12%	3.00	26.09	3.00	4.94	-	-	-	-	-	-	-	-	31.03
	12%-12.5%	11.00	136.92	11.00	63.75	-	-	-	-	-	-	-	-	200.67
	12.5%-13%	1.00	6.56	1.00	5.47	-	-	-	-	-	-	-	-	12.03
	13%-13.5%	5.00	29.76	5.00	7.76	-	-	-	-	-	-	-	-	37.52
	14%-14.5%	3.00	10.00	3.00	6.25	-	-	-	-	-	-	-	-	16.25
	9.0%-10%	3.00	46.52	3.00	17.06	3.00	0.92	-	-	-	-	-	-	64.50
Quarterly														
1-3 years	10%-10.5%	3.00	23.57	-	-	-	-	-	-	-	-	-	-	23.57
	11.5%-12%	1.00	3.75	-	-	-	-	-	-	-	-	-	-	3.75
	12.5%-13%	2.00	1.67	-	-	-	-	-	-	-	-	-	-	1.67
Above 3 years	10%-10.5%	1.00	30.00	1.00	7.50	-	-	-	-	-	-	-	-	37.50
	10.5%-11%	1.00	15.43	1.00	4.71	-	-	-	-	-	-	-	-	20.14
	11.5%-12%	1.00	10.00	1.00	7.50	-	-	-	-	-	-	-	-	17.50
	12%-12.5%	1.00	12.50	1.00	3.13	-	-	-	-	-	-	-	-	15.63
Half Yearly														
Above 3 years	10.5%-11%	3.00	82.50	3.00	82.50	3.00	82.50	3.00	11.00	3.00	11.00	3.00	5.50	275.00
	11%-11.5%	1.00	33.33	1.00	16.67	-	-	-	-	-	-	-	-	50.00
	11.5%-12%	4.00	100.00	4.00	83.33	4.00	33.33	-	-	-	-	-	-	216.66
	16.5%-17%	1.00	5.25	1.00	5.25	-	-	-	-	-	-	-	-	10.50
Annually														
1-3 years	15%-15.5%	1.00	30.00	-	-	-	-	-	-	-	-	-	-	30.00
Bullet														
1-3 years	10%-10.5%	2.00	31.25	2.00	-	-	-	-	-	-	-	-	-	31.25
	10.5%-11%	2.00	23.25		-	-	-	-	-	-	-	-	-	23.25
	11%-11.5%	2.00	21.25		-	-	-	-	-	-	-	-	-	21.25
	11.5%-12%	1.00	18.00		-	-	-	-	-	-	-	-	-	18.00
	14%-14.5%	-	-		-	1.00	58.00	-	-	-	-	-	-	58.00
	14.5%-15%	1.00	30.00		-	-	-	-	-	-	-	-	-	30.00
Above 3 years	10%-10.5%	-	-	1.00	17.00	-	-	-	-	-	-	-	-	17.00
	12%-12.5%	-	-	-	-	2.00	130.00	-	-	-	-	-	-	130.00
	13%-13.5%	-	-	1.00	100.00	-	-	-	-	-	-	-	-	100.00
	14%-14.5%	-	-	2.00	37.00	2.00	50.00	-	-	-	-	-	-	87.00
	14.5%-15%	-	-	3.00	93.00	-	-	-	-	3.00	25.00	-	-	118.00
	15%-15.5%	1.00	200.00	-	-	-	-			-	-	-	-	200.00
	15.5%-16%	-	-	-	-	-	-	-	-	1.00	40.00	-	-	40.00
	16.5%-17%	-	-	-	-	1.00	11.40	-	-	-	-	-	-	11.40
	9.0%-10%	-	-	2.00	50.00	-	-	-	-	-	-	-	-	50.00
Grand Total		**117.00**	**1,495.35**	**76.00**	**712.08**	**30.00**	**370.05**	**17.00**	**12.25**	**7.00**	**76.00**	**3.00**	**5.50**	**2,668.23**

This pertains to the principal outstanding only.

13 Other non-financial liabilities (at amortised cost)

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Statutory dues payable	5.91	5.78	3.39
Others	4.01	5.24	2.70
Total	**9.92**	**11.02**	**6.09**

14 Provisions

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Provision for employee benefits:			
Gratuity	4.14	1.77	1.44
Leave encashment and availment	7.74	4.76	3.40
Total	**11.88**	**6.53**	**4.84**

15 Issued capital

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Authorised			
Equity shares of INR 10 each	160.00	160.00	91.00
	160.00	160.00	91.00
	March 31, 2019	**March 31, 2018**	**April 1, 2017**
Issued, subscibed and fully paid up 143,552,261 (March 31, 2018: 128,427,337) equity shares of Rs.10 each fully paid	143.55	128.43	85.68

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity shares	31-03-2019		31-03-2018		31-03-2017	
	No. of Shares	Amount (₹ in crores)	No. of Shares	Amount (₹ in crores)	No. of Shares	Amount (₹ in crores)
At the beginning of the year	12,84,27,337	128.43	8,56,81,343	85.68	7,29,53,433	72.95
Add: Issued during the year on account of Initial Public Offer	1,49,28,909	14.92	-	-	-	-
Add: Issued during the year on fresh capital infusion from holding company	-	-	4,17,32,244	41.74	1,27,27,910	12.73
Add: Issued during the year- Employee Stock Option Plan	1,96,015	0.20	10,13,750	1.01	-	-
Outstanding at the end of the year	**14,35,52,261**	**143.55**	**12,84,27,337**	**128.43**	**8,56,81,343**	**85.68**

During the year, the Company had completed the Initial Public Offer (IPO) comprising a fresh issue of 14,928,909 equity shares having a face value of Rs.10 each at an offer price of Rs.422 each aggregating Rs.630 crores by the Company and an offer for sale of 11,876,485 equity shares by the promoters, CreditAccess Asia N.V aggregating Rs.501.18 crores. Pursuant to the IPO, the equity shares of the Company have got listed on BSE Limited and NSE India Limited on August 23, 2018.

(b) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. Any dividends proposed by the Board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2019		March 31, 2018		April 1, 2017	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
Equity shares of INR 10 each fully paid						
CreditAccess Asia NV	11,51,09,028	80.19	12,84,27,337	99.04	8,52,03,532	99.44

(d) For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company refer Note 34.

(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-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 Asia N.V in lieu of conversion of compulsorily convertible debentures	-	1,29,87,012	-
Total	**-**	**1,78,77,152**	**-**

16 Other equity*

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	137.92	73.57	48.17
Capital reserve	49.95	49.95	-
Securities premium	1,480.00	883.08	365.98
Stock option outstanding	8.79	5.08	2.50
Retained earnings	553.55	297.38	108.43
Other comprehensive income	(8.70)	(0.01)	2.26
Total	**2,221.51**	**1,309.05**	**527.34**

* For detailed movement of reserves refer Statement of Changes in Equity for the year ended March 31, 2019

Nature and purpose of reserve

16.1 Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

16.2 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 (refer note 33).

16.3 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 45IC of Reserve Bank of India Act 1934.

16.4 Stock option outstanding

The stock option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.

16.5 Other comprehensive income

Re-measurement of the net defined benefit liability/(asset) comprises actuarial gain and losses and return on plan assets (excluding interest income). And net fair valuation gain/(loss) on financial assets measured at fair value through other comprehensive income.

₹ in crores

Movement of other comprehensive income for the year	March 31, 2019	March 31, 2018
Opening balance	(0.01)	2.26
(+) Fair value change during the year	(16.01)	128.24
(-) Impairment allowance transferred to statement of profit and loss	7.32	(130.51)
Closing balance	(8.70)	(0.01)

17 Interest income

₹ in crores

Particulars	For the year ended March 31, 2019			For the year ended March 31, 2018		
	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	975.80	235.53	1,211.33	756.17	96.98	853.15
Interest on deposits with banks and financial institutions	-	6.99	6.99	-	6.54	6.54
Total	**975.80**	**242.52**	**1,218.32**	**756.17**	**103.52**	**859.69**

18 Fees and commission

₹ in crores

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Loan portfolio servicing fees	0.41	0.002

19 Net gain / (loss) on fair value changes *

₹ in crores

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(A) Net gain / (loss) on fair value instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	10.55	4.08
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others		
(i) Gain on derecognition of loans designated at FVTOCI	46.00	0.03
Total Net gain / (loss) on fairvalue changes (c)	**56.55**	**4.11**
Fair Value changes:		
- Realised	56.55	4.11
- Unrealised	-	
Total Net gain / (loss) on fair value changes (D) to tally with (c)	**56.55**	**4.11**

20 Others

₹ in crores

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Bad debt recovery	6.05	6.61

21 Others income

₹ in crores

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net gain / (loss) on derecognition of property, plant and equipment	(0.07)	(0.00)
Net gain / (loss) on foreign currency transaction and translation (other than considered as finance cost)	(0.05)	(0.03)
Others	2.11	0.98
Total	**1.99**	**0.95**

22 Financial costs

₹ in crores

Particulars	For the year ended March 31, 2019 On financial assets measured at amortised cost	For the year ended March 31, 2018 On financial assets measured at amortised cost
Interest on debt securities	97.88	110.66
Interest on borrowings other than debt securities	305.71	227.93
Interest on subordinated liabilities	8.78	12.94
Other finance costs	4.38	2.12
Total	**416.75**	**353.65**

23 Impairment of financial instruments

₹ in crores

Particulars	For the year ended March 31, 2019			For the year ended March 31, 2018		
	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	7.32	61.62	68.94	(130.51)	116.45	(14.06)
Individual loans	-	5.92	5.92	-	0.64	0.64
Total	**7.32**	**67.54**	**74.86**	**(130.51)**	**117.09**	**(13.42)**

24 Employee benefit expenses

₹ in crores

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Salaries and wages	159.52	109.42
Contribution to provident and other funds	11.90	9.66
Gratuity	2.22	3.12
Leave encashment and availment	4.90	2.42
Share based payments to employees	4.53	3.98
Staff welfare expenses	2.98	1.84
Total	**186.05**	**130.44**

25 Other expenses

₹ in crores

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Rental charges payable under operating leases (Refer Note 32)	12.68	8.85
Bank charges	0.47	0.74
Rates and taxes	4.17	2.04
Insurance	0.31	0.25
Repairs and maintenance	4.79	4.42
Electricity	1.96	1.43
Travelling and conveyance	36.88	23.73
Postage and telecommunication	10.24	5.47
Printing and stationery	4.75	3.50
Professional and consultancy charges	5.79	3.76
Remuneration to directors	1.06	0.24
Auditors remuneration (refer Note below)		
Audit fees	0.76	0.59
Out of pocket fees	0.07	0.03
Training expenses	4.72	3.04
Donations	0.84	4.08
Corporate Social Responsibility expenses	2.93	2.15
Miscellaneous expenses	6.99	3.15
Provision for other assets	0.72	0.00
Total	**100.13**	**67.47**

Auditors remuneration

₹ in crores

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
As auditor		
Audit fee	0.42	0.29
Limited review	0.16	0.15
Others	0.17	0.10
In other capacity		
Certification services	-	0.04
Taxation matter	-	-
Reimbursement of expenses	0.07	0.03
Total	**0.82**	**0.61**

Details of CSR expenditure

₹ in crores

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
a) Gross amount required to be spent by the Company during the year	2.93	2.15
b) Amount spent during the year (in cash)		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	2.93	2.15

26 Income tax

₹ in crores

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Current tax	176.35	54.80
Adjustment in respect of current income tax of earlier years	-	0.04
Deferred tax	(0.37)	60.90
Total tax charge	**175.98**	**115.74**

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate

₹ in crores

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Profit before tax	**497.74**	**328.22**
At India's statutory income tax rate of 34.94% (2018: 34.61%)	173.93	113.60
(a) Non deductible expenses	2.37	2.50
(b) Change in tax rate	-	(0.10)
(c) Additional allowance of certain expenditure	(0.32)	(0.32)
(d) Income not subject to tax	-	0.06
Income tax expense reported in statement of profit and loss (a)+(b)+(c)+(d)	**175.98**	**115.74**

26(B) Movement in deferred tax balances for the year ended March 31, 2019

₹ in crores

Particulars	Net balance April 1, 2018	(Charge)/ credit in Profit and Loss	Recognised in OCI	Recognised in other equity	Net balance March 31, 2019	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Impact of difference between tax depreciation/ amortisation	0.92	0.84	-	-	1.76	1.76	-
Remeasurement gain / (loss) on defined benefit plan	1.69	1.05	-	-	2.74	2.74	-
Provision for donation	0.92	(0.22)	-	-	0.70	0.70	-
Impairment allowance for loans	19.90	4.50	-	-	24.40	24.40	-
Expenses incurred on Initial Public Offering	-	-	-	8.10	8.10	8.10	-
Other items	6.58	(5.80)	4.67	-	5.44	5.44	-
Net Deferred tax assets / (liabilities)	**30.00**	**0.37**	**4.67**	**8.10**	**43.14**	**43.14**	**-**

Movement in deferred tax balances for the year ended March 31, 2018

₹ in crores

Particulars	Net balance April 1, 2017	(Charge)/ credit in Profit and Loss	Recognised in OCI	Recognised in other equity	Net balance March 31, 2019	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Impact of difference between tax depreciation/ amortisation	0.48	0.44	-	-	0.92	0.92	-
Remeasurement gain / (loss) on defined benefit plan	1.18	0.51	-	-	1.69	1.69	-
Provision for donation	0.48	0.44	-	-	0.92	0.92	-
Impairment allowance for loans	86.83	(66.93)	-	-	19.90	19.90	-
Expenses incurred on Initial Public Offering	-	-	-	-	-	-	-
Other items	0.74	4.64	1.20	-	6.58	6.58	-
Net Deferred tax assets / (liabilities)	**89.71**	**(60.90)**	**1.20**	**-**	**30.00**	**30.00**	**-**

The following tables provides the details of income tax assets and income tax liabilities as at:
Current tax assets (net)

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Income tax assets	328.54	146.49	32.33
Income tax liabilities	315.31	141.65	31.26
Total	**13.23**	**4.84**	**1.07**

Current tax liabilities (net)

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Income tax assets	-	-	73.00
Income tax liabilities	-	-	83.15
Total	**-**	**-**	**10.15**

27 Transfer of financial assets

27.1 Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for de-recognition, together with the associated liabilities:

₹ in crores

Particulars	March 31, 2019	March 31, 2018
Securitisations		
Carrying amount of transferred assets measured at fair value through other comprehensive income	160.55	-
Carrying amount of associated liabilities (debt securities - measured at amortised cost)	158.84	-
Fair value of assets	160.55	-
Fair value of associated liabilities	159.48	-
Net position at fair value	**1.08**	**-**

28 Defined benefit plan

28.1 Reconciliation of net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/assets and its components:

₹ in crores

Particulars	March 31, 2019	March 31, 2018
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	6.37	4.45
Current service cost	2.61	1.56
Interest cost	0.48	0.31
Past service cost	-	1.51
Benefits settled	(0.26)	(0.15)
Actuarial (gains)/ losses recognised in other comprehensive income		
- Changes in experience adjustments	0.78	(1.45)
- Changes in demographic assumptions	0.71	(0.29)
- Changes in financial assumptions	(0.34)	0.43
Obligation at the end of the year	**10.35**	**6.37**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	4.60	3.01
Interest income on plan assets	0.41	0.26
Re-measurement- actuarial gain	(0.31)	0.04
Return on plan assets recognised in other comprehensive income	-	-
Contributions	1.77	1.44
Benefits settled	(0.26)	(0.15)
Plan assets at the end of the year, at fair value	**6.21**	**4.6**
Net defined benefit liability	**4.14**	**1.77**

28.2 Expense recognised in profit or loss

₹ in crores

Particulars	March 31, 2019	March 31, 2018
Current service cost	2.61	3.07
Interest cost	0.07	0.05
Past service cost	-	-
Interest income	-	-
Net gratuity cost	**2.68**	**3.12**

28.3 Re-measurement recognised in other comprehensive income

Particulars	March 31, 2019	March 31, 2018
Re-measurement of the net defined benefit liability		
- Changes in experience adjustments	1.80	(1.45)
- Changes in demographic assumptions	0.43	(0.29)
- Changes in financial assumptions	(0.59)	0.43
Re-measurement of the net defined benefit asset		
Return on plan assets (greater)/ less than discount rate	0.27	(0.04)
Total Actuarial (gain)/ loss included in OCI	**1.91**	**(1.35)**

28.4 Plan assets

Particulars	March 31, 2019	March 31, 2018
Funds managed by insurer	**100%**	**100%**

28.5 Defined benefit obligation - Actuarial assumptions

Particulars	March 31, 2019	March 31, 2018
Discount rate	7.62%	7.19%
Future salary growth	10.00%	10.00%
Attrition rate	22.38%	21.11%
Average term of liabilty (in years)	11.65	4.21

28.6 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:

Particulars	March 31, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.80)	0.94	(0.32)	0.35
Future salary growth (1% movement)	0.80	(0.70)	0.29	(0.27)
Attrition rate (1% movement)	(0.24)	0.27	(0.10)	0.11

29 Maturity analysis of assets and liabilities as at March 31, 2019

₹ in crores

Sl. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	573.73	-	**573.73**
(b)	Bank balance other than cash and cash equivalents	38.93	2.89	**41.82**
(c)	Other receivables	0.29	-	**0.29**
(d)	Loans	4,521.58	2,081.26	**6,602.84**
(e)	Investments	-	0.20	**0.20**
(f)	Other financial assets	34.74	11.96	**46.70**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	13.23	**13.23**
(b)	Deferred tax assets (net)	-	43.14	**43.14**
(c)	Property, plant and equipment	-	18.73	**18.73**
(d)	Intangible assets under development	2.36	-	**2.36**
(e)	Intangible assets	-	6.01	**6.01**
(f)	Other non-financial assets	3.31	5.00	**8.31**
	Total assets	**5,174.95**	**2,182.42**	**7,357.36**
	LIABILITIES AND EQUITY			
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade payables			
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	8.00	0.29	**8.29**
	(II) Other payables			
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	95.60	0.04	**95.64**
(b)	Borrowings			
	- Debt securities	381.00	334.00	**715.00**
	- Borrowings (other than debt securities)	2,214.02	1,900.47	**4,114.50**
	- Subordinated liabilities	12.07	25.00	**37.07**
(2)	**Non-financial liabilities**			
(a)	Provisions	6.66	5.22	**11.88**
(b)	Other non-financial liabilities	9.92	-	**9.92**
(3)	**Equity**			
(a)	Equity share capital	-	143.55	**143.55**
(b)	Other equity	-	2,221.51	**2,221.51**
	Total liabilities and equity	**2,727.28**	**4,630.09**	**7,357.36**

29 Maturity analysis of assets and liabilities as at March 31, 2018

₹ in crores

Sl. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	130.03	-	**130.03**
(b)	Bank balance other than cash and cash equivalents	9.03	4.01	**13.03**
(c)	Other receivables	5.46	-	**5.46**
(d)	Loans	3,417.79	1,477.74	**4,895.53**
(e)	Investments	-	0.20	**0.20**
(f)	Other financial assets	3.88	8.68	**12.56**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	4.84	**4.84**
(b)	Deferred tax assets (net)	-	30.00	**30.00**
(c)	Property, plant and equipment	-	9.48	**9.48**
(d)	Intangible assets under development	1.06	-	**1.06**
(e)	Intangible assets	-	6.68	**6.68**
(f)	Other non-financial assets	2.69	2.01	**4.70**
	Total assets	**3,569.95**	**1,543.63**	**5,113.57**
	LIABILITIES AND EQUITY			
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade payables			
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	4.05	-	**4.05**
	(II) Other payables			
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	30.08	0.95	**31.03**
(b)	Borrowings			
	- Debt securities	302.41	484.00	**786.41**
	- Borrowings (other than debt securities)	1,830.70	923.77	**2,754.46**
	- Subordinated liabilities	6.19	76.40	**82.59**
(2)	**Non-financial liabilities**			
(a)	Provisions	3.48	3.05	**6.53**
(b)	Other non-financial liabilities	11.02	-	**11.02**
(3)	**Equity**			
(a)	Equity share capital	-	128.43	**128.43**
(b)	Other equity	-	1,309.05	**1,309.05**
	Total liabilities and equity	**2,187.92**	**2,925.65**	**5,113.57**

29 Maturity analysis of assets and liabilities as at April 1, 2017

₹ in crores

Sl. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	Financial assets			
(a)	Cash and cash equivalents	332.28	-	**332.28**
(b)	Bank balance other than cash and cash equivalents	35.30	9.37	**44.67**
(c)	Loans	2,265.09	574.99	**2,840.07**
(d)	Investments	-	0.20	**0.20**
(e)	Other financial assets	0.90	6.98	**7.88**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	1.07	**1.07**
(b)	Deferred tax assets (net)	-	89.71	**89.71**
(c)	Property, plant and equipment	-	5.98	**5.98**
(d)	Capital work in progress	0.70	-	**0.70**
(e)	Intangible assets under development	2.33	-	**2.33**
(f)	Intangible assets	-	6.28	**6.28**
(g)	Other non-financial assets	4.72	2.15	**6.89**
	Total assets	**2,641.32**	**696.72**	**3,338.06**
	LIABILITIES AND EQUITY			
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade Payables			
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	3.50	-	**3.50**
	(II) Other Payables			
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	15.30	-	**15.30**
(b)	Borrowings			
	- Debt securities	70.83	668.00	**738.83**
	- Borrowings (other than debt securities)	1,231.80	626.23	**1,858.03**
	- Subordinated liabilities	6.64	81.65	**88.29**
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	10.15	-	**10.15**
(b)	Provisions	2.51	2.33	**4.84**
(c)	Other non-financial liabilities	6.09	-	**6.09**
(3)	**Equity**			
(a)	Equity share capital	-	85.68	**85.68**
(b)	Other equity	-	527.34	**527.34**
	Total liabilities and equity	**1,346.81**	**1,991.23**	**3,338.06**

30 Contingent liabilities

₹ in crores

Particulars	March 31, 2019	March 31, 2018	March 31, 2017
Performance security provided by the Company pursuant to service provider agreement	0.16	0.23	0.25

The Supreme Court has recently, delivered its ruling on the composition of basic wages for the purposes of deduction and contribution to the Employees Provident and Pension funds. The company, in the interest of its employees, awaits clarity on the complexities revolving around the application of the said order, the ambiguity reflected by the divergent views of legal experts and the response/direction from the authorities, including on representations made by an industry association in this regard.

31 Capital commitments

Estimated amounts of contracts remaining to be executed on capital account (net of capital advances) and not provided:

₹ in crores

Particulars	March 31, 2019	March 31, 2018	March 31, 2017
For purchase / development of computer software	0.89	0.31	0.22

32 Leases

Operating Lease

Head office and branch office premises are acquired on operating lease. The branch office premises are generally rented on cancellable term for period of eleven to sixty months with no escalation clause and renewable at the option of the Company.

There are no restrictions imposed by lease arrangements. There are no subleases. Lease payments during the year are charged to statement of profit and loss. Future minimum rentals payable under non-cancellable operating leases are as follows:

₹ in crores

Particulars	March 31, 2019	March 31, 2018
Minimum lease obligations		
Not later than one year	2.99	2.07
Later than 1 year but not later than 5 years	2.27	3.06
Later than 5 years	-	-

33 Related party transactions

Names of the related parties ***(as per IndAS - 24)***

Key management personnel	Mr Udaya Kumar Hebbar, Managing Director & CEO
Holding Company	CreditAccess Asia NV
Independent Director	Mr R Prabha
Independent Director	Mr Anal Kumar Jain
Independent Director	Mr M N Gopinath
Independent Director	Ms Sucharita Mukherjee (w.e.f. Sept. 11, 2017)
Independent Director	Mr George Joseph
Nominee Director	Mr Paolo Brichetti
Nominee Director	Mr Sumit Kumar
Nominee Director	Mr Massimo Vita (w.e.f. July 25, 2017)
Director	Mr Suresh Krishna (upto May 19, 2017)
Chairman	Ms Vinatha M Reddy (upto June 1, 2017)

₹ in crores

Particulars	Key management personnel	
	March 31, 2019	March 31, 2018
Transactions during the year		
Mr Udaya Kumar Hebbar		
Salary and perquisites	1.45	1.22
ESOPs exercised	0.31	0.57
	Other related parties	
Sitting fees	**March 31, 2019**	**March 31, 2018**
Mr R Prabha	0.07	0.05
Mr Anal Kumar Jain	0.05	0.04
Mr M N Gopinath	0.05	0.04
Ms Sucharita Mukherjee	0.03	0.03
Mr George Joseph	0.07	0.04
Mr Paolo Brichetti	-	0.02
Mr Massimo Vita	-	0.02
Mr Suresh Krishna	-	0.01
Ms Vinatha M Reddy	-	0.01

₹ in crores

Commission	March 31, 2019	March 31, 2018
Mr R Prabha	0.17	-
Mr Anal Kumar Jain	0.19	-
Mr M N Gopinath	0.18	-
Ms Sucharita Mukherjee	0.12	-
Mr George Joseph	0.15	-

Provisions for gratuity and leave benefits are made for the Company as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.

₹ in crores

Particulars	Holding Company	
	March 31, 2019	March 31, 2018
Transactions during the year		
CreditAccess Asia NV		
Issue of equity shares on conversion of compulsorily convertible debentures for consideration other than cash	-	200.00
Issue of share capital on amalgamation of MV Microfin Private Limited for consideration other than cash	-	4.89
Issue of compulsorily convertible debentures	-	-
Issue of share capital	-	350.00
Interest expense on compulsorily convertible debentures	-	22.36
Reimbursment of expenditure incurred from related party	21.43	-

₹ in crores

Particulars	Holding Company	
	March 31, 2019	March 31, 2018
Balances at the end of the year		
	Other related parties	
Sitting fees payable	**March 31, 2019**	**March 31, 2018**
Mr R Prabha	0.005	0.005
Mr Anal Kumar Jain	0.002	-
Mr M N Gopinath	0.003	-
Ms Sucharita Mukherjee	0.003	-
Mr George Joseph	0.004	0.004

Commission payable	March 31, 2019	March 31, 2018
Mr R Prabha	0.08	-
Mr Anal Kumar Jain	0.10	-
Mr M N Gopinath	0.09	-
Ms Sucharita Mukherjee	0.06	-
Mr George Joseph	0.08	-

34 Employee stock options

Stock options: The Company has provided share based payments to its employees under the 'Grameen Koota Financial Services Private Limited - Employees Stock Option Plan 2011'. The various Tranches I, II, III, IV, V and VI represent different grants made under the plan. During year ended March 31, 2018, the following stock option grant were in operation:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI
Date of grant	Apr 1, 2012	Oct 1, 2013	Jun 1, 2014	Jul 1, 2016	Jan 1, 2017	Jan 1, 2018
Date of Board / Compensation Committee approval	Oct 15, 2011	Aug 22, 2012	Jul 30, 2014	Jun 29, 2016	May 17, 2017	Jan 24, 2018
Number of Options granted	716,676	631,339	443,000	431,000	521,000	971,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Graded vesting period:						
Day following the expiry of 12 months from grant	25%	25%	25%	25%	25%	25%
Day following the expiry of 24 months from grant	25%	25%	25%	25%	25%	25%
Day following the expiry of 36 months from grant	25%	25%	25%	25%	25%	25%
Day following the expiry of 48 months from grant	25%	25%	25%	25%	25%	25%
Exercise period	48 months from date of vesting					
Vesting conditions	Employee to be in service at the time of vesting					
Weighted average remaining contractual life (years)						
-I	-	-	0.17	2.25	2.76	3.76
-II	-	0.50	1.17	3.25	3.76	4.76
-III	0.00	1.51	2.17	4.25	4.76	5.76
-IV	1.01	2.51	3.17	5.26	5.76	6.76
Weighted average exercise price per option (₹)	27.00	27.00	39.86	63.90	84.47	120.87
Weighted average fair value of options (₹)	-	18.73	38.31	75.31	61.52	84.71

Reconciliation of options:

Particulars	March 31, 2019	March 31, 2018
Tranche I		
Options outstanding at the beginning of the year	4,250	348,000
Granted during the year	-	-
Forfeited during the year	-	14,000
Exercised during the year	-	328,750
Expired during the year	2,000	1,000
Outstanding at the end of the year	2,250	4,250
Exercisable at the end of the year	2,250	4,250

Reconciliation of options:

₹ in crores

Particulars	March 31, 2019	March 31, 2018
Tranche II		
Options outstanding at the beginning of the year	49,000	442,500
Granted during the year	-	-
Forfeited during the year	-	8,500
Exercised during the year	37,500	383,000
Expired during the year	-	2,000
Outstanding at the end of the year	11,500	49,000
Exercisable at the end of the year	11,500	49,000
Tranche III		
Options outstanding at the beginning of the year	235,500	425,000
Granted during the year	-	-
Forfeited during the year	-	10,000
Exercised during the year	95,750	177,500
Expired during the year	2,000	2,000
Outstanding at the end of the year	137,750	235,500
Exercisable at the end of the year	137,750	134,750
Tranche IV		
Options outstanding at the beginning of the year	371,500	-
Granted during the year	-	431,000
Forfeited during the year	-	-
Exercised during the year	34,750	59,500
Expired during the year	-	-
Outstanding at the end of the year	336,750	371,500
Exercisable at the end of the year	120,000	48,250
Tranche V		
Options outstanding at the beginning of the year	456,000	-
Granted during the year	-	521,000
Forfeited during the year	-	-
Exercised during the year	19,450	65,000
Expired during the year	-	-
Outstanding at the end of the year	436,550	456,000
Exercisable at the end of the year	166,050	65,250
Tranche VI		
Options outstanding at the beginning of the year	971,000	-
Granted during the year	-	971,000
Forfeited during the year	-	-
Exercised during the year	8,565	-
Expired during the year	58,700	-
Outstanding at the end of the year	903,735	971,000
Exercisable at the end of the year	197,453	-

35 RBI Disclosures

a. Capital to risk assets ratio ('CRAR'):

₹ in crores

Particulars	March 31, 2019	March 31, 2018
CRAR (%)	35.26%	29.62%
CRAR-Tier I Capital (%)	34.38%	28.24%
CRAR-Tier II Capital (%)	0.88%	1.38%
Amount of subordinated debt raised as Tier II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

Notes:

1. Impairment allowance on Stage 1 and Stage 2 loans has been considered as 'contingent provision for standard asset' for the purpose of determining Tier II capital;
2. Other comprehensive income towards fair valuation of loans has been considered for determining Tier I capital;
3. Loans transferred through securitisation not fulfilling the derecognition criteria under Ind AS 109 are considered as on-balance sheet exposure.

b. Investments

₹ in crores

Particulars	March 31, 2019	March 31, 2018
1. Value of Investments		
(i) Gross value of investments		
(a) in India	0.20	0.20
(b) outside India	-	-
(ii) Provisions for depreciation		
(a) in India	-	-
(b) outside India	-	-
(iii) Net value of investments		
(a) in India	0.20	0.20
(b) outside India	-	-
2. Movement of provision held towards depreciation		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less: Write-off / write-back of excess provision	-	-
(iv) Closing balance	-	-

c. Derivatives

The Company has no transactions / exposure in derivatives in the current and previous year.

The Company has no unhedged foreign currency exposure as on March 31, 2019 (March 31, 2018: Nil).

d. Disclosure related to securitization

During the year the Company has transferred loans through securitization.

₹ in crores

Particulars	March 31, 2019	March 31, 2018
No of SPVs sponsored by the NBFC for securitization transactions	7	-
Amount of securitized assets as per books of SPV sponsored by NBFC	861.69	-
Amount of exposures retained by NBFC to comply with MRR as on the date of balance sheet	92.92	-
a. Off-balance sheet exposure		
- First loss	-	-
- Others	-	-
b. On-balance sheet exposure		
- First loss - cash collateral	39.39	-
- Others	-	-
Amount of exposures other than MRR		
a. Off-balance sheet exposure		
i. Exposure to own securitizations		
- First loss	-	-
- Loss	-	-
ii. Exposure to third party transactions		
- First loss	-	-
- Others	-	-
b. On-balance sheet exposure		
i. Exposure to own securitizations		
- Others	-	-
ii. Exposure to third party transactions		
- First loss	-	-
- Others	-	-

e. Details of financial assets sold to securitization / reconstruction company for asset reconstruction:

The Company has not sold any financial asset to securitization / reconstruction company for asset reconstruction in the current and previous year.

f. Details of assignment transactions:

The Company has undertaken four assignment transactions during the current year (March 31, 2018: Nil)

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Number of loans assigned	451,830	-
Aggregate value (net of provisions) of accounts sold	715.90	-
Aggregate consideration	715.90	-
Income recognised in statement of profit and loss	19.43	-

* this represents principal amount outstanding as at the date of transaction adjusted for any specific provisions.

g. Details of non-performing financial asset purchased / sold:

The Company has not purchased / sold any non-performing financial assets in the current and previous year.

h. Asset liability management:

Maturity pattern of assets and liabilities as on March 31, 2019:

₹ in crores

Particulars	Upto 30/ 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings	307.37	178.20	176.58	760.20	1,184.74	1,669.08	530.40	60.00	**4,866.57**
Advances*	523.90	492.52	410.65	1,232.09	1,901.48	2,092.28	0.57	4.77	**6,658.26**
Investments	-	-	-	-	-	-	-	0.20	**0.20**
Foreign currency assets	-	-	-	-	-	-	-	-	**-**
Foreign currency liabilities	-	-	-	-	-	-	-	-	**-**

Maturity pattern of assets and liabilities as on March 31, 2018:

₹ in crores

Particulars	Upto 30/ 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings	108.09	139.34	227.69	555.20	1,120.38	1,292.82	179.95	-	**3,623.47**
Advances*	374.07	359.76	312.34	888.87	1,494.98	1,486.18	0.05	2.01	**4,918.26**
Investments	-	-	-	-	-	-	-	0.20	**0.20**
Foreign currency assets	-	-	-	-	-	-	-	-	**-**
Foreign currency liabilities	-	-	-	-	-	-	-	-	**-**

The above maturity pattern of assets and liabilities as on March 31, has been prepared with reference to the carrying values of assets and liabilities.

i. Exposures:

The Company has no exposure to the real estate sector and capital market directly or indirectly in the current and previous year.

j. Unsecured advances: Refer Note 6.

k. 'Registration obtained from other financial regulators:

The Company is not registered with any other financial sector regulators.

l. Disclosure of penalties imposed by RBI and other regulators:

No penalties were imposed by RBI and other regulators during current and previous year.

m. Ratings assigned by credit rating agencies and migration of ratings:

Particulars	Name of rating agency	Date of rating	Rating / (Previous year rating)	Borrowing limit / conditions imposed by rating agency (₹ in crore)	Valid up to
Long-term debt	ICRA	4-Sep-18	[ICRA]A+(Stable); Revised from [ICRA]A (Positive)	2,500.00	31-May-19
Non-convertible debentures	ICRA	4-Sep-18	[ICRA]A+(Stable); Revised from [ICRA]A (Positive)	887.00	31-May-19
Subordinated debt	ICRA	4-Sep-18	[ICRA]A+(Stable); Revised from [ICRA]A (Positive)	22.00	31-May-19
Commercial paper	ICRA	27-Apr-18	[ICRA]A1+ / Revised from [ICRA]A1	200.00	31-May-19
Organization grading	CRISIL*	1-Oct-18	M1C1 / mfR1	NA	30-Sep-19
Securitisation	ICRA	30-Jul-18	[ICRA]A(SO)	68.00	7-Aug-19
Securitisation	ICRA	16-Aug-18	[ICRA]A(SO)	80.73	7-Sep-19
Securitisation	India Ratings and Research	31-Aug-18	IND A (S))	221.03	7-Sep-19
Securitisation	ICRA	28-Dec-18	[ICRA]A(SO)	100.01	20-Jun-20
Securitisation	ICRA	29-Mar-19	[ICRA]A+(SO)	83.98	22-Apr-20

n. Provisions and contingencies (shown under the head expenditure in statement of profit and loss):

₹ in crores

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Impairment of financial instruments	74.86	(13.42)
Provision for income tax	176.35	55.31
Provision for gratuity	4.13	1.76
Provision for leave encashment and availment	7.74	2.42
Provision fraud and misappropriation (net of recoveries)	1.01	0.001
Provision for other assets (net)	0.72	0.001
Total	**264.81**	**46.08**

o. Drawdown from reserves:

There has been no draw down from reserves during the year ended March 31, 2019 (previous year: Nil).

p. Concentration of advances, exposures and NPAs

₹ in crores

Particulars	March 31, 2019	March 31, 2018
Concentration of advances		
Total advances to twenty largest borrowers	0.83	0.33
(%) of advances to twenty largest borrowers to total advances	0.01%	0.01%
Concentration of exposures		
Total exposure to twenty largest borrowers / customers	0.83	0.33
(%) of exposures to twenty largest borrowers / customers to total exposure	0.01%	0.01%
Concentration of NPAs		
Total Exposure to top four NPA accounts	0.04	0.03

The above represents amount outstanding as per repayment schedule agreed with the borrowers.

q. Sector-wise NPAs

Particulars	Percentage of NPAs to Total Advances in that sector as at March 31, 2019	Percentage of NPAs to Total Advances in that sector as at March 31, 2018
Agriculture and allied activities	0.54%	0.97%
MSME	-	-
Corporate borrowers	-	-
Services	0.30%	0.85%
Unsecured personal loans	0.71%	0.42%
Auto loans	0.13%	-
Other personal loans	-	-

r. Movement of NPAs

₹ in crores

Particulars	March 31, 2019	March 31, 2018
(I) Net NPAs to Net Advances (%)		
(ii) Movement of NPAs (Gross):*		
Opening balance	37.41	247.10
Additions during the year	61.77	(48.07)
Reductions during the year (loans written off)	60.64	161.62
Closing balance	**38.54**	**37.41**
(iii) Movement of Net NPAs		
Opening balance	1.62	28.24
Additions during the year	11.85	(8.15)
Reductions during the year	2.58	18.47
Closing balance	**10.88**	**1.62**
(iv) Movement of provisions for NPAs		
Opening balance	35.80	218.86
Provisions made during the year	49.91	(39.91)
Write-off / write-back of excess provisions	58.06	143.15
Closing balance	**27.65**	**35.80**

** Represents principal outstanding.*

s. Disclosure of customer complaints

Particulars	No. of complaints
a. No. of complaints pending at the beginning of the year	1
b. No. of complaints received during the year	894
c. No. of complaints redressed during the year	892
d. No. of complaints pending at the end of the year	3

t. Information on instances of fraud

Instances of fraud reported during the year ended March 31, 2019:

₹ in crores

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount provided
Cash Embezzlement	3	0.32	0.00	0.32

Instances of fraud reported during the year ended March 31, 2018:

₹ in crores

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount provided
Cash Embezzlement	2	0.03	0.02	0.01

u. The net interest margin (NIM)

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Average interest (a)	20.16%	21.49%
Average effective cost of borrowing (b)*	10.73%	11.92%
Net interest margin (a-b)	9.43%	9.58%

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.
2. 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 not been considered for computation of "average effective cost of borrowings". As per Ind AS 109, such loans and borrowings continue to be recognized on the balance sheet in the Ind AS financial statements.
3. Interest income considered for computation of "average interest charged" excludes loan processing fee collected from customers in accordance with para 54 (vi) of the RBI Master Directions. As per Ind AS 109, such loan processing fee forms part of interest income in the Ind AS financial statements.
4. Average loan outstanding considered for computation of "average interest charged" is gross of the impairment allowance. As per Ind AS 109, such allowance is adjusted from the loan balance in the Ind AS financial statements.

v. The Company has not disbursed any loans against the security of gold.

36 Financial instruments - Fair values

36.1 Accounting classification and fair values:

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

₹ in crores

Financial assets	March 31, 2019					March 31, 2018					April 1, 2017				
(assets measured	Carrying amount		Fair value			Carrying amount		Fair value			Carrying amount		Fair value		
at fair value)	FVTPL	FVTOCI	Level 1	Level 2	Level 3	FVTPL	FVTOCI	Level 1	Level 2	Level 3	FVTPL	FVTOCI	Level 1	Level 2	Level 3
Loans (measured at FVOCI)	-	5,501.66	-	5,501.66	-	-	4,152.09	-	4,152.09	-	-	2,074.58	-	-	-
Investments	0.20	-	-	0.20	-	0.20	-	-	0.20	-	0.20	-	-	0.20	-
Total	**0.20**	**5,501.66**	**-**	**5,501.86**	**-**	**0.20**	**4,152.09**	**-**	**4,152.29**	**-**	**0.20**	**2,074.58**	**-**	**0.20**	**-**

₹ in crores

Fair value of financial liabilities measured at amortised cost	March 31, 2019				March 31, 2018				April 1, 2017			
	Amortised cost	Fair value			Amortised cost	Fair value			Amortised cost	Fair value		
	FVTPL	Level 1	Level 2	Level 3	FVTPL	Level 1	Level 2	Level 3	FVTPL	Level 1	Level 2	Level 3
Debt securities	715.00	-	792.07		786.41		913.85	-	738.83	-	610.01	-
Borrowings other than debt securities	4,114.50	-	4,149.83		2,754.46		2,791.01	-	1,858.04	-	1,886.35	-
Subordinated liabilities	37.07	-	40.23		82.59		88.10	-	88.29	-	88.15	-
Total	**4,866.57**	**-**	**4,982.13**	**-**	**3,623.47**	**-**	**3,792.96**	**-**	**2,685.15**	**-**	**2,584.51**	**-**

The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, other receivables, loans measured at Amortised cost, other financial assets / liabilities, other non-financial assets / liabilities, payables and provisions are considered to be the same as their fair values, due to their short-term nature.

37 Business combination (common control transaction) with MV Microfin Private Limited

The National Company Law Tribunal (NCLT), Bengaluru Bench approved a Scheme of Arrangement on November 22, 2017 (hereinafter referred as 'the Scheme') for amalgamating the business from MV Microfin Private Limited with the Company ('the Amalgamation'). By virtue of the Scheme, the business operations of MV Microfin Private Limited shall stand transferred, merged and vested with the Company with effect from April 01, 2017 ('the Appointed Date'). MV Microfin Private Limited was registered as an NBFC with RBI. Also, the said amalgamation being in the nature of merger, the accounting thereof has been carried out as per the pooling of interest method specified in Ind AS - 103.

The Scheme inter alia provides for issue of 13 equity shares of the Company with a face value of Rs.10 each for every 10 equity shares held in the MV Microfin Private Limited at par and issue of 852,188 equity shares of the Company with a face value of Rs.10 each for every 1 Compulsorily Convertible Debenture (CCD) held in MV Microfin Private Limited at par as a purchase consideration for the Amalgamation.

As per the Scheme, the Company shall adjust the book value of assets and liabilities on the appointed date in its books of account as follows:

₹ in crores

Particulars	Amount
Total assets (A)	59.67
Total Liabilities (including reserves and surplus) (B)	4.83
Net assets (A)-(B)= (C)	**54.84**
Purchase consideration (4,890,140 equity shares of Rs.10 each at par)	4.89
Capital Reserve	**49.95**

38 During the year ended March 31, 2019, the Company had completed the Initial Public Offer (IPO) comprising a fresh issue of 14,928,909 equity shares having a face value of Rs.10 each at an offer price of Rs.422 each aggregating Rs.630 crores by the Company and an offer for sale of 11,876,485 equity shares by our promoters CreditAccess Asia N.V aggregating Rs.501.18 crores. Pursuant to the IPO, the equity shares of the Company have got listed on BSE Limited and NSE India Limited on August 23, 2018.

39 Risk Management

39.1 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.

39.1.a Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Risk Management framework approved by the Board has laid down the governance structure supporting the identification, assessment, monitoring, reporting and mitigation of risk throughout the company. The objective of the risk management platform is to make a conscious effort in developing risk culture within the organisation and having appropriate systems and tools for timely identification, measurement and reporting of risks for managing them.

The Board has a Risk Management committee which is responsible for monitoring the overall risk process within the Company and reports to the Board of Directors.

The Risk Management guidelines will be implemented through the established organization structure of Risk Department. The overall monitoring of the Risks is done by the Head-Risk Management with the support from all the department heads of the Company. The Board will reviews the status and progress of the risk and risk management system, on quarterly basis through the Audit Committee and Risk Management Committee. The individual departments are responsible for ensuring implementation of the risk management framework and policies, systems and methodologies as approved by the Board. Assignment of responsibilities in relation to risk management is prerogative of the Heads of Departments, in coordination with Head-Risk.While each department focuses on its specific area of activity, the Risk Management Unit operates in coordination with all other departments, utilising all significant information sourced to ensure effective management of risks in accordance with the guidelines approved by the Board. The unit works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework.

Heads of Departments is accountable to a Management-Level Risk Committee (MLRC) comprising of MD&CEO, CFO and Head-Risk. The departmental heads will report for the implementation of above mentioned guideline within their respective areas of responsibility. The department heads are also accountable to the MLRC for identification, assessment, aggregation, reporting and monitoring of the risk related to their respective domain.

The Company's policy is that risk management processes throughout the Company are audited quarterly by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Audit Committee.

39.1.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.

39.1.c Risk measurement and reporting systems

The heads of all the departments in association with risk management department are responsible for coordinating the systems for identifying risks within their own department or business activity through RCSA exercise to be conducted at regular intervals. Based on a cost / benefit assessment of a risk, as is undertaken, some risks may be judged as having to be accepted because it is believed mitigation is not possible or warranted. As the risk exposure of any business may undergo change from time to time due to continuously changing environment, the updation of the Risk Register will be done on a regular basis. All the strategies with respect to managing these major risks shall be monitored by the Head-Risk and MLRC. The Management Level Risk Committee meetings are held as necessary or at least once a month. The Management Level Risk Committee would monitor the management of major risks specifically and other risks of the Company in general. The Committee takes an integrated view of the risks facing the entity and monitor implementation of the directives received from Risk Management Committee and actionable items drawn from the risk management framework.

Accordingly, the Management Level Risk Committee reviews the following aspects of business specifically from a risk indicator perspective and suitably record the deliberations during the monthly meeting.

- Review of business growth and portfolio quality.
- Discuss and review the reported details of PAR, Key Risk Threshold breaches (KRI's), consequent responses and review of operational loss events, if any.
- Review of process compliances including audit performance across organisation.
- Review of HR management, training and employee attrition.
- Review of new initiatives and product/policy/process changes.
- Discuss and review performance of IT systems.
- Review the status of strategic projects initiated.
- Review, where necessary, policies that have a bearing on the operational risk management and recommend amendments.
- Discuss and recommend suitable controls/mitigations for managing operational risk and assure that adequate resources are being assigned to mitigate the risks.
- Review analysis of frauds, potential losses, non-compliance, breaches etc. and determine corrective measures to prevent their recurrences.
- Understand changes and threats, concur on areas of high priority and possible actions for managing / mitigating the same.

39.1.d Risk Management Strategies

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

The following management strategies and policies are adopted by the Company to manage the various key risks.

Political Risk mitigation measures:

- Low cost operations and low pricing for customers.
- Customer centric approach, high customer retention.
- Rural focus.
- Systematic customer awareness activities.
- High social focused activities.
- Adherence to client protection guidelines.
- Robust grievance redressal mechanism.
- Adherence to regulatory guidelines in letter and spirit.

Concentration risk mitigation measures:

- District centric approach.
- District exposure cap.
- Restriction on growth in urban locations.
- Maximum disbursement cap per loan account.
- Maximum loan exposure cap per customer.
- Diversified funding resources.

Operational & HR Risk mitigation measures:

- Stringent customer enrolment process.
- Multiple products.
- Proper recruitment policy and appraisal system.
- Adequately trained field force.
- Weekly & fortnightly collections - higher customer touch, lower amount instalments.
- Multilevel monitoring framework.
- Strong, Independent and fully automated Internal Audit function.
- Strong IT system with access to real time client and loan data.

Liquidity risk mitigation measures:

- Diversified funding resources.
- Asset liability management.
- Effective fund management.
- Maximum cash holding cap.

Expansion risk mitigation measures:

- Contiguous growth.
- District centric approach.
- Rural focus.
- Branch selection based on census data & credit bureau data.
- Three level survey of the location selected.

39.2 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.

39.2.a Definition of default, significant increase in credit risk and stage assessment

For the measurement of ECL, Ind AS 109 distinguishes between three impairment stages. All loans need to be allocated to one of these stages, depending on the increase in credit risk since initial recognition (i.e. disbursement date):

Stage 1: includes loans for which the credit risk at the reporting date is in line with the credit risk at the initial recognition (i.e. disbursement date).

Stage 2: includes loans for which the credit risk at reporting date is significantly higher than at the risk at the initial recognition (Significant Increase in Credit Risk).

Stage 3: includes default loans. A loan is considered default at the earlier of (i) the Company considers that the obligor is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realizing collateral (if held); or (ii) the obligor is past due more than 90 days on any material credit obligation to the company.

Unlike banks which have more of monthly repayments, the Company offers products with weekly repayment frequency, whereby 15 and above Days past due ('DPD') means already 2 missed instalments from the borrower, and accordingly, the Company has identified the following stage classification to be the most appropriate for its Loans:

Stage 1: 0 to 15 DPD.
Stage 2: 16 to 60 DPD (SICR).
Stage 3: above 60 DPD (Default).

39.2.b Probability of Default ('PD')

PD describes the probability of a loan to eventually falling into Stage 3. PD %age is calculated for each loan account separately and is determined by using available historical observations.

PD for stage 1: is derived as %age of all loans in stage 1 moving into stage 3 in 12-months' time.

PD for stage 2: is derived as %age of all loans in stage 2 moving into stage 3 in the maximum lifetime of the loans under observation.

PD for stage 3: is derived as 100% considering that the default occurs as soon as the loan becomes overdue for 60 days which matches the definition of stage 3.

39.2.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.

39.2.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.

LGD is computed as below:

1. All Loans which are above 60 DPD as on 31 March 2013, are taken and the difference in the principal outstanding as on 31st March 2013 and 31st March 2019 is considered as recovery.

2. Likewise the same is done for all the loans (excluding the loans which are already considered in previous years) which are above 60 DPD as on 31 March 2014, 31 March 2015, 31 March 2016, 31 March 2017 and recovery rate is computed for each year.

3. LGD = 1- Recovery rate which is computed for each period of observation.

There are Liquidity Risk mitigation measures put in place which helps in maintaining the following:

Diversified funding resources:

The Company's treasury department secures funds from multiple sources, including banks, financial institutions and capital markets and is responsible for diversifying our capital sources, managing interest rate risks and maintaining strong relationships with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies. The Company continuously seek to diversify its sources of funding to facilitate flexibility in meeting our funding requirements. Due to the composition of our loan portfolio, which also qualifies for priority sector lending, it also engages in securitization and assignment transactions.

Asset Liability Management (ALM) can be termed as a risk management technique designed to earn an adequate return while maintaining a comfortable surplus of assets over liabilities. ALM, among other functions, is also concerned with risk management and provides a comprehensive as well as dynamic framework for measuring, monitoring and managing liquidity and interest rate risks. ALM is an integral part of the financial management process of CAGL. It is concerned with strategic balance sheet management, involving risks caused by changes in the interest rates and the liquidity position of CAGL. It involves assessment of various types of risks and altering the asset-liability portfolio in a dynamic way in order to manage risks.

ALM committee constitutes of Board of Directors who would review the tolerance limits for liquidity/ interest rate risks and would recommend to Board of Directors for its approval from time to time. As per the directions of the Board, the ALM statements would be reported to the ALM committee on quarterly basis for necessary guidance.

The scope of ALM function can be described as follows:

i. Funding and Capital Management,

ii. Liquidity risk management ,

iii. Interest Rate risk management ,

iv. Forecasting and analyzing 'What if scenario' and preparation of contingency plans.

Capital guidelines ensure the maintenance and independent management of prudent capital levels for CAGL to preserve the safety and soundness of the company, to support desired balance sheet growth and the realization of new business; and to provide a cushion against unexpected losses. Refer Note 35(a) with respect to regulatory capital of the Company as at the reporting dates.

39.2.e Grouping financial assets measured on a collective basis

The Company believes that the Joint Liability Group (JLG) loans have shared risk characteristics (i.e. homogeneous) and Individual loans (IL) have not shared risk characteristics. Therefore, JLG and IL are treated as two separate groups for the purpose of determining impairment allowance.

39.2.f Analysis of inputs to the ECL model under multiple economic scenarios

Adjusting the ECL to reflect the expected changes (if any) in the economic environment for forward looking information in the form of management overlay.

Based on the historical loss experience, adjustments need to be made on the average PD computed to give effect of the current conditions which is done through management overlay by assigning probability weightages to different scenarios.

The methodology and assumptions used for estimating future cash flows should be reviewed regularly so that there is minimum difference between expected loss and the actual loss expenses.

39.3 Interest Rate Risk (IRR)

RBI has allowed NBFCs to price most of their assets and liabilities. Interest rate risk is the risk where changes in market interest rates might adversely affect CAGL's financial condition and the changes in interest rates affect CAGL in a larger way. The immediate impact of changes in interest rates is on earnings (i.e. reported profits) by changing its Net Interest Margin (NIM). The risk from the earnings perspective can be measured as changes in Net Interest Margin (NIM). In line with RBI guidelines, the traditional GAP analysis is considered as a suitable method to measure the Interest Rate Risk for CAGL.

CAGL shall also adhere to these prudential limits and the tolerance/prudential limits for structural liquidity under different time bucket.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible charge in interest rates (all other variables being constant) of the Company's profit and loss statement.

₹ in crores

Particulars	Basis points	Effect on profit / loss and equity for the year 2018-19	Effect on profit / loss and equity for the year 2017-18
Borrowings			
Increase in basis points	+ 25	(4.61)	(2.83)
Decrease in basis points	- 25	4.61	2.83

39.4 Liquidity risk and funding management

Liquidity risk arises due to the unavailability of adequate amount of funds at an appropriate cost and tenure. The Company may face an asset-liability mismatch caused by a difference in the maturity profile of our assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. We monitor liquidity risk through our Asset Liability Management Committee. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term. We actively monitor our liquidity position to ensure that we can meet all borrower and lender-related funding requirements.

Liquidity assessment as on March 31, 2019

₹ in crores

Particulars	Upto 30/ 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings									
Debt securities	0.56	-	8.71	59.22	109.21	262.27	271.82	-	**711.79**
Borrowings (other than debt securities)	162.04	190.13	203.80	714.08	1,236.54	1,587.86	571.39	63.42	**4,729.26**
Subordinated liabilities	0.30	12.65	0.30	0.93	1.85	31.16	-	-	**47.20**
	162.90	**202.78**	**212.81**	**774.23**	**1,347.60**	**1,881.29**	**843.21**	**63.42**	**5,488.24**

Liquidity assessment as on March 31, 2018

₹ in crores

Particulars	Upto 30/ 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings									
Debt securities	7.86	18.57	74.47	24.97	84.58	393.19	354.70	105.75	**1,064.09**
Borrowings (other than debt securities)	113.22	139.18	189.94	570.62	989.90	966.36	27.32	-	**2,996.54**
Subordinated liabilities	0.83	4.84	0.83	2.49	8.71	32.14	69.55	-	**119.39**
	121.91	**162.59**	**265.24**	**598.08**	**1,083.20**	**1,391.69**	**451.57**	**105.75**	**4,180.03**

Liquidity assessment as on April 1, 2017

₹ in crores

Particulars	Upto 30/ 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings									
Debt securities	8.85	3.81	5.84	14.98	287.85	339.09	217.77	106.20	**984.39**
Borrowings (other than debt securities)	88.26	90.13	127.64	467.32	622.76	671.14	27.46	5.79	**2,100.49**
Subordinated liabilities	0.83	5.26	0.83	2.49	9.16	39.94	79.44	-	**137.95**
	97.94	**99.20**	**134.32**	**484.79**	**919.77**	**1,050.17**	**324.66**	**111.99**	**3,222.84**

40 Disclosure as per Ind AS 101 First-time adoption of Indian Accounting Standards:

40.1 Overall principle:

The Company has prepared the opening balance sheet as per Ind AS as of 1st April, 2017 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below:

Mandatory exceptions and optional exemption

Classification of debt instruments:

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

Determining whether an arrangement contains a lease:

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

Classification and measurement of financial assets:

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Impairment of financial assets:

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Share based payments:

Ind AS 102 share based payment has not been applied to equity instruments in share-based payment transactions that vested before April 1, 2017.

Estimates:

The estimates at April 1, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Previous GAAP did not require estimation:

- FVPTL / FVOCI - equity and debt instrument.
- Impairment of financial assets based on expected credit loss model.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2017, the date of transition to Ind AS and as of March 31, 2018.

40.2 Reconciliation of equity as at March 31, 2019

₹ in crores

Sr. No.	Particulars	Refer Notes below	As at March 31, 2018			As at April 1, 2017		
			Previous GAAP	IndAS adjustments	IndAS	Previous GAAP	IndAS adjustments	IndAS
(1)	**Financial assets**							
(a)	Cash and cash equivalents		130.03	0.00	130.03	332.11	0.17	332.28
(b)	Bank balance other than (a) above		13.14	(0.11)	13.03	44.97	(0.29)	44.67
(c)	Other receivables		5.46	-	5.46	-	-	-
(d)	Loans	1 and 2	4,894.48	1.05	4,895.53	2,973.43	(133.36)	2,840.07
(e)	Investments		0.20	-	0.20	0.20	-	0.20
(f)	Other financial assets		12.45	0.11	12.56	7.76	0.12	7.88
(2)	**Non-financial assets**							
(a)	Current tax assets (net)		4.84	-	4.84	1.07	-	1.07
(b)	Deferred tax assets (net)	6	35.58	(5.58)	30.00	48.49	41.21	89.71
(c)	Property, plant and equipment		9.48	-	9.48	5.98	-	5.98
(d)	Capital work in progress		-	-	-	0.70	-	0.70
(e)	Intangible assets under development		1.06	-	1.06	2.33	-	2.33
(f)	Intangible assets		6.68	-	6.68	6.28	-	6.28
(g)	Other non-financial assets		5.50	(0.80)	4.70	7.28	(0.39)	6.89
	Total assets		**5,118.90**	**(5.33)**	**5,113.57**	**3,430.60**	**(92.54)**	**3,338.06**
(1)	**Financial liabilities**							
(a)	Payables							
	(I) Trade payables							
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		4.05	-	4.05	3.50	0.00	3.50
	(II) Other payables							
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		31.03	-	31.03	15.30	-	15.30
(b)	Borrowings	1						
	- Debt securities		793.05	(6.64)	786.41	743.68	(4.85)	738.83
	- Borrowings (other than debt securities)		2,762.30	(7.83)	2,754.46	1,867.63	(9.59)	1,858.04
	- Subordinated liabilities		83.04	(0.45)	82.59	88.59	(0.30)	88.29

₹ in crores

Sr. No.	Particulars	Refer Notes below	As at March 31, 2018			As at April 1, 2017		
			Previous GAAP	IndAS adjustments	IndAS	Previous GAAP	IndAS adjustments	IndAS
(2)	**Non-financial liabilities**							
(a)	Current tax liabilities (net)		-	-	-	10.15	-	10.15
(b)	Provisions	3	6.53	-	6.53	4.84	-	4.84
(c)	Other non-financial liabilities		11.02	-	11.02	6.09	-	6.09
(3)	**Equity**							
(a)	Equity share capital		128.43	-	128.43	85.68	-	85.68
(b)	Other equity		1,299.45	9.58	1,309.05	605.14	(77.80)	527.34
	Total liabilities and equity		**5,118.90**	**(5.33)**	**5,113.57**	**3,430.60**	**(92.54)**	**3,338.06**

40.3 Reconciliation of total comprehensive income for the year ended March 31, 2018

₹ in crores

Sr. No.	Particulars	Refer Notes below	For the year ended March 31, 2018		
			Previous GAAP	IndAS adjustments	IndAS
I	**Revenue from operations**				
(a)	Interest income	1	863.34	(3.65)	859.69
(b)	Dividend income		0.17	-	0.17
(c)	Net gain on fair value changes		4.11	-	4.11
(d)	Recovery against loans written offs		6.61	-	6.61
	Total revenue from operations (I)		**874.23**	**(3.65)**	**870.58**
II	**Other income**		0.95	-	0.95
III	**Total income (I+II)**		**875.18**	**(3.65)**	**871.53**
IV	**Expenses**				
(a)	Finance costs		353.83	(0.18)	353.65
(b)	Impairment of financial instruments	2	128.12	(141.54)	(13.42)
(c)	Employee benefits expenses	4	127.21	3.23	130.44
(d)	Depreciation, amortisation and impairment		5.17	-	5.17
(e)	Other expenses		67.99	(0.52)	67.47
	Total expenses (IV)		**682.32**	**(139.01)**	**543.31**
V	**Profit before tax (III-IV)**		**192.86**	**135.36**	**328.22**
VI	**Tax expense**				
	(1) Current tax		55.27	(0.47)	54.80
	(2) Deferred tax	6	12.91	47.99	60.90
	(3) Tax of earlier period		0.04	-	0.04
	Total tax expense (VI)		**68.22**	**47.52**	**115.74**
VII	**Profit / (loss) for the period (V-VI)**		**124.64**	**87.84**	**212.48**
VIII	**Other comprehensive income**	5	**-**	**(1.39)**	**(1.39)**
IX	**Total comprehensive income**		**124.64**	**86.45**	**211.09**

Notes:

1. **EIR on loans and borrowings:**

   "Under Previous GAAP, loan processing fees received in connection with loans portfolios recognized upfront and credited to profit or loss for the period. Under Ind AS, loan processing fee is credited to profit and loss using the effective interest rate method. The unamortized portion of loan processing fee is adjusted from the loan portfolio.

   For Borrowings under Previous GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under IndAS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

2 **Expected credit losses on loans:**

   Under the Ind AS, allowance is provided on the loans given to customers on the basis of percentage obtained by evaluating the loss of the previous years. Under Previous GAAP, the Company has created provision for loans and advances based on the provisioning norms prescribed in NBFC Master Directions. Under Ind AS, impairment allowance has veen determined based on Expected Loss model (ECL). Due to ECL model, the Company impaired its loans and advances. In addition, ECL on off balance sheet has also been determined as per Ind AS. The differential impact has been adjusted in Retained earning/ Profit and loss during the year. Under Previous GAAP, contingent provision against standard assets and provision for non-performing assets were presented under provisions. However, under Ind AS financial assets measured at amortised cost and FVOCI are presented net of provision for expected credit losses.

3 **Defined benefit obligations:**

   Both under Previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

4 **Share based payments:**

   Under Previous GAAP, the Company recognised only the intrinsic value for the share based payments plans as an expense. Ind AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period.

5 **Other comprehensive income**

   Under Previous GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Previous GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

6 **Deferred tax**

   Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Previous GAAP.

   In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

41 Earnings per share (EPS)

The following reflects the profit / loss after tax and equity share data used in the basic and diluted EPS calculations:

Particulars	March 31, 2019	March 31, 2018
Net profit/ (loss) after tax as per statement of profit and loss (₹ in crores)	321.76	212.48
Net profit/ (loss) as above for calculation of basic EPS and diluted EPS (₹ in crores)	321.76	212.48
Add: Interest on debentures convertible into equity shares (net of tax) (₹ in crores)	-	-
Net profit/ (loss) for calculation of diluted EPS (₹ in crores)	321.76	212.48
Weighted average number of equity shares in calculating basic EPS	137,706,065	101,638,978
Stock options granted under ESOP	1,312,700	1,265,720
Weighted average number of equity shares in calculating dilutive EPS	139,018,765	102,904,698
Earnings per share	23.37	20.91
Dilutive earnings per share[#]	23.14	20.65
Nominal value per share	10.00	10.00

 # Since the impact of conversion potential equity shares is anti-dilutive in nature, the same has not been taken in the calculation of diluted EPS.

As per our report of even date

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

per Shrawan Jalan
Partner
Membership No. 102102

Place: Mumbai
Date: May 08, 2019

For and on behalf of Board of Directors of
CreditAccess Grameen Limited
(Formerly known as Grameen Koota Financial Services Private Limited)

Udaya Kumar Hebbar
Managing Director & CEO
Place: Bangalore
Date: May 08, 2019

M N Gopinath
Chairman
Place: Mumbai
Date: May 08, 2019

Diwakar B R
Chief Financial Officer
Place: Atlanta, Georgia, USA
Date: May 08, 2019

Syam Kumar R
Company Secretary
Place: Bangalore
Date: May 08, 2019

VIII - **FINANCIAL** Statements

Independent **AUDITOR'S REPORT**

To the Members of CreditAccess Grameen Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of CreditAccess Grameen Limited (formerly, Grameen Koota Financial Services Private Limited)(the "Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act")with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, its profit, and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

2. As required by section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid financial statements comply with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014;

   (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 2 to this report;

   (g) 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, 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 financial statements – Refer Note 34 to the financial statements.

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

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

For S. R. BATLIBOI &CO. LLP
ICAI Firm registration number: 301003E/E300005
Chartered Accountants

per Jayesh Gandhi
Partner
Membership No. 037924

Mumbai
April 30, 2018

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

Re: CreditAccess Grameen Limited

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

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

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

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

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

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

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

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

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

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

(b) According to the information and explanations given to us, there are no dues of income tax, sales-tax, , service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank or dues to debenture holders.

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

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

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

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

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

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

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has complied with provisions of section 42 of the Act in respect of the preferential allotment or private placement of equity shares during the year. According to the information and explanations given by the management, we report that the amount raised have been used for the purposes for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.

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

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

For S. R. BATLIBOI &CO. LLP
ICAI Firm registration number: 301003E/E300005
Chartered Accountants

per Jayesh Gandhi
Partner
Membership No. 037924

Mumbai
April 30, 2018

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

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

We have audited the internal financial controls over financial reporting of CreditAccess Grameen Limited(the "Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 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, 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S. R. BATLIBOI &CO. LLP
ICAI Firm registration number: 301003E/E300005
Chartered Accountants

per Jayesh Gandhi
Partner
Membership No. 037924

Mumbai
April 30, 2018

Balance Sheet as at March 31, 2018

(Amount in Rupees unless otherwise stated)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
Equity and liabilities			
Shareholders' funds			
Share capital	3	1,284,273,370	856,813,430
Reserves and surplus	4	12,994,623,574	6,051,154,034
		14,278,896,944	6,907,967,464
Non-current Liabilities			
Long-term borrowings	5	14,800,024,489	11,758,818,397
Long-term provisions	6	1,006,184,637	307,232,507
		15,806,209,126	12,066,050,904
Current liabilities			
Other current liabilities	7	22,044,354,910	15,494,160,864
Short-term provisions	6	54,018,908	1,172,540,313
		22,098,373,818	16,666,701,177
TOTAL		**52,183,479,888**	**35,640,719,545**
Assets			
Non-current assets			
Property, plant and equipment	8	94,803,408	59,802,187
Intangible assets	9	66,795,241	62,819,651
Capital work-in-progress		-	7,036,220
Intangible assets under development		10,625,488	23,273,932
Non-current investments	10	2,000,000	2,000,000
Deferred tax asset	11	355,830,718	484,944,595
Loans and advances	12	15,900,275,682	6,376,146,360
Other non-current assets	13	55,511,470	119,575,979
		16,485,842,007	7,135,598,924
Current assets			
Cash and bank balances	14	1,381,525,579	3,636,880,860
Loans and advances	12	34,096,941,954	24,514,534,368
Other current assets	13	219,170,348	353,705,393
		35,697,637,881	28,505,120,621
TOTAL		**52,183,479,888**	**35,640,719,545**
Summary of significant accounting policies	**2.1**		
Accompanying notes are an integral part of the financial statements.			

As per our report of even date

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

per **Jayesh Gandhi**
Partner
Membership No.037924

Place: Mumbai
Date: April 30, 2018

For and on behalf of Board of Directors of CreditAccess Grameen Limited
(Formerly known as Grameen Koota Financial Services Private Limited)

Udaya Kumar Hebbar
Managing Director & CEO

M N Gopinath
Chairman

Diwakar B R
Chief Financial Officer
Place: Bengaluru
Date: April 30, 2018

Syam Kumar R
Company Secretary

Statement of profit and loss for the year ended March 31, 2018

(Amount in Rupees unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Income			
Revenue from operations	15	8,655,531,524	7,017,450,202
Other income	16	96,519,778	75,161,701
Total revenue (I)		**8,752,051,302**	**7,092,611,903**
Expenses			
Employee benefit expenses	17	1,272,099,345	1,046,846,826
Finance costs	18	3,545,678,632	3,242,532,733
Other expenses	19	672,845,983	507,021,387
Depreciation and amortisation expenses	20	51,687,481	44,326,457
Provision and write-offs	21	1,281,152,253	1,086,019,141
Total expenses (II)		**6,823,463,694**	**5,926,746,544**
Profit before tax (III)=(I)-(II)		**1,928,587,608**	**1,165,865,359**
Tax expense			
Current tax		552,675,017	813,334,620
Deferred tax charge/ (credit)		129,113,876	(401,325,779)
Short provision of tax relating to earlier years		384,936	1,306,248
Total tax expense (IV)		**682,173,829**	**413,315,089**
Profit for the year (III)-(IV)		**1,246,413,779**	**752,550,270**
Earnings per equity share [Nominal value of share Rs10]	**28**		
Basic (EPS) (Computed on the basis of profit for the year)		12.26	9.38
Diluted (DPS) (Computed on the basis of profit for the year)		12.11	9.26
Summary of significant accounting policies	**2.1**		
Accompanying notes are an integral part of the financial statements.			

As per our report of even date

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

per **Jayesh Gandhi**
Partner
Membership No.037924

Place: Mumbai
Date: April 30, 2018

For and on behalf of Board of Directors of CreditAccess Grameen Limited
(Formerly known as Grameen Koota Financial Services Private Limited)

Udaya Kumar Hebbar
Managing Director & CEO

M N Gopinath
Chairman

Diwakar B R
Chief Financial Officer

Syam Kumar R
Company Secretary

Place: Bengaluru
Date: April 30, 2018

Cash flow statement for the year ended March 31, 2018

(Amount in Rupees unless otherwise stated)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A.	**Cash flow from operating activities**		
	Profit before tax	**1,928,587,608**	**1,165,865,359**
	Adjustments for:		
	Depreciation and amortization	51,687,481	44,326,457
	Provision for gratuity	17,673,400	14,384,403
	Provision for leave encashment and availment	24,235,713	21,404,737
	Bad debts written off	1,616,229,800	22,181,493
	Loss on sale of property, plant and equipments	3,951	666,338
	Provision for standard assets	(1,290,183,669)	1,057,817,251
	Provision for non-performing assets	955,106,122	6,020,397
	Stock option expenditure	21,108,928	6,220,156
	Payment of processing fee towards borrowings (considered in financing activities)	46,468,400	136,360,534
	Amortisation of share issue expenses	(4,197,087)	2,516,725
	Profit on sale of current investments	(40,785,801)	(35,641,674)
	Dividend income on current investments	(1,701,329)	-
	Other provisions and write offs	9,536	(3,883,130)
	Loss on foreign exchange	337,505	-
	Operating profit before working capital changes	**3,324,580,557**	**2,438,239,046**
	Movements in working capital:		
	Increase in other liabilities	191,006,629	(280,156,882)
	Increase in loans and advances	(20,684,539,762)	(6,155,391,571)
	Decrease in trade receivables	5,839,937	-
	Decrease in margin money deposits	283,350,425	676,286,994
	Decrease in other assets	162,899,980	(195,740,404)
	Cash used in operations	**(16,716,862,234)**	**(3,516,762,817)**
	Direct taxes paid (net of refunds)	(674,750,326)	(731,243,002)
	Net cash used in operating activities (A)	**(17,391,612,560)**	**(4,248,005,819)**
B.	**Cash flow from investing activities :**		
	Purchase of property, plant and equipment	(59,234,992)	(41,943,386)
	Purchase of intangible assets	(11,941,152)	(43,016,939)
	Proceeds from sale of property, plant and equipment	192,564	398,081
	Cash and cash equivalents acquired pursuant to the Scheme of Arrangement (refer Note 37)	531,865,671	-
	Purchase of current investments	(33,504,500,000)	(23,249,000,000)
	Sale of current investments	33,579,068,120	23,284,641,674
	Net cash used in investing activities (B)	**535,450,211**	**(48,920,570)**
C.	**Cash flow from financing activities :**		
	Long-term borrowings (net)	11,346,270,254	4,549,198,490
	Short-term borrowings (net)	-	(200,000,000)

	Proceeds from issuance of equity share capital including securities premium	3,535,584,801	1,500,000,000
	Payment of processing fee towards borrowings	(46,468,400)	(58,026,915)
	Net cash from financing activities (C)	**14,835,386,655**	**5,791,171,575**
	Net increase/(decrease) in cash and cash equivalents (A) + (B) + (C)	**(2,020,775,694)**	**1,494,245,186**
	Cash and cash equivalents as at the beginning of the period	3,321,079,733	1,826,834,547
	Cash and cash equivalents as at end of the year (refer Note 14 for components)	**1,300,304,039**	**3,321,079,733**
	Components of cash and cash equivalents at the end of the year		
	Cash on hand	108,920,755	83,572,677
	Balance with banks - on current account	1,171,383,284	737,507,056
	Deposits with original maturity of less than 3 months	20,000,000	2,500,000,000
		1,300,304,039	**3,321,079,733**
		(0)	(0)
	Summary of significant accounting policies (Refer note 2.1) Accompanying notes are an integral part of the financial statements.		

As per our report of even date

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

per **Jayesh Gandhi**
Partner
Membership No.037924

Place: Mumbai
Date: April 30, 2018

For and on behalf of Board of Directors of CreditAccess Grameen Limited
(Formerly known as Grameen Koota Financial Services Private Limited)

Udaya Kumar Hebbar
Managing Director & CEO

M N Gopinath
Chairman

Diwakar B R
Chief Financial Officer

Syam Kumar R
Company Secretary

Place: Bengaluru
Date: April 30, 2018

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

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 is engaged primarily in providing micro finance services to women who are enrolled as members and organized as Joint Liability Groups ('JLG').

In addition to the core business of providing micro-credit, the Company uses its distribution channel to provide certain other financial products and services to the members.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) notified under section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI. The financial statements have been prepared on an accrual basis and under the historical cost convention except as detailed in note 2.1 (b).

The accounting policies adopted in the preparation of financial statements are consistent with those applied in the preparation of the financial statements for the year ended March 31, 2017.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. The Company has ascertained its operating cycle as 12 months for the above purpose.

2.1 Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Change in estimates for provisioning towards loan portfolio

During the year, the Company has revised its estimates relating to loan provisioning whereby only the overdue instalments of a non-performing asset ('NPA') shall be subjected to provisioning as against the entire loan outstanding, which is in line with the methodology prescribed by RBI for NBFC-MFIs. Further, the Company has also revised its estimates of provisioning towards standard assets. As a result of these changes in the loan provisioning estimates, the overall provisioning for loan portfolio for the year ended March 31, 2018 is lower by Rs 47.40 crores. Refer note 2.1(s) for the norms applicable in the current year.

Additional write off of loan portfolio

During the year, the Company has also performed a qualitative assessment of its delinquent loan portfolio whereby loans aggregating Rs 129.74 crores have been written off in addition to the write-offs as per the norms stated in note 2.1(s). Consequently, the provision of Rs 96.66 crores held against such loans has been written-back thereby resulting in a net additional charge of Rs 33.08 crores to the profit before tax.

b. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i. Interest income on loans given is recognised under the internal rate of return method with reference to the contractual rate of interest and outstanding principal. Income or any other charges on non-performing asset is recognised only when realized. Any such income recognised before the asset became non-performing and remaining unrealized is reversed.

ii. Interest income on deposits with banks and financial institutions is recognised on a time proportion accrual basis taking into account the amount outstanding and the rate applicable.

iii. Loan processing fees collected from members are recognised on an up front basis at the time of disbursement of the loan.

iv. Profit / premium arising at the time of securitization of loan portfolio is amortized over the life of the underlying loan portfolio / securities and any loss arising therefrom is accounted for immediately. Income from excess interest spread is recognized in the statement of profit and loss account net of any losses at the time of actual receipt.

v. Dividend income is recognised when the right to receive payment is established by the balance sheet date.

vi. All other incomes are recognised on an accrual basis.

c. Property, plant and equipment

Property, plant and equipment are stated at historical cost 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.

d. Intangible assets

Computer software are stated at the cost of acquisition and are amortized over a period of five years, based on expected future economic benefits accruing to the Company from the year of acquisition.

e. Depreciation

Depreciation on property, plant and equipment is provided 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 equipment	05
Vehicles	08
Buildings	30
Electrical equipment	10
Computers (including Servers)	03

Leasehold improvement is amortized 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 Companies Act, 2013.

f. Impairment

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.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

g. Leases (where the Company is the lessee)

Leases where the lessor effectively retains, substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

h. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis except for investments in the units of mutual funds in the nature of current investments that have been valued at the net asset value declared by the mutual fund in respect of each particular scheme, in accordance with the NBFC directions. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments. On disposal of an investment the difference between carrying amount and net disposal proceeds are charged or credited to the statement of profit and loss.

i. Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Ancillary borrowing costs incurred in connection with arrangement of borrowing are recognised in the period in which they are incurred.

j. Foreign currency transactions

i. All transactions in foreign currency are recognised at the exchange rate prevailing on the date of the transaction.

ii. Foreign currency monetary items are reported using the exchange rate prevailing at the close of the period.

iii. 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.

k. Retirement and other employee benefits

i. 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.

ii. 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. Actuarial gains and losses for defined benefit plans are recognised in full in the year in which they occur in the statement of profit and loss.

iii. 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. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. 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.

iv. 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.

l. Income taxes

i. Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961, enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

ii. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

iii. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

iv. The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

v. Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax

Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

m. Earnings per share

Basic earnings per share is 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 year. Partly paid equity shares are treated as fraction of an equity share to the extent that they were entitled to participate in dividends related 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 year are adjusted for the effects of all dilutive potential equity shares.

n. Provisions

A provision is recognised when the Company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

o. Contingent liabilities

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.

p. Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank and short-term investments with an original maturity of three months or less.

q. Share based payments

In case of stock option plan, measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India as applicable for equity-settled share based payments.

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

r. Asset classification of loan portfolio

A) Joint liability group ('JLG') loans

Asset classification	Arrear period
Standard assets	Overdue for less than 90 days
Non-performing assets	Overdue for 90 days or more

B) Individual loans

Asset classification	Arrear period
Standard assets	Overdue for less than 90 days
Non-performing assets	Overdue for 90 days or more
Substandard assets	Assets classified as non-performing for a period not exceeding 360 days
Doubtful assets	Assets classified as sub-standard for a period exceeding 360 days

"Overdue" refers to interest and / or instalment remaining unpaid from the day it became receivable.

s. Provisioning norms for loan portfolio

I. Applicable for the year ended March 31, 2017

Loans are provided for and written off as per management estimates, subject to the minimum provisioning required as per the Master Directions

Asset classification	Rate of provisioning
Standard assets	1%
Substandard assets	100%
Loss assets	Written off

II. Applicable for the year ended March 31, 2018

The overall provision for loan portfolio is determined based on management estimates and as per the below mentioned provisioning rates subject to the minimum provision prescribed in the NBFC Master Directions:

(A) Provisioning norms for Joint Liability Group (JLG) loans shall be **higher of following:**

1. 2% of outstanding loan portfolio; or
2. a. 50% of the aggregate overdue loan installments in respect of loan accounts which are overdue for 90 days or more and less than 180 days, and

   b. 100% of the aggregate overdue loan installments in respect of loan accounts which are overdue for 180 days or more.

Any provision, determined as above, which in excess of the carrying value of the non-performing loan portfolio shall be recognised as "Contingent provision against standard assets"

(B) Provisioning norms for Individual Loans shall be higher of following:

1. 2% of the outstanding loan portfolio;or
2. Aggregate of provisioning as per below table:

Asset classification		Provision(%) on outstanding
Standard	Overdue for less than 90 days	0.40%
Sub-standard	Asset classified as NPA for a period not exceeding 360 days	10%
Doubtful	A) Secured loan asset classified as doubtful	
	i) For a period not exceeding 360 days	20%
	ii) For more than 360 days but less than 540 days	70%
	iii) For more than 540 days	100%
	B) Unsecured loan asset	100%

(C) Norms for write-off of JLG and Individual loans:

Overdue loans shall be fully written off from the books of accounts during the quarter subsequent to the one in which 100% provision is made against the loan account in case of both JLG loans and individual loans.

t. Share issue expenses

Expenses incurred in connection with issue of equity shares are amortized over a period of five years.

u. Amalgamation accounting

The Company treats an amalgamation in the nature of merger if it satisfies all of the following criteria:

i. All the assets and liabilities of the transferor company become, after amalgamation, the assets and liabilities of the transferee company.

ii. Shareholders holding not less than 90% of the face value of the equity shares of the transferor company (other than the equity shares already held therein, immediately before the amalgamation, by the transferee company or its subsidiaries or their nominees) become equity shareholders of the transferee company.

iii. The consideration for amalgamation receivable by those equity shareholders of the transferor company who agree to become shareholders of the transferee company is discharged by the transferee company wholly by the issue of equity shares, except that cash may be paid in respect of any fractional shares.

iv. The business of the transferor company is intended to be carried on, after the amalgamation, by the transferee company.

v. The transferee company does not intend to make any adjustment to the book values of the assets and liabilities of the transferor company, except to ensure uniformity of accounting policies.

Any amalgamation in the nature of merger is accounted for using the pooling of interest method. The application of this method requires the Company to recognize any non-cash element of the consideration at fair value. The Company recognizes assets, liabilities and reserves, whether capital or revenue, of the transferor company at their existing carrying amounts and in the same form as at the date of the amalgamation. The balance in the statement of profit and loss of the transferor company is transferred to the statement of profit and loss of the Company. The difference between the amount recorded as share capital issued, plus any additional consideration in the form of cash or other assets, and the amount of share capital of the transferor company is adjusted in reserves.

3. Share capital

(Amount in Rupees unless otherwise stated)

Particulars	31-Mar-18	31-Mar-17
Authorised share capital		
160,000,000 (March 31, 2017: 91,000,000) equity shares Rs10 each	1,600,000,000	910,000,000
Issued, subscribed and fully paid up shares:		
128,427,337 (March 31, 2017: 85,681,343) equity shares of Rs10 each fully paid	1,284,273,370	856,813,430
Total issued, subscribed and fully paid-up share capital	**1,284,273,370**	**856,813,430**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity shares	31-Mar-18		31-Mar-17	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	85,681,343	856,813,430	72,953,433	729,534,330
Issued during the year	42,745,994	427,459,940	12,727,910	127,279,100
Outstanding at the end of the year	**128,427,337**	**1,284,273,370**	**85,681,343**	**856,813,430**

(b) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. Any dividends proposed by the Board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Equity shares of Rs10 each fully paid-up	31-Mar-18		31-Mar-17	
	No. of Shares	% holdings in the Class	No. of Shares	% holdings in the Class
CreditAccess Asia NV (Holding Company)	126,985,513	98.88%	85,203,532	99.44%

As per the records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(d) For details of shares reserved for issue under the Employee Stock Option (ESOP) plan of the Company refer Note 33.

(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-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	4,890,140	-
Equity shares alloted to CreditAccess Asia N.V in lieu of conversion of compulsorily convertible debentures	12,987,012	
Total	**17,877,152**	**-**

In addition, the Company has issued 1,013,750 equity shares (31-Mar-17:Nil) during the period of five years immediately preceeding the reporting date on exercise of options granted under the employees stock option plan wherein part consideration was received in form of employee services.

4. Reserves and surplus

(Amount in Rupees unless otherwise stated)

Particulars	31-Mar-18	31-Mar-17
Securities premium account		
Balance as per last financial statements	3,659,796,257	2,287,075,357
Add: Premium on shares issued during the year	3,252,934,658	1,372,720,900
Add: Premium on conversion of Compulsorily Convertible Debentures into Equity	1,870,129,728	-
Add: Transfer from stock option outstanding account on exercise of options non cash portion	8,514,375	-
Add: Premium on exercise of stock options	33,961,875	-
Closing balance	**8,825,336,893**	**3,659,796,257**
Capital Reserve		
Balance as per last financial statements	-	-
Add: Adjustment pursuant to the Scheme (refer Note 37)	499,498,600	-
Closing balance	**499,498,600**	**-**
Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)		
Balance as per last financial statements	481,680,535	331,170,481
Add: Amount transferred from the surplus balance of profit and loss	249,282,756	150,510,054
Add: Adjustment pursuant to the Scheme (refer Note 37)	4,697,737	-
Closing balance	**735,661,028**	**481,680,535**
Stock options outstanding		
Balance as per last financial statements	13,103,526	6,883,370
Add: Employee stock option compensation for the year (refer Note 17)	21,108,928	6,220,156
Less: Transferred to Securities premium account on exercise of options	(8,514,375)	-
Closing balance	**25,698,079**	**13,103,526**
Surplus in the statement of profit and loss		
Balance as per last financial statements	1,896,573,716	1,294,533,501
Add: Profit for the year	1,246,413,779	752,550,270
Add: Adjustment pursuant to the Scheme (refer Note 37)	14,724,235	-
Less: Transfer to statutory reserve as required by Sec 45-IC of Reserve Bank of India Act, 1934	(249,282,756)	(150,510,054)
Net surplus in the statement of profit or loss	**2,908,428,974**	**1,896,573,716**
Total reserves and surplus	**12,994,623,574**	**6,051,154,034**

5. Long-term borrowings

(Amount in Rupees unless otherwise stated)

Particulars	Non-current portion		Current maturities	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Non-convertible Debentures **Secured**				
250 (March 31, 2017: 250, 12.24%) 12.24% Secured Redeemable Non-convertible Debentures of face value of Rs 1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. November 25, 2013. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	250,000,000	250,000,000	-	-
250 (March 31, 2017: 250, 12.33%) 12.33% Secured Redeemable Non-convertible Debentures of face value of Rs1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. November 25, 2013. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	250,000,000	250,000,000	-	-
300 (March 31, 2017: 300, 12.10%) 12.10% Secured Redeemable Non-convertible Debentures of face value of Rs1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. February 26, 2014. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	300,000,000	300,000,000	-	-
580 (March 31, 2017: 580, 14.16%) 14.16% Secured Redeemable Non-convertible Debentures of face value of Rs 1,000,000 each redeemable on May 13, 2018 (25%) and November 13, 2018 (75%)	-	580,000,000	580,000,000	-
300 (March 31, 2017: 300, 14.7%) 11.80% Secured Redeemable Non-convertible Debentures of face value of Rs 1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. July 25, 2014. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	300,000,000	-	-	300,000,000

Particulars	Non-current portion		Current maturities	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
450 (March 31, 2017: 450, 15%) 15% Secured Redeemable Non-convertible Debentures of face value of Rs1,000,000 each, Rs 150,000,000 is redeemable after 2 years and balance at the end of three years from the date of allotment i.e. October 22, 2014.	-	-	-	300,000,000
300 (March 31, 2017: 300, 14.50%) 14.50% Secured Redeemable Non-convertible Debentures of face value of Rs1,000,000 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.	-	300,000,000	300,000,000	-
630 (March 31, 2017: 630, 14.50%) 14.50% Secured Redeemable Non-convertible Debentures of face value of Rs1,000,000 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. June 30, 2015. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	630,000,000	630,000,000	-
370 (March 31, 2017: 370, 14.09%) 14.09% Secured Redeemable Non-convertible Debentures of face value of Rs1,000,000 each redeemable after four years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. August 19, 2015. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	370,000,000	370,000,000	-
1,000 (March 31, 2017: 1,000, 13.15%) 13.15% Secured Redeemable Non-convertible Debentures of face value of Rs1,000,000 each redeemable after six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. October 29, 2015. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	1,000,000,000	1,000,000,000	-
1,000 (March 31, 2017: 1,000, 12.30%) 12.30% Secured Redeemable Non-convertible Debentures of face value of Rs1,000,000 each redeemable after six years (subject to exercise of put option by the lender at the end of three	1,000,000,000	1,000,000,000	-	-

Particulars	Non-current portion		Current maturities	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
years) from the date of allotment i.e. September 15, 2016. Redeemable on maturity if option not excercised or communication for roll-over received from lender.				
1,000 (March 31, 2017: Nil) 11.60% Secured Redeemable Non-convertible Debentures of face value of Rs1,000,000 each redeemable after six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. July 31, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	1,000,000,000	-	-	-
1,350 (March 31, 2017: Nil) 10.34% Secured Redeemable Non-convertible Debentures of face value of Rs1,000,000 each redeemable after five years from the date of allotment i.e. May 31, 2017.	1,350,000,000	-	-	-
195 (March 31, 2017: Nil) 11.53% Secured Redeemable Non-convertible Debentures of face value of Rs1,000,000 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.	195,000,000	-	-	-
195 (March 31, 2017: Nil) 11.47% Secured Redeemable Non-convertible Debentures of face value of Rs1,000,000 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.	195,000,000	-	-	-
Nature of security The above debentures are secured by way of first and exclusive charge over eligible book debts of the Company.				
Non-convertible Debentures **Unsecured**				
21 (March 31, 2017: 21, 16.78%) 16.78% Unsecured Redeemable Non-convertible Debentures of face value of Rs5,000,000 each redeemable at par in four equal installments on May 5, 2017,	-	52,500,000	52,500,000	52,500,000

Particulars	Non-current portion		Current maturities	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
November 5, 2017, May 5, 2018 and November 5, 2018 respectively.				
1,140 (March 31, 2017: 1,140, 14.95%) 14.95% (net of withholding tax as applicable) Unsecured Redeemable Non-convertible Debentures of face value of Rs100,000 each redeemable at par on May 5, 2019.	114,000,000	114,000,000	-	-
Compulsorily convertible debentures				
Unsecured				
Nil (March 31, 2017: 2,000, 13.50%) 13.50% (net of withholding tax as applicable) Unsecured Compulsorily Convertible Debentures of face value of Rs10,000,000 each convertible into equity shares with an option to exercise at Rs140, Rs158, Rs180 and Rs204 per equity share at the end of financial years 2017-18, 2018-19, 2019-20 and 2020-21 respectively issued to a related party (Refer Note 23).	-	-	-	2,000,000,000
Term loans				
Secured				
Indian rupee loan from banks	6,963,191,163	2,237,347,640	15,204,056,047	8,694,793,973
Indian rupee loan from financial institutions	2,232,833,326	3,662,290,331	2,729,357,005	2,644,768,936
Indian rupee loan from non banking financial companies	-	300,180,426	300,180,424	831,466,405
Unsecured				
Indian rupee loan from financial institutions	400,000,000	400,000,000	-	-
Indian rupee loan from non banking financial companies	250,000,000	312,500,000	62,500,000	100,000,000
	14,800,024,489	**11,758,818,397**	**21,228,593,476**	**14,923,529,314**
The above amount includes				
Secured borrowings*	14,036,024,489	10,879,818,397	21,113,593,476	12,771,029,314
Unsecured borrowings**	764,000,000	879,000,000	115,000,000	2,152,500,000
Amount disclosed under the head "other current liabilities" (refer Note 7)	-	-	(21,228,593,476)	(14,923,529,314)
Net amount	**14,800,024,489**	**11,758,818,397**	**-**	**-**

* The Indian rupee loans are secured by hypothecation of book debts and margin money deposits.

** Unsecured borrowings are in the nature of subordinated debts, term loans and compulsorily convertible debentures.

5. Long-term borrowings

Terms of repayment of long term borrowings as on March 31, 2018

(Amount in Rupees unless otherwise stated)

Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
		No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Monthly														
	7.5%-8.0%	12	100,000,000	12	100,000,000	-	-	-	-	-	-	-	-	200,000,000
	8%-8.5%	12	85,000,001	11	77,916,667	-	-	-	-	-	-	-	-	162,916,668
	8.5%-9%	71	1,591,666,677	55	1,091,666,655	-	-	-	-	-	-	-	-	2,683,333,333
	9%-9.5%	138	3,056,793,070	125	2,418,654,549	3	49,100,000	-	-	-	-	-	-	5,524,547,619
	9.5%-10%	171	2,244,415,150	103	1,112,467,528	3	14,583,356	-	-	-	-	-	-	3,371,466,034
	10%-10.5%	157	1,806,744,450	33	578,885,702	5	142,000,000	-	-	-	-	-	-	2,527,630,152
1-3 years	10.5%-11%	68	1,165,841,279	21	438,295,444	-	-	-	-	-	-	-	-	1,604,136,723
	11%-11.5%	22	151,135,782	-	-	-	-	-	-	-	-	-	-	151,135,782
	11.5%-12%	18	232,739,925	-	-	-	-	-	-	-	-	-	-	232,739,925
	12%-12.5%	17	113,233,724	-	-	-	-	-	-	-	-	-	-	113,233,724
	13%-13.5%	8	67,776,769	-	-	-	-	-	-	-	-	-	-	67,776,769
	13.5%-14%	3	9,091,000	-	-	-	-	-	-	-	-	-	-	9,091,000
	14%-14.5%	5	45,833,330	-	-	-	-	-	-	-	-	-	-	45,833,330
	9%-9.5%	12	72,727,272	12	72,727,272	9	54,545,456	-	-	-	-	-	-	200,000,000
	10%-10.5%	34	218,297,094	24	142,539,514	12	51,630,442	-	-	-	-	-	-	412,467,050
Above 3 years	12%-12.5%	12	40,243,739	-	-	-	-	-	-	-	-	-	-	40,243,739
	13.5%-14%	1	780,400	-	-	-	-	-	-	-	-	-	-	780,400
	14%-14.5%	2	16,666,670	-	-	-	-	-	-	-	-	-	-	16,666,670
Quarterly														
	8%-8.5%	4	390,000,000	-	-	-	-	-	-	-	-	-	-	390,000,000
	8.5%-9%	12	425,000,000	9	331,250,000	-	-	-	-	-	-	-	-	756,250,000
	9%-9.5%	9	244,285,714	12	325,714,286	-	-	-	-	-	-	-	-	570,000,000
1-3 years	9.5%-10%	8	386,571,426	2	85,714,290	-	-	-	-	-	-	-	-	472,285,716
	10%-10.5%	1	75,000,000	-	-	-	-	-	-	-	-	-	-	75,000,000
	11%-11.5%	3	75,000,000	-	-	-	-	-	-	-	-	-	-	75,000,000
	12%-12.5%	1	31,250,000	-	-	-	-	-	-	-	-	-	-	31,250,000
Half Yearly														
1-3 years	11%-11.5%	1	166,666,665	-	-	-	-	-	-	-	-	-	-	166,666,665
	11.5%-12%	2	166,666,670	-	-	-	-	-	-	-	-	-	-	166,666,670
	10.5%-11%	8	1,125,000,004	8	1,125,000,004	8	280,000,000	8	150,000,000	5	94,999,990	-	-	2,774,999,998
Above 3 years	11.5%-12%	2	666,666,666	1	333,333,333	-	-	-	-	-	-	-	-	999,999,999
	14%-14.5%	2	580,000,000	-	-	-	-	-	-	-	-	-	-	580,000,000
	16.5%-17%	2	52,500,000	-	-	-	-	-	-	-	-	-	-	52,500,000
Annually														
1-3 years	8.5%-9%	1	125,000,000	1	125,000,000	-	-	-	-	-	-	-	-	250,000,000
Bullet														
	8%-8.5%	8	1,925,000,000	-	-	-	-	-	-	-	-	-	-	1,925,000,000
	8.5%-9%	3	550,000,000	-	-	-	-	-	-	-	-	-	-	550,000,000
	9%-9.5%	1	250,000,000	-	-	-	-	-	-	-	-	-	-	250,000,000
	9.5%-10%	2	325,000,000	-	-	-	-	-	-	-	-	-	-	325,000,000
1-3 years	10%-10.5%	1	180,000,000	-	-	-	-	-	-	-	-	-	-	180,000,000
	11.5%-12%	-	-	-	-	3	1,390,000,000	-	-	-	-	-	-	1,390,000,000
	12%-12.5%	-	-	1	1,000,000,000	-	-	-	-	-	-	-	-	1,000,000,000
	13%-13.5%	1	1,000,000,000	-	-	-	-	-	-	-	-	-	-	1,000,000,000
	14.5%-15%	1	630,000,000	-	-	-	-	-	-	-	-	-	-	630,000,000
	10%-10.5%	1	170,000,000	-	-	1	445,500,000	1	445,500,000	1	459,000,000	-	-	1,520,000,000
	11.5%-12%	-	-	-	-	1	300,000,000	-	-	-	-	-	-	300,000,000
	12%-12.5%	-	-	3	800,000,000	-	-	-	-	-	-	-	-	800,000,000
Above 3 years	14%-14.5%	1	370,000,000	-	-	-	-	-	-	-	-	-	-	370,000,000
	14.5%-15%	1	300,000,000	-	-	-	-	1	250,000,000	-	-	-	-	550,000,000
	15.5%-16%	-	-	-	-	-	-	1	400,000,000	-	-	-	-	400,000,000
	16.5%-17%	-	-	1	114,000,000	-	-	-	-	-	-	-	-	114,000,000
Grand Total		**839**	**21,228,593,476**	**434**	**10,273,165,246**	**45**	**2,727,359,254**	**11**	**1,245,500,000**	**6**	**553,999,990**	**-**	**-**	**36,028,617,966**

5. Long-term borrowings

Terms of repayment of long term borrowings as on March 31, 2017

(Amount in Rupees unless otherwise stated)

Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
		No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Monthly														
1-3 years	10%-10.5%	3	534,090,906	-	-	-	-	-	-	-	-	-	-	534,090,906
	11%-11.5%	3	680,000,006	-	-	-	-	-	-	-	-	-	-	680,000,006
	11.5%-12%	8	932,954,526	-	-	-	-	-	-	-	-	-	-	932,954,526
	12%-12.5%	8	697,936,532	-	-	-	-	-	-	-	-	-	-	697,936,532
	12.5%-13%	6	193,533,813	-	-	-	-	-	-	-	-	-	-	193,533,813
	13%-13.5%	6	199,932,339	-	-	-	-	-	-	-	-	-	-	199,932,339
	14%-14.5%	1	41,666,661	-	-	-	-	-	-	-	-	-	-	41,666,661
	9.0%-10%	1	142,857,140	-	-	-	-	-	-	-	-	-	-	142,857,140
Above 3 years	10%-10.5%	14	1,071,489,912	14	511,161,606	14	39,015,141	14	12,500,000	-	-	-	-	1,634,166,659
	10.5%-11%	5	507,100,005	5	208,333,328	-	-	-	-	-	-	-	-	715,433,333
	11%-11.5%	7	645,949,946	7	273,148,925	-	-	-	-	-	-	-	-	919,098,871
	11.5%-12%	3	260,909,099	3	49,393,925	-	-	-	-	-	-	-	-	310,303,024
	12%-12.5%	11	1,369,166,936	11	637,474,830	-	-	-	-	-	-	-	-	2,006,641,766
	12.5%-13%	1	65,628,000	1	54,682,000	-	-	-	-	-	-	-	-	120,310,000
	13%-13.5%	5	297,621,640	5	77,648,169	-	-	-	-	-	-	-	-	375,269,809
	14%-14.5%	3	100,000,000	3	62,500,000	-	-	-	-	-	-	-	-	162,500,000
	9.0%-10%	3	465,199,051	3	170,567,623	3	9,166,659	-	-	-	-	-	-	644,933,333
Quarterly														
1-3 years	10%-10.5%	3	235,707,089	-	-	-	-	-	-	-	-	-	-	235,707,089
	11.5%-12%	1	37,500,000	-	-	-	-	-	-	-	-	-	-	37,500,000
	12.5%-13%	2	16,666,665	-	-	-	-	-	-	-	-	-	-	16,666,665
Above 3 years	10%-10.5%	1	300,000,000	1	75,000,000	-	-	-	-	-	-	-	-	375,000,000
	10.5%-11%	1	154,285,712	1	47,142,860	-	-	-	-	-	-	-	-	201,428,572
	11.5%-12%	1	100,000,000	1	75,000,000	-	-	-	-	-	-	-	-	175,000,000
	12%-12.5%	1	125,000,000	1	31,250,000	-	-	-	-	-	-	-	-	156,250,000
Half Yearly														0
Above 3 years	10.5%-11%	3	825,000,002	3	825,000,002	3	825,000,002	3	110,000,000	3	110,000,000	3	54,999,994	2,750,000,000
	11%-11.5%	1	333,333,334	1	166,666,665	-	-	-	-	-	-	-	-	499,999,999
	11.5%-12%	4	1,000,000,000	4	833,333,336	4	333,333,332	-	-	-	-	-	-	2,166,666,668
	16.5%-17%	1	52,500,000	1	52,500,000	-	-	-	-	-	-	-	-	105,000,000
Annually														0
1-3 years	15%-15.5%	1	300,000,000	-	-	-	-	-	-	-	-	-	-	300,000,000
Bullet														
1-3 years	10%-10.5%	2	312,500,000	2	-	-	-	-	-	-	-	-	-	312,500,000
	10.5%-11%	2	232,500,000		-	-	-	-	-	-	-	-	-	232,500,000
	11%-11.5%	2	212,500,000		-	-	-	-	-	-	-	-	-	212,500,000
	11.5%-12%	1	180,000,000		-	-	-	-	-	-	-	-	-	180,000,000
	14%-14.5%	-	-		-	1	580,000,000	-	-	-	-	-	-	580,000,000
	14.5%-15%	1	300,000,000		-	-	-	-	-	-	-	-	-	300,000,000
Above 3 years	10%-10.5%	-	-	1	170,000,000	-	-	-	-	-	-	-	-	170,000,000
	12%-12.5%	-	-	-	-	2	1,300,000,000	-	-	-	-	-	-	1,300,000,000
	13%-13.5%	-	-	1	1,000,000,000	-	-	-	-	-	-	-	-	1,000,000,000
	14%-14.5%	-	-	2	370,000,000	2	500,000,000	-	-	-	-	-	-	870,000,000
	14.5%-15%	-	-	3	930,000,000	-	-	-	-	3	250,000,000	-	-	1,180,000,000
	15%-15.5%	1	2,000,000,000	-	-	-	-			-	-	-	-	2,000,000,000
	15.5%-16%	-	-	-	-	-	-	-	-	1	400,000,000	-	-	400,000,000
	16.5%-17%	-	-	-	-	1	114,000,000	-	-	-	-	-	-	114,000,000
	9.0%-10%	-	-	2	500,000,000	-	-	-	-	-	-	-	-	500,000,000
Grand Total		**117**	**14,923,529,314**	**76**	**7,120,803,269**	**30**	**3,700,515,134**	**17**	**122,500,000**	**7**	**760,000,000**	**3**	**54,999,994**	**26,682,347,711**

6. Provisions

(Amount in Rupees unless otherwise stated)

Particulars	Long term		Short term	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Provision for employee benefits				
Provision for gratuity	17,673,400	14,384,403	-	-
Provision for leave encashment and availment	-	-	47,609,292	34,010,455
	17,673,400	**14,384,403**	**47,609,292**	**34,010,455**
Other provisions				
Contingent provision against standard assets (refer Note 29)	7,585,642	267,028,631	6,409,616	1,037,150,296
Provision for non-performing assets (refer Note 29)	980,925,595	25,819,473	-	-
Provision for taxation	-	-	-	101,379,562
	988,511,237	**292,848,104**	**6,409,616**	**1,138,529,858**
Total	**1,006,184,637**	**307,232,507**	**54,018,908**	**1,172,540,313**

7. Other current liabilities

(Amount in Rupees unless otherwise stated)

Particulars	31-Mar-18	31-Mar-17
Expenses and other payables	257,876,600	113,127,435
Employee benefit payables	144,473,975	105,580,936
Other liabilities		
Current maturities of long-term borrowings (refer Note 5)	21,228,593,476	14,923,529,314
Interest accrued but not due:		
On term loans	130,856,889	146,601,833
On debentures	224,395,104	169,970,790
Statutory dues payable	57,808,879	33,876,204
Unamortized income		
Unamortised interest income	349,987	1,474,352
Total	**22,044,354,910**	**15,494,160,864**

8. Property, plant and equipment

(Amount in Rupees unless otherwise stated)

Particulars	Computerr Equipment	Electrical Fixtures	Furniture & Improvement	Leasehold	Office equipment	Vehicles	Total
As at April 1, 2016	**35,701,109**	**2,005,154**	**22,099,432**	**20,956,615**	**19,005,573**	**5,858,155**	**105,626,038**
Additions	11,939,859	923,160	11,561,810	3,537,870	5,924,312	1,020,155	34,907,166
Disposals	1,412,735	235,395	1,045,072	-	2,299,430	665,463	5,658,095
As at March 31, 2017	**46,228,233**	**2,692,919**	**32,616,170**	**24,494,485**	**22,630,455**	**6,212,847**	**134,875,109**
Additions	15,809,025	1,032,168	10,972,277	18,495,052	19,962,690	-	66,271,212
Disposals	19,917	-	60,476	-	954,578	-	1,034,971
As at March 31, 2018	**62,017,341**	**3,725,087**	**43,527,971**	**42,989,537**	**41,638,567**	**6,212,847**	**200,111,350**
Depreciation							
As at April 1, 2016	22,157,244	1,710,972	13,291,501	3,514,995	10,236,276	1,536,284	52,447,272
Depreciation charge for the year	9,510,800	900,177	8,942,127	3,976,662	3,125,531	764,029	27,219,326
Disposals	1,257,707	186,931	745,207	-	1,738,368	665,463	4,593,676
As at March 31, 2017	**30,410,337**	**2,424,218**	**21,488,421**	**7,491,657**	**11,623,439**	**1,634,850**	**75,072,922**
Depreciation charge for the year	11,044,820	977,998	7,531,139	5,678,435	5,059,935	781,148	31,073,475
Disposals	19,917	-	56,450	-	762,088	-	838,455
As at March 31, 2018	**41,435,240**	**3,402,216**	**28,963,110**	**13,170,092**	**15,921,286**	**2,415,998**	**105,307,942**
Net Block							
As at March 31, 2017	**15,817,896**	**268,701**	**11,127,749**	**17,002,828**	**11,007,016**	**4,577,997**	**59,802,187**
As at March 31, 2018	**20,582,101**	**322,871**	**14,564,861**	**29,819,445**	**25,717,281**	**3,796,849**	**94,803,408**

9. Intangible Assets

(Amount in Rupees unless otherwise stated)

Particulars	Computer Software
As at April 1, 2016	**79,073,469**
Purchase	19,743,007
As at March 31, 2017	**98,816,476**
Purchase	24,589,596
As at March 31, 2018	**123,406,072**
Amortization	
As at April 1, 2016	**18,889,694**
Depreciation charge for the year	17,107,131
As at March 31, 2017	**35,996,825**
Depreciation charge for the year	20,614,006
Disposal	-
As at March 31, 2018	**56,610,831**
Net Block	
As at March 31, 2017	**62,819,651**
As at March 31, 2018	**66,795,241**

10. Non-current investments

(Amount in Rupees unless otherwise stated)

Particulars	31-Mar-18	31-Mar-17
Non trade investments (valued at cost unless stated otherwise)		
Investment in equity shares (Unquoted)		
200,000 (March 31, 2017: 200,000) equity shares of Rs 10 each of Alpha Microfinance Consultants Private Limited	2,000,000	2,000,000
Total	**2,000,000**	**2,000,000**

11. Deferred tax asset

(Amount in Rupees unless otherwise stated)

Particulars	31-Mar-18	31-Mar-17
Deferred tax assets		
Impact of difference between tax depreciation and depreciation/amortisation charged to profit and loss	9,301,764	4,840,513
Impact of expenditure charged to profit and loss in the current year but allowed for tax purpose on payment basis	17,386,506	11,771,018
Impact of provision against other assets	13,468,309	10,104,277
Impact of provision against standard assets and non-performing assets	315,674,139	458,228,787
Deferred tax assets	**355,830,718**	**484,944,595**
Deferred tax assets recognised	**355,830,718**	**484,944,595**

12. Loans and advances

(Amount in Rupees unless otherwise stated)

Particulars	Non-current		Current	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
A. Portfolio Loans				
Secured considered good				
Individual loans	6,624,527	3,401,653	5,962,231	2,755,068
Unsecured considered good*				
Joint liability group loans	14,530,071,441	6,288,233,664	33,722,450,990	24,434,217,906
Individual loans	257,071,705	-	243,505,273	-
Unsecured considered doubtful**				
Joint liability group loans	980,694,430	25,819,473	-	-
Individual loans	231,166	-	-	-
(A)	**15,774,693,269**	**6,317,454,790**	**33,971,918,494**	**24,436,972,974**
* Represent standard assets in accordance with Company's asset classification policy (refer Note 2.1.(r) and 29). ** Represent non-performing assets in accordance with Company's asset classification policy (refer Note 2.1.(r) and 29).				
B. Security Deposits				
Unsecured, considered good	56,475,838	42,556,007	-	-
(B)	**56,475,838**	**42,556,007**	**-**	**-**
C. Advances recoverable in cash or kind				
Unsecured, considered good	-	-	79,776,616	48,999,769
Unsecured, considered doubtful	11,657,477	17,513,696	-	-
	11,657,477	17,513,696	79,776,616	48,999,769
Less: Provision for doubtful advances	(11,657,477)	(17,513,696)	-	-
(C)	**-**	**-**	**79,776,616**	**48,999,769**
D.Other loans and advances (Unsecured, considered good)				
Advance income tax (net of provision for taxation) *	48,422,703	10,585,407	-	-
Prepaid expenses	513,311	389,598	19,565,488	21,136,765
Loans and advances to employees	20,170,561	5,160,558	25,681,356	7,424,860
(D)	**69,106,575**	**16,135,563**	**45,246,844**	**28,561,625**
Total (A+B+C+D)	**15,900,275,682**	**6,376,146,360**	**34,096,941,954**	**24,514,534,368**

* Pursuant to the Scheme, referred in Note 37, advance tax and TDS receivable (net of provision) held by MV Microfin Private Limited has been transferred to the Company. Statutory compliances with respect to such transfer will be carried out by the Company in due course.

13. Other assets

(Amount in Rupees unless otherwise stated)

Particulars	Non-current		Current	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Non-current bank balances (refer note 14)	38,708,338	87,479,176	-	-
Unamortized expenditure				
Share issue expenses	5,329,587	1,376,659	2,721,983	2,477,824
Interest accrued but not due on deposits placed with banks	1,361,131	6,502,267	7,820,387	38,409,472
Interest accrued but not due on deposits placed with financial institutions	1,112,414	1,467,877	1,241,366	-
Interest accrued but not due on portfolio loans	-	-	188,357,515	110,940,076
Interest accrued and due on portfolio loans	-	-	5,088,228	200,419,152
Other assets	9,000,000	22,750,000	13,940,869	1,458,869
Total	**55,511,470**	**119,575,979**	**219,170,348**	**353,705,393**

14. Cash and bank balances

(Amount in Rupees unless otherwise stated)

Particulars	Non-current		Current	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Cash and cash equivalents				
Balance with banks On current accounts #	-	-	1,171,383,284	737,507,056
Deposits with original maturity of less than and equal to 3 months	-	-	20,000,000	2,500,000,000
Cash in hand	-	-	108,920,755	83,572,677
	-	-	1,300,304,039	3,321,079,733
Other bank balances				
Margin money deposits*	38,708,338	87,479,176	81,221,540	315,801,127
Other than margin money deposits	-	-	-	-
	38,708,338	87,479,176	81,221,540	315,801,127
Amounts disclosed under non-current assets (refer Note 13)	(38,708,338)	(87,479,176)	-	-
Total	**-**	**-**	**1,381,525,579**	**3,636,880,860**

* Represent margin money deposits placed to avail term loans from banks, financial institutions and non banking financial companies.

Include Rs74,339 towards current account balance held in the name of MV Microfin Private Limited. Pursuant to the Scheme of Arrangement, such current account balance shall be transferred in the name of the Company (refer Note 37).

15. Revenue from operations

(Amount in Rupees unless otherwise stated)

Particulars	31-Mar-18	31-Mar-17
Interest on portfolio loans	7,954,456,518	6,566,880,109
Income from securitization and asset assignment (refer Note 35 (d))	-	43,144,390
Other operating revenue		
Loan processing fees	613,528,051	340,238,038
Interest on margin money deposits*	21,473,231	62,895,154
Recovery against loans writen offs	66,073,724	4,292,511
Total	**8,655,531,524**	**7,017,450,202**

* Represents interest on margin money deposits placed to avail term loans from banks, financial institutions and non banking financial companies.

16. Other income

(Amount in Rupees unless otherwise stated)

Particulars	31-Mar-18	31-Mar-17
Interest on fixed deposits	43,891,481	28,728,794
Income recognised towards amount received for technical assistance	-	3,402,664
Profit from sale of current investments	40,785,801	35,641,674
Dividend income on current investments	1,701,329	-
Miscellaneous Income	10,141,167	7,388,569
Total	**96,519,778**	**75,161,701**

17. Employee benefit expenses

(Amount in Rupees unless otherwise stated)

Particulars	31-Mar-18	31-Mar-17
Salaries and bonus	1,085,637,135	905,675,453
Contribution to provident fund and other funds	96,602,581	78,645,269
Leave encashment and availment	24,235,713	21,404,737
Leave travel allowance	24,193,270	18,694,195
Gratuity (refer Note 26)	17,673,400	14,384,403
Staff welfare expenses	2,648,318	1,822,613
Stock option expenditure (refer Note 33)	21,108,928	6,220,156
Total	**1,272,099,345**	**1,046,846,826**

18. Finance costs

(Amount in Rupees unless otherwise stated)

Particulars	31-Mar-18	31-Mar-17
Interest expense		
On debenture	1,254,082,238	818,361,978
On term loans from banks	1,440,042,695	1,532,029,201
On term loans from financial institution	650,585,532	519,672,511
On term loans from non banking finance companies	99,536,401	183,783,401
On loans payable on demand from banks	2,838,224	3,533,179
Other borrowing costs	91,201,377	178,820,376
Bank charges	7,392,165	6,332,087
Total	**3,545,678,632**	**3,242,532,733**

19. Other expenses

(Amount in Rupees unless otherwise stated)

Particulars	31-Mar-18	31-Mar-17
Rent	88,463,347	70,645,226
Rates and taxes	20,381,837	11,782,343
Insurance	2,489,633	1,212,774
Repairs and maintenance	28,908,831	25,223,679
Electricity	14,278,835	10,437,863
Travelling and conveyance	237,341,569	170,291,871
Postage and telecommunication	54,727,296	44,975,733
Printing and stationery	35,016,612	28,060,447
Professional and consultancy charges	37,585,546	24,916,744
Credit bureau expenses	15,852,588	15,279,756
Directors sitting fees	2,370,000	1,925,000
Auditors remuneration (refer Note below)		
Audit fees	5,872,675	4,764,952
Out of pocket fees	270,354	272,024
Training expenses	30,387,907	24,936,161
Donations	40,785,555	22,021,333
Corporate Social Resposibility expenses	21,535,134	15,606,180
Other administrative expenses	36,568,728	38,552,431
Provision for other assets	9,536	(3,883,130)
Total	**672,845,983**	**507,021,387**

Particulars	31-Mar-18	31-Mar-17
As auditor:		
Audit fee	2,872,675	2,700,000
Limited review	1,500,000	850,000
Others	1,100,000	1,000,000
In other capacity		
Certification services	400,000	214,952
Reimbursement of expenses	270,354	272,024
Total	**6,143,029**	**5,036,976**

20. Depreciation and amortisation expense

(Amount in Rupees unless otherwise stated)

Particulars	31-Mar-18	31-Mar-17
Depreciation of property,plant and equipments (refer Note 8)	31,073,475	27,219,326
Amortisation of intangible assets (refer Note 9)	20,614,006	17,107,131
Total	**51,687,481**	**44,326,457**

21. Provision and write-offs

(Amount in Rupees unless otherwise stated)

Particulars	31-Mar-18	31-Mar-17
Contingent provision against standard assets (refer Note 2.1 (s) and 29)	(1,290,183,669)	1,057,817,251
Provision for non-performing assets (refer Note 2.1 (s) and 29)	955,106,122	6,020,397
Portfolio loans and other balances written off	1,616,229,800	22,181,493
Total	**1,281,152,253**	**1,086,019,141**

22. Segment information

The Company operates in a single business segment i.e. lending to borrowers which have similar risks and returns for the purpose of AS 17 on 'Segment Reporting' specified under section 133 of the Companies act 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. The Company operates in a single geographical segment i.e. domestic.

23. Related party transaction

Names of the related parties(as per Accounting Standard – 18)

Key management personnel	Mr. Udaya Kumar Hebbar, Managing Director & CEO
Holding Company	CreditAccess Asia NV

Particulars	Key management personnel	
	March 31, 2018	March 31, 2017
Transactions during the year		
Mr. Udaya Kumar Hebbar		
Salary and perquisites	12,214,269	10,130,419
ESOPs exercised	5,737,500	-

Provisions for gratuity and leave benefits are made for the Company as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.

Particulars	Holding Company	
	March 31, 2018	March 31, 2017
Transactions during the year		
CreditAccess Asia NV		
Issue of equity shares on conversion of compulsorily convertible debentures for consideration other than cash	2,000,000,000	-
Issue of share capital on amalgamation of MV Microfin Private Limited for consideration other than cash	48,901,270	-
Issue of compulsorily convertible debentures	-	2,000,000,000
Issue of share capital	3,499,999,951	1,500,000,000
Interest expense on compulsorily convertible debentures	223,561,643	4,109,589

Particulars	Holding Company	
Balances at the end of the year	**March 31, 2018**	**March 31, 2017**
CreditAccess Asia NV		
Compulsorily convertible debentures	-	2,000,000,000
Interest payable on compulsorily convertible debentures	-	4,109,589

24. Capital commitments

Estimated amounts of contracts remaining to be executed on capital account (net of capital advances) and not provided:

Particulars	March 31, 2018	March 31, 2017
For purchase/development of computer software	3,074,670	2,182,275

25. Contingent liabilities

Particulars	March 31, 2018	March 31, 2017
Performance security provided by the Company pursuant to service provider agreement	2,270,925	2,493,050

26. Retirement benefits

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for gratuity on cessation of employment and it is computed at 15 days salary (last drawn salary) for each completed year of serviceservice subject to limit of Rs2.00 million as per the Payment of Gratuity Act,1972.

The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The following tables summarize the components of net benefit expense recognised in the statement

of profit and loss and the funded status and amounts recognised in the Balance Sheet for the gratuity plan.

Statement of profit and loss

Net employees benefit expense:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current service cost	15,618,505	9,437,722
Past service cost	15,081,588	-
Interest cost on benefit obligation	2,998,730	9,889,400
Expected return on plan assets	(2,505,345)	(1,630,764)
Net actuarial (gain) / loss recognised	(13,520,078)	(3,311,955)
Net employee benefit expense (refer Note 17)	17,673,400	14,384,403
Actual return on plan assets	(2,505,345)	1,961,801

Balance sheet

Details of plan liabilities/(assets):

Particulars	March 31, 2018	March 31, 2017
Defined benefit obligation	63,670,736	44,483,697
Plan assets	(45,997,336)	(30,099,294)
Plan liability (refer Note 6)	**17,673,400**	**14,384,403**

Changes in the present value of defined benefit obligation are as follows:

Particulars	Gratuity	
	March 31, 2018	March 31, 2017
Opening defined benefit obligation	44,483,697	30,688,974
Interest cost	2,998,730	9,889,400
Current service cost	15,618,505	9,437,722
Past service cost	15,081,588	-
Benefits paid	(1,540,862)	(2,551,481)
Actuarial (gains) / losses on obligation	(12,970,922)	(2,980,918)
Closing defined benefit obligation	63,670,736	44,483,697

Changes in the fair value of plan assets are as follows:

Particulars	Gratuity	
	March 31, 2018	March 31, 2017
Opening fair value of plan assets	30,099,294	19,400,660
Expected return	2,505,345	1,630,764
Contributions by employer	14,384,403	11,288,314
Benefits paid	(1,540,862)	(2,551,481)
Actuarial gains / (losses)	549,156	331,037
Closing fair value of plan assets	45,997,336	30,099,294

The Company expects to contribute Rs26,721,298 (March 31, 2017:Rs19,424,030) towards gratuity in the next financial year.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Gratuity	
	March 31, 2018	March 31, 2017
Investment with insurer	100%	100%

The overall expected rate of return on assets is determined based on the average long term rate of return expected on investment of the fund during the estimated term of the obligations.

The principal assumptions used in determining gratuity:

Particulars	Gratuity	
	March 31, 2018	March 31, 2017
Discount rate	7.19%	6.86%
Expected rate of return on assets	6.86%	6.86%
Salary escalation rate per annum	10%	8%
Rates of leaving service	21.11%	17.43%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

Amounts for the current and previous four years are as follows:

Particulars	Gratuity				
	31-Mar-2018	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14
Defined benefit obligation	63,670,736	44,483,697	30,688,974	20,310,655	18,041,524
Plan assets	45,997,336	30,099,294	19,400,660	16,717,752	4,324,392
Surplus / (deficit)	(17,673,400)	14,384,403	11,288,314	(3,592,902)	(13,717,132)
Experience adjustments on plan liabilities	709,989	2,294,390	(10,907,11)	(1,393,407)	(5,016,023)
Experience adjustments on plan assets	(549,156)	(331,037)	(149,266)	745,733	335,598

27. Earnings and expenditure in foreign currency

a. Earnings in foreign currency:

Particulars	March 31, 2018	March 31, 2017
Amount received towards technical assistance	-	3,402,664

b. Expenditure in foreign currency:

Particulars	March 31, 2018	March 31,2017
Annual software maintenance cost	16,631,702	9,935,661
Software implementation charges	2,432,831	3,443,137
Purchase of software	-	13,733,996
Recruitment expenses	401,037	150,808
Professional charges	9,866,082	-
Processing fee on borrowings	-	1,367,600
Travelling expenses	-	88,075
Total	**29,631,652**	**28,719,277**

28. Earnings per share (EPS)

The following reflects the profit/(loss) after tax and equity shares data used in the basic and diluted EPS computations:

Particulars	March 31, 2018	March 31, 2017
Net profit/ (loss) after tax as per Statement of Profit and Loss	1,246,413,779	752,550,270
Net profit/(loss) as above for calculation of basic EPS and diluted EPS	1,246,413,779	752,550,270
Add: interest on debentures convertible into equity shares (net of tax)	146,186,958	2,687,342
Net profit/ (loss) for calculation of diluted EPS	1,392,600,737	755,237,612
Weighted average number of equity shares in calculating basic EPS	101,638,978	80,239,164
Effect of dilution		
Stock options granted under ESOP	1,265,720	1,030,127
Compulsorily Convertible Debentures	10,645,793	195,695
Weighted average number of equity shares in calculating diluted EPS	102,904,698	81,461,445
Basic earnings per share	12.26	9.38
Diluted earnings per share#	12.11	9.26
Nominal value per share	10.00	10.00

since the impact of conversion of potential equity shares is anti-dilutive in nature, the same has not been considered in the calculation of diluted EPS.

29. Loan portfolio and provision for standard and non-performing assets as at March 31, 2018:

(Rupees in Crores)

Asset Classification	Portfolio loans outstanding (Gross)		Provision for standard and non-performing assets			Portfolio loans outstanding (Net)	
	March 31, 2018	March 31, 2017	March 31, 2017	Additions/ (reversals) in 2017-18	March 31, 2018	March 31, 2018	March 31, 2017
Standard	4,876.57	3,072.86	130.41	(129.02)	1.39	4,875.18	2,942.45
Non-performing	98.09	2.58	2.58	95.51	98.09	-	-
Total	**4,974.66**	**3,075.44**	**132.99**	**(33.51)**	**99.48**	**4,875.18**	**2,942.45**

Loan portfolio and provision for standard and non-performing assets as at March 31, 2017:

(Rupees in Crores)

Asset Classification	Portfolio loans outstanding (Gross)		Provision for standard and non-performing assets			Portfolio loans outstanding (Net)	
	March 31, 2017	March 31, 2016	March 31, 2016	Additions (net) in 2016-17	March 31, 2017	March 31, 2017	March 31, 2016
Standard	3,072.86	2,463.28	24.63	105.78	130.41	2,942.45	2,438.65
Non-performing *	2.58	1.98	1.98	0.60	2.58	-	-
Total	**3,075.44**	**2,465.26**	**26.61**	**106.38**	**132.99**	**2,942.45**	**2,438.65**

* NPAs at March 31, 2017 are after considering RBI dispensation vide circular No. DBR. No. BP.BC.37/21.04.048/2016-17 dated November 21, 2016 and DBR. No. BP.BC.49/21.04.048/2016-17 dated December 28, 2016.

30. Leases

Operating Lease

Head office and branch office premises are acquired on operating lease. The branch office premises are generally rented on cancellable term for period of eleven to sixty months with no escalation clause and renewable at the option of the Company.

There are no restrictions imposed by lease arrangements. There are no subleases. Lease payments during the year are charged to statement of profit and loss. Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	March 31, 2018	March 31, 2017
Minimum lease obligations		
Not later than one year	20,714,773	15,151,585
Later than 1 year but not later than 5 years	30,593,956	37,211,986
Later than 5 years	-	-

31. Dues to micro, small and medium enterprises

There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises.

For the year ended March 31, 2018 and year ended March 31, 2017, no supplier has intimated the Company about its status as micro or small enterprises or its registration with the appropriate authority under MSMED.

32. Amounts received as technical assistance

Following amounts have been received and recognised in statement of profit and loss under "Other Income":

Particulars	March 31, 2018	March 31, 2017
Amounts received as technical assistance	-	3,402,664

33. Stock options

The Company has provided share based payments to its employees under the 'Grameen Koota Financial Services Private Limited – Employees Stock Option Plan 2011'. The various Tranches I, II, III, IV, V and VI represent different grants made under the plan. During year ended March 31, 2018, the following stock option grant were in operation:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI
Date of grant	Apr 1, 2012	Oct 1, 2013	Jun 1, 2014	Jul 1, 2016	Jan 1, 2017	Jan 1, 2018
Date of Board / Compensation Committee approval	Oct 15, 2011	Aug 22, 2012	Jul 30, 2014	Jun 29, 2016	May 17, 2017	Jan 24, 2018
Number of Options granted	716,676	631,339	443,000	431,000	521,000	971,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Graded vesting period:						
Day following the expiry of 12 months from grant	25%	25%	25%	25%	25%	25%
Day following the expiry of 24 months from grant	25%	25%	25%	25%	25%	25%
Day following the expiry of 36 months from grant	25%	25%	25%	25%	25%	25%
Day following the expiry of 48 months from grant	25%	25%	25%	25%	25%	25%
Exercise period	48 months from date of vesting					
Vesting conditions	Employee to be in service at the time of vesting					
Weighted average remaining contractual life (years)						
-I	-	0.50	1.20	3.25	3.75	4.75
-II	-	1.50	2.20	4.25	4.75	5.75
-III	1.00	2.50	3.20	5.25	5.75	6.75
-IV	2.00	3.50	4.20	6.25	6.75	7.75
Weighted average exercise price per option (Rs)	27.00	27.00	39.86	63.90	84.47	120.87
Weighted average fair value of options (Rs)	15.15	18.33	36.88	75.01	61.35	84.46

Reconciliation of options:

Particulars	March31, 2018	March 31, 2017
Tranche I		
Options outstanding at the beginning of the year	348,000	627,176
Granted during the year	-	
Forfeited during the year	14,000	279,176
Exercised during the year	328,750	-
Expired during the year	1,000	-
Outstanding at the end of the year	4,250	348,000
Exercisable at the end of the year	4,250	348,000

Tranche II		
Options outstanding at the beginning of the year	442,500	592,339
Granted during the year	-	-
Forfeited during the year	8,500	149,839
Exercised during the year	383,000	-
Expired during the year	2,000	-
Outstanding at the end of the year	49,000	442,500
Exercisable at the end of the year	49,000	334,000
Tranche III		
Options outstanding at the beginning of the year	425,000	435,500
Granted during the year	-	-
Forfeited during the year	10,000	10,500
Exercised during the year	177.500	-
Expired during the year	2,000	-
Outstanding at the end of the year	235,500	425,000
Exercisable at the end of the year	134,750	217,500
Tranche IV		
Options outstanding at the beginning of the year	431,000	-
Granted during the year	-	431,000
Forfeited during the year	-	-
Exercised during the year	59,500	-
Expired during the year	-	-
Outstanding at the end of the year	371,500	431,000
Exercisable at the end of the year	48,250	-
Tranche V		
Options outstanding at the beginning of the year	-	-
Granted during the year	521,000	-
Forfeited during the year	-	-
Exercised during the year	65,000	-
Expired during the year	-	-
Outstanding at the end of the year	456,000	-
Exercisable at the end of the year	65,250	-
Tranche VI		
Options outstanding at the beginning of the year	-	-
Granted during the year	971,000	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	971,000	-
Exercisable at the end of the year	-	-

Details of stock options granted during the year:

Tranche V: The weighted average fair value of stock options granted during theyear was Rs61.35.The Black-Scholes Model has been used for computing the weighted average fair value considering the following:

Particulars	Vesting in FY 2017-18	Vesting in FY 2018-19	Vesting in FY 2019-20	Vesting in FY 2020-21
Share price on the date of grant (Rs)	110.23	110.23	110.23	110.23
Exercise price (Rs)	84.47	84.47	84.47	84.47
Expected volatility (%)	31.294%	31.294%	31.294%	31.294%
Life of the options granted (years)	5	6	7	8
Risk-free interest rate (%)	6.30%	6.30%	6.30%	6.30%
Expected dividend rate (%)	-	-	-	-
Fair value of the option (Rs)	54.92	58.91	62.53	65.84

Tranche VI: The weighted average fair value of stock options granted during the year was Rs84.46. The Black-Scholes Model has been used for computing the weighted average fair value considering the following:

Particulars	Vesting in FY 2017-18	Vesting in FY 2018-19	Vesting in FY 2019-20	Vesting in FY 2020-21
Share price on the date of grant (Rs)	153.56	153.56	153.56	153.56
Exercise price (Rs)	120.87	120.87	120.87	120.87
Expected volatility (%)	26.38%	26.38%	26.38%	26.38%
Life of the options granted (years)	5	6	7	8
Risk-free interest rate (%)	7.64%	7.64%	7.64%	7.64%
Expected dividend rate (%)	-	-	-	-
Fair value of the option (Rs)	75.92	81.96	87.46	92.49

The Company measures the cost of ESOP using the intrinsic value method. Had the Company used the fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to the amounts indicated below:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit after tax as reported	1,246,413,779	752,550,269
Add: ESOP cost using intrinsic value method (refer Note 17)	21,108,928	6,220,156
Less: ESOP cost using fair value method	(39,408,596)	8,222,301
Profit after tax (adjusted)	1,228,114,111	75,05,48,124
Earnings Per Share		
Basic		
- As reported	12.26	9.38
- Adjusted for ESOP cost using fair value method	12.08	9.35
Diluted		
- As reported	12.11	9.26
- Adjusted for ESOP cost using fair value method	11.93	9.25

34. Provision for fraud and misappropriation

An amount of Rs4,591,994 has been provided in the financial statements towards legal proceedings and claims initiated by the Company in respect of cases of frauds and thefts reported up to March 31, 2018.

35. Disclosures required by the RBI

a. Capital to risk assets ratio ('CRAR'):

Particulars	March 31, 2018	March 31, 2017
CRAR (%)	28.94%	29.71%
CRAR-Tier I Capital (%)	28.07%	20.21%
CRAR-Tier II Capital (%)	0.87%	9.50%
Amount of subordinated debt raised as Tier II capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

b. Investments

(Rupees in crore)

Particulars			March 31, 2018	March 31, 2017
1	Value of Investments			
	(i)	Gross Value of Investments		
		(a) in India	0.20	0.20
		(a) outside India	-	-
	(ii)	Provisions for Depreciation	-	
		(a) in India	-	-
		(a) outside India	-	-
	(ii)	Net Value of Investments		
		(a) in India	0.20	0.20
		(a) 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, 2018 (March 31, 2017: Nil).

d. Disclosure related to securitization

Disclosure as per RBI circular DBOD.NO. BP.BC.60/21.04.048/2005-06 dated February 1, 2006:

During the year the Company has not sold any loans through securitization. The information on securitization activity of the Company as an originator is as shown below:

(Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
Number of loans securitized	-	-
Book value of loans securitized	-	-
Sale consideration received	-	-
Income recognised in statement of profit and loss	-	43,144,390

Particulars	As at March 31, 2018	As at March 31, 2017
Principal outstanding of loans securitized	-	-
Credit enhancements provided and outstanding:		
Cash collateral	-	-

Disclosure as per RBI circular DNBS.PD.No. 301/3.10.01/2012-13 dated August 21, 2012:

(Information in respect of transactions in operation as at reporting date)

(Rupees)

Particulars	As at March 31, 2018	As at March 31, 2017
No of SPVs sponsored by the NBFC for securitization transactions	-	-
Amount of securitized assets as per books of SPV sponsored by NBFC	-	-
Amount of exposures retained by NBFC to comply with MRR as on the date of balance sheet		
a. Off-Balance sheet exposure		
• First Loss	-	-
• Others	-	-
b. On-Balance sheet exposure		
• First Loss – Cash collateral	-	-
• 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 not undertaken any assignment transactions in the current and previous year.

g. Details of non-performing financial asset purchased / sold:

The Company has not purchased / sold any non-performing financial assets in the current and previous year.

h. Asset liability management:

Maturity pattern of assets and liabilities as on March 31, 2018:

(Rupees 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	96.32	138.70	235.98	542.87	1,108.98	1300.05	179.95	-	3,602.85
Advances*	327.95	362.59	319.90	895.42	1,503.83	1,486.34	0.75	4.84	4,901.62
Investments	-	-	-	-	-	-	-	0.20	0.20
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

Maturity pattern of assets and liabilities as on March 31, 2017:

(Rupees 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	78.63	83.24	117.61	436.04	776.84	1,082.13	88.25	5.50	2,668.24
Advances*	341.16	261.04	232.05	630.56	986.64	633.97	-	1.06	3086.48
Investments	-	-	-	-	-	-	-	0.20	0.20
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

* Net of provision for non-performing 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. Unsecured Advances: Refer Note 12.

k. Registration obtained from other financial regulators:

The Company is not registered with any other financial sector regulators.

l. Disclosure of penalties imposed by RBI and other regulators:

No Penalties were imposed by RBI and other regulators during current and previous year.

m. Ratings assigned by credit rating agencies and migration of ratings:

(Rupees in crore)

Particulars	Name of rating agency	Date of rating	Rating / (Previous year rating)	Borrowing limit / conditions imposed by rating agency	Valid up to
Long term debt	ICRA	14-Sep-17	A / A	2013.27	31-May-18
Non-convertible debentures	ICRA	14-Sep-17	A / A	887	31-Mar-18
Subordinated debt	ICRA	14-Sep-17	A / A	22	31-Mar-18
Commercial paper	ICRA	14-Sep-17	A1 / A1	200	31-Mar-18
Organization grading	CRISIL	04-Oct-17	mfR1 / mfR1	NA	03-Oct-18

n. Provisions and contingencies (shown under the head expenditure in Statement of Profit and Loss):

(Rupees in crore)

Particulars	March 31, 2018	March 31, 2017
Provision for standard assets	(129.01)	105.78
Provision for non-performing assets	95.51	0.60
Provision for income tax	55.31	81.46
Provision for gratuity	1.76	1.44
Provision for leave encashment and availment	2.42	2.14
Provision fraud and misappropriation (net of recoveries)	0.001	(0.04)
Provision for other assets (net)	(0.00)	(0.50)
Total	**25.99**	**190.88**

o. Drawdown from reserves:

There has been no draw down from reserves during the year ended March 31, 2018 (previous year: Nil).

p. Concentration of advances, exposures and NPAs

(Rupees in crore)

Particulars	March 31, 2018	March 31, 2017
Concentration of advances		
Total advances to twenty largest borrowers	0.33	0.18
(%) of advances to twenty largest borrowers to total advances	0.007%	0.006%
Concentration of exposures		
Total exposure to twenty largest borrowers / customers	0.33	0.18
(%) of exposures to twenty largest borrowers / customers to total exposure	0.007%	0.006%
Concentration of NPAs		
Total Exposure to top four NPA accounts	0.03	0.02

q. Sector-wise NPAs

Sr. No.	Sector	Percentage of NPAs to Total Advances in that sector as at March 31, 2018	Percentage of NPAs to Total Advances in that sector as at March 31, 2017
1	Agriculture and allied activities	2.46%	0.05%
2	MSME	-	-
3	Corporate borrowers	-	-
4	Services	1.77%	0.16%
5	Unsecured personal loans	0.43%	0.13%
6	Auto loans	-	-
7	Other personal loans	-	-

r. Movement of NPAs

(Rupees in crore)

Particulars			March 31, 2018	March 31, 2017
(i)	**Net NPAs to Net Advances (%)**		**-**	**-**
(ii)	**Movement of NPAs (Gross):**			
	(a)	Opening balance	2.58	1.98
	(b)	Additions during the year	257.13	2.82
	(c)	Reductions during the year (loans written off)	161.62	2.22
	(b)	Closing balance	**98.09**	**2.58**
(iii)	**Movement of Net NPAs**			
	(a)	Opening balance	-	-
	(b)	Additions during the year	-	-
	(c)	Reductions during the year	-	-
	(b)	Closing balance	-	-
(iv)	**Movement of provisions for NPAs**			
	(a)	Opening balance	2.58	1.98
	(b)	Provisions made during the year	224.05	2.82
	(c)	Write-off / write-back of excess provisions	128.54	2.22
	(b)	Closing balance	98.09	2.58

s. Disclosure of customer complaints

Sr. No	Particulars	No. of complaints
a.	No. of complaints pending at the beginning of the year	36
b.	No. of complaints received during the year	1,666
c.	No. of complaints redressed during the year	1,701
d.	No. of complaints pending at the end of the year	1

t. Information on instances of fraud

Instances of fraud reported during the year ended March 31, 2018:

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount provided
Cash Embezzlement	2	327,619	201,405	126,214

Instances of fraud reported during the year ended March 31, 2017:

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount provided
Cash Embezzlement	2	54,905	-	54,905

u. The net interest margin (NIM)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Average interest (a)	20.35%	22.32%
Average effective cost of borrowing (b)*	11.38%	12.63%
Net interest margin (a-b)	8.97%	9.69%

*The numerator considered for computing the cost of funds is net of the impact of cash collateral placed

v. The Company has not disbursed any loans against the security of gold.

36. Corporate social responsibility

a. Gross amount required to be spent during the year is Rs 21,535,134

b. Details of amounts spent during the year:

(Rupees)

Particulars	Amount spent in cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purpose other than (i) above	21,535,134	-	21,535,134

37. Amalgamation of business with MV Microfin Private Limited

The National Company Law Tribunal (NCLT), Bengaluru Bench approved a Scheme of Arrangement on November 22, 2017 (hereinafter referred as 'the Scheme') for amalgamating the business from MV Microfin Private Limited with the Company ('the Amalgamation'). By virtue of the Scheme, the business operations of MV Microfin Private Limited shall stand transferred, merged and vested with the Company with effect from April 01, 2017 ('the Appointed Date'). MV Microfin Private Limited was registered as an NBFC with RBI. However, there were no business activities being carried out as on the date of merger. Also, the said amalgamation being in the nature of merger, the accounting thereof has been carried out as per the pooling of interest method specified in Accounting Standard – 14.

The Scheme inter alia provides for issue of 13 equity shares of the Company with a face value of Rs10 each for every 10 equity shares held in the MV Microfin Private Limited at par and issue of 852,188 equity shares of the Company with a face value of Rs10 each for every 1 Compulsorily Convertible Debenture (CCD) held in MV Microfin Private Limited at par as a purchase consideration for the Amalgamation.

As per the Scheme, the Company shall adjust the book value of assets and liabilities on the appointed date in its books of account as follows:

Particulars	Amount
Assets	
Current investments	32,080,990
Trade receivables	5,984,673
Cash and bank balances	531,865,671
Short-term loans and advances	17,925,670
Other current assets	8,874,178
Total assets (A)	**596,731,182**
Other current liabilities (B)	**28,909,210**
Reserves and surplus	
Statutory reserve (under section 45-IC of Reserve Bank of India Act, 1934)	4,697,737
Surplus balance in the statement of profit and loss	14,724,235
Total Reserves and Surplus (C)	**19,421,972**
Net assets (A)-(B)-(C)	548,400,000
Purchase consideration (4,890,140 equity shares of Rs10 each at par)	**48,901,400**
Capital Reserve	**499,498,600**

38. Previous year's figures have been regrouped where necessary to conform to this year's classification. The financial statements for the year ended March 31, 2018 have been adjusted for the impact of the Scheme referred to in Note 37 and are therefore not comparable with the figures as at March 31, 2017.

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

per **Jayesh Gandhi**
Partner
Membership No.037924

Place: Mumbai
Date: April 30, 2018

For and on behalf of Board of Directors of CreditAccess Grameen Limited
(Formerly known as Grameen Koota Financial Services Private Limited)

Udaya Kumar Hebbar
Managing Director & CEO

M N Gopinath
Chairman

Diwakar B R
Chief Financial Officer

Syam Kumar R
Company Secretary

Place: Bengaluru
Date: April 30, 2018

S.R. BATLIBOI & CO. LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
CreditAccess Grameen Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of CreditAccess Grameen Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the quarter ended June 30, 2020 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:
   (i) Madura Micro Finance Limited
   (ii) Madura Micro Education Private Limited

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Ind AS 34 prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of matter

6. a) We draw attention to Note 3 to the Statement, which describes the economic and social disruption, as a result of COVID-19 pandemic, of the Group's business and financial metrics, including the Group's estimates of impairment of loans to customers and assumptions used in testing the impairment of the carrying value of goodwill, which are highly dependent on uncertain future developments. Our conclusion is not modified in respect of this matter.

   b) We draw attention to the following paragraphs in the review report on the unaudited consolidated financial results of Madura Micro Finance Limited ("MMFL"), a subsidiary of the Holding Company, issued by its auditor as follows:

S.R. Batliboi & Co. LLP, a Limited Liability Partnership with LLP Identity No. AAB-4294
Regd. Office : 22, Camac Street, Block 'B', 3rd Floor, Kolkata-700 016

(i) "Pursuant to the Reserve Bank of India Circulars dated March 27, 2020 and May 23, 2020 allowing lending institutions to offer moratorium to borrowers on payment of Instalments falling due between March 1, 2020 and August 31, 2020 the Group has extended/will be extending moratorium to its borrowers in accordance with its Board approved Policy. As at Jun 30, 2020, for determination of Expected Credit Loss (ECL) provisioning, the ageing of these Loans and Advances and their Asset Classification will remain unchanged since March 1, 2020 as per the Regulatory package. Moreover, the estimates and assumptions made by management in determining the ECL provision required for its loans are subject to uncertainties that are associated with the outcome of the pandemic. Hence the actual results may vary from these estimates.

(ii) The appointment and payment of remuneration to the Managing director for the period from October 2013 to September 2016 is subject to the approval of the Central government. A sum of Rs.1.33 crore (excluding gratuity) had been paid as remuneration to the Managing Director for this period subject to central government approval and charged to the Statement of Profit and Loss in the respective years.

Our conclusion is not modified in respect of the above matter."

Other matters

7. The accompanying Statement includes the unaudited interim financial results and other unaudited financial information in respect of one subsidiary whose unaudited interim financial results include total revenues of Rs.108.91 crore, net profit after tax of Rs.14.09 crore and total comprehensive income of Rs.14.11 crore for the quarter ended June 30, 2020, as considered in the Statement which have been reviewed by its independent auditor.

   The independent auditor's report on the interim financial results of this entity has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of this subsidiary is based solely on the report of such auditor and procedures performed by us as stated in paragraph 3 above.

8. The accompanying Statement includes the unaudited interim financial results and other unaudited financial information in respect of one subsidiary whose unaudited interim financial results include nil revenue, net loss after tax of Rs.0.10 crore and total comprehensive loss of Rs.0.10 crore for the quarter ended June 30, 2020 as considered in the Statement whose interim financial results and other financial information have not been reviewed by its auditor.

   These unaudited interim financial results and other unaudited financial information have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of this subsidiary is based solely on such unaudited interim financial results and other unaudited financial information. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

   Our conclusion on the Statement in respect of matters stated in paragraph 7 and 8 above is not modified with respect to our reliance on the work done and the report of the other auditor and the financial results certified by the Management.

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

SHRAWAN KUMAR JALAN
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Date: 2020.08.01 15:53:38 +05'30'

per Shrawan Jalan
Partner
Membership No.: 102102

UDIN: 20102102AAACMI5726

Mumbai
August 1, 2020

CreditAccess Grameen Limited
#49, 46th Cross, 8th Block, Jayanagar, Bangalore - 560071
Statement of unaudited consolidated financial results for the quarter ended June 30, 2020
CIN: L51216KA1991PLC053425

₹ in crores

Sr. No.	Particulars	Quarter ended			Year ended
		30-Jun-20 (Unaudited)	31-Mar-20 (Audited) (Refer Note 8)	30-Jun-19 (Unaudited) (Refer Note 5)	31-Mar-20 (Audited)
	Revenue from operations				
(a)	Interest income				
	- Interest on loans	589.22	466.54	352.54	1,603.94
	- Income on securitisation (re-recognised on balance sheet)	5.38	1.41	10.25	23.06
	- Interest on deposits with banks and financial institutions	2.49	2.57	1.43	6.34
	- Income from portfolio purchased under assignment	0.35	0.05	-	0.05
(b)	Fees and commission	0.35	2.05	0.71	5.00
(c)	Net gain on fair value changes	21.18	3.35	10.01	56.35
(d)	Bad Debts Recovery	0.32	1.55	1.52	5.38
(e)	Others	-	4.19	-	4.19
I	**Total revenue from operations**	**619.29**	**481.71**	**376.46**	**1,704.31**
II	**Other income**	0.58	0.41	0.24	1.17
		0.58	**0.41**	**0.24**	**1.17**
III	**Total income (I+II)**	**619.87**	**482.12**	**376.70**	**1,705.48**
	Expenses				
(a)	Finance costs				
	- On borrowings	231.05	173.27	120.07	570.89
	- On financial liability towards securitisation (re-recognised on balance sheet)	1.65	1.69	3.55	9.09
(b)	Impairment of financial instruments	155.10	138.96	15.47	237.27
(c)	Employee benefits expenses	97.22	70.57	58.64	262.05
(d)	Depreciation and amortisation expenses	10.66	5.80	3.27	20.37
(e)	Other expenses	23.73	51.31	27.57	144.21
IV	**Total expenses (IV)**	**519.41**	**441.60**	**228.57**	**1,243.88**
V	**Profit before tax (III-IV)**	**100.46**	**40.52**	**148.13**	**461.60**
	Tax expense				
	(1) Current tax	53.30	43.05	56.25	160.47
	(2) Deferred tax	(27.46)	(33.31)	(3.95)	(34.36)
VI	**Total tax expense (VI)**	**25.84**	**9.74**	**52.30**	**126.11**
VII	**Profit for the period / year (V-VI)**	**74.62**	**30.78**	**95.83**	**335.49**
VIII	**Other comprehensive income**				
(a)	(1) Items that will not be reclassified to profit or loss	(0.12)	(0.39)	0.26	0.02
	(2) Income tax relating to items that will not be reclassified to profit or loss	0.04	0.10	(0.09)	(0.01)
	Subtotal (a)	**(0.08)**	**(0.29)**	**0.17**	**0.01**
(b)	(1) Items that will be reclassified to profit or loss	11.64	(30.36)	(5.92)	(34.83)
	(2) Income tax relating to items that will be reclassified to profit or loss	(2.93)	7.64	2.07	7.46
	Subtotal (b)	**8.71**	**(22.72)**	**(3.85)**	**(27.37)**
	Other comprehensive income (VIII = a+b)	**8.63**	**(23.01)**	**(3.68)**	**(27.36)**
IX	**Total comprehensive income (VII+VIII) (comprising profit and other comprehensive income for the period / year)**	**83.25**	**7.77**	**92.15**	**308.13**
	Profit is attributable to:				
	Owners of the Company	72.00	28.84	95.83	333.55
	Non-controlling interest	2.62	1.94	-	1.94
	Other comprehensive income is attributable to:				
	Owners of the Company	8.62	(23.00)	(3.68)	(27.35)
	Non-controlling interest	0.01	(0.01)	-	(0.01)
	Total comprehensive income is attributable to:				
	Owners of the Company	80.62	5.84	92.15	306.20
	Non-controlling interest	2.63	1.93	-	1.93
X	**Earnings per equity share (face value of ₹ 10 each)**				
	Basic (EPS) *	5.00	2.00	6.67	23.20
	Diluted (DPS) *	4.97	1.99	6.61	23.00

* The EPS and DPS for quarters ended June 30, 2020, March 31, 2020 and June 30, 2019 are not annualised.

CreditAccess Grameen Limited Regd. & Corp. Office Bengaluru

CreditAccess™ Grameen

CreditAccess Grameen Limited
(Formerly known as Grameen Koota Financial Services Pvt. Ltd.)
Regd. & Corporate Office
#49, 46th Cross, 8th Block, Jayanagar, Bengaluru-560070
Phone: 080-22637300 | Fax: 080-26643433
Email: info@creditaccessgrameen.com
Website: www.creditaccessgrameen.com
CIN: L51216KA1991PLC053425

CreditAccess Grameen Limited
#49, 46th Cross, 8th Block, Jayanagar, Bangalore - 560071
Statement of unaudited consolidated financial results for the quarter ended June 30, 2020
CIN: L51216KA1991PLC053425

Notes:

1 The above consolidated financial results of CreditAccess Grameen Limited (the 'Holding Company') and its subsidiaries (collectively referred to as the 'Group') for the quarter ended June 30, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on August 1, 2020 respectively and subjected to limited review by statutory auditors in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

2 The financial results 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").

3 The COVID-19 pandemic has contributed to a significant disruption of the economic activities across the globe including India. The Government of India announced a strict nation-wide lockdown to contain the spread of the virus which continued till May 31, 2020. Subsequently, various state governments and local statutory authorities have imposed restrictions on economic activities depending upon the severity of the pandemic in different parts of the country which has continued to impact Group's operations including lending and collection activities due to inability of employees to physically reach borrowers and other operational challenges.

Further, pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020 allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Group initially offered a moratorium to all customers until May 31, 2020 which has been further extended up to August 31, 2020 to specific customers based on requests received.

At March 31, 2020, the Group had recorded a management overlay allowance of ₹ 93 crore as part of its expected credit loss estimate, to reflect, among other things, an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic based on the information available till that point in time. Further, during the quarter ended June 30, 2020 the Group has re-assessed the provisions made having regard to the continued disruption and its likely impact over a period further than that anticipated as of March 31, 2020. Accordingly, the Group has provided an additional management overlay of ₹ 152.53 crores for the quarter, taking the total provision for expected credit losses as at June 30, 2020 to ₹ 465.00 crore (including total management overlay for COVID-19 of ₹ 245.53 crore).

Given the unique nature and scale of this pandemic, its full extent of impact on the Group's operations and financial metrics (including impairment allowances for loan portfolio and the assumptions used in testing the impairment of the carrying value of goodwill) will depend on highly uncertain future developments including governmental and regulatory measures and the Group's responses thereto. Accordingly, the aforesaid management overlay is based on various variables and assumptions, which could result in actual credit loss being different than that being estimated.

4 Further, in view of the matters as mentioned in note 3 above, the Group has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. With the relaxation of lockdown rules, as well as resumption of commercial activities by borrowers in a majority of geographies in which the Group operates, management is confident that collections will continue, albeit likely at a lower level than earlier, as experienced during the month of June 2020. Further, the Group has considered its current liquidity position which includes cash and cash equivalents of ₹ 1,117.23 crores as at June 30, 2020 and the expected inflows from various sources of borrowings including various stimulus packages announced by the Government of India, and fresh sanctions from existing / prospective lenders as well as the incremental loan disbursements planned for the foreseeable future. Based on the foregoing and necessary stress tests considering various scenarios adjusted for actual loan collection trends observed during the quarter, management believes that the Group will be able to pay its obligations as and when these become due in the foreseeable future.

5 During the previous year, the Holding Company had 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 Holding Company, subject to obtaining necessary approvals from various regulatory authorities.Pursuant to the acquisition of controlling stake in MMFL, the Holding Company has prepared these consolidated financial results for the first time in March 2020. Accordingly, figures for the corresponding quarter ended June 2019 represents the standalone financial results of the Holding Company and are not comparable.

6 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 Company operates in a single geographical segment i.e. domestic.

7 From the previous financial year, the Holding Company and its subsidiary MMFL has opted for reduced rate of 25.17% for computation of income tax as per newly inserted Section 115BAA of the Income Tax Act, 1961.

8 The figures for the quarter ended March 31, 2020 are the balancing figures between audited consolidated figures for the financial year ended March 31, 2020 and the unaudited published year to date standalone figures upto December 31, 2019.

9 Previous year / periods figures have been regrouped / rearranged, wherever considered necessary, to conform with current period's classfication.

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

Udaya Kumar Hebbar
Managing Director & CEO

Bangalore
August 01, 2020

Grameen Regd. & Corp. Office CreditAccess Limited Bengaluru

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Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
The Board of Directors
CreditAccess Grameen Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of CreditAccess Grameen Limited (the "Company") for the quarter ended June 30, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS 34 prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We draw attention to Note 3 to the Statement, which describes the economic and social disruption, as a result of COVID-19 pandemic, of the Company's business and financial metrics, including the Company's estimates of impairment of loans to customers, which are highly dependent on uncertain future developments. Our conclusion is not modified in respect of this matter.

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

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per Shrawan Jalan
Partner
Membership No.: 102102

UDIN: 20102102AAACMH5902

Mumbai
August 1, 2020

CreditAccess Grameen Limited
#49, 46th Cross, 8th Block, Jayanagar, Bangalore - 560071
Statement of unaudited standalone financial results for the quarter ended June 30, 2020
CIN: L51216KA1991PLC053425

₹ in crores

Sr. No.	Particulars	Quarter ended			Year ended
		30-Jun-20 (Unaudited)	31-Mar-20 (Audited) (Refer Note 8)	30-Jun-19 (Unaudited)	31-Mar-20 (Audited)
	Revenue from operations				
(a)	Interest income				
	- Interest on loans	487.79	451.40	352.54	1,588.80
	- Income on securitisation (re-recognised on balance sheet)	-	0.60	10.25	22.25
	- Interest on deposits with banks and financial institutions	1.28	2.38	1.43	6.14
(b)	Fees and commission	0.34	2.00	0.71	4.95
(c)	Net gain on fair value changes	20.55	3.16	10.01	56.15
(d)	Bad debt recovery	0.14	1.38	1.52	5.20
I	**Total revenue from operations**	**510.10**	**460.92**	**376.46**	**1,683.49**
II	**Other income**	0.58	0.12	0.24	0.87
		0.58	**0.12**	**0.24**	**0.87**
III	**Total income (I+II)**	**510.68**	**461.04**	**376.70**	**1,684.36**
	Expenses				
(a)	Finance costs				
	- On borrowings	185.10	166.27	120.07	563.89
	- On financial liability towards securitisation (re-recognised on balance sheet)	-	1.37	3.55	8.78
(b)	Impairment of financial instruments	138.97	140.68	15.47	238.98
(c)	Employee benefits expenses	76.71	68.17	58.64	259.64
(d)	Depreciation and amortisation expenses	5.48	5.07	3.27	19.64
(e)	Other expenses	18.88	49.64	27.57	142.54
IV	**Total expenses (IV)**	**425.14**	**431.20**	**228.57**	**1,233.47**
V	**Profit before tax (III-IV)**	**85.54**	**29.84**	**148.13**	**450.89**
	Tax expense				
	(1) Current tax	47.88	41.90	56.25	159.32
	(2) Deferred tax	(25.94)	(34.87)	(3.95)	(35.93)
VI	**Total tax expense (VI)**	**21.94**	**7.03**	**52.30**	**123.39**
VII	**Profit for the period / year (V-VI)**	**63.60**	**22.81**	**95.83**	**327.50**
VIII	**Other comprehensive income**				
(a)	(1) Items that will not be reclassified to profit or loss	(0.14)	(0.36)	0.26	0.05
	(2) Income tax relating to items that will not be reclassified to profit or loss	0.04	0.09	(0.09)	(0.01)
	Subtotal (a)	**(0.10)**	**(0.27)**	**0.17**	**0.04**
(b)	(1) Items that will be reclassified to profit or loss	11.64	(30.36)	(5.92)	(34.83)
	(2) Income tax relating to items that will be reclassified to profit or loss	(2.93)	7.64	2.07	7.46
	Subtotal (b)	**8.71**	**(22.72)**	**(3.85)**	**(27.37)**
	Other comprehensive income (VIII = a+b)	**8.61**	**(22.99)**	**(3.68)**	**(27.33)**
IX	**Total comprehensive income (VII+VIII) (comprising profit and other comprehensive income for the period / year)**	**72.21**	**(0.18)**	**92.15**	**300.17**
X	**Earnings per equity share (face value of ₹ 10 each)**				
	Basic (EPS) *	4.42	1.58	6.67	22.78
	Diluted (DPS) *	4.39	1.57	6.61	22.59

* The EPS and DPS for quarters ended June 30, 2020, March 31, 2020 and June 30, 2019 are not annualised

CreditAccess Grameen Limited Regd. & Corp. Office Bengaluru

CreditAccess Grameen Limited
#49, 46th Cross, 8th Block, Jayanagar, Bangalore - 560071
Statement of unaudited standalone financial results for the quarter ended June 30, 2020
CIN: L51216KA1991PLC053425

Notes:

1 The above results for the quarter ended June 30, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on August 01, 2020 respectively and subjected to limited review by statutory auditors in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

2 The financial results 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").

3 The COVID-19 pandemic has contributed to a significant disruption of the economic activities across the globe including India. The Government of India announced a strict nation-wide lockdown to contain the spread of the virus which continued till May 31, 2020. Subsequently, various state governments and local statutory authorities have imposed restrictions on economic activities depending upon the severity of the pandemic in different parts of the country which has continued to impact Company's operations including lending and collection activities due to inability of employees to physically reach borrowers and other operational challenges.

Further, pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020 allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company initially offered a moratorium to all customers until May 31, 2020 which has been further extended up to August 31, 2020 to specific customers based on requests received.

At March 31, 2020, the Company had recorded a management overlay allowance of ₹ 82.86 crores as part of its expected credit loss estimate, to reflect, among other things, an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic based on the information available till that point in time. Further, during the quarter ended June 30, 2020 the Company has re-assessed the provisions made having regard to the continued disruption and its likely impact over a period further than that anticipated as of March 31, 2020. Accordingly, the Company has provided an additional management overlay of ₹ 140.59 crores for the quarter, taking the total provision for expected credit losses as at June 30, 2020 to ₹ 402.24 crore (including total management overlay for COVID-19 of ₹ 223.45 crore).

Given the unique nature and scale of this pandemic, its full extent of impact on the Company's operations and financial metrics (including impairment allowances for loan portfolio) will depend on highly uncertain future developments including governmental and regulatory measures and the Company's responses thereto. Accordingly, the aforesaid management overlay is based on various variables and assumptions, which could result in actual credit loss being different than that being estimated.

4 Further, in view of the matters as mentioned in note 3 above, the Company has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. With the relaxation of lockdown rules, as well as resumption of commercial activities by borrowers in a majority of geographies in which the Company operates, management is confident that collections will continue, albeit likely at a lower level than earlier, as experienced during the month of June 2020. Further, the Company has considered its current liquidity position which includes cash and cash equivalents of ₹ 1,068.08 crores as at June 30, 2020 and the expected inflows from various sources of borrowings including various stimulus packages announced by the Government of India, and fresh sanctions from existing / prospective lenders as well as the incremental loan disbursements planned for the foreseeable future. Based on the foregoing and necessary stress tests considering various scenarios adjusted for actual loan collection trends observed during the quarter, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future.

5 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.

6 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.

7 From the previous financial year, the Company has opted for reduced rate of 25.17% for computation of income tax as per newly inserted Section 115BAA of the Income Tax Act, 1961.

8 The figures for the quarter ended March 31, 2020 are the balancing figures between audited figures for the financial year ended March 31, 2020 and the unaudited published year to date figures upto December 31, 2019.

9 Previous year / periods figures have been regrouped / rearranged, wherever considered necessary, to conform with current period's classfication.

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

Udaya Kumar Hebbar
Managing Director & CEO

Bangalore
August 01, 2020

CreditAccess Grameen Limited Regd. & Corp. Office

Deloitte
Haskins & Sells

Chartered Accountants
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Tamil Nadu, India

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INDEPENDENT AUDITORS' REPORT ON UNAUDITED SPECIAL PURPOSE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
CreditAccess Grameen Limited

Introduction

1. We have reviewed the accompanying Unaudited Special Purpose Interim Condensed Consolidated Financial Information of CreditAccess Grameen Limited (the "Company") and its subsidiaries (collectively, the "Group") which comprises of the Condensed Consolidated Balance Sheet as at July 31, 2020 and the related Condensed Consolidated Statement of Profit and Loss (including other comprehensive income), Condensed Consolidated Statement of Changes in Equity for the four month period then ended, and selected explanatory notes thereon (collectively, the "Unaudited Special Purpose Interim Condensed Consolidated Financial Information"). The Unaudited Special Purpose Interim Condensed Consolidated Financial Information have been prepared on the basis stated in Note 2 "Basis of Preparation" to the Unaudited Special Purpose Interim Condensed Consolidated Financial Information.

Management Responsibility

2. The Group's Board of Directors is responsible with respect to preparation and presentation of the Unaudited Special Purpose Interim Condensed Consolidated Financial Information on the basis stated in Note 2 "Basis of Preparation" of the Unaudited Special Purpose Interim Condensed Consolidated Financial Information for the purpose set out in paragraph 7 below. 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 Companies Act 2013 (the "Act") for safeguarding the assets of the Company and preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal control, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the Unaudited Special Purpose Interim Condensed Consolidated Financial Information.

Scope of review

3. Our responsibility is to express a conclusion on the Unaudited Special Purpose Interim Condensed Consolidated Financial Information based on our review. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of the Group's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte
Haskins & Sells

Conclusion

4. Based on our review conducted as stated above and based on the consideration of the review report of the other auditor referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Unaudited Special Purpose Interim Condensed Consolidated Financial Information has not been prepared, in all material aspects, in accordance with the basis set out in Note 2 to the Unaudited Special Purpose Interim Condensed Consolidated Financial Information.

Emphasis of matter

5. We draw attention to Note 4 to the Unaudited Special Purpose Interim Condensed Consolidated Financial Information, which describes that the potential impact of the COVID-19 pandemic on the Group's financial information are dependent on future developments, which are highly uncertain.

   Our conclusion is not modified in respect of this matter.

Other matter

6. We did not review the unaudited special purpose interim condensed financial information of the subsidiaries - Madura Micro Finance Limited and Madura Micro Education Private Limited, whose unaudited special purpose interim condensed consolidated financial information reflect total assets of Rs. 2,101.80 crore as at July 31, 2020, total revenues of Rs. 145.51 crore, total profit after tax of Rs. 15.86 crore and total comprehensive income of Rs. 15.87 crore for the four month period ended July 31, 2020 as considered in the Unaudited Special Purpose Interim Condensed Consolidated Financial Information. These unaudited special purpose interim condensed consolidated financial information have been reviewed by other auditor whose report has been furnished to us by the Management and our report on the Unaudited Special Purpose Interim Condensed Consolidated Financial Information, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries, is based solely on the reports of the other auditor.

   Our report on the Unaudited Special Purpose Interim Condensed Consolidated Financial Information is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

Basis of Accounting and Restriction on use

7. Without modifying our opinion, we draw attention to Note 2 to the Unaudited Special Purpose Interim Condensed Consolidated Financial Information, which describes the purpose and basis of preparation. The Unaudited Special Purpose Interim Condensed Consolidated Financial Information has been prepared by the Group's Management solely for the purpose of inclusion in the Preliminary Placement Document and the Placement Document (together, the "Placement Documents") in connection with the proposed offering of the equity shares of the Company. The Unaudited Special Purpose Condensed Interim Consolidated Financial Information is not a complete set of financial statements of the Group in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as applicable and is not

intended to give a true and fair view of the financial position of the Group as of July 31, 2020, and of its financial performance (including other comprehensive income), and statement of changes in equity for the four month period then ended in accordance with the Indian Accounting Standards prescribed under section 133 of the Act, as applicable. As a result, the Unaudited Special Purpose Condensed Interim Consolidated Financial Information may not be suitable for any other purpose. Our report is intended solely for the Company and should not be distributed to or used by parties other than the Company and, we do not accept or assume any liability or duty of care to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No.008072S)

GOVINDARAJAPURAM KRISHNAMURTHY SUBRAMANIAM
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Date: 2020.09.23 14:44:41 +05'30'

G. K. Subramaniam
Partner
(Membership No. 109839)
UDIN: 20109839AAAASL1596

Place: Mumbai
Date: September 23, 2020

CreditAccess Grameen Limited
(Formerly known as Grameen Koota Financial Services Pvt. Ltd.)
Regd. & Corporate Office
#49, 46th Cross, 8th Block, Jayanagar, Bengaluru-560070
Phone: 080-22637300 | Fax: 080-26643433
Email: info@creditaccessgrameen.com
Website: www.creditaccessgrameen.com
CIN: L51216KA1991PLC053425

CreditAccess Grameen Limited
#49, 46th Cross, 8th Block, Jayanagar, Bengaluru - 560070
CIN: L51216KA1991PLC053425
Special Purpose Interim Condensed Consolidated Balance Sheet as at July 31, 2020

₹ in crore

Sr. No.	Particulars	As at July 31, 2020 (Unaudited)
	ASSETS	
(1)	**Financial assets**	
(a)	Cash and cash equivalents	495.86
(b)	Bank balance other than cash and cash equivalents	116.09
(c)	Other receivables	0.22
(d)	Loans	
	- Loan portfolio	10,520.29
	- Securitised assets re-recognised on balance sheet	83.42
(e)	Investments	914.08
(f)	Other financial assets	55.77
(2)	**Non-financial assets**	
(a)	Current tax assets (net)	8.79
(b)	Deferred tax assets (net)	87.50
(c)	Property, plant and equipment	28.29
(d)	Right to use assets	64.52
(e)	Goodwill on consolidation	317.58
(f)	Intangible assets	168.15
(g)	Intangible assets under development	3.25
(h)	Other non-financial assets	15.63
	Total assets	**12,879.44**
	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	37.46
	(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	106.61
(b)	Borrowings	
	- Debt securities	1,007.97
	- Borrowings (other than debt securities)	8,426.51
	- Subordinated liabilities	105.48
(c)	Financial liability towards securitisation	61.40
(d)	Other financial liabilities	70.21
(2)	**Non-financial liabilities**	
(a)	Current tax liabilities (net)	50.61
(b)	Provisions	25.01
(c)	Other non-financial liabilities	13.46
(3)	**Equity**	
(a)	Equity share capital	144.08
(b)	Other equity	2,718.86
(c)	Non-controlling interests	111.78
	Total liabilities and equity	**12,879.44**

See accompanying selected notes which are an integral part of the Unaudited Special Purpose Interim Condensed Consolidated Financial Information.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants
(ICAI Reg. No 008072S)

GOVINDARAJAPURA M KRISHNAMURTHY SUBRAMANIAM
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G.K. Subramaniam
Partner
Membership No. 109839

Mumbai
September 23, 2020

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

CreditAccess Grameen Limited Regd. & Corp. Office Bengaluru

Udaya Kumar Hebbar
Managing Director & CEO

Bengaluru
September 23, 2020

CreditAccess Grameen Limited
#49, 46th Cross, 8th Block, Jayanagar, Bengaluru - 560070
CIN: L51216KA1991PLC053425
Special Purpose Interim Condensed Consolidated Statement of Profit and Loss for the period ended July 31, 2020

₹ in crore

Sr. No.	Particulars	For the four months ended July 31, 2020 (Unaudited)
I	**Revenue from operations**	
(a)	Interest income	
	- Interest on loans	780.88
	- Income on securitisation (re-recognised on balance sheet)	7.12
	- Interest on deposits with banks and financial institutions	4.59
	- Income from portfolio purchased under assignment	0.45
(b)	Fees and commission	0.48
(c)	Net gain on fair value changes	22.98
(d)	Others	0.67
	Total revenue from operations (I)	**817.17**
II	**Other income**	0.71
III	**Total income (I+II)**	**817.88**
IV	**Expenses**	
(a)	Finance costs	
	- On borrowings	310.10
	- On financial liability towards securitisation (re-recognised on balance sheet)	2.16
(b)	Impairment of financial instruments	163.79
(c)	Employee benefits expenses	129.67
(d)	Depreciation, amortisation and impairment	14.20
(e)	Other expenses	35.15
	Total expenses (IV)	**655.07**
V	**Profit before tax (III-IV)**	**162.81**
VI	**Tax expense**	
	(1) Current tax	74.72
	(2) Deferred tax	(33.15)
	Total tax expense (VI)	**41.57**
VII	**Profit for the period (V-VI)**	**121.24**
VIII	**Other comprehensive income**	
(a)	(1) Items that will not be reclassified to profit or loss	
	- Remeasurement (losses) and gains on defined benefit obligations (net)	(0.12)
	(2) Income tax relating to items that will not be reclassified to profit or loss	0.04
	Subtotal (a)	**(0.08)**
(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	12.24
	(2) Income tax relating to items that will be reclassified to profit or loss	(3.08)
	Subtotal (b)	**9.16**
	Other comprehensive income (VIII = a+b)	**9.08**
IX	**Total comprehensive income (VII+VIII) (comprising profit and other comprehensive income for the period)**	**130.32**
X	**Profit is attributable to:**	
	Owners of the Company	118.40
	Non-controlling interest	2.84
XI	**Other comprehensive Income is attributable to:**	
	Owners of the Company	9.08
	Non-controlling interest	0.00
XII	**Total comprehensive Income is attributable to:**	
	Owners of the Company	127.48
	Non-controlling interest	2.84
XIII	**Earnings per equity share (face value of ₹10.00 each)**	
	Basic (EPS) *	8.22
	Diluted (DPS) *	8.17
	* Not annualised	

See accompanying selected notes which are an integral part of the Unaudited Special Purpose Interim Condensed Consolidated Financial Information

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants
(ICAI Reg. No 008072S)

GOVINDARAJAPURA M KRISHNAMURTHY SUBRAMANIAM

G.K. Subramaniam
Partner
Membership No. 109839

Mumbai
September 23, 2020

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

CreditAccess Grameen Limited Regd. & Corp. Office Bengaluru

Udaya Kumar Hebbar
Managing Director & CEO

Bengaluru
September 23, 2020

CreditAccess™
Grameen

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CreditAccess Grameen Limited
#49, 46th Cross, 8th Block, Jayanagar, Bengaluru - 560070
CIN: L51216KA1991PLC053425
Special Purpose Interim Condensed Consolidated changes in equity for the period ended July 31, 2020

Equity share capital

Equity shares of ₹10 each issued, subscribed and fully paid (Unaudited)

Particulars	No of shares	₹ in crores
At April 1, 2020	14,39,85,459	143.99
Changes in equity share capital during the period	90,150	0.09
At July 31, 2020	14,40,75,609	144.08

Other equity

(Unaudited)
₹ in crore

Particulars	Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	Capital reserve	Securities premium	Stock option outstanding	Retained earnings	Other items of comprehensive income (fair valuation on loan portfolio)	Total Other Equity (A)	Non Controlling interests (B)	Total (A)+(B)
As at April 1, 2020	**265.62**	**49.95**	**1,483.59**	**8.61**	818.53	(36.07)	2,590.23	**108.94**	**2,699.17**
Profit for the period ended July 31, 2020	-	-	-	-	118.40	-	118.40	2.84	121.24
Other comprehensive income	-	-	-	-	(0.08)	9.16	9.08	-	9.08
Premium on exercise of stock options	-	-	1.33	(0.62)	-	-	0.71	-	0.71
Employee stock option compensation for the period	-	-	-	0.44	-	-	0.44	-	0.44
As at July 31, 2020	**265.62**	**49.95**	**1,484.92**	**8.43**	**936.85**	**(26.91)**	**2,718.86**	**111.78**	**2,830.64**

See accompanying selected notes which are an integral part of the Unaudited Special Purpose Interim Condensed Consolidated Financial Information.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants
(Firm Reg. No.008072S)

GOVINDARAJAPURAM KRISHNAMURTHY SUBRAMANIAM
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Date: 2020.09.23 14:47:04 +05'30'

G.K. Subramaniam
Partner
Membership No. 109839

Mumbai
September 23, 2020

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

CreditAccess Grameen Limited Regd. & Corp. Office Bengaluru

Udaya Kumar Hebbar
Managing Director & CEO

Bengaluru
September 23, 2020

CreditAccess Grameen Limited
#49, 46th Cross, 8th Block, Jayanagar, Bengaluru - 560070
CIN: L51216KA1991PLC053425
Selected Explanatory Notes to the Unaudited Special Purpose Interim Condensed Consolidated Financial information for the four months period ended July 31, 2020

Corporate Information:

1 CreditAccess Grameen Limited (Formerly known as Grameen Koota Financial Services Private Limited) ('the Parent Company') is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is registered as a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ('RBI') and has got classified as a Non-Banking Financial Company – Micro Finance Institution ('NBFC-MFI') with effect from September 5, 2013. The Company's shares are listed on BSE Limited ('BSE') and National Stock Exchange of India Ltd ('NSE') The Company being a Non-banking financial Company (NBFC – MFI), is registered with the Reserve Bank of India (Certificate of Registration Number: B-02.00252) located at New No. 49 (Old No. 725), 46th Cross,8th Block, Jayanagar, (Next to Rajalakshmi Kalayana Mantap) Bengaluru 560070, Karnataka, India.

The Group along with subsidiaries (Madura Micro Finance Limited and Madura Micro Education Private Limited) 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 microcredit, the Company uses its distribution channel to provide certain other financial products and services to the members.

Basis of Preparation

2 These Unaudited Special Purpose Interim Condensed Consolidated Financial information of the Group have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") as notified under Section 133 of the Companies Act, 2013 ("the Act") and other accounting principles generally accepted in India for the purpose of inclusion in the Preliminary Placement Document and the Placement Document (together, the "Placement Documents") prepared in connection with the proposed offerings of Equity shares of the Company.

The accounting policies adopted for preparation of these Unaudited Special Purpose Interim Condensed Consolidated Financial information are consistent with those used for the preparation of annual financial statements for the year ended March 31, 2020.

Notes:

3 The above Unaudited Special Purpose Interim Condensed Consolidated Financial information for the four months period ended July 31, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on September 23, 2020 and subjected to limited review by statutory auditors.

4 The COVID-19 pandemic has contributed to a significant disruption of the economic activities across the globe including India which has continued to impact Company's operations. Further, pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020 and based on the Board approved policy, the Group offered a moratorium to all customers until May 31, 2020 which has been further extended up to August 31, 2020 to specific customers based on requests received.

At March 31, 2020, the Group had recorded a management overlay allowance of ₹ 92.75 crores as part of its expected credit loss estimate, to reflect, among other things, an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic based on the information available till that point in time. Further, during the period ended July 31, 2020, the Group has re-assessed the provisions made having regard to the continued disruption and its likely impact over a period further than that anticipated as of March 31, 2020 taking into account all internal and external factors based on information available. Accordingly, the Group has provided an additional management overlay of ₹ 151.99 crores for the current period, taking the total provision for expected credit losses as at July 31, 2020 to ₹ 473.69 crore (including total management overlay for COVID-19 of ₹ 244.74 crore).

The extent to which the COVID-19 pandemic will impact the Group's provision on assets and future results will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or adopted by the Group.

5 During the previous year, the Parent Company had 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 Parent Company, subject to obtaining necessary approvals from various regulatory authorities.

6 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.

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

Udaya Kumar Hebbar
Managing Director & CEO

Bengaluru
September 23, 2020

CreditAccess Grameen Limited Regd. & Corp. Office Bengaluru

INDEPENDENT AUDITORS' REPORT

To the Members of Madura Micro Finance Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Madura Micro Finance Limited (hereinafter referred to as the 'Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31 March 2020, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the reports of other auditor on the financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, and the consolidated profits , the consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidoted Finonciol Stotements* section of our report. We are independent of the Group in accordance with the *Code of Ethics* issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

Pursuant to Reserve Bank Of India (RBI) issuing 'COVID-19 Regulatory package-Asset classification and Provisioning' on 17'th April 2020 , the holding company has granted a three month moratorium and consequential asset classification benefit until May 31'st 2020 to its borrowers . As at 31'st March 2020, for determination of Expected Credit Loss (ECL) provisioning , the ageing of these Loans and Advances and their Asset Classification will remain unchanged as per the Regulatory package. Moreover, the estimates and assumptions made by management in determining the ECL provision required for its loans are subject to uncertainties that are associated with the outcome of the pandemic. Hence the actual results may vary from these estimates. Refer note 43 to the financial statements.

The appointment and payment of remuneration to the Managing director of the holding company for the period from October 2013 to September 2016 is subject to the approval of the Central government. A sum of Rs.132.50 lakhs (excluding gratuity) had been paid as remuneration to the Managing Director for this period subject to central government approval , and charged to the Statement of Profit and Loss in the respective years. Refer note 39 to the financial statements.

Our opinion is not modified in respect of these matters.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements for the financial year ended 31'st March 2020. 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 matter described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the matter was addressed
Transition to Ind AS accounting framework (as described in note 44,45 and 46 of the Ind AS consolidated financial statements) In accordance with the Companies (Indian Accounting Standards) Rules, 2015 that sets out timelines for implementation of Ind AS for non-banking financial companies, Holding Company has adopted Ind AS from April 1, 2019 with an effective date of April 1, 2018 for such transition. For periods up to and including the year ended March 31, 2019, the Holding Company had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). In order to give effect of the transition to Ind AS these financial statements for the year ended March 31, 2020, together with the comparative financial information for the previous year ended March 31, 2019 and the transition date balance sheet as at April 1, 2018 have been prepared under Ind AS. This change in the financial reporting framework involved detailed evaluation by management of the potential impact on every component of the financial statements and to apply significant judgements for selection of appropriate accounting policies suitable for the transactions and operations of the company and selection of options available for transition of balances on transition date from previous GAAP to new GAAP. The transition has also brought about significant changes in the Holding Company's financial reporting processes, including generation of reliable and supportable financial information and additional disclosures required	• Considered the Ind AS impact assessment performed by management to identify areas to be impacted on account of Ind AS transition. Also considered the changes made to the accounting policies in the light of the requirements of the new framework. • Obtained an understanding of managements processes and controls around implementing INDAS and seeking explanations from management for areas involving complex judgements or interpretations. • Reviewed the implementation of exemptions availed and options selected by the company for first time adoption of INDAS to see if they are in accordance with INDAS 101 • Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS. • Evaluated the appropriateness and adequacy of disclosures included in the Ind AS financial statements, with the requirements of the applicable standards. • Assessed the judgement applied by the management in reporting of areas where the accounting treatment prescribed under Ind AS was different from the extant RBI directions and the impact of such differences on specific regulatory disclosures such as capital to risk weighted assets ratio (CRAR) and Net interest margin (NIM).

PKF SRIDHAR & SANTHANAM LLP CHENNAI Firm Regn No.: 003990S/S200018

Key Audit Matter	How the matter was addressed
by the INDAS framework as compared to the previous GAAP. The transition has also required the management to exercise judgement in determining the impact of Ind AS on specific disclosure requirements prescribed under extant Reserve Bank of India (RBI) directions. In view of the significance of the transition with respect to the financial statements and the complexities in implementing Ind AS discussed above, we have considered this as a key audit matter.	

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report / the management report, chairman's statement and business responsibility report but does not include the consolidated financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the reports, If we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

Responsibilities of the Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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 Board of Directors of the Holding Company, as aforesaid.

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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 Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibilities 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 auditors' 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company, its subsidiary company which is a company incorporated in India have 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 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 auditors' 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 auditors' 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.

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- 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 included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 auditors' 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

We did not audit the financial statements of the subsidiary whose financial statements reflect total assets of Rs. 13.92 lakhs and net assets of Rs. (214.88) lakhs as at 31 March 2020, total revenues of Rs. 83.53 lakhs and net cash outflows amounting to Rs. (15.02) lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by another auditor whose report has 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 the subsidiary and our report in terms of sub-section (3) of Section 143 and sub-section (11) of Section 197 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

The financial information of the Group for the year ended March 31, 2019 and the transition date opening balance sheet as at April 1, 2018 included in these Ind AS information, are based on the previously issued statutory financial statements for the years ended March 31, 2019 and March 31, 2018 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us for the holding company and on which we expressed modified opinion dated 27 May 2019 and 4 May 2018 respectively and which were audited by another auditor for the subsidiary and on which an unmodified opinion had been expressed by him in his reports dated 24 May 2019 and 2 May 2018. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us for the holding company and by the other auditor for the subsidiary.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors .

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of other auditor on separate financial statements and other financial information of the subsidiary as noted in the 'Other matters' paragraph, 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 and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the auditor of the subsidiary company, none of the directors of the Group is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor as also the other financial information of the subsidiary, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group,– Refer Note 30 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

PKF SRIDHAR & SANTHANAM LLP ★ CHENNAI ★ Firm Regn. No.: 003990S/S200018

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

(h) As required by Section 197(16) of the Act, we report that the remuneration paid by the Holding Company, and its subsidiary company incorporated in India to its directors is in accordance with the prescribed provisions and the remuneration paid to every director is within the limit specified under Section 197 except for the matter stated in our Emphasis Of Matter section of this report.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm's Registration No.003990S/S200018

Rajeshwari

S Rajeshwari
Partner
Membership No. 024105

PKF SRIDHAR & SANTHANAM LLP * CHENNAI * Firm Regn. No.: 003990S/S200018

Place of Signature: Chennai
Date: 18/5/20
UDIN : 20024105AAAAAU2857

Annexure A

Referred to in paragraph 2(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date on the consolidated financial statements of *Madura Micro Finance* Limited

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

In conjunction with our audit of the consolidated financial statements of ***Madura Micro Finance Limited*** (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting of the Holding Company" and another auditor has audited its subsidiary company which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary company which is a company incorporated in India, are 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 (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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 were 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary company which is a company incorporated in India.

PKF SRIDHAR & SANTHANAM LLP CHENNAI

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, the Holding Company, and its subsidiary company, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting , with certain changes for remote work environment ,were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our 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 the subsidiary company, which is a company incorporated in India, is based on the corresponding report of the other auditor of the subsidiary incorporated in India.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm's Registration No.003990S/S200018

S Rajeshwari
Partner
Membership No. 024105

PKF SRIDHAR & SANTHANAM LLP * CHENNAI * Firm Regn. No: 003990S/S200018

Place of Signature: Chennai
Date: 18/5/20
UDIN:- 20024105AAAAAU2857

Madura Micro Finance Ltd
CIN:- U65929TN2005PLC057390
Consolidated Balance Sheet as at March 31, 2020 ₹ **in lakhs**

Sr. No.	Particulars	Notes	As at March 31, 2020	As at March 31,	As at April 1, 2018
	ASSETS				
(1)	**Financial assets**				
(a)	Cash and cash equivalents	4	8,024.09	13,977.71	6,172.41
(b)	Bank balance other than cash and cash equivalents	5	5,694.43	5,500.47	2,803.82
(c)	Derivative Financial Instruments		-	-	-
(d)	Receivables				
	(I) Trade receivables		-	-	-
	(II) Other receivables		-	-	-
(e)	Loans	6			
	- Loan portfolio (excluding securitised assets)		183,197.48	169,432.20	107,958.35
	- Securitised assets		9,460.40	14,715.85	8,017.12
(f)	Investments	7	4,535.57	1,033.81	32.34
(g)	Other financial assets	8 (A)	1,260.27	792.66	176.26
(2)	**Non-financial assets**				
(a)	Current tax assets (net)	27(B)	452.00	-	-
(b)	Deferred tax assets (net)	27(B)	1,223.71	1,063.77	720.88
(c)	Property, plant and equipment	9	749.81	475.93	344.87
(d)	Right to use assets	9	166.27	116.82	61.22
(e)	Intangible assets	9	89.00	103.93	48.59
(f)	Other non-financial assets	8 (B)	15.05	20.79	14.26
	Total assets		**214,868.08**	**207,233.94**	**126,350.12**
	LIABILITIES AND EQUITY				
(1)	**Financial liabilities**				
(a)	Derivative Financial Instruments		-	7.21	193.35
(b)	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		2,232.08	954.41	67.74
	(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		648.35	644.44	1,454.53
(c)	Borrowings				
	- Debt securities	10	13,729.92	15,321.60	15,375.63
	- Borrowings (other than debt securities)	11	141,764.27	138,531.93	72,546.49
	- Subordinated liabilities	12	7,489.63	5,000.00	5,000.00
	- Financial liability towards securitisation	13	8,079.08	13,786.55	7,572.62
(d)	Other financial liabilities	14(A)	179.47	120.27	61.22
(2)	**Non-financial liabilities**				
(a)	Current tax liabilities (net)	27(B)	-	212.08	57.70
(b)	Provisions	15	428.93	306.96	232.46
(c)	Other non-financial liabilities	14(B)	155.63	133.28	119.84
(3)	**Equity**				
(a)	Equity share capital	16	719.48	719.48	719.48
(b)	Other equity	17	39,441.24	31,495.73	22,949.06
	Total liabilities and equity		**214,868.08**	**207,233.94**	**126,350.12**

Significant Accounting Policies 3
The accompanying notes 1 to 46 form an integral part of financial statements

As per our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No:003990S / S200018

S. Rajeshwari
Partner
(Membership No : 024105)

Tara Thiagarajan
Managing Director

F. S. Mohan Eddy
Whole-time Director

Chennai
18 May 2020

Venkateswaran Balakrishnan
Chief Financial Officer

M. Narayanan
Chief Executive Officer

Sanin Panicker
Company Secretary

MADURA MICRO FINANCE LTD. CHENNAI 600 020 REGISTERED OFFICE

Madura Micro Finance Ltd
CIN:- U65929TN2005PLC057390
Consolidated Statement of profit and loss for the year ended March 31, 2020

₹ in lakhs

Sr. No.	Particulars	Notes	For the year ended 31-Mar-20	For the year ended 31-Mar-19
I	**Revenue from operations**			
(a)	Interest income	18		
	- Interest on loans		41,498.10	34,651.57
	- Income on securitisation		2,759.25	1,875.18
	- Income from portfolio purchased under assignment		736.34	72.59
	- Interest on deposits with banks and financial institutions		501.22	286.61
(b)	Fees and commission	19	25.75	26.50
(c)	Sale of Service		40.51	68.11
(d)	Dividend income		15.72	0.30
(e)	Net gain on fair value changes	20	250.74	328.59
(f)	Bad debt recovery		287.17	210.27
(g)	Others	21	1,036.38	634.66
	Total revenue from operations (I)		47,151.18	38,154.38
II	**Other income**	22	439.19	522.90
III	**Total income (I+II)**		47,590.37	38,677.28
IV	**Expenses**			
(a)	Finance costs	23		
	- On borrowings		18,553.33	14,426.02
	- On financial liability towards securitisation		996.17	565.52
(b)	Impairment of financial instruments	24	5,714.18	3,504.19
(c)	Employee benefits expenses	25	6,740.76	4,638.38
(d)	Depreciation, amortisation and impairment	9	511.40	358.90
(e)	Other expenses	26	4,433.52	2,976.35
	Total expenses (IV)		36,949.36	26,469.36
V	**Profit before tax (III-IV)**		10,641.01	12,207.92
VI	**Tax expense**	27		
	(1) Current tax			
	i. Current year		3,000.50	3,932.72
	ii. Pertaining to earlier years		-173.89	71.35
	(2) Deferred tax		-152.76	-343.16
	Total tax expense (VI)		2,673.85	3,660.91
VII	**Profit / (loss) for the year (V-VI)**		7,967.16	8,547.01
VIII	**Other comprehensive income**			
(a)	(1) Items that will not be reclassified to profit or loss			
	- Remeasurement (losses) and gains on defined benefit obligations (net)		-28.83	-0.08
	(2) Income tax relating to items that will not be reclassified to profit or loss		7.18	-0.26
	Subtotal (a)		-21.65	-0.34
(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		-	-
	(2) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (b)		-	-
	Other comprehensive income (VIII = a+b)		-21.65	-0.34
IX	**Total comprehensive income (VII+VIII) (comprising profit / (loss) and other comprehensive income for the year)**		7,945.51	8,546.67
X	**Earnings per equity share (face value of ₹10.00 each)**			
	Basic		110.74	118.79
	Diluted		110.74	118.79

The accompanying notes 1 to 46 form an integral part of financial statements

As per our report of even date

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No:003990S / S200018

S. Rajeshwari
Partner
(Membership No : 024105)

Tara Thiagarajan
Managing Director

F. S. Mohan Eddy
Whole-time Director

Chennai
18 May 2020

Venkateswaran Balakrishnan
Chief Financial Officer

M. Narayanan
Chief Executive Officer

Sanila Panicker
Company Secretary

MADURA MICRO FINANCE LTD. CHENNAI 600 020 REGISTERED OFFICE

Madura Micro Finance Ltd
CIN:- U65929TN2005PLC057390
Notes to Consolidated accounts for the year ended March 31, 2020

Statement of changes in equity for the year ended 31 Mar 2020

Equity share capital

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

Particulars	No of shares	Amount
At April 1, 2018	7,194,761.00	719.48
Changes in equity share capital during the year	-	-
At March 31, 2019	7,194,761.00	719.48
Changes in equity share capital during the year	-	-
as at March 31, 2020	7,194,761.00	719.48

Other equity

₹ in lakhs

Particulars	Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	Securities premium	Retained earnings	Total
As at April 1, 2018	3,015.15	8,365.47	11,568.44	22,949.06
Profit for the year	-	-	8,547.01	8,547.01
Remeasurement of defined benefit plans (net of taxes)	-	-	-0.34	-0.34
Transferred to statutory reserves	1,611.00	-	-1,611.00	-
As at March 31, 2019	4,626.15	8,365.47	18,504.11	31,495.73
Profit for the year ended March 31, 2020	-	-	7,967.16	7,967.16
Remeasurement of defined benefit plans (net of taxes)	-	-	-21.65	-21.65
Transferred to statutory reserves	1,593.00	-	-1,593.00	-
As as at March 31, 2020	6,219.15	8,365.47	24,856.62	39,441.24

MADURA MICRO FINANCE LTD. CHENNAI 600 020 REGISTERED OFFICE

Madura Micro Finance Ltd
CIN:- U65929TN2005PLC057390
Consolidated statement of cash flows for the year ended March 31, 2020

₹ in lakhs

Particulars	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
Cash flow from operating activities:		
Profit before tax	10,641.01	12,207.92
Adjustments to reconcile profit before tax to net cash flows:		
Interest income on loans	(42,234.44)	(34,724.16)
Income on securitisation	(2,759.25)	(1,875.18)
Depreciation and amortisations	511.40	358.90
Interest expense on borrowings	18,553.33	14,426.02
Interest expenses on financial liability towards securitisation	996.17	565.52
Impairment on financial instruments	847.43	2,149.23
Net gain on financial instruments at fair value through profit or loss	(1,287.12)	(963.25)
Dividend Income	(15.72)	(0.30)
	(25,388.20)	**(20,063.22)**
Operational cash flows from interest:		
Interest received on loans	42,329.48	35,067.50
Interest received on loans securitised	2,719.90	1,903.43
Interest paid on borrowings	(18,491.69)	(14,429.83)
Interest on financial liability towards securitisation	(1,004.74)	(561.95)
Working capital changes:		
Increase / decrease in derivative finacial instruments	(7.21)	(186.14)
(Increase) / decrease in loans	(13,567.45)	(63,115.57)
Increase/decrease in securitised assets	5,190.88	(6,943.16)
(Increase) / decrease in bank balance other than cash and cash equivalents	(193.96)	(2,696.65)
Increase in other financial assets	(467.61)	(616.40)
(Increase) / decrease in other non-financial assets	5.74	(6.53)
Increase in trade and other payables	1,281.58	76.58
Increase / (decrease) in other financial liabilities	59.20	59.05
Increase / (decrease) in provisions	93.14	74.42
(Decrease) / increase in other non-financial liabilities	22.35	13.44
	(7,583.34)	**(73,340.96)**
Income tax paid	(3,490.70)	(3,849.69)
Net cash flows used in operating activities (A)	**(268.28)**	**(63,066.80)**
Investing activities		
Purchase of property, plant and equipment	(780.77)	(507.56)
Purchase of Intangible assets	(39.03)	(93.33)
Purchase of investments at fair value through profit and loss	(142,225.00)	(174,750.00)
Sale of investments at fair value through profit and loss	138,989.71	174,077.41
Net cash flows (used in) / from investing activities (B)	**(4,055.09)**	**(1,273.48)**

MADURA MICRO FINANCE LTD.
CHENNAI
600 020
REGISTERED OFFICE

Madura Micro Finance Ltd
CIN: U65929TN2005PLC057390
Consolidated statement of cash flows for the year ended March 31, 2020 ₹ in lakhs

Financing activities		
Debt securities (repaid) / issued (net)	(1,559.63)	(84.57)
Borrowings other than debt securities (repaid)/ issued (net)	3,690.20	65,644.69
Subordinated liabilities (repaid) / issued (net)	2,500.00	-
Financial liability towards securitisation (net)	(5,698.90)	6,210.36
Net Cash flows from financing activities (C)	**(1,068.33)**	**71,770.48**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(5,391.70)**	**7,430.20**
Cash and cash equivalents as at the beginning of the year	13,414.51	5,984.31
Cash and cash equivalents as at the end of the year	8,022.81	13,414.51

Reconciliation of cash and cash equivalents as per cash flow statement		
Cash and cash equivalents consists of		
Cash and cash equivalents as at the end of the year (Refer note 4)	8,024.09	13,977.71
Cash credit (refer note 11)	(1.28)	(563.20)
Total	**8,022.81**	**13,414.51**

The accompanying notes 1 to 46 form an integral part of financial statements

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No:003990S / S200018

S. Rajeshwari
Partner
(Membership No : 024105)

Tara Thiagarajan
Managing Director

F. S. Mohan Eddy
Whole-time Director

Chennai
18 May 2020

Venkateswaran Balakrishnan
Chief Financial Officer

M. Narayanan
Chief Executive Officer

Sanin Panicker
Company Secretary

MADURA MICRO FINANCE LTD. CHENNAI 600 020 REGISTERED OFFICE

Madura Micro Finance Limited
Notes to the consolidated financial statements for the year ended 31'st March , 2020

1. Corporate information

Madura Micro Finance Limited ("the Company"), headquartered in Chennai, is a Company incorporated on 02.09.2005 under Companies Act, 1956 and registered with the Reserve Bank of India as a Non-deposit accepting Non-Banking Financial Company (NBFC-ND) with effect from 28.02.2006. The Company got classified as a Non-Banking Financial Company - Micro Finance Institution (NBFC-MFI) effective 11.12.2013. The company's debentures are listed in Bombay Stock Exchange.

Pursuant to the execution of Share Purchase Agreements dated 27th November 2019 by the Promoters, Major Shareholders and others, 75.64% of the paid-up Capital of the Company has been acquired by M/s CreditAccess Grameen Limited (CAGL), Bangalore, a Non-Banking Financial Company, on 18th March 2020.Consequently, effective 18th March 2020, your Company has become a Subsidiary of CAGL.
The Company is primarily engaged in the business of providing loans to the Self-Help Group (SHG) members and other loans.
The Consolidated financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorized for issue on 18th May 2020

2. Basis of preparation

The Consolidated 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 rules specify the Indian Accounting Standards (Ind AS) applicable to certain class of companies and sets out dates of applicability. Madura Micro Finance Limited, being a Non-Banking Financial Company, for which IND AS is applicable from Phase III as defined in the said notification, is required to apply the standards as specified in Companies (Indian Accounting Standards) Rules, 2015. Hence, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with transition date of 1 April 2018. The Consolidated financial statements have been prepared on a going concern basis.
The Consolidated financial statements comprise the financial statements of Madura Micro Finance Limited (the holding company) and its subsidiary Madura Micro Education Private Limited (the holding company and its subsidiary is referred to as the "Group")

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act)[Companies (Indian Accounting Standards) Rules, 2015 (as amended till date)] and other relevant provisions of the Act.

In respect of significant accounting matters, the Group has analysed the provisions contained in Ind AS and the relevant guidance as per RBI Guidelines and has adopted appropriate accounting treatment while ensuring compliance with RBI Guidelines. The Group follows the prudential norms for income recognition, asset classification and provisioning as prescribed by the Reserve Bank of India for NBFC-MFI's and follows the provisioning norms as per Reserve Bank of India or IndAS whichever is more stringent.

MADURA MICRO FINANCE LTD. CHENNAI 600 020 REGISTERED OFFICE

For all periods up to and including the year ended March 31, 2019, the Group prepared its consolidated financial statements in accordance with generally accepted accounting principles in India (Indian GAAP) notified under section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI.

The consolidated financial statements for the year ended March 31, 2020 are the first, the Group has prepared in accordance with Ind AS. The Group has applied Ind AS 101 - First time adoption of Indian Accounting Standards, for transition from previous GAAP to Ind AS. An explanation of how transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Group is provided in Note No. 44.

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

New and amended standards and interpretation

Ind AS 116 – 'Leases'

Ind AS 116 'Leases' provides a new model for lessee accounting in which the majority of leases have been accounted for by the recognition on the balance sheet of a right-of-use asset and a lease liability. The subsequent amortization of the right-of-use asset and the interest expense related to the lease liability have been recognized in profit or loss over the lease term.

The Group has adopted Ind AS 116 in the financial reporting period commencing 1 April 2019 and has elected to apply the retrospective transition approach under which the cumulative effect of initial application is recognized at the date of initial application with no restatement of comparative periods' financial information. Under this approach, in respect of leases previously classified as operating leases, the lease liability has been recognised at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application and the right-of-use asset has been recognised at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Being the first year of INDAS adoption, the Group has recognised the lease liability and right-of-use asset as per above mentioned measurement principles at the date of transition to INDAS as permitted by the Standard.

Ind AS 116 introduces a revised definition of a lease. As permitted by the standard, the Group has elected not to reassess the existing population of leases under the new definition and only applied the new definition for the assessment of contracts entered into after the transition date.

The presentation and timing of recognition of charges in the statement of profit and loss also changed as the operating lease expense reported under Ind AS 17, typically on a straight-line basis, has been replaced by depreciation of the right-of-use asset and interest on the lease liability. In the cash flow statement, operating lease payments presented within cash flows from operating activities under Ind AS 17 but under Ind AS 116 payments have been

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presented as financing cash flows, representing repayments of debt, and as operating cash flows, representing payments of interest.

New Standards notified but not effective

None

2.1 Critical accounting estimates and judgements

"The preparation of the Group's Consolidated 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.3.13) - Financial Instrument
- Fair value of financial instruments (Refer Note no.3.15) - Fair value measurement
- Effective interest rate (EIR) (Refer Note no. 3.1.1)
- Impairment of financial assets (Refer Note no.3.13.4)- Impairment of financial assets
- Provisions (Refer Note no. 3.8)
- Contingent liabilities and assets (Refer Note no.3.9)
- Provision for tax expenses (Refer note no.3.11) - Taxes
- Residual value and useful life of property, plant and equipment (Refer Note no. 3.6.1)
- Leases covered under INDAS 116 (Refer note 33)

2.2 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 INDAS 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 on a net basis only when it is specifically permitted to do so by INDAS.

In the case of subsidiary, the normal operating cycle is taken as 12 months.

3. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Consolidated financial statements. These policies have been consistently applied to all the years presented.

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3.1 Revenue recognition

3.1.1 Interest income

The Group computes Interest income by applying the Effective interest rate (EIR) to the gross carrying amount of a financial asset except for

• Purchased or originated credit-impaired financial assets, where the company applies the credit adjusted EIR to the amortised cost of the financial asset from initial recognition, and

• Financial assets that are not purchased or originated credit impaired financial assets but subsequently have become credit-impaired financial assets, where the company applies EIR to the amortised cost of the financial asset in subsequent reporting periods.

The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

When calculating the EIR, the Group includes all fees and charges paid or received to and from the borrowers that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts, but not future credit losses.

3.1.2 Interest income on all financial assets required to be measured at FVTPL is recognised using the contractual interest rate.

3.1.3 Dividend income is recognised when the right to receive payment is established.

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 on net basis.

3.1.5 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 Interest income on deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

3.1.7 The fees receivable in respect of courses conducted is reckoned on accrual basis on the basis of the courses conducted during the year. Other income is accounted for on accrual basis.

3.2 Finance cost

Borrowing cost on financial liabilities 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 with insignificant risk of changes in value.

3.4 Property, plant and equipment ('PPE')

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Costs comprises its purchase price net of any trade discounts

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and rebates, any import duties and other taxes (other than those subsequently recoverable from tax authorities), any attributable expenditure in making the assets ready for intended use.

Subsequent expenditure related to PPE is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

3.5 Intangible assets

Intangible assets are stated at their cost of acquisition. The cost comprises purchase price including any import duties and other taxes (other than those subsequently recoverable from taxation authorities), borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Following initial recognition intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Transition to IND AS

For transition to Ind AS, the Group has elected to continue with the carrying value of all assets, recognised as of 1 April 2018 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.6 Depreciation and amortization

3.6.1 Depreciation

Depreciation on PPE (other than freehold land and properties under construction) is recognised and measured on the depreciable amount (being cost less residual value) using the straight-line method as per the useful life given in Schedule II except the following cases where it is depreciated as per the useful lives estimated by management.

Asset Type	Useful Life
Motor Vehicles	5 years
Furnitures & Fixtures	6.67 years
Electrical Fittings	5 years
Temporary structures	1 year

Assets costing less than Rs. 5000/- are fully depreciated in the year of purchase.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and the effect of any changes in estimate accounted for on a prospective basis.

3.6.2 Amortisation

Amortisation on intangible assets is recognised on a straight line basis over the estimated useful life of the asset.. The estimated useful life and amortisation method are reviewed at the end of each reporting period, for the effect of any changes in estimate being accounted

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for on prospective basis. Management has estimated the useful life of Software to be the license period or 3 years, whichever is lower.

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.

De- Recognition:

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the item (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognized in the statement of profit and loss, when the item is derecognised.

An Intangible-assets is derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible-assets measured as the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss when the asset is derecognised.

3.8 Provisions

Provisions are recognized only when there is a present obligation, as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

3.9 Contingent liabilities and assets

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

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

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3.10 Retirement and other employee benefits

3.10.1 Defined contribution plan

Retirement benefits in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the respective fund. The Company recognises contribution payable to the respective fund as expenditure, when an employee renders the related service.

3.10.2 Defined benefit plan

Gratuity liability, which is unfunded, 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 financial year.

Actuarial gains/losses resulting from re-measurement of the liabilities are included in other comprehensive income.

3.10.3 Leave salary.

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.

3.10.4 Short-term employee benefits ,including salaries, short term compensated absences (such as paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees, are estimated and measured on an undiscounted basis.

3.11 Income Taxes

Tax expense comprises Current tax and Deferred tax.

3.11.1 Current income tax

Current income tax assets and liabilities, including any adjustments of current tax for prior periods, are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961, using tax rates that have been enacted or substantively enacted by the end of reporting period.

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).

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Current tax assets and current tax liabilities are offset if a legally enforceable right exists to set off the recognized amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.11.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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 is 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 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 year are adjusted for the effects of all dilutive potential equity shares.

3.13 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.

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provision of the instruments.

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3.13.1 Financial Assets

3.13.1.1 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.

3.13.1.2 Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI).
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).
- Equity instruments measured at fair value through other comprehensive income FVTOCI.

3.13.1.3 Financial assets measured at amortized cost

A 'debt instrument' is measured at amortised cost if both the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial 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 loans 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 and loss. The losses arising from impairment are recognised in the statement of Profit and Loss.

3.13.1.4 Financial assets carried at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at fair value, with changes in fair value being carried to other comprehensive income, if both the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- 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.

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3.13.1.5. Financial assets at fair value through profit or loss (FVTPL)

A financial asset other than those stated as amortized cost/FVTOCI is subsequently fair valued through profit or loss. A gain or loss on a financial instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Dividend income from these financial assets is included in other income.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, theGroup continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received or receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

3.13.2 Financial Liabilities

3.13.2.1 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.

3.13.2.2 Subsequent measurement

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.

3.13.2.3 De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When 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 the derecognition 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.

3.13.3 Reclassification of Financial Assets and Liabilities

The Group does not 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.

3.13.4 Impairment of financial assets

3.13.4.1 Overview of the Expected Credit Loss (ECL) allowance principles

The Group recognises Impairment allowance for expected credit losses (ECL) on Financial Assets held at amortized cost. The Group also computes the provision for non-performing assets (NPA) as per IRAC norms of RBI. he higher of the two is recorded in the books.

The measurement of ECL reflects an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes from reasonable and supportable information that is available without undue cost or effort at the reporting date about past events and current conditions.

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). The Group's policies for determining if there has been a significant increase in credit risk are set out in note no--3.15.2

The Group assesses at each reporting date whether a financial asset (or a group of financial assets) such as loans and advances and security deposits held at amortised cost are tested for impairment based on evidence or information that is available without undue cost or effort. Lifetime Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

The Company applies a three-stage approach to measuring expected credit losses (ECLs) for Loan Receivables.

3.13.4.2 Measurement of ECLs

ECL consists of three key components: Probability of Default (PD), Exposure at Default (EAD) and Loss given default (LGD). ECL is the product of PD, EAD and LGD.

The Exposure at Default ("EAD") is an estimate of the exposure (gross carrying amount), at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments.

The Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the loan has not been previously derecognised and is still in the portfolio.

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The Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the Exposure at Default.

To calculate the ECL, the Company assesses the possible default events at various stages of the loans. The Company has broadly followed the following approach to compute ECL.

The Advances exposure is broadly classified into 2 pools: MFI loans and individual loans. The EAD is categorised based on respective Past Due status as given below:

Stage 1: 12mECL

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company has assessed that all standard advances and advances upto 30 days default would fall under this category.

Stage 2: LTECL — Significant increase in credit risk

Financial instruments that have had a significant increase in credit risk since initial recognition are classified under this stage. 30 Days Past Due upto 90 Days Past Due is considered as significant increase in credit risk and classified under this category. For these assets, LTECL are recognized.

Stage 3: LTECL — credit impaired

All exposures greater than 90 Days Past due assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a LTECL is recognised. Probability of Default is considered at 100% for credit impaired loans. Interest revenue on these loans is recognized on actual realization, in line with prudential norms.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial assets' credit risk has increased significantly since initial recognition, by considering the change in the risk of defaults occurring over the remaining life of the financial assets.

3.14. Write-offs

Loans are written off when they are overdue for more than 180 days. Any subsequent recoveries are credited to statement of profit and loss.

3.15 Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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- 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 advantageous 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.

3.16 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.

3.17 Foreign currency

3.17.1 All transactions in foreign currency are recognised at the exchange rate prevailing on the date of the transaction.

3.17.2 Foreign currency monetary items are reported using the exchange rate prevailing at the close of the period.

3.17.3 Exchange differences arising on the settlement of monetary items or on the restatement of Groups's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous Consolidated financial statements, are recognised as income or as expenses in the period in which they arise.

3.18 Leases (where the Group is the lessee)

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.

The Group as a lessee

The Group's lease asset classes primarily consist of leases for buildings. The Group assesses whether a contract contains a lease, at inception of a contract. 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 recognizes 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

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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 include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include 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. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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Madura Micro Finance Ltd
CIN:- U65929TN2005PLC057390
Notes to Consolidated accounts for the year ended March 31, 2020

₹ in lakhs

4 Cash and cash equivalents

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Cash in hand	2.42	3.67	1.88
Balances with Banks in current accounts	4,016.63	2,367.51	4,168.01
Bank deposit with original maturity of less than 3 months	4,005.04	11,606.53	2,002.52
Total	8,024.09	13,977.71	6,172.41

5 Bank balance other than cash and cash equivalents

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Fixed deposit with bank not considered as cash and cash equivalents*	5,694.43	5,500.47	2,803.82
Total	5,694.43	5,500.47	2,803.82

*Balances with banks to the extent held as margin money or security against the borrowings (Refer Note 11)

6 Loan portfolio (excluding securitised assets)

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
	At amortised cost	At amortised cost	At amortised cost
(A) Term loans:			
Self help group loans	186,911.70	171,977.83	106,360.25
Individual loans	594.96	1,020.04	3,230.72
Total - Gross	187,506.66	172,997.87	109,590.97
Less: Impairment loss allowance	4,309.18	3,565.67	1,632.62
Term Loans - Net	183,197.48	169,432.20	107,958.35
(B) (a) Secured (SME loan against property)	25.77	33.61	39.72
(b) Unsecured	187,480.89	172,964.26	109,551.25
Total - Gross	187,506.66	172,997.87	109,590.97
Less: Impairment loss allowance	4,309.18	3,565.67	1,632.62
Total - Net	183,197.48	169,432.20	107,958.35
(C) (I) Loans in India			
(a) Public sector	-	-	-
(b) Others	187,506.66	172,997.87	109,590.97
Total - Gross	187,506.66	172,997.87	109,590.97
Less: Impairment loss allowance	4,309.18	3,565.67	1,632.62
Total - Net	183,197.48	169,432.20	107,958.35
(C) (II) Loans outside India	-	-	-
Less: Impairment loss allowance	-	-	-
Total - Net	-	-	-

Securitised assets

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
	At amortised cost	At amortised cost	At amortised cost
(A) Term loans:			
Self help group loans	9,814.37	14,965.90	8,050.99
Total - Gross	9,814.37	14,965.90	8,050.99
Less: Impairment loss allowance	353.97	250.05	33.87
Total - Net	9,460.40	14,715.85	8,017.12
(B) (a) Secured	-	-	-
(b) Unsecured	9,814.37	14,965.90	8,050.99
Total - Gross	9,814.37	14,965.90	8,050.99
Less: Impairment loss allowance	353.97	250.05	33.87
Total - Net	9,460.40	14,715.85	8,017.12
(C) (I) Loans in India			
(a) Public sector	-	-	-
(b) Others	9,814.37	14,965.90	8,050.99
Total - Gross	9,814.37	14,965.90	8,050.99
Less: Impairment loss allowance	353.97	250.05	33.87
Total - Net	9,460.40	14,715.85	8,017.12
(C) (II) Loans outside India	-	-	-
Less: Impairment loss allowance	-	-	-
Total - Net	-	-	-

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6(A) **Group lending loans** ₹ in lakhs

Gross carrying value of assets as at 31st March 2020

Particulars	Stage 1	Stage 2	Stage 3	Total
Standard	190,654.95	3,704.05		194,359.00
Non Performing assets			3,164.67	3,164.67
Total	**190,654.95**	**3,704.05**	**3,164.67**	**197,523.67**

Gross carrying value of assets as at 31st March 2019

Particulars	Stage 1	Stage 2	Stage 3	Total
Standard	181,109.72	5,085.40		186,195.12
Non Performing assets			1,664.42	1,664.42
Total	**181,109.72**	**5,085.40**	**1,664.42**	**187,859.54**

Gross carrying value of assets as at 1st April 2018

Particulars	Stage 1	Stage 2	Stage 3	Total
Standard	113,439.48	1,209.12		114,648.60
Non Performing assets			546.62	546.62
Total	**113,439.48**	**1,209.12**	**546.62**	**115,195.22**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Group lending loans:

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2019	181,109.72	5,085.40	1,664.42	187,859.54
New assets originated during the year, netted off for repayments and derecognised portfolio	17,462.66	-2,538.10	-455.59	14,468.97
Assets written off during the year	-	-	-4,804.85	-4,804.85
Movement between stages				
Transfer from Stage 1	-8,119.28	3,637.14	4,482.14	0.00
Transfer from Stage 2	201.84	-2,480.40	2,278.56	-
Transfer from Stage 3	-	-	-	-
Gross carrying value of assets as at 31st March 2020	**190,654.95**	**3,704.05**	**3,164.67**	**197,523.67**

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2019	844.29	810.99	1,030.58	2,685.86
New assets originated during the year, netted off for repayments and derecognised portfolio	81.13	-404.76	-282.47	-606.10
Assets written off during the year	-	-	-4,804.85	-4,804.85
Movement between stages				
Transfer from Stage 1	-37.72	16.90	20.82	0.00
Transfer from Stage 2	32.19	-395.56	363.37	-
Transfer from Stage 3	-	-	-	-
Impact on ECL on account of movement between stages / updates to the ECL model	975.90	708.79	5,695.86	7,380.54
ECL allowance as at 31st March 2020	**1,895.78**	**736.36**	**2,023.31**	**4,655.46**

-

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 1st April 2018	113,439.48	1,209.12	546.62	115,195.22
New assets originated during the year, netted off for repayments and derecognised portfolio	74,811.21	-653.21	-205.90	73,952.10
Assets written off during the year	-	-	-1,287.77	-1,287.77
Movement between stages				-
Transfer from Stage 1	-7,147.93	5,082.99	2,064.93	-
Transfer from Stage 2	6.97	-553.51	546.54	-
Transfer from Stage 3	-	-	-	-
Gross carrying value of assets as at 31st March 2019	**181,109.72**	**5,085.40**	**1,664.42**	**187,859.54**

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Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1st April 2018	**495.07**	**354.50**	**344.37**	**1,193.94**
New assets originated during the year, netted off for repayments and derecognised portfolio	326.48	-191.51	-129.72	5.25
Assets written off during the year	-	-	-1,287.77	-1,287.77
Movement between stages				-
Transfer from Stage 1	-31.19	22.18	9.01	-
Transfer from Stage 2	2.04	-162.18	160.14	-
Transfer from Stage 3	-	-	-	-
Impact on ECL on account of movement between stages / updates to the ECL model	51.89	788.00	1,934.55	2,774.45
ECL allowance as at 31st March 2019	**844.29**	**810.99**	**1,030.58**	**2,685.86**

Note:The loan balances considered in this note are before netting off unamortised processing charges.

6(B) **Individual lending**

Gross carrying value of assets as at 31st March 2020

Particulars	Stage 1	Stage 2	Stage 3	Total
Standard assets	603.08			603.08
Substandard assets			3.88	3.88
Doubtful assets				-
Total	**603.08**	**-**	**3.88**	**606.96**

Gross carrying value of assets as at 31st March 2019

Particulars	Stage 1	Stage 2	Stage 3	Total
Standard assets	973.37			973.37
Substandard assets			46.52	46.52
Doubtful assets				-
Total	**973.37**	**-**	**46.52**	**1,019.89**

Gross carrying value of assets as at 1st April 2018

Particulars	Stage 1	Stage 2	Stage 3	Total
Standard assets	3,198.10	-	-	3,198.10
Substandard assets	-	-	28.76	28.76
Doubtful assets				-
Total	**3,198.10**	**-**	**28.76**	**3,226.86**

Individual loans are not considered for ECL and hence no stage wise classification done. NPA provision made as per IRACP norms are shown under stage 3 and standard loans under stage 1

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Individual lending loans:

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2019	973.37	-	46.52	1,019.89
New assets originated during the year netted off for repayments	-308.39		-42.63	-351.03
Assets written off during the year	-	-	-61.90	-61.90
Transfer from Stage 1				-
Transfer from Stage 2	-61.90		61.90	-
Transfer from Stage 3	-			-
Gross carrying value of assets as at 31st March 2020	**603.08**	**-**	**3.88**	**606.96**

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Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2019	1.62	-	23.26	24.88
New assets originated during the year netted off for repayments	-68.56		-21.32	-89.87
Assets written off during the year	-	-	-61.90	-61.90
Movement between stages				
Transfer from Stage 1	-13.76		13.76	-
Transfer from Stage 2	-			-
Transfer from Stage 3	-			-
Impact on ECL on account of movement between stages / updates to the ECL m	86.45		48.14	134.60
ECL allowance as at 31st March 2020	5.76	-	1.94	7.70

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 1st April 2018	3,198.10		28.76	3,226.86
New assets originated during the year netted off for repayments	-2,139.80			-2,139.80
Assets written off during the year	-	-	-67.18	-67.18
Transfer from Stage 1	-84.93		84.93	-
Transfer from Stage 2				-
Transfer from Stage 3				-
Gross carrying value of assets as at 31st March 2019	973.37	-	46.52	1,019.89

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1st April 2018	28.77		14.38	43.15
New assets originated during the year netted off for repayments	-19.26			-19.26
Assets written off during the year	-	-	-67.18	-67.18
Movement between stages				
Transfer from Stage 1	-0.76		0.76	-
Transfer from Stage 2				-
Transfer from Stage 3				-
Impact on ECL on account of movement between stages / updates to the ECL m	-7.13		75.29	68.16
ECL allowance as at 31st March 2019	1.62	-	23.26	24.88

Notes:

The loan balances considered in this note are before netting off unamortised processing charges.

Individual loans are not considered for ECL and hence no stage wise classification done. NPA provision made as per IRACP norms are shown under stage 3 and standard loans under stage 1.

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₹ in lakhs

7 **Investments**

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Investments			
A) In India			
At fair value through profit and loss account:			
-in mutual funds	4,501.95	1,000.19	-
-in equity instruments	33.62	33.62	32.34
B) Outside India	-	-	-
Total	4,535.57	1,033.81	32.34

8 (A) **Other financial assets (at amortised cost)**

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Retained interest on assets assigned	845.56	537.17	-
Security deposits (unsecured, considered good)	211.91	159.45	111.83
Loans and advances to employees (unsecured, considered good)	71.59	55.75	43.28
Others	131.21	40.29	21.15
Total	1,260.27	792.66	176.26

8 (B) **Other non-financial assets (at amortised cost)**

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Other advances			
Unsecured, considered good	15.05	20.79	14.26
Total	15.05	20.79	14.26

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₹ in lakhs

9 Property, Plant and Equipment, Right of use Assets and Intangible Assets

Particulars	Property, plant and equipment										Right of use assets		Intangible assets	
	Freehold Land	Buildings	Leasehold Improvement	Temporary Structures in Rented Premises	Electrical Equipment	Furniture & Fixtures	Vehicles	Office equipment	Computer	Total	Buildings	Total	Computer software & Others	Total
Cost / Deemed Cost														
As at April 1, 2018	17.06	21.54	8.33	-	5.14	29.05	0.03	18.13	245.59	344.87	61.22	406.09	48.59	48.59
Additions	-		0.77	-	0.72	94.54	0.35	59.78	238.67	394.82	113.12	507.94	93.33	93.33
Disposals									-0.38	-0.38		-0.38	-	-
As at March 31, 2019	17.06	21.54	9.10	-	5.86	123.59	0.38	77.91	483.87	739.31	174.34	913.65	141.92	141.92
Additions	-	-	21.89	-	23.25	195.27	-	65.78	344.69	650.89	129.89	780.78	39.04	39.04
Disposals	-	-	-	-	-	-	-	-	-	-	-55.49	-55.49	-	-
As at March 31, 2020	17.06	21.54	30.99	-	29.11	318.86	0.38	143.69	828.56	1,390.20	248.74	1,638.93	180.96	180.96
Depreciation:										-		-		
Depreciation charge for the year	-	0.36	1.80	-	3.30	74.92	0.06	18.84	164.10	263.38	57.52	320.90	37.99	37.99
Disposals	-	-	-	-	-	-	-	-	-	-	-	-		-
As at March 31, 2019	-	0.36	1.80	-	3.30	74.92	0.06	18.84	164.10	263.38	57.52	320.90	37.99	37.99
Depreciation charge for the year	-	0.36	4.57	-	8.49	111.33	0.07	26.69	225.48	377.00	80.44	457.44	53.96	53.96
Disposals	-	-	-	-	-	-	-	-	-	-	-55.49	-55.49	-	-
As at March 31, 2020	-	0.73	6.38	-	11.79	186.25	0.13	45.53	389.58	640.38	82.47	722.85	91.95	91.95
Net book value:														
As at April 01, 2018	17.06	21.54	8.33	-	5.14	29.05	0.03	18.13	245.59	344.87	61.22	406.09	48.59	48.59
As at March 31, 2019	17.06	21.18	7.29	-	2.55	48.67	0.32	59.07	319.78	475.93	116.82	592.75	103.93	103.93
As at March 31, 2020	17.06	20.82	24.61	-	17.32	132.61	0.25	98.15	438.99	749.81	166.27	916.08	89.00	89.00

Note: The land and building is under mortgage as additional security for debentures issued. Refer Note 10 for information about debentures

Company has opted for deemed cost under Ind AS 101 and has netted off accumulated depreciation from cost as at April 01, 2018. The cost and accumulated depreciation as on that date are as below:

As at April 01, 2018

Cost	17.06	21.79	19.00	144.08	14.88	102.09	45.37	142.92	623.53	1,130.72	61.22	1,191.94	466.15	466.15
Accumulated depreciation	-	0.25	10.67	144.08	9.74	73.04	45.34	124.79	377.94	785.85	-	785.85	417.56	417.56
Deemed cost	17.06	21.54	8.33	-	5.14	29.05	0.03	18.13	245.59	344.87	61.22	406.09	48.59	48.59

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10 Debt securities (at amortised cost)

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Debentures (secured)	13,729.92	13,825.96	15,375.63
Debentures (unsecured)	-	1,495.64	-
Total	13,729.92	15,321.60	15,375.63
Debt securities in India	13,729.92	15,321.60	15,375.63
Debt securities outside India	-	-	-
Total	13,729.92	15,321.60	15,375.63

Nature of security
The above debentures are secured by way of first and exclusive charge over eligible book debts of the Company.

Debentures (secured) (at amortised cost)

Terms of debentures	Number of debentures			Face value (in Rs)	Amount ₹ in lakhs		
	March 31, 2020	March 31, 2019	March 31, 2018		March 31, 2020	March 31, 2019	April 1, 2018
14.84% Non-Convertible Debentures - Privately placed, Listed Secured by exclusive charge on the loans created out of the proceeds of the debentures. The NCD was redeemed in one bullet payment on 08-May-2018	-	-	400	1,000,000	-	-	4,084.57
11.50% Non-Convertible Debentures - Privately placed, Listed Secured by exclusive charge on loans created out of the proceeds of the debentures and immovable properties. The NCD is redeemable in one bullet payment on 31-July-2020.	400	400	400	1,000,000	4,075.62	4,074.36	4,074.36
14.15% Non-convertible Debentures - Privately placed, Listed. Secured by hypothecation of loans granted to Self Help Groups. The maturity date of the Debentures is 13-Sep-2020, with 99.99% redeemed on 13 Sep-2019 and balance redeemable on maturity date.	366	366	366	1,000,000	0.39	3,846.95	3,836.08
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 is redeemable in one bullet payment on 05-Dec-2020.	330	330	330	1,000,000	3,434.00	3,414.33	3,380.62
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 is redeemable in one bullet payment on 31-Dec-2020.	250	250	-	1,000,000	2,495.60	2,490.32	-
11.00% Non-Convertible Debentures - Privately placed, unlisted Secured by exclusive charge on the loans created out of the proceeds of the debentures and immovable properties. 99.99% of the principal amount of the NCD is redeemable on 13-May-2021 and balance on 13-May-2023	360	-	-	1,000,000	3,724.31	-	-
Total					13,729.92	13,825.96	15,375.63

Debentures (unsecured) (at amortised cost)

Terms of debentures	Number of debentures			Face value (in Rs)	Amount ₹ in lakhs		
	March 31, 2020	March 31, 2019	April 1, 2018		March 31, 2020	March 31, 2019	April 1, 2018
11.40% Non-convertible Debentures - Privately placed, listed. The NCD was redeemed in one bullet payment on 31-Dec-2019.	-	150	-	1,000,000	-	1,495.64	-
Total					-	1,495.64	-

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₹ in lakhs

11 Borrowings other than debt securities (at amortised cost)

Particulars	March 31, 2020	March 31, 2019	April 01, 2018
Term loans (secured)			
Banks	95,097.57	82,009.38	44,305.37
Financials institutions	31,540.60	36,537.90	13,570.85
Non-banking financial companies	15,124.82	17,272.20	12,047.50
External commercial borrowings	-	2,149.25	2,434.67
Cash Credit (secured)			
Banks	1.28	563.20	188.10
Total	141,764.27	138,531.93	72,546.49
Borrowings in India	141,764.27	136,382.68	70,111.82
Borrowings outside India	-	2,149.25	2,434.67
Total	141,764.27	138,531.93	72,546.49

Refer Note 11.1 for tenure, interest rates and repayment schedule
All the above loans are secured by a charge on the advances granted to Self Help Groups from the proceeds of the Loans and by a charge on fixed deposits wherever sanction terms require it.

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11.1 Terms of repayment of borrowings as on March 31, 2020

₹ in lakhs

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 more than 5 years		Total
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
Monthly														
1-3 years	6%-6.5%	12	1,071.60	11	981.90	-	-	-	-	-	-	-	-	2,053.50
	6.5%-7%	12	1,452.00	6	733.00	-	-	-	-	-	-	-	-	2,185.00
	7%-7.5%	12	1,071.60	11	981.90	-	-	-	-	-	-	-	-	2,053.50
	7.5%-8%	-	-	-	-	-	-	-	-	-	-	-	-	-
	8%-8.5%	-	-	-	-	-	-	-	-	-	-	-	-	-
	8.5%-9%	-	-	-	-	-	-	-	-	-	-	-	-	-
	9%-9.5%	-	-	-	-	-	-	-	-	-	-	-	-	-
	9.5%-10%	14	1,000.00	12	1,090.91	-	-	-	-	-	-	-	-	2,090.91
	10%-10.5%	49	6,084.42	28	3,020.20	11	1,666.78	-	-	-	-	-	-	10,771.40
	10.5%-11%	89	6,411.23	20	1,706.59	-	-	-	-	-	-	-	-	8,117.82
	11%-11.5%	253	26,733.78	160	17,853.83	31	3,052.03	-	-	-	-	-	-	47,639.65
	11.5%-12%	44	3,368.28	20	1,154.39	-	-	-	-	-	-	-	-	4,522.67
	12%-12.5%	12	444.00	7	264.00	-	-	-	-	-	-	-	-	708.00
	12.5%-13%	12	3,999.96	12	4,000.06	-	-	-	-	-	-	-	-	8,000.02
Above 3 years	10.5%-11%	29	805.56	32	888.89	24	666.67	4	111.11	-	-	-	-	2,472.22
	11%-11.5%	10	111.11	12	133.33	1	11.11	-	-	-	-	-	-	255.56
Quarterly														
1-3 years	10%-10.5%	4	2,500.00	2	1,250.00	-	-	-	-	-	-	-	-	3,750.00
	10.5%-11%	7	2,535.71	3	937.50	-	-	-	-	-	-	-	-	3,473.21
	11%-11.5%	14	7,714.29	2	1,571.43	-	-	-	-	-	-	-	-	9,285.71
	11.5%-12%	12	1,278.79	9	1,012.08	2	272.72	-	-	-	-	-	-	2,563.59
Above 3 years	11%-11.5%	4	333.33	1	83.33	-	-	-	-	-	-	-	-	416.67
	11.5%-12%	4	1,500.00	4	1,500.00	4	1,225.00	4	250.00	3	150.00	-	-	4,625.00
Half Yearly														
Above 3 years	10.5%-11%	2	1,200.00	2	200.00	2	200.00	-	-	-	-	-	-	1,600.00
	11%-11.5%	4	360.00	4	360.00	1	80.00	-	-	-	-	-	-	800.00
	11.5%-12%	8	4,475.00	7	2,582.50	6	690.00	4	415.00	-	-	-	-	8,162.50
Bullet														
1-3 years	10.5%-11%	7	14,000.00	-	-	-	-	-	-	-	-	-	-	14,000.00
	11%-11.5%	1	2,000.00	-	-	-	-	-	-	-	-	-	-	2,000.00
	11.5%-12%	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total		615	90,450.66	365	42,305.85	82	7,864.32	12	776.11	3	150.00	-	-	141546.93

This pertains to the principal outstanding only.

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11.2 Terms of repayment of borrowings as on March 31, 2019

₹ in lakhs

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 more than 5 years		Total
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
Monthly														
1-3 years	6%-6.5%	-	-	-	-	-	-	-	-	-	-	-	-	-
	6.5%-7%	12	1,452.00	12	1,452.00	6	733.00	-	-	-	-	-	-	3,637.00
	9.5%-10%	12	1,250.00	3	312.50	-	-	-	-	-	-	-	-	1,562.50
	10%-10.5%	88	4,840.91	29	2,111.75	14	1,212.12	-	-	-	-	-	-	8,164.78
	10.5%-11%	194	17,989.90	88	9,918.37	14	2,343.22	-	-	-	-	-	-	30,251.50
	11%-11.5%	169	12,343.36	95	5,964.02	25	359.26	-	-	-	-	-	-	18,666.63
	11.5%-12%	77	6,264.05	36	3,608.00	2	248.00	-	-	-	-	-	-	10,120.05
	12%-12.5%	28	1,272.42	13	499.55	7	264.00	-	-	-	-	-	-	2,035.98
	13%-13.5%	10	2,065.58	12	3,999.96	12	4,000.06	-	-	-	-	-	-	10,065.60
Above 3 years	10.5%-11%	24	466.67	24	466.67	17	288.89	-	-	-	-	-	-	1,222.22
	11.5%-12%	9	258.04	-	-	-	-	-	-	-	-	-	-	258.04
Quarterly														
1-3 years	10%-10.5%	7	1,871.43	-	-	-	-	-	-	-	-	-	-	1,871.43
	10.5%-11%	12	5,892.85	2	857.14	-	-	-	-	-	-	-	-	6,749.99
	11%-11.5%	9	4,714.29	11	7,000.00	1	1,285.71	-	-	-	-	-	-	13,000.00
	11.5%-12%	8	733.33	8	733.33	5	466.67	-	-	-	-	-	-	1,933.33
	12%-12.5%	3	136.36	-	-	-	-	-	-	-	-	-	-	136.36
	12.5%-13%	2	166.28	-	-	-	-	-	-	-	-	-	-	166.28
Above 3 years	11%-11.5%	4	333.33	4	333.33	1	83.33	-	-	-	-	-	-	750.00
	11.5%-12%	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Yearly														
1-3 years	11.5%-12%	1	333.33	-	-	-	-	-	-	-	-	-	-	333.33
Above 3 years	10.5%-11%	2	1,200.00	2	1,200.00	2	200.00	2	200.00	-	-	-	-	2,800.00
	11%-11.5%	4	2,050.00	4	360.00	4	360.00	1	80.00	-	-	-	-	2,850.00
	11.5%-12%	8	4,787.50	8	4,475.00	7	2,582.50	6	690.00	4	415.00	-	-	12,950.00
Bullet														
1-3 years	10.5%-11%	3	6,000.00	-	-	-	-	-	-	-	-	-	-	6,000.00
Above 3 years	11%-11.5%	-	-	-	-	-	-	-	-	-	-	-	-	-
	12.5%-13%	4	443.02	4	443.02	4	443.02	4	443.02	3	417.88	-	-	2,189.96
Grand Total		690	76,864.65	355	43,734.65	121	14,869.78	13	1,413.02	7	832.88	-	-	137,714.98

This pertains to the principal outstanding only.

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11.3 Terms of repayment of borrowings as on April 1, 2018

₹ in lakhs

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 more than 5 years		Total
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
Monthly														
1-3 years	6%-6.5%	-	-	-	-	-	-	-	-	-	-	-	-	-
	10%-10.5%	119	8,539.58	86	6,092.55	13	1,067.92	1	86.79	-	-	-	-	15,786.84
	10.5%-11%	129	7,702.61	95	6,638.84	12	739.15	-	-	-	-	-	-	15,080.60
	11%-11.5%	92	4,865.92	55	2,045.62	22	437.33	-	-	-	-	-	-	7,348.87
	11.5%-12%	81	3,931.08	12	556.35	-	-	-	-	-	-	-	-	4,487.43
	12%-12.5%	38	1,110.54	4	161.76	-	-	-	-	-	-	-	-	1,272.30
	12.5%-13%	65	1,537.04	4	65.60	-	-	-	-	-	-	-	-	1,602.64
Above 3 years	10.5%-11%	12	336.00	10	272.65	-	-	-	-	-	-	-	-	608.65
	11%-11.5%	-	-	-	-	-	-	-	-	-	-	-	-	-
	11.5%-12%	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarterly														
1-3 years	10%-10.5%	11	3,028.57	10	2,621.43	-	-	-	-	-	-	-	-	5,650.00
	10.5%-11%	5	1,785.71	4	1,428.57	-	-	-	-	-	-	-	-	3,214.29
	11%-11.5%	-	-	-	-	-	-	-	-	-	-	-	-	-
	11.5%-12%	-	-	-	-	-	-	-	-	-	-	-	-	-
	12%-12.5%	4	181.82	3	136.36	-	-	-	-	-	-	-	-	318.18
	12.5%-13%	6	515.15	2	166.41	-	-	-	-	-	-	-	-	681.56
Above 3 years	11%-11.5%	3	250.00	4	333.33	4	333.33	1	83.33	-	-	-	-	1,000.00
	11.5%-12%	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Yearly														
1-3 years	10.5%-11%	1	166.67	-	-	-	-	-	-	-	-	-	-	166.67
	11%-11.5%	-	-	-	-	-	-	-	-	-	-	-	-	-
	11.5%-12%	4	1,166.67	1	333.33	-	-	-	-	-	-	-	-	1,500.00
Above 3 years	10.5%-11%	2	1,200.00	2	1,200.00	2	1,200.00	2	200.00	2	200.00	-	-	4,000.00
	11%-11.5%	4	2,700.00	4	2,050.00	4	360.00	4	360.00	1	80.00	-	-	5,550.00
	11.5%-12%	2	750.00	2	437.50	2	125.00	1	62.50	-	-	-	-	1,375.00
Bullet														
1-3 years	10.5%-11%	-	-	-	-	-	-	-	-	-	-	-	-	-
Above 3 years	11%-11.5%	-	-	-	-	-	-	-	-	-	-	-	-	-
	12.5%-13%	4	443.02	4	443.02	4	443.02	4	443.02	4	443.02	3	278.17	2,493.27
Grand Total		582	40,210.38	302	24,983.32	63	4,705.75	13	1,235.64	7	723.02	3	278.17	72,136.29

This pertains to the principal outstanding only.

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12 **Subordinated liabilities (at amortised cost)**

Particulars	March 31, 2020	March 31, 2019	April 01, 2018
Debentures	5,001.95	5,000.00	5,000.00
Term Loan	2,487.68	-	-
Total	**7,489.63**	**5,000.00**	**5,000.00**
Borrowings in India	7,489.63	5,000.00	5,000.00
Borrowings outside India	-	-	-
Total	7,489.63	5,000.00	5,000.00

Refer Note 12.1 for tenure, interest rates and repayment schedule

Debentures (subordinated liabilities, at amortised cost)

Terms of debentures	Number of debentures			Face value (in Rs)	Amount		
	March 31, 2020	March 31, 2019	April 01, 2018		March 31, 2020	March 31, 2019	April 1, 2018
14.25% Subordinated, Unsecured, Non-Convertible Debentures - Privately placed, Listed. The NCDs are redeemable on 29-Mar 2024.	500	500	500	1,000,000	5,001.95	5,000.00	5,000.00
Total					**5,001.95**	**5,000.00**	**5,000.00**

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12.1 Terms of repayment of subordinate term loans as on March 31, 2020

Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due more than 5 years		Total
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	
Bullet Above 3 years	14%-14.5%	-	-	-	-	-	-	-	-	-	-	2	2,500.00	2,500.00
Grand Total		-	-	-	-	-	-	-	-	-	-	2	2,500.00	2,500.00

This pertains to the principal outstanding only.

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13 Financial liability towards securitisation

Particulars	March 31, 2020	March 31, 2019	April 01, 2018
Borrowings under securitisation arrangement	8,079.08	13,786.55	7,572.62
Total	8,079.08	13,786.55	7,572.62

14(A) Other financial liabilities (at amortised cost)

Particulars	March 31, 2020	March 31, 2019	April 01, 2018
Lease Liability	179.47	120.27	61.22
Total	179.47	120.27	61.22

Refer Note 3.18 for accounting policy on leases and Note 33.7 for movement of lease liability

14(B) Other non-financial liabilities

Particulars	March 31, 2020	March 31, 2019	April 01, 2018
Statutory dues payable	149.77	127.42	114.01
Others	5.86	5.86	5.83
Total	155.63	133.28	119.84

15 Provisions

Particulars	March 31, 2020	March 31, 2019	April 01, 2018
Provision for employee benefits:			
Gratuity	258.39	174.41	129.93
Leave encashment and availment	170.54	132.55	102.53
Total	428.93	306.96	232.46

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₹ in lakhs

16 Issued capital

Particulars	March 31, 2020	March 31, 2019	April 01, 2018
Authorised			
Equity shares of INR 10 each	1,000.00	1,000.00	1,000.00
	1,000.00	1,000.00	1,000.00
	March 31, 2020	March 31, 2019	April 01, 2018
Issued, subscibed and fully paid up			
71,94,761 (March 31, 2019: 71,94,761) equity shares of Rs.10 each fully paid	719.48	719.48	719.48

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity shares	March 31, 2020		March 31, 2019		April 1, 2018	
	No. of Shares	Amount ₹ in lakhs	No. of Shares	Amount ₹ in lakhs	No. of Shares	Amount ₹ in lakhs
At the beginning of the year	7,194,761	719.48	7,194,761	719.48	7,194,761	719.48
Issued during the year	-	-		-		-
Outstanding at the end of the year	7,194,761	719.48	7,194,761	719.48	7,194,761	719.48

(b) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. Any dividends proposed by the Board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2020		March 31, 2019		April 1, 2018	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
Equity shares of INR 10 each fully paid						
CreditAccess Grameen Limited (Holding Company)	5,473,975	76.08%				
Ms. Tara Thiagarajan	899,345	12.50%	2,330,574	32.39%	2,330,574	32.39%
Mr. M Narayanan	397,683	5.53%	373,516	5.19%	364,366	5.06%
A V Thomas and Co Ltd	-	0.00%	1,159,435	16.11%	1,159,435	16.11%
Midland Rubber & Produce Company Ltd	-	0.00%	1,159,436	16.12%	1,159,436	16.12%
Employees' Welfare Trust	56,393	0.78%	364,917	5.07%	495,667	6.89%
Elevar Equity Mauritius	-	0.00%	865,916	12.04%	865,916	12.04%

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17 Other equity*

₹ in lakhs

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	6,219.15	4,626.15	3,015.15
Securities premium	8,365.47	8,365.47	8,365.47
Retained earnings	24,856.62	18,504.11	11,568.44
Total	39,441.24	31,495.73	22,949.06

* For detailed movement of reserves refer Statement of Changes in Equity for the year ended March 31, 2020

Nature and purpose of reserve

17.1 **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.

17.2 **Securities premium reserve**
Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

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₹ in lakhs

18 Interest income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	On financial assets measured at amortised cost	On financial assets measured at amortised cost
Interest on loans	41,498.10	34,651.57
Income from securitisation	2,759.25	1,875.18
Income from portfolio purchased through assignment	736.34	72.59
Interest on deposits with banks and financial institutions	501.22	286.61
Total	45,494.91	36,885.95

19 Fees and commission

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Loan portfolio servicing fees	25.75	26.50
Total	25.75	26.50

20 Net gain / (loss) on fair value changes

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(A) Net gain / (loss) on fair value instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	250.74	328.59
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others		
(i) Gain on derecognition of loans designated at fair value through profit or loss	-	-
Total Net gain / (loss) on fairvalue changes (C)	250.74	328.59
Fair Value changes:		
- Realised	248.79	327.31
- Unrealised	1.95	1.28
Total Net gain / (loss) on fair value changes (D) to tally with (C)	250.74	328.59

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₹ in lakhs

21 Others

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Gain on de-recognition of loans under assignment (Refer note 3.1.5)	1,036.38	634.66
	1,036.38	634.66

22 Other Income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net gain / (loss) on derecognition of property, plant and equipment	-	0.37
Net gain / (loss) on foreign currency transaction and translation (other than considered as finance cost)	7.06	46.42
Advertisement Display Income	430.50	456.00
Others	1.63	20.11
Total	439.19	522.90

23 Finance costs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	On financial liabilities measured at amortised cost	On financial liabilities measured at amortised cost
(A) On borrowings		
Interest on debt securities	1,741.13	1,731.66
Interest on borrowings other than debt securities	15,806.79	11,848.46
Interest on subordinated liabilities	849.38	765.36
Other finance costs	135.68	72.50
Finance lease obligations	20.35	8.04
Total (A)	18,553.33	14,426.02
(B) On financial liability towards securitisation	996.17	565.52
Total	19,549.50	14,991.54

24 Impairment of financial instruments

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	On financial assets measured at amortised cost	On financial assets measured at amortised cost
Self help group loans	5,731.36	3,522.46
Individual loans	(17.18)	(18.27)
Impairment of Advance to Subsidiary	-	-
Total	5,714.18	3,504.19

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25 Employee benefit expenses

₹ in lakhs

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Salaries and wages	5,869.01	4,037.39
Contribution to provident and other funds	578.82	396.43
Gratuity	76.98	52.26
Leave encashment and availment	56.83	43.34
Staff welfare expenses	159.12	108.96
Total	6,740.76	4,638.38

26 Other expenses

₹ in lakhs

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Rental charges payable under operating leases	362.71	257.42
Bank charges	-	-
Rates and taxes	27.09	22.75
Insurance	14.03	6.88
Repairs and maintenance	369.33	227.07
Electricity	49.37	35.26
Travelling and conveyance	884.46	611.56
Postage and telecommunication	251.70	183.33
Printing and stationery	194.78	63.67
Professional and consultancy charges	1,606.99	1,079.89
Remuneration to non-executive directors	48.78	47.96
Auditors remuneration (refer Note below)		
Audit fees	48.45	15.91
Out of pocket fees	0.49	0.28
Training expenses	18.20	16.03
Donations	-	-
Corporate Social Responsibility expenses (refer note below)	132.46	138.43
Miscellaneous expenses	424.68	269.91
Total	4,433.52	2,976.35

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Auditors remuneration

₹ in lakhs

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
As auditor		
Audit fee	30.45	13.29
Limited review	4.36	1.63
Others (Special purpose limited review and GST audit)	12.54	-
In other capacity		
Certification services	1.10	0.99
Taxation matter	-	
Reimbursement of expenses	0.49	0.28
Total	48.94	16.19

Details of CSR expenditure

₹ in lakhs

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
a) Gross amount required to be spent by the Company during the year	172.40	102.79
b) Amount spent during the year (in cash)		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	132.46	138.43

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₹ in lakhs

27 Income tax

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax		
Current year	3,000.50	3,932.72
Earlier years	(173.89)	71.35
Deferred tax	(152.76)	(343.16)
Total tax charge	**2,673.85**	**3,660.91**

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	10,641.01	12,207.92
At India's statutory income tax rate of 25.17 (PY 29.12%)	2,678.13	3,554.95
(a) Non deductible expenses		
CSR Expenses	33.34	40.31
Interest on delayed payment of tax	0.27	0.24
(b) Change in tax rate	144.37	-
(c) Additional allowance of certain expenditure	-12.58	-15.29
(d) Others	-	7.84
(e) Income not subject to tax	4.21	1.52
Income tax expense reported in statement of profit and loss (a)+(b)+(c)+(d)+(e)	**2,847.74**	**3,589.57**
Tax expense in the current year	**2,847.74**	**3,589.56**

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₹ in lakhs

27(B) Movement in deferred tax balances for the year ended March 31, 2020

Particulars	Net balance April 1, 2019	(Charge) / credit in profit and loss	Recognised in OCI	Net balance March 31, 2020	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)						
Impact of difference between tax depreciation/ amortisation	39.39	17.02		56.41	56.41	-
Remeasurement gain / (loss) on defined benefit plan	87.57	11.79	7.18	106.54	106.54	-
Impairment allowance for loans	1,039.21	67.72		1,106.93	1,106.93	-
Other items	-102.40	56.23		-46.17	-	-46.17
Net Deferred tax assets / (liabilities)	1,063.77	152.76	7.18	1,223.71	1,269.88	-46.17

Movement in deferred tax balances for the year ended March 31, 2019

Particulars	Net balance April 1, 2018	(Charge) / credit in profit and loss	Recognised in OCI	Net balance March 31, 2019	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)						
Impact of difference between tax depreciation/ amortisation	20.30	19.09		39.39	39.39	-
Remeasurement gain / (loss) on defined benefit plan	66.20	21.63	-0.26	87.57	87.57	-
Impairment allowance for loans	502.66	536.55		1,039.21	1,039.21	-
Other items	131.72	-234.12		-102.40	-	-102.40
Net Deferred tax assets / (liabilities)	720.88	343.16	(0.26)	1,063.77	1,166.17	(102.40)

The following tables provides the details of income tax assets and income tax liabilities as at:

Current tax assets (net)

Particulars	March 31, 2020	March 31,	April 1, 2018
Income tax assets	468.78	105.03	105.03
Income tax liabilities	16.78	317.11	162.73
Total	452.00	(212.08)	(57.70)

28 Transfer of financial assets

28.1 Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for de-recognition, together with the associated liabilities:

₹ in lakhs

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Securitisations			
Carrying amount of transferred assets measured at amortised cost	9,814.37	14,965.90	8,050.99
Carrying amount of associated liabilities (debt securities - measured at amortised cost)	8,079.08	13,786.55	7,572.62
Net position at amortised cost	1,735.29	1,179.35	478.37

Refer Note 6 and 13

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₹ in lakhs

29(A) Defined benefit plans

Gratuity

29.01 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:

Particulars	March 31, 2020	March 31, 2019	April 01, 2018
Reconciliation of present value of defined benefit obligation			
Obligation at the beginning of the year	174.41	129.93	81.35
Current service cost	65.45	43.26	24.23
Interest cost	11.54	9.01	5.30
Past service cost	-	-	10.01
Benefits settled	-21.83	-7.86	-6.83
Actuarial (gains)/ losses recognised in other comprehensive income	-	-	-
- Changes in experience adjustments	12.34	-2.93	32.25
- Changes in demographic assumptions	0.01	-	-15.42
- Changes in financial assumptions	16.48	3.00	-0.96
Obligation at the end of the year	258.39	174.41	129.93
Reconciliation of present value of plan assets			
Plan assets at the beginning of the year, at fair value	-	-	-
Interest income on plan assets	-	-	-
Re-measurement- actuarial gain	-	-	-
Return on plan assets recognised in other comprehensive income	-	-	-
Contributions	-	-	-
Benefits settled	-	-	-
Plan assets at the end of the year, at fair value	-	-	-
Net defined benefit liability	258.39	174.41	129.93

29.02 Expense recognised in profit and loss

Particulars	March 31, 2020	March 31, 2019	April 01, 2018
Current service cost	65.45	43.26	24.23
Interest cost	11.54	9.01	5.30
Past service cost	-	-	10.01
Interest income		-	-
Net gratuity cost	76.98	52.27	39.54

29.03 Re-measurement recognised in other comprehensive income

Particulars	March 31, 2020	March 31, 2019	April 01, 2018
Re-measurement of the net defined benefit liability			
- Changes in experience adjustments	12.34	-2.93	32.25
- Changes in demographic assumptions	0.01	-	-15.42
- Changes in financial assumptions	16.48	3.00	-0.96
Re-measurement of the net defined benefit asset			
Return on plan assets (greater)/ less than discount rate			
Total Actuarial (gain)/ loss included in OCI	28.83	0.07	15.87

29.04 Plan assets

Particulars	March 31, 2020	March 31, 2019	April 01, 2018
Funds managed by insurer	-	-	-

29.05 Defined benefit obligation - Actuarial assumptions

Particulars	March 31, 2020	March 31, 2019	April 01, 2018
Discount rate	4.90%	6.60%	6.94%
Future salary growth	10.00%	10.00%	10.00%
Attrition rate	30.00%	30.00%	30.00%
Normal retirement age	60 years	60 years	60 years

MADURA MICRO FINANCE LTD. CHENNAI 600 020 REGISTERED OFFICE

₹ in lakhs

29.06 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:

Particulars	March 31, 2020		March 31, 2019		April 1, 2018	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	248.45	269.10	168.36	180.89	125.73	134.42
Future salary growth (1% movement)	267.97	249.25	180.43	168.63	134.12	125.90
Attrition Rate (- / + 50% of attrition rates)	211.85	359.68	150.05	220.11	113.65	159.03
Mortality Rate (- / + 10% of mortality rates)	258.39	258.40	174.41	174.41	129.93	129.93

29(B) Compensated leave

Particulars	March 31, 2020	March 31, 2019	April 01, 2018
Reconciliation of present value of defined benefit obligation			
Obligation at the beginning of the year	132.55	102.53	65.42
Current service cost	69.38	51.01	12.39
Interest cost	8.77	7.11	3.96
Past service cost	-	-	-
Benefits settled	-18.85	-13.31	-7.90
Actuarial (gains)/ losses recognised in other comprehensive income			
- Changes in experience adjustments	-30.13	-16.07	33.40
- Changes in demographic assumptions	0.02	-	-4.14
- Changes in financial assumptions	8.79	1.28	-0.60
Obligation at the end of the year	**170.54**	**132.55**	**102.53**
Reconciliation of present value of plan assets			
Plan assets at the beginning of the year, at fair value	-	-	-
Interest income on plan assets	-	-	-
Re-measurement- actuarial gain	-	-	-
Return on plan assets recognised in other comprehensive income	-	-	-
Contributions	-	-	-
Benefits settled	-	-	-
Plan assets at the end of the year, at fair value	-	-	-
Net defined benefit liability	**170.54**	**132.55**	**102.53**

Expense recognised in profit or loss

Particulars	March 31, 2020	March 31, 2019	April 01, 2018
Current service cost	69.38	51.01	12.39
Interest cost	8.77	7.11	3.96
Past service cost	-	-	-
Interest income	-	-	-
Re-measurement of the net defined benefit liability			
- Changes in experience adjustments	-30.13	-16.07	33.40
- Changes in demographic assumptions	0.02	0.03	-4.14
- Changes in financial assumptions	8.79	1.25	-0.60
Re-measurement of the net defined benefit asset			
Return on plan assets (greater)/ less than discount rate	-		
Expense recognised in profit or loss	**56.84**	**43.33**	**45.01**

Plan assets

Particulars	March 31, 2020	March 31, 2019	April 01, 2018
Funds managed by insurer	-	-	-

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₹ in lakhs

Defined benefit obligation - Actuarial assumptions

Particulars	March 31, 2020	March 31, 2019	April 01, 2018
Discount rate	4.90%	6.60%	6.94%
Future salary growth	10.00%	10.00%	10.00%
Attrition rate	30%	30%	30%
Average term of liabilty (in years)			
Normal retirement age	60 years	60 years	60 years

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:

Pariculars	March 31, 2020		March 31, 2019		April 01,2018	
Present Value of Obligation (Base)	170.54	-	132.55	-	102.53	-
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount Rate (- / + 1%)	165.25	176.18	128.84	136.49	99.52	105.73
Salary Growth Rate (- / + 1%)	175.86	165.44	136.33	128.92	105.61	99.57
Attrition Rate (- / + 50% of attrition rates)	155.77	212.35	125.74	150.57	99.49	111.70
Mortality Rate (- / + 10% of mortality rates)	170.51	170.56	132.54	132.57	102.52	102.53

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30 **Contingent liabilities**

Particulars	March 31, 2020	March 31, 2019	April 01, 2018
Demands under Income Tax Act, 1961	-	37.66	32.20
Demand under Employee Provident Fund Act, 1952	25.37	25.37	25.37
Indemnity undertaking given to Bajaj Allianz Life Insurance Company Limited for insurance claims	19.84	-	-
Penalty under Income Tax Act, 1961 - AY 2007-08	-	71.02	71.02

31 **Capital commitments**

Estimated amounts of contracts remaining to be executed on capital account (net of capital advances) and not provided:

Particulars	March 31, 2020	March 31, 2019	April 01, 2018
For purchase / development of computer software	-	-	-

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32 Related party transactions

Names of the related parties *(as per IndAS – 24)*

Holding Company	Credit Access Grameen Limited (w.e.f. March 18, 2020)
Company under common control	Scisphere Analytics India Private Limited
Company under common control	Scimergent Analytics and Education Private Limited
Company under common control	Microcredit Foundation of India
Companies in which directors exercise significant influence	A V Thomas and Co Ltd (till March 18, 2020)
Companies in which directors exercise significant influence	Midland Rubber & Produce Company Ltd (till March 18, 2020)
Key Management Personnel	Ms Tara Thiagarajan
Key Management Personnel	Mr F S Mohan Eddy
Key Management Personnel	Mr M Narayanan (w.e.f. August 01, 2019)
Non-executive Director	Mr. Rajasekar Ramaraj (till March 18, 2020)
Non-executive Director	Mr. Ashok Mirza (till March 18, 2020)
Non-executive Director	Mr. Ajit Thomas (till March 18, 2020)
Independent Director	Mr. N C Sarabeswaran
Independent Director	Ms. Kavitha Vijay (till March 18, 2020)
Independent Director	Ms. Siva Kameswari Vissa (till March 18, 2020)
Additional Director	Mr. George Joseph (w.e.f. March 18, 2020)
Additional Director	Mr. Paolo Brichetti (w.e.f. March 18, 2020)
Additional Director	Mr. Ram Diwakar Boddupalli (w.e.f. March 18, 2020)
Additional Director	Mr. Manoj Kumar (w.e.f. March 18, 2020)
Additional Director	Mr. Udaya Kumar Hebbar (w.e.f. March 18, 2020)
Relative of Key Management Personnel	Mrs. Pamela Mohan

Particulars	Key Management Personnel	
	March 31, 2020	March 31, 2019
Transactions during the year		
Salary and perquisites -		
Ms Tara Thiagarajan	104.63	137.30
Mr F S Mohan Eddy	124.65	100.94
Mr M Narayanan	100.37	-
Balances at the end of the year		
Incentives payable	133.00	98.00

Provisions for gratuity and leave benefits are made for the Company as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.

Transactions during the year	Other related parties	
	March 31, 2020	March 31, 2019
Sitting fees		
Mr. Ashok Mirza	5.25	8.00
Mrs. Kavitha Vijay	9.75	3.50
Mr. N C Sarabeswaran	10.75	12.00
Mr. R Ramaraj	9.50	8.50
Mrs. Siva Kameswari Vissa	9.50	12.00
Rent Paid		
Mrs. Pamela Mohan	18.00	17.40

Transactions during the year	Company under common control	
	March 31, 2020	March 31, 2019
Professional charges		
Scimergent Analytics and Education Pvt Ltd	-	6.00
Scisphere Analytics India Private Limited	200.88	258.78

Balances at the end of the year	Other related parties	
	March 31, 2020	March 31, 2019
Sitting fees payable		
Mr. Ashok Mirza	2.75	-
Mrs. Kavitha Vijay	3.75	-
Mr. N C Sarabeswaran	5.50	-
Mr. R Ramaraj	4.50	-
Mrs. Siva Kameswari Vissa	5.25	-

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Leases- Ind AS 116

33.1 Effective April 1 2019, the group has applied the standard to all lease contracts existing on April 1 2019 using the Modified Retrospective method along with the transition option to recognise the Right Of Use asset (ROU) at an amount equal to the Lease liability. Being the first year of INDAS adoption, company has recognised the lease liability and right-of-use asset as per above mentioned measurement principles at the date of transition to INDAS as permitted by the Standard. A sum of Rs. 61,22,175 has been recognised as ROU asset and a similar sum of Rs.61,22,175 has been recognised as lease liability as on transition date of 1 Apr 2018.

33.2 The following is the summary of practical expedients elected on initial application:
1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

33.3 The company's leased assets mainly comprise office building. Leases contain a wide range of different terms and conditions. The term of property leases ranges from 1-3 years. The company hes used an incremental borrowing rate of 12.98% to determine the lease liability and right to use of asset for leases entered into before March 2019 and accounted under Ind AS 116 and 11.84% for leases entered into in 2019-20

33.4 Total lease liabilities are analysed as at

a

Denominated in the following currencies:	March 31, 2020	March 31, 2019	April 01, 2018
Rupees in Lakhs	179.47	120.27	61.22
Foreign currency	-	-	-
Total	179.47	120.27	61.22

b

Maturity of Lease liability	March 31, 2020	March 31, 2019	April 01, 2018
Current	79.59	47.72	46.11
Non Current	99.88	72.54	15.11
Total	179.47	120.27	61.22

33.5 The following amounts were recognised as expense in the year:

	March 31, 2020	March 31, 2019
Depreciation of right-of-use assets	80.44	57.52
Expense relating to variable lease payments	-	-
Expense relating to short-term leases and low-value assets	362.71	257.42
Interest on lease liabilities	20.84	8.39
Total recognised in the income statement	464.00	323.33

33.6 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:

Maturity analysis:	March 31, 2020	March 31, 2019
Less than 1 year	465.79	347.49
Between 1 and 2 years	107.19	214.27
Between 2 and 5 years	-	11.30
More than 5 years	-	-
Total	572.98	573.05

33.7 The following is the movement in lease liabilities during the year ended March 31, 2020 and March 31, 2019:

Particulars	March 31, 2020	March 31, 2019
Balance as at 1 Apr	120.27	61.22
Additions	129.89	113.12
Finance cost accrued during the period	20.35	8.39
Deletion	-	-
Payment of lease liabilities	-91.03	-62.46
Balance as of Mar 31	179.47	120.27

Refer Note 9 for movement in right to use of assets

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₹ in lakhs

34 RBI Disclosures

a. Capital to risk assets ratio ('CRAR'):

Particulars	March 31, 2020	March 31, 2019
CRAR (%)	23.01%	19.45%
CRAR-Tier I Capital (%)	19.53%	16.63%
CRAR-Tier II Capital (%)	3.48%	2.82%
Amount of subordinated debt raised as Tier II capital	55.00	40.00
Amount raised by issue of perpetual debt instruments	Nil	Nil

Notes:
Impairment allowance on Stage 1 loans has been considered as 'contingent provision for standard asset' for the purpose of determining Tier II capital;

b. Investments

Particulars	March 31, 2020	March 31, 2019
1. Value of Investments		
(i) Gross value of investments		
(a) in India	4,535.57	1,033.81
(b) outside India	-	-
(ii) Provisions for depreciation		
(a) in India	-	-
(b) outside India	-	-
(iii) Net value of investments		
(a) in India	4,535.57	1,033.81
(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

Particulars	March 31, 2020	March 31, 2019
Cross Currency Swap for External Commercial Borrowing	-	7.21

The Company has no unhedged foreign currency exposure as on March 31, 2020 (March 31, 2019: Nil).

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d. Disclosure related to securitization
The information on securitisation activity of the Company as an originator is furnished below:

Particulars	March 31, 2020	March 31, 2019
No of SPVs sponsored by the NBFC for securitization transactions	8	6
Amount of securitized assets as per books of SPV sponsored by NBFC	9,851.06	15,707.53
Amount of exposures retained by NBFC to comply with MRR as on the date of balance sheet		
a. Off-balance sheet exposure		
• First loss	Nil	Nil
• Others	Nil	Nil
b. On-balance sheet exposure		
• First loss – cash collateral	1,599.78	1,326.75
• Others - over collaterisation	2,840.46	2,628.14
Amount of exposures other than MRR	Nil	Nil
a. Off-balance sheet exposure		
i. Exposure to own securitizations		
• First loss	Nil	Nil
• Loss	Nil	Nil
ii. Exposure to third party transactions		
• First loss	Nil	Nil
• Others	Nil	Nil
b. On-balance sheet exposure		
i. Exposure to own securitizations		
• Others	Nil	Nil
ii. Exposure to third party transactions		
• First loss	Nil	Nil
• Others	Nil	Nil

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 securitisation and assignment transactions:
The Company has undertaken four assignment transactions and four securitisation transactions during the current year (March 31, 2019: two assignment and four securitisation transactions)

Particulars	As at March 31, 2020	As at March 31, 2019
Number of loans assigned / securitised during the year	170,456	140,240
Aggregate value (net of provisions) of accounts sold	24,731.00	21,774.69
Aggregate consideration	24,731.00	21,774.69
Interest recognised in statement of profit and loss account including amortisation of unamortised interest spread (retained interest)	3,842.87	2,521.45

Note: The above are securitisation and assignment transactions during the year.

g. Details of non-performing financial asset purchased / sold:
The Company has not purchased / sold any non-performing financial assets in the currant and previous year.

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₹ in lakhs

h. Asset liability management:

Maturity pattern of assets and liabilities as on March 31, 2020:

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	5,712.47	3,457.62	12,064.73	33,715.35	53,548.01	54,148.02	5,919.75	2,496.96	171,062.90
Advances	-	-	14,641.21	40,918.63	65,821.93	71,270.17	5.93	-	192,657.87
Investments	4,501.95	-	-	-	-	-	-	33.62	4,535.57
Foreign currency assets									-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

Company has cash and bank balances amounting to Rs 8024.09 lakhs which is sufficient to meet the ALM mismatch

Maturity pattern of assets and liabilities as on March 31, 2019:

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	6,322.83	8,647.92	7,044.64	28,571.95	44,221.82	69,270.88	6,410.79	-	170,490.83
Advances	12,364.30	12,533.11	12,290.01	34,972.60	57,649.84	54,327.86	10.34	-	184,148.06
Investments	-	1,000.19	-	-	-	-	-	33.62	1,033.81
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-1.48	-1.53	117.72	106.86	213.41	861.68	852.60	-	2,149.25

The above maturity pattern of assets and liabilities as on March 31, has been prepared with reference to the carrying values of assets and liabilities.

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i. Exposures to real estate

₹ in lakhs

Category	March 31, 2020	March 31, 2019
A. Direct exposure		
(i) Residential Mortgages -	25.77	33.61
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (All loans are under Rs 15 lakhs)		
(ii) Commercial Real Estate -	Nil	Nil
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	Nil	Nil
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures-		
a. Residential	Nil	Nil
b. Commercial Real Estate.	Nil	Nil
B. Indirect Exposure	Nil	Nil
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil
Total Exposure to Real Estate Sector	25.77	33.61

Exposure to Capital Market
The Company does not have any exposure to Capital Market

Details of financing of parent company products
The Company has not financed any parent company products

Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by applicable NBFC
The Company has not exceeded the prudential exposure limits during the year w.r.t Single Borrower Limit / Group Borrower Limit

j. Unsecured advances: Refer Note 6.

k. 'Registration obtained from other financial regulators:
The Company is not registered with any other financial sector regulators.

a) Ministry of Corporate Affairs	CIN No.U65929TN2005PLC057390
b) Reserve Bank of India	N-07.00754
c) Microfinance Institutional Network	20

l. Disclosure of penalties imposed by RBI and other regulators:
No penalties were imposed by RBI and other regulators during current and previous year.

m. Ratings assigned by credit rating agencies and migration of ratings:

₹ in Crores

Particulars	Name of rating agency	Date of rating	Rating / (Previous year rating)	Borrowing limit / conditions imposed by rating agency	Valid up to
Commercial Paper			Not applicable		
Working Capital Facility (Cash credit/WCDL)			Rating is not done		
Long Term Bank Facilities	CARE	31-Mar-20	BBB+ (Under Credit watch with Positive Implications) / BBB+ Positive	950.00	31-Mar-21
Long Term Bank Facilities	ICRA	04-Dec-19	BBB+ placed on watch with positive implication / BBB+ Stable	300.00	03-Dec-20
14.15% Non-Convertible Debentures (allotted in August 2015)	ICRA	04-Dec-19	BBB+ placed on watch with positive implication / BBB+ Stable	36.60	03-Dec-20
14.50% Non-Convertible Debentures (allotted in March 2017)	ICRA	04-Dec-19	BBB+ placed on watch with positive implication / BBB+ Stable	50.00	03-Dec-20

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m. Ratings assigned by credit rating agencies and migration of ratings:

₹ in lakhs
₹ in Crores

Particulars	Name of rating agency	Date of rating	Rating / (Previous year rating)	Borrowing limit / conditions imposed by rating agency	Valid up to
11.50% Non-Convertible Debentures (allotted in August 2017)	CARE	05-Dec-19	BBB+ (Under Credit watch with Positive Implications) / BBB+ Positive	40.00	04-Dec-20
11.40% Non-Convertible Debentures (allotted in December 2017)	CARE	05-Dec-19	BBB+ (Under Credit watch with Positive Implications) / BBB+ Positive	33.00	04-Dec-20
11.40% Non-Convertible Debentures (allotted in August 2018)	CARE	05-Dec-19	Closed / BBB+ Positive	15.00	04-Dec-20
11.40% Non-Convertible Debentures (allotted in August 2018)	CARE	05-Dec-19	BBB+ (Under Credit watch with Positive Implications) / BBB+ Positive	25.00	04-Dec-20
11.00% Non-Convertible Debentures (allotted in November 2019)	CARE	05-Dec-19	BBB+ (Under Credit watch with Positive Implications)	36.00	04-Dec-20
MFI Grading	ICRA	22-Jul-19	M2+ / Rating not done		21-Jul-20
Perpetual Debt			NA		

n. Provisions and contingencies

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Impairment of financial instruments	808.89	2,127.69
Provision for income tax	3,000.50	4,004.07
Provision for gratuity	76.98	52.26
Provision for leave encashment and availment	56.83	43.34
Provision fraud and misappropriation (net of recoveries)	-	-
Provision for other assets (net)	-	-
Total	3,943.20	6,227.36

o. Drawdown from reserves:

There has been no draw down from reserves during the year ended March 31, 2020 (previous year: Nil).

p. Concentration of advances, exposures and NPAs

Particulars	March 31, 2020	March 31, 2019
Concentration of advances		
Total advances to twenty largest borrowers	182.27	414.25
(%) of advances to twenty largest borrowers to total advances	0.09%	0.23%
Concentration of exposures		
Total exposure to twenty largest borrowers / customers	182.27	414.25
(%) of exposures to twenty largest borrowers / customers to total exposure	0.09%	0.23%
Concentration of NPAs		
Total Exposure to top four NPA accounts	17.45	50.00

The above represents amount outstanding as per repayment schedule agreed with the borrowers

q. Sector-wise NPAs

Particulars	Percentage of NPAs to Total Advances in that sector as at March 31, 2020	Percentage of NPAs to Total Advances in that sector as at March 31, 2019
Agriculture and allied activities	1.07%	0.84%
MSME	0.52%	0.84%
Corporate borrowers	0.00%	8.90%
Services	0.00%	0.00%
Unsecured personal loans	0.00%	0.00%
Auto loans	NA	NA
Other personal loans	NA	NA

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₹ in lakhs

r. Movement of NPAs

Particulars	March 31, 2020	March 31, 2019
(i) Net NPAs to Net Advances (%)	0.59%	0.36%
(ii) Movement of NPAs (Gross):*		
Opening balance	1,710.94	575.38
Additions during the year	8,622.89	3,253.20
Reductions during the year (loans written off)	7,165.28	2,117.65
Closing balance	3,168.55	1,710.94
(iii) Movement of Net NPAs		
Opening balance	657.10	216.63
Additions during the year	7,651.48	2,558.11
Reductions during the year	7,165.28	2,117.65
Closing balance	1,143.30	657.10
(iv) Movement of provisions for NPAs		
Opening balance	1,053.84	358.75
Provisions made during the year	971.42	695.09
Write-off / write-back of excess provisions		-
Closing balance	2,025.26	1,053.84

s. Disclosure of customer complaints

Particulars	No. of complaints
a. No. of complaints pending at the beginning of the year	0
b. No. of complaints received during the year	167
c. No. of complaints redressed during the year	167
d. No. of complaints pending at the end of the year	0

t. Information on instances of fraud

Instances of fraud reported during the year ended March 31, 2020:

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount provided
Nil	Nil	Nil	Nil	Nil

Instances of fraud reported during the year ended March 31, 2019:

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount provided
Cash Embezzlement	1	7.32	3.09	4.23

u. The net interest margin (NIM)

Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Average interest (a)	21.34%	21.62%
Average effective cost of borrowing (b)	11.36%	11.31%
Net interest margin (a-b)	9.98%	10.31%

Note:

1.Above computationis 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 FAQ sissued by RBI on October 12, 2017.

2. Securitised loans qualifying for de-recognition as per RBI's "true sale" criteria end 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 not been considered for computation of "average effective cost of borrowings". As per Ind AS 109, such loans and borrowings continue to be recognized on the balance sheet in the Ind AS financial statements.

3. Interest income considered for computation of "average interest charged" excludes loan processing fee collected from customers in accordance with pare 54 (vi) of the RBI Master Directions. As per Ind AS 109, such loan processing fee forms part of interest income in the Ind AS financial statements.

v. The Company has not disbursed any loan against the security of gold.

All discosure pertaining to 2018-19 have been reworked based on Ind AS figures as per RBI circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20.

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w. Asset classification as per RBI Norms

As at 31st March 2020

Asset Classification as per RBI Norms	Asset Classification as per IndAS 109	Gross Carrying amount as per IndAS	Loss Allowances (provisions) required under IndAS 109	Net carrying Amount	Provisions as per IRACP norms	Difference between IndAs 109 provisions and IRACP Norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	190,448.39	1,901.54	188,546.85	765.03	1,136.51
	Stage 2	3,704.05	736.36	2,967.69	14.82	721.54
Additional provision (refer note below)				-	409.22	-409.22
Standard assets total		194,152.44	2,637.90	191,514.55	1,189.07	1,448.83
Non-Performing Assets (NPA)						
Substandard	Stage 3	3,168.55	2,025.26	1,143.30	1,982.90	42.35
Doubtful up to 1 year	Stage 3	-	-	-	-	-
1 - 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Doubtful assets total		-	-	-	-	-
Loss		-	-	-	-	-
NPA total		3,168.55	2,025.26	1,143.30	1,982.90	42.35
Other items						
	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
Loan to subsidiary	Stage 3	216.12	216.12	-	Not applicab	Not applicable
Subtotal		216.12	216.12	-	-	-
Total	Stage 1	190,448.39	1,901.54	188,546.85	1,174.25	727.29
	Stage 2	3,704.05	736.36	2,967.69	14.82	721.54
	Stage 3	3,384.67	2,241.38	1,143.30	1,982.90	42.35
	Total	197,537.12	4,879.27	192,657.84	3,171.97	1,491.19

Note : IRACP provisions for Stage 1 and 2 includes additional 5% provisions of Rs 409.22 lakhs for defaulting loans under amounting to Rs 8184.37 lakhs, for which asset classification benefit is extended based on RBI's circular DOR.No.BP.BC.63/21.04.048/2019-20 dt 17-Apr-2020

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As at 31st March 2019

Asset Classification as per RBI Norms	Asset Classification as per IndAS 109	Gross Carrying amount as per IndAS	Loss Allowances (provisions) required under IndAS 109	Net carrying Amount	Provisions as per IRACP norms	Difference between IndAs 109 provisions and IRACP Norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	181,169.64	1,950.90	179,218.74	728.33	1,222.56
	Stage 2	5,085.40	810.99	4,274.41	20.00	790.99
Standard assets total		186,255.04	2,761.89	183,493.15	748.33	2,013.55
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,708.74	1,053.84	654.90	1,903.45	-849.61
Doubtful up to 1 year	Stage 3	-	-	-	-	-
1 - 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Doubtful assets total		-	-	-	-	-
Loss		-	-	-	-	-
NPA total		1,708.74	1,053.84	654.90	1,903.45	-849.61
Other items						
	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
Loan to Subsidiary	Stage 3	254.66	254.66	-	Not applicab	Not applicable
Subtotal		254.66	254.66	-	-	-
Total	Stage 1	181,169.64	1,950.90	179,218.74	728.33	1,222.56
	Stage 2	5,085.40	810.99	4,274.41	20.00	790.99
	Stage 3	1,963.41	1,308.50	654.90	1,903.45	-849.61
	Total	188,218.45	4,070.39	184,148.06	2,651.78	1,163.94

Note: Stage 1 provision includes an additional provision of Rs 11.05 Cr on standard assets of SHG potfolio of Tamil Nadu created in 2019, based on an estimate of impact of natural disaster on the state's portfolio.

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Asset Classification as per RBI Norms	Asset Classification as per IndAS 109	Gross Carrying amount as per IndAS	Loss Allowances (provisions) required under IndAS 109	Net carrying Amount	Provisions as per IRACP norms	Difference between IndAs 109 provisions and IRACP Norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
Performing Assets						
Standard	Stage 1	115,857.46	953.24	114,904.22	466.55	486.69
	Stage 2	1,209.12	354.50	854.63	5.00	349.50
Standard assets total		117,066.58	1,307.74	115,758.85	471.55	836.19
Non-Performing Assets (NPA)						
Substandard	Stage 3	575.38	358.75	216.63	1,195.10	-836.35
Doubtful up to 1 year	Stage 3	-	-	-	-	-
1 - 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Doubtful assets total		-	-	-	-	-
Loss		-	-	-	-	-
NPA total		575.38	358.75	216.63	1,195.10	-836.35
Other Items						
	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
Loan to Subsidiary	Stage 3	276.21	276.21	-	Not applicab	Not applicable
Subtotal		276.21	276.21	-	-	-
Total	Stage 1	115,857.46	953.24	114,904.22	466.55	486.69
	Stage 2	1,209.12	354.50	854.63	5.00	349.50
	Stage 3	851.59	634.96	216.63	1,195.10	-836.35
	Total	117,918.18	1,942.70	115,975.48	1,666.65	-0.16

Note: Stage 1 provision includes additional provision created to meet minumum provisions required under IRACP.

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35 Risk Management

35.01 Introduction and risk profile

Madura Micro Finance Limited ("Group") 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 Group 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.

35.02 Market Risk

The Group is exposed to various types of market risks during the normal course of business such as credit risk, operational risk, cash management risk, Market Exposure risk, Liquidity risk and Interest rate risk.

35.03 Credit Risk

Credit risk is the risk of loss that may occur from defaults by borrowers under loan agreements. In order to address credit risk, the Group has stringent credit assessment policies for client selection. Measures such as verifying client details, online documentation and the usage of credit bureau data to get information on past credit behaviour also supplement the efforts for containing credit risk.

Madura predominantly operate in rural and semi urban areas, where we are of the view that the impact of credit risk is limited. Most of our borrowers are into Agriculture , Dairy,Animal Husbandry, textiles, cottage and small trading businesses, where they operate in a 30 km radius. As on date these businesses are running as usual with minimum or no impact. Also, we will be choosy and cautious while lending to our borrowers in June 2020, when we restart lending. As on date, we are of the opinion the covid -19 incidence will be very less and not going to hamper our progress. More clarity will evolve in the months to come, and the way our Government handles the whole situation.

35.04 Operational Risk

Operational risks arise from inadequate or failed internal processes, people or systems, or from external events. The Group controls it's operational risk by maintaining a comprehensive system of internal controls supported by an on-the-ground internal audit team which conducts check at the client and branch levels concurrently with checks and balances instituted at the corporate level. In addition, the Group has leveraged technology to enhance data integrity and swifter reporting to help in providing actionable intelligence to contain fraud by taking measures such as verifying client details and documentation online and using credit bureau data to get information on potential frauds.

35.05 Cash Management Risk

The Group's branches collect and deposit a large amount of cash through a high volume of transactions taking place in our branch network. To address the cash management risks, the Group has developed advanced cash management checks that it employs at multiple levels to track and tally accounts. The Group ensures that cash collected up to a certain time is deposited at local bank branches on the same day.

35.06 Market Exposure risk

Market risk is 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.

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36.07 Total market risk exposure

	31-Mar-20			
	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
Assets				
Cash and cash equivalent and other bank balances	8,024.09	-	8,024.09	No market risk
Fixed deposits	5,694.43	-	5,694.43	Interest rate risk - 1% - Rs 40.91 lakhs
Financial assets at Amortised cost	-	-	-	
Loans	192,657.88	-	192,657.88	No market risk as fixed interest rate
Financial investments–FVTPL	4,535.57	4,501.95	33.62	Price risk - 1% - Rs 45.02 lakhs
Other financial assets at amortised cost	1,260.27	-	1,260.27	No market risk as fixed interest rate
Total	212,172.24	4,501.95	207,670.29	
Liabilities				
Borrowings (other than Debt Securities)	141,764.27	-	141,764.27	Interest rate risk on floating rate interest loans. 0.25%-Rs 139.73 lakhs
ECB loan	-	-	-	Currency risk & interest rate risk-Squared off during the year
Debt Securities	13,729.92	-	13,729.92	No interest risk as fixed interest rate
Subordinate debt	7,489.63	-	7,489.63	No interest risk as fixed interest rate
Borrowings under securitisation arrangement	8,079.08	-	8,079.08	No interest risk as fixed interest rate
Other financial liabilities	179.47	-	179.47	
Total	171,242.37	-	171,242.37	

	31-Mar-19			
	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
Assets				
Cash and cash equivalent and other bank balances	13,977.71	-	13,977.71	No market risk
Fixed deposits	5,500.45	-	5,500.45	Interest rate risk-
Financial assets at Amortised cost				
Loans	184,148.05	-	184,148.05	No market risk as fixed interest rate
Financial investments–FVTPL	1,033.81	1,000.19	33.62	Price risk
Other financial assets at amortised cost	792.66	-	792.66	No market risk as fixed interest rate
Total	205,452.68	1,000.19	204,452.49	
Liabilities				
Borrowings (other than Debt Securities)	136,382.68	-	136,382.68	Interest rate risk on floating rate interest loans
ECB loan	2,149.25	-	2,149.25	Currency risk & interest rate risk
Debt Securities	15,321.60	-	15,321.60	No interest risk as fixed interest rate
Subordinate debt	5,000.00	-	5,000.00	No interest risk as fixed interest rate
Borrowings under securitisation arrangement	13,786.55	-	13,786.55	No interest risk as fixed interest rate
Other financial liabilities	120.27	-	120.27	
Total	172,760.35	-	172,760.35	

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	01-Apr-18			
	Carrying amount	**Traded risk**	**Non-traded risk**	**Primary risk sensitivity**
Assets				
Cash and cash equivalent and other bank balances	6,172.41	-	6,172.41	No market risk
Fixed deposits	2,803.82	-	2,803.82	Interest rate risk*
Financial assets at Amortised cost	-	-	-	
Loans	115,975.47	-	115,975.47	No market risk as fixed interest rate
Financial investments–FVTPL	32.34	-	32.34	Price risk
Other financial assets at amortised cost	176.26	-	176.26	No market risk as fixed interest rate
Total	125,160.30	-	125,160.30	
Liabilities				
Borrowings (other than Debt Securities)	70,111.82	-	70,111.82	Interest rate risk on floating rate interest loans
ECB loan	2,434.67	-	2,434.67	Currency risk & interest rate risk
Debt Securities	15,375.63	-	15,375.63	No interest risk as fixed interest rate
Subordinate debt	5,000.00	-	5,000.00	No interest risk as fixed interest rate
Borrowings under securitisation arrangement	7,572.62	-	7,572.62	No interest risk as fixed interest rate
Other financial liabilities	61.22	-	61.22	
Total	100,555.96	-	100,555.96	

*The sensitivity of the statement of profit and loss is the effect of the changes in market interest rates on debt securities, other borrowings and subordinated liabilities or price on investments and forex rates on foreign currency exposures

35.08 Market risk – trading (trading book)

The Group has invested in listed Mutual funds in 2019-20 which is subject to security price risk. The Group's exposure to such investments is limited. The Group manages the risk by diversifying the portfolio or for holding the investments in only very short spans of time before deploying them in business.

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35.09 Liquidity risk and fund management risk

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 our assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. The Group monitors 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. The Group actively monitors it's liquidity position to ensure that it can meet all borrower and lender-related funding requirements.

The Reserve bank of India has offered three months moratorium to borrowers and the same could be extended based on the period of lockdown. This could have an impact on the liquidity of the company. The Company has approached its bankers who have funded the operations for a moratorium on term loan payments and some banks have already approved the same. 90% of the branches have commenced operations as on date . The Company has made collections even during the lockdown. So the impact of liquidity risk is expected to be low.

There are Liquidity Risk mitigation measures put in place which helps in maintaining the following:

35.10 Diversified funding resources

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 MMFL. It is concerned with strategic balance sheet management, involving risks caused by changes in the interest rates and the liquidity position of MMFL. 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. Liquidity risk management
ii. Interest Rate risk management
iii. Funding and Capital Management

Capital guidelines ensure the maintenance and independent management of prudent capital levels for MMFL 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 34(a) with respect to regulatory capital of the Group as at the reporting dates.

35.11 Liquidity assessment as on March 31, 2020

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	73.12	305.49	-2.62	3,992.30	5,790.45	3,572.54	-1.36	-	13,729.92
Borrowings (other than debt securities)	4,282.75	3,152.25	12,066.51	26,730.04	44,556.46	50,048.18	926.08	-	141,764.27
Subordinated liabilities	-0.12	-0.12	0.84	-0.38	1.17	-3.75	4,995.04	2,496.95	7,489.63
Financial liability towards securitisation	1,356.70	-	-	2,993.39	3,197.93	531.06	-	-	8,079.08
	5,712.45	3,457.62	12,064.73	33,715.35	53,548.01	54,148.03	5,919.76	2,496.95	171,062.90

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35.12 **Liquidity assessment as on March 31, 2019**

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	69.35	331.41	-3.06	3,650.23	1,487.99	9,785.68	-	-	15,321.60
Borrowings (other than debt securities)	4,822.31	6,952.84	5,824.73	22,052.40	38,086.83	58,529.43	2,263.39	-	138,531.93
Subordinated liabilities	-	-	-	-	-	-	5,000.00	-	5,000.00
Financial liability towards securitisation	1,429.70	1,362.14	1,340.69	2,976.18	4,860.40	1,817.44	-	-	13,786.55
	6,321.36	8,646.39	7,162.36	28,678.81	44,435.22	70,132.55	7,263.39	-	172,640.08

35.13 **Liquidity assessment as on April 01, 2018**

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	72.55	4,394.02	-1.91	-5.87	-3.96	10,920.80	-	-	15,375.63
Borrowings (other than debt securities)	2,523.33	2,887.85	3,120.74	12,609.43	19,393.35	29,716.40	2,019.08	276.31	72,546.49
Subordinated liabilities	-	-	-	-	-	-	-	5,000.00	5,000.00
Financial liability towards securitisation	531.03	514.73	514.73	1,544.18	3,028.91	1,439.04	-	-	7,572.62
	3,126.91	7,796.60	3,633.56	14,147.74	22,418.30	42,076.24	2,019.08	5,276.31	100,494.74

35.14 **Interest rate risk**

Interest rate risk is the risk where changes in market interest rates might adversely affect MMFL's financial condition and the changes in interest rates affect MMFL significantly. 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 MMFL.

In case of MMFLL it may be noted that portfolio loans are not rate sensitive as there is no re-pricing of existing loans are carried out. Only liabilities in the form of borrowings are rate sensitive and considering the size of our business the quantum of impact of change of interest rate of borrowings on liquidity is not significant and can be managed with appropriate treasury action.

On account of COVID-19 the banks are expected to reset the interest rates . The MCLR rates of public sector banks have dropped marginally after March 2020. Depending on the period of impact of pendemic, the interest rates could undergo a change. However MMFL has significant exposure to fixed rate borrowings by way of NCDs and financial institution and partial exposure to floating rate interest loans from banks. These floating rate interest rates are reset annually.

The company lends at fixed rates. Hence there is no short term impact of interest rate risk on the company.

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.

35.15

Particulars	Basis points	Effect on profit / loss and equity for the year 2019-20	Effect on profit / loss and equity for the year 2018-19
Borrowings			
Increase in basis points	+ 25	-139.73	-105.99
Decrease in basis points	- 25	139.73	105.99

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35.16 ALM- Funding and Capital Management

35.16 A Maturity analysis of assets and liabilities as at March 31, 2020

Sl. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	8,024.09	-	8,024.09
(b)	Bank balance other than cash and cash equivalents	2,832.70	2,861.73	5,694.43
(c)	Receivables	-	-	-
	(I) Trade receivables	-	-	-
	(II) Other receivables	-	-	-
(d)	Loans	-	-	-
	- Loan portfolio (excluding securitised assets)	112,914.59	70,282.89	183,197.48
	- Securitised assets	8,467.18	993.22	9,460.40
	Derivative Financial Instruments	-	-	-
(e)	Investments	4,501.95	33.62	4,535.57
(f)	Other financial assets	1,186.63	73.64	1,260.27
(2)	**Non-financial assets**	-	-	-
(a)	Current tax assets (net)	-	452.00	452.00
(b)	Deferred tax assets (net)	-	1,223.71	1,223.71
(c)	Property, plant and equipment	-	749.81	749.81
	Right to use assets	3.99	162.28	166.27
	Capital work in progress	-	-	-
(d)	Intangible assets under development	-	-	-
(e)	Intangible assets	-	89.00	89.00
(f)	Other non-financial assets	15.05	-	15.05
	Total assets	137,946.18	76,921.90	214,868.08
	LIABILITIES AND EQUITY			
(1)	**Financial liabilities**			
	Derivative Financial Instruments	-	-	-
(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	2,232.08	-	2,232.08
	(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	648.35	-	648.35
(b)	Borrowings	-	-	-
	- Debt securities	10,158.74	3,571.18	13,729.92
	- Borrowings (other than debt securities)	90,790.02	50,974.25	141,764.27
	- Subordinated liabilities	1.39	7,488.24	7,489.63
	- Financial liability towards securitisation	7,548.04	531.04	8,079.08
(c)	Other financial liabilities	85.59	93.88	179.47
(2)	**Non-financial liabilities**	-	-	-
	Current tax liabilities (net)	-	-	-
(a)	Provisions	121.46	307.47	428.93
(b)	Other non-financial liabilities	149.77	5.86	155.63
(3)	**Equity**	-	-	-
(a)	Equity share capital	-	719.48	719.48
(b)	Other equity	-	39,441.24	39,441.24
	Total liabilities and equity	111,735.44	103,132.64	214,868.08

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₹ in lakhs

35.16 B Maturity analysis of assets and liabilities as at March 31, 2019

Sl. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	13,977.71	-	13,977.71
(b)	Bank balance other than cash and cash equivalents	1,789.29	3,711.18	5,500.47
	Derivative Financial Instruments	-	-	-
(c)	Receivables	-	-	-
	(I) Trade receivables	-	-	-
	(II) Other receivables	-	-	-
(d)	Loans	-	-	-
	- Loan portfolio (excluding securitised assets)	117,755.52	51,676.68	169,432.20
	- Securitised assets	12,054.34	2,661.51	14,715.85
(e)	Investments	1,000.19	33.62	1,033.81
(f)	Other financial assets	732.08	60.60	792.68
(2)	**Non-financial assets**	-	-	-
(a)	Current tax assets (net)	-	-	-
(b)	Deferred tax assets (net)	-	1,063.77	1,063.77
(c)	Property, plant and equipment	-	475.92	475.92
	Right to use assets	13.87	102.95	116.82
	Capital work in progress	-	-	-
(d)	Intangible assets under development	-	-	-
(e)	Intangible assets	-	103.92	103.92
(f)	Other non-financial assets	20.79	-	20.79
	Total assets	147,343.79	59,890.15	207,233.94
	LIABILITIES AND EQUITY			
(1)	**Financial liabilities**			
	Derivative Financial Instruments	-	7.21	7.21
(a)	Payables	-	-	-
	(I) Trade payables	-	-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
	(II) Other payables	954.41	-	954.41
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	644.44	-	644.44
(b)	Borrowings	-	-	-
	- Debt securities	5,535.92	9,785.68	15,321.60
	- Borrowings (other than debt securities)	77,739.11	60,792.82	138,531.93
	- Subordinated liabilities	-	5,000.00	5,000.00
	- Financial liability towards securitisation	11,969.11	1,817.44	13,786.55
(c)	Other financial liabilities	53.92	66.35	120.27
(2)	**Non-financial liabilities**	-	-	-
	Current tax liabilities (net)	212.08	-	212.08
(a)	Provisions	103.10	203.66	306.96
(b)	Other non-financial liabilities	127.42	5.86	133.28
(3)	**Equity**	-	-	-
(a)	Equity share capital	-	719.48	719.48
(b)	Other equity	-	31,495.73	31,495.73
	Total liabilities and equity	97,339.51	109,894.43	207,233.94

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₹ in lakhs

35.16 C Maturity analysis of assets and liabilities as at April 1, 2018

Sl. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	6,172.41	-	6,172.41
(b)	Bank balance other than cash and cash equivalents	1,563.65	1,240.17	2,803.82
	Derivative Financial Instruments	-	-	-
(c)	Receivables	-	-	-
	(I) Trade receivables	-	-	-
	(II) Other receivables	-	-	-
(d)	Loans	-	-	-
	- Loan portfolio (excluding securitised assets)	71,262.12	36,696.23	107,958.35
	- Securitised assets	5,995.50	2,021.63	8,017.13
(e)	Investments	-	32.34	32.34
(f)	Other financial assets	162.00	14.26	176.26
		-	-	-
(2)	**Non-financial assets**	-	-	-
(a)	Current tax assets (net)	-	-	-
(b)	Deferred tax assets (net)	-	720.88	720.88
(c)	Property, plant and equipment	4.66	340.21	344.87
	Right to use assets	1.74	59.48	61.22
	Capital work in progress	-	-	-
(d)	Intangible assets under development	-	-	-
(e)	Intangible assets	23.55	25.03	48.58
(f)	Other non-financial assets	14.26	-	14.26
	Total assets	**85,199.89**	**41,150.23**	**126,350.12**
	LIABILITIES AND EQUITY			
(1)	**Financial liabilities**			
	Derivative Financial Instruments	-	193.35	193.35
(a)	Payables	-	-	-
	(I) Trade payables	-	-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
	(II) Other payables	67.74	-	67.74
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,454.53	-	1,454.53
(b)	Borrowings	-	-	-
	- Debt securities	4,454.83	10,920.80	15,375.63
	- Borrowings (other than debt securities)	40,534.70	32,011.79	72,546.49
	- Subordinated liabilities	-	5,000.00	5,000.00
	- Financial liability towards securitisation	6,133.58	1,439.04	7,572.62
(c)	Other financial liabilities	-128.06	189.28	61.22
		-	-	-
(2)	**Non-financial liabilities**	-	-	-
	Current tax liabilities (net)	57.70	-	57.70
(a)	Provisions	76.40	154.06	232.46
(b)	Other non-financial liabilities	113.98	5.86	119.84
		-	-	-
(3)	**Equity**	-	-	-
(a)	Equity share capital	-	719.48	719.48
(b)	Other equity	-	22,949.06	22,949.06
	Total liabilities and equity	**52,767.40**	**73,582.72**	**126,350.12**

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35.17 Risk management structure

Risk is an integral part of our business and sound risk management therefore is critical to our success. As a financial intermediary, the Group are exposed to risks that are particular to the lending that it do and the environment in which it operate. The Group continuously identify and implement comprehensive policies and procedures to assess, monitor and manage risk. The Group's risk management process is continuously reviewed, improved and adapted in the context of changing risk scenarios and the agility of our risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The Group assess the fitness of it's risk management process on an event-driven basis.

The Group's risk management process has three components:

The assessment of business risks, operational controls assessment and compliance processes.

Concentration Risk - The Group aims to avoid concentration in both our loan portfolio and our borrowings. To mitigate concentration risk, it has well defined geographic and lender dependence norms.

Borrowing Dependence Norms In order to reduce dependency on any single lender, the Group has adopted a cap on borrowings from any single lender at 25%.

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₹ in lakhs

35 Risk Management

35.18 Capital Management

The Group's capital management objectives are
- to ensure the Group's ability to continue as a going concern

- to comply with externally imposed capital requirement and maintain strong credit ratings

- to provide an adequate return to shareholders

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Net Debt	171,062.90	172,640.06	100,494.74
Total Equity	40,180.72	32,215.21	23,668.54
Net debt to total equity	4.26	5.36	4.25

Net debt includes debt securities + borrowings other than debt securities + subordinated liabilities + financial libilities towards securitization

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.

Definition of default, significant increase in credit risk and stage assessment

For the measurement of ECL, Ind AS 109 distinguishes between three impairment stages. All loans need to be allocated to one of these stages, depending on the increase in credit risk since initial recognition (i.e. disbursement date):

Stage 1: includes loans for which the credit risk at the reporting date is in line with the credit risk at the initial recognition (i.e. disbursement date).

Stage 2: includes loans for which the credit risk at reporting date is significantly higher than at the risk at the initial recognition (Significant Increase in Credit Risk).

Stage 3: includes default loans. A loan is considered default at the earlier of (i) the Group considers that the obligor is unlikely to pay its credit obligations to the Group 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.

The Group offers products with monthly repayment frequency, whereby 30 and above Days past due ('DPD') means already 1 missed instalments from the borrower, and accordingly, the Group has identified the following stage classification to be the most appropriate for its Loans:

Stage 1: 0 to 30 DPD.

Stage 2: 31 to 90 DPD (SICR).

Stage 3: above 90 DPD (Default).

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Probability of Default ('PD')

PD describes the probability of a loan to eventually falling into Stage 3. PD %age is calculated for each loan account separately and is determined by using available historical observations.

PD for stage 1: is derived as %age of all loans in stage 1 moving into stage 3 in 12-months' time.

PD for stage 2: is derived as %age of all loans in stage 2 moving into stage 3 in the maximum lifetime of the loans under observation.

PD for stage 3: is derived as 100% considering that the default occurs as soon as the loan becomes overdue for 90 days which matches the definition of stage 3.

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.

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.
The Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the Exposure at Default.

Grouping financial assets measured on a collective basis

The Group believes that the Self Help Group (SHG) loans have shared risk characteristics (i.e. homogeneous) and Individual loans (IL) have not shared risk characteristics. Therefore, SHG and IL are treated as two separate groups for the purpose of determining impairment allowance.

Analysis of inputs to the ECL model under multiple economic scenarios

Adjusting the ECL to reflect the expected changes (if any) in the economic environment for forward looking information in the form of management overlay.

Based on the historical loss experience, adjustments need to be made on the average PD computed to give effect of the current conditions which is done through management overlay by assigning probability weightages to different scenarios.

35.19 Foreign currency risk:

In view of the Pandemic and oil prices, the rupee has been weakening against the USD. However as of 31st March 2020, the company does not have any foreign currency exposure.

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36 **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).

Financial assets	Measured at	March 31, 2020			
		Carrying amount	Fair value		
			Level 1	Level 2	Level 3
Loans	Amortised cost	192,657.84		195,846.52	
Investments	FVTPL	4,535.57	4,501.95		33.62
Total		**197,193.41**	**4,501.95**	**195,846.52**	**33.62**

Fair value of financial liabilities	Measured at	March 31, 2020			
		Carrying amount	Fair value		
			Level 1	Level 2	Level 3
Debt securities	Amortised cost	13,729.92		14,024.46	
Borrowings other than debt securities	Amortised cost	141,764.27		142,805.57	
Subordinated liabilities	Amortised cost	7,489.63		8,509.28	
Total		**162,983.82**	**-**	**165,339.31**	**-**

Financial assets	Measured at	March 31, 2019			
		Carrying amount	Fair value		
			Level 1	Level 2	Level 3
Loans	Amortised cost	184,148.06		187,403.17	
Investments	FVTPL	1,033.81	1,000.19	33.62	33.62
Total		**185,181.87**	**1,000.19**	**187,436.79**	**33.62**

Fair value of financial liabilities	Measured at	March 31, 2019			
		Carrying amount	Fair value		
			Level 1	Level 2	Level 3
Debt securities	Amortised cost	15,321.60	-	15,625.00	
Borrowings other than debt securities	Amortised cost	138,531.93	-	139,235.00	
Subordinated liabilities	Amortised cost	5,000.00	-	5,547.00	
Total		**158,853.52**	**-**	**160,407.00**	**-**

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Financial assets	Measured at	April 1, 2018			
		Carrying amount	Fair value		
			Level 1	Level 2	Level 3
Loans	Amortised cost	115,975.48	-	117,866.32	-
Investments	FVTPL	32.34	-	-	32.34
Total		**116,007.82**	-	**117,866.32**	**32.34**

Fair value of financial liabilities	Measured at	April 1, 2018			
		Carrying amount	Fair value		
			Level 1	Level 2	Level 3
Debt securities	Amortised cost	15,375.63	-	15,688.00	
Borrowings other than debt securities	Amortised cost	72,546.48	-	73,473.00	
Subordinated liabilities	Amortised cost	5,000.00	-	5,480.00	
Total		**92,922.11**	-	**94,641.00**	-

The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, other receivables,loans measured at Amortised cost, other financial assets / liabilities,other non-financial assets / liabilities, payables and provisions are considered to be the same as their fair values, due to their short-term nature.

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37 **Earnings per share (EPS)**

The following reflects the profit / loss after tax and equity share data used in the basic and diluted EPS calculations:

Particulars	March 31, 2020	March 31, 2019
Net profit/ (loss) after tax as per statement of profit and loss	7,967.16	8,547.01
Net profit/ (loss) as above for calculation of basic EPS and diluted EPS	7,967.16	8,547.01
Net profit/ (loss) for calculation of diluted EPS	7,967.16	8,547.01
Weighted average number of equity shares in calculating basic EPS	7,194,761	7,194,761
Weighted average number of equity shares in calculating dilutive EPS	7,194,761	7,194,761
Earnings per share (Rs)	110.74	118.79
Diluted earnings per share (Rs)	110.74	118.79
Nominal value per share (Rs)	10.00	10.00

38 The erstwhile promoters, major shareholders and others signed Share Purchase Agreements with Credit Access Grameen Limited (NSE: CREDITACC, BSE: 541770) ("CAGL"), India's leading microfinance institution on 27th November, 2019 enabling CAGL to acquire 76.34% of the Company's shares. The Directors have approved a Scheme of Amalgamation of the Company with M/s CreditAccess Grameen Limited (CAGL- Transferee Company) under Section 230 to 232 of the Companies Act, 2013, subject to obtaining the necessary approvals from the Shareholders, Reserve Bank of India, Securities Exchange Board of India, National Company Law Tribunal, Lending Institutions and others.

Company received RBI approval for the same on 29th January 2020 pursuant to which 54,42,128 Equity Shares representing 75.64% of the paid-up Capital of the Company have been acquired by CAGL on 18th March 2020 and the shareholding has further increased to 76.08% as on 31 March 2020.
Consequently, effective 18th March 2020, our company has become a Subsidiary of Credit Access Grameen Limited. Company will be applying to NCLT post lockdown, and on approval will be merged with CAGL.

39 The approval for re-appointment of Ms. Tara Thiegarajan as the Managing Director of the Holding Company for the period Oct 2013 to Sep 2016 is pending with the Central Government for approval. The Company has furnished all the necessary documents/clarifications in this regard to the Ministry of Corporate Affairs (MCA). During this period an amount of INR 1,32,50,024 excluding gratuity was paid to Ms. Tara Thiagarajan as remuneration. The outbreak of Covid-19 pandemic has created a technical delay for obtaining the approval order from MCA. However, the Company is confident of getting the approval at earliest based on the recent communication from MCA.

40 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

41 Disclosure relating to Micro, Small and Medium Enterprises:

Particulars	March 31, 2020	March 31, 2019
(a) Principal amount remaining unpaid to suppliers	-	-
(b) Interest due on the above remaining unpaid to suppliers	-	-
(c) Interest paid during the year in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) Amount paid to suppliers beyond the appointed day during the year	-	-
(e) Interest due and payable for the period of delay in making payments which have been paid beyond the appointed but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(f) Interest accrued and remaining unpaid	-	-
(g) Interest remaining due and payable and paid during the year, for disallowance of deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	

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42 · Additional Information as required under Schedule III of Companies Act, 2013, of enterprises consolidated as subsdiary / associates / joint ventures

	Net assets, i.e total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent Madura Micro Finance Limited	100.01%	40,162.83	100,26%	7,988.20
Subsidiary Madura Micro Education Private Limited	-0.01%	-2.12	-0.26%	-21.04
	100.00%	40,160.71	100.00%	7,967.16

43 On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. It continues to spread across the country leading to a significant decline and volatility in the Indian financial markets and a significant decrease in local economic activities. On March 24, 2020, the Indian government announced a strict 21-day lockdown followed by further extensions of lockdown till 17 may 2020 and various containment measures.

The Company has made an initial assessment of the impact of the pandemic on its operations and its assets and receivables as at March 31, 2020. The Company's business is expected to be impacted by lower lending opportunities and higher credit losses in the coming financial years thereby affecting future profitability. Subject to this, , the Company expects to earn interest income from existing loan book during the coming years thereby recovering the fixed costs likely to be incurred.

Moreover, with various stimulus packages and other measures being announced by the Government to revive economic activity in the country, company expects business to improve over the next couple of quarters.

In accordance with the Reserve Bank Of India (RBI) guidelines relating to COVID-19 regulatory package dated April 17'th 2020, the Company has granted moratorium of three months on the payment of all instalments falling due between March 1 2020 and May 31 2020 to its eligible borrowers based upon a Board approved policy. For all such accounts where the moratorium is granted, the asset classification will remain unchanged during the moratorium period.

The company makes provision for impairment based on the Expected Credit Loss (ECL) model as per INDAS 109. Company has revised its 'Probability of Default'(PD) estimates to factor in the impact of the pandemic and has created an additional management overlay on ECL as at March 31, 2020.

The Company based on its initial estimates and assumptions has provided for the impact of the pandemic on the Financial Statements. Moreover, due to the uncertainties associated with the pandemic, the actual impact may not be in line with current estimates. The Company will continue to closely monitor any changes to the estimates basis future economic conditions. Further the impact assessment does not indicate any adverse impact on the ability of the company to continue as a going concern.

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44 Disclosure as per Ind AS 101 First-time adoption of Indian Accounting Standards:

44.01 Overall principle:

The Company has prepared the opening balance sheet as per Ind AS as of 1st April, 2018 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below:

44.02 Mandatory exceptions and optional exemption

Deemed Cost:
The Group has elected to use the written down value of the PPE, intangible on the date of transition as the cost of PPE.
Classification of debt instruments:
The Group has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.
Leases:
The Group as a lessee has applied the provisions of IND AS 116 on lease by lease basis.
The Group has elected not to apply the requirements of IND AS 116 for lease terms which ends within 12 months from the date of transition and where management does not have an intention to continue the lease.
Similarly the Group has also elected not to apply the requirements of IND AS 116 where the underlying asset value is of low value.
The Group has used Modified Retrospective Approach to account for lease liability and the corresponding right of use asset at the transition date.

Classification and measurement of financial assets:
The Group has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Impairment of financial assets:
The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Estimates:

The estimates at April 1, 2018 and at March 31, 2019 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Previous GAAP did not require estimation:
- FVTPL / FVOCI – equity and debt instrument.
- Impairment of financial assets based on expected credit loss model.

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at April 1, 2018, the date of transition to Ind AS and as of March 31, 2019.

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45 Reconciliation of equity as at Mar 31, 2019

Sr. No.	Particulars	Refer note below	As at March 31, 2019			As at April 1, 2018		
			Previous GAAP	Ind AS Adjustments	As at March 31, 2019	Previous GAAP	Ind AS Adjustments	As at April 1, 2018
	ASSETS							
(1)	**Financial assets**							
(a)	Cash and cash equivalents		13,977.71	-	13,977.71	6,172.41	-	6,172.41
(b)	Bank balance other than cash and cash equivalents		5,500.47	-	5,500.47	2,803.82	-	2,803.82
(c)	Receivables		-	-	-	-	-	-
	(I) Trade receivables		-	-	-	-	-	-
	(II) Other receivables		-	-	-	-	-	-
(d)	Loans		-	-	-	-	-	-
	- Loan portfolio (excluding securitised assets	1&2	170,358.98	-926.78	169,432.20	108,744.76	-786.41	107,958.35
	- Securitised assets	7	2,628.13	12,087.72	14,715.85	1,219.45	5,797.67	6,017.12
(e)	Derivative Financial Instruments		-	-	-	-	-	-
(f)	Investments		1,020.19	13.62	1,033.81	20.00	12.34	32.34
(g)	Other financial assets	7	255.49	537.17	792.66	176.26	-	176.26
(2)	**Non-financial assets**		-	-	-	-	-	-
(a)	Current tax assets (net)		-	-	-	-	-	-
(b)	Deferred tax assets (net)	5	1,011.59	52.18	1,063.77	390.40	330.48	720.88
(c)	Property, plant and equipment		475.93	-	475.93	344.87	-	344.87
(d)	Right to use assets	6	-	116.82	116.82	-	61.22	61.22
(e)	Capital work in progress		-	-	-	-	-	-
(f)	Intangible assets under development		-	-	-	-	-	-
(g)	Intangible assets		103.93	-	103.93	48.59	-	48.59
(h)	Other non-financial assets		20.79	-	20.79	14.26	-	14.26
	Total assets		195,353.21	11,880.73	207,233.94	119,934.82	6,415.30	126,350.12
	LIABILITIES AND EQUITY							
(1)	**Financial liabilities**							
(a)	Derivative Financial Instruments		7.21	-	7.21	193.35	-	193.35
(b)	Payables		-	-	-	-	-	-
	(I) Trade payables		-	-	-	-	-	-
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		954.41	-	954.41	67.74	-	67.74
	(II) Other payables		-	-	-	-	-	-
	(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		644.08	0.36	644.44	1,454.53	-	1,454.53
(c)	Borrowings		-	-	-	-	-	-
	- Debt securities	1	15,374.85	-53.25	15,321.60	15,436.74	-61.11	15,375.63
	- Borrowings (other than debt securities)	1	139,050.59	-518.66	138,531.93	72,806.56	-260.07	72,546.49
	- Subordinated liabilities		5,000.00	-	5,000.00	5,000.00	-	5,000.00
	- Financial liability towards securitisation	7	1,730.90	12,055.65	13,786.55	695.82	6,876.80	7,572.62
(d)	Other financial liabilities	6	-	120.27	120.27	-	61.22	61.22
(2)	**Non-financial liabilities**		-	-	-	-	-	-
(a)	Current tax liabilities (net)		212.09	-	212.09	57.70	-	57.70
(b)	Provisions		308.96	-	308.96	455.58	-223.12	232.46
(c)	Other non-financial liabilities		133.28	-	133.28	119.84	-	119.84
(3)	**Equity**		-	-	-	-	-	-
(a)	Equity share capital		719.48	-	719.48	719.48	-	719.48
(b)	Other equity		31,219.36	276.35	31,495.72	22,927.48	21.58	22,949.06
	Total liabilities and equity		195,353.21	11,880.73	207,233.94	119,934.82	6,415.30	126,350.12

MADUR MICRO FINANCE LTD. CHENNAI 600 020 REGISTERED OFFICE

Madura Micro Finance Ltd
CIN:- U65929TN2005PLC057390
Notes to Consolidated accounts for the year ended March 31, 2020

46 Reconciliation of total comprehensive income for the year ended March 31, 2019 ₹ in lakhs

Sr. No.	Particulars	Refer note below	For the year ended 31st March 2019		
			Previous GAAP	Ind AS Adjustments	IndAS
I	**Revenue from operations**				
(a)	Interest income				
	- Interest on loans	1	35,045.70	-394.13	34,651.57
	- Income on securitisation	7	857.56	1,017.62	1,875.18
	_Income from portfolio purchased for assignment		72.59	-	72.59
	- Interest on deposits with banks and financial institutions		286.61	-	286.61
(b)	Fees and commission		26.50	-	26.50
(c)	Sale of Service		68.11	-	68.11
(d)	Dividend income		0.30	-	0.30
(e)	Net gain on fair value changes		327.31	1.28	328.59
(f)	Bad debts Recoverd	7	209.09	1.18	210.27
(g)	Others	7	108.53	526.13	634.66
	Total revenue from operations (I)		**37,002.30**	**1,152.08**	**38,154.38**
II	**Other income**		522.90	-	522.90
III	**Total income (I+II)**		**37,525.20**	**1,152.08**	**38,677.28**
IV	**Expenses**				
(a)	Finance costs				
	- On borrowings	1	14,668.36	-242.34	14,426.02
	- On financial liability towards securitisation	7	-	565.52	565.52
(b)	Impairment of financial instruments	2	3,426.53	77.66	3,504.19
(c)	Employee benefits expenses	3	4,638.45	-0.07	4,638.38
(d)	Depreciation, amortisation and impairment	6	301.38	57.52	358.90
(e)	Other expenses	6	3,038.80	-62.45	2,976.35
	Total expenses (IV)		**26,073.54**	**395.82**	**26,469.36**
V	**Profit before tax (III-IV)**		**11,451.66**	**756.26**	**12,207.92**
VI	**Tax expense**				
	(1) Current tax		3,932.72	-	3,932.72
	(2) Earlier year tax		71.35	-	71.35
	(2) Deferred tax	5	-621.19	278.03	-343.16
	Total tax expense (VI)		**3,382.88**	**278.03**	**3,660.91**
VII	**Profit / (loss) for the year (V-VI)**		**8,068.78**	**478.23**	**8,547.01**
VIII	**Other comprehensive income**	4			
(a)	(1) Items that will not be reclassified to profit or loss				
	- Remeasurement (losses) and gains on defined benefit obligations (net)		-	-0.08	-0.08
	(2) Income tax relating to items that will not be reclassified to profit or loss		-	-0.26	-0.26
	Subtotal (a)		-	-0.34	-0.34
(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				-
	(2) Income tax relating to items that will be reclassified to profit or loss				-
	Subtotal (b)				-
	Other comprehensive income (VIII = a+b)		-	-0.34	-0.34
IX	**Total comprehensive income (VII+VIII) (comprising profit / (loss) and other comprehensive income for**		**8,068.78**	**477.89**	**8,546.67**

MADURA MICRO FINANCE LTD. ★ REGISTERED OFFICE ★ CHENNAI 600 020

Madura Micro Finance Limited
CIN:- U65929TN2005PLC057390
Notes to Consolidated accounts for the year ended March 31, 2020

Notes

1 **EIR on loans and borrowings:**

"Under Previous GAAP, loan processing fees received in connection with loans portfolios were recognized upfront and credited to profit or loss for the period. Under Ind AS, loan processing fee is credited to profit and loss using the effective interest rate method (amortising the processings over the period of the loan). The unamortized portion of loan processing fee is adjusted from the loan portfolio.

For Borrowings under Previous GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under IndAS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

2 **Expected credit losses on loans:**

Under Previous GAAP, the Company has created provision for loans and advances based on the provisioning norms prescribed by the Reserve Bank of India in NBFC Master Directions. Under Ind AS, impairment allowance has veen determined based on Expected credit Loss model (ECL). Loans unders ecurutisation and guarantees which were earlier off balance sheet items have now been classified under loans based on risk retained and impairment allowance has been done on such items also. The differential impact has been adjusted in Retained eaming/ Profit and loss during the year. Under Previous GAAP, contingent provision against standard assets and provision for non-performing assets were presented under provisions. However, under Ind AS, financial assets measured at amortised cost and FVTPL are presented net of provision for expected credit losses.

3 **Defined benefit obligations:**

Both under Previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

4 **Other comprehensive income**

Under Previous GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Previous GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

5 **Deferred tax**

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Previous GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

6 **Lease accounting**

Under the previous GAAP, the lease rentals on operating leases were accounted as rent. Under the Ind AS, a Right to Use of asset and lease liability are created and depreciation is charged on the Right to use of asset and finance cost is charged on lease liability.

The company has exhanged lease rentals and depreciation on assets accounted under Ind AS 116 and lease rentals on other assets as rent expense

MADURA MICRO FINANCE LTD. CHENNAI 600 020 * REGISTERED OFFICE *

Madura Micro Finance Limited
CIN:- U65929TN2005PLC057390
Notes to Consolidated accounts for the year ended March 31, 2020

7 Assignment & Securitisation transactions

Under the previous GAAP the company derecognised Assignment transactions and accounted for Excess interest spread(EIS) as and when the interests were collected. Under Ind AS inview of significant risk being transferred to the Asignee, the EIS is accounted upfront on the sale of the portfolio. This income is credited to the Profit and Loss account.

Under the previous GAAP the company derecognised Securitisation transactions and accounted for income as and when the interest and the Excess interest spread were received.Under Ind AS, since the risk is retained with the company the securitised portfolio is recognised in the books and the income under securitised portfolios is accounted using the effective interest rate method.

As per our report of even date

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No:003990S / S200018

S. Rajeshwari
Partner
(Membership No : 024105)

Tara Thiagarajan
Managing Director

F. S. Mohan Eddy
Whole-time Director

Chennai
18 May 2020

Venkateswaran Balakrishnan
Chief Financial Officer

M. Narayanan
Chief Executive Officer

Sarin Panicker
Company Secretary

MADURA MICRO FINANCE LTD.
CHENNAI 600 020
REGISTERED OFFICE

Independent Auditor's Review Report

To

The Board of Directors of Madura Micro Finance Limited

Conclusion

We have reviewed the unaudited consolidated financial information of Madura Micro Finance Limited (hereinafter referred to as the 'Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") for the quarter ended 30th June 2020, which are included in the accompanying "Statement of Consolidated Financial Results" together with the notes thereon ("The Statement").

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement prepared in accordance with applicable accounting standards and other recognized accounting practices and policies , has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Basis for Conclusion

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 review of the Consolidated Financial Results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Emphasis of Matters

1. Expected Credit Loss Provisioning

Pursuant to the Reserve Bank of India Circulars dated March 27, 2020 and May 23, 2020 allowing lending institutions to offer moratorium to borrowers on payment of Instalments falling due between March 1, 2020 and August 31, 2020 the Group has extended/will be extending moratorium to its borrowers in accordance with its Board approved Policy.
As at 30th Jun 2020, for determination of Expected Credit Loss (ECL) provisioning, the ageing of these Loans and Advances and their Asset Classification will remain unchanged since March 1, 2020 as per the Regulatory package. Moreover, the estimates and assumptions made by management in determining the ECL provision required for its loans are subject to uncertainties that are associated with the outcome of the pandemic. Hence the actual results

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REGISTRATION NO. WITH ICAI IS 003990S/S200018

may vary from these estimates. Refer note 4 to the financial results.

2. Managing Director Remuneration

The appointment and payment of remuneration to the Managing director for the period from October 2013 to September 2016 is subject to the approval of the Central government. A sum of Rs.132.50 lakhs (excluding gratuity) had been paid as remuneration to the Managing Director for this period subject to central government approval and charged to the Statement of Profit and Loss in the respective years. Refer note 3 to the financial results.

Our conclusion is not modified in respect of these matters.

Responsibility of the Management and Those charged with Governance for the Statement

This statement which is the responsibility of the Holding company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 34, "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India, including the creation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation and maintenance of Internal control relevant to the preparation and presentation of the statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.

Our responsibility is to issue a report on the Statement based on our review.

Auditor's responsibility

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Other Matters

We did not review the financial information of the subsidiary included in the Statement, whose unaudited interim financial information, before consolidation adjustments reflect, total revenues of Nil and Rs.-9.50 lakhs total profit after tax and total comprehensive income of Rs.-9.50 lakhs for the quarter ended 30th Jun 2020, as considered in the consolidated financial results. These financial results have been reviewed by another auditor whose report has been furnished to us by the Management and our conclusion on the consolidated financial results, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

PKF SRIDHAR & SANTHANAM LLP
Firm Regn. No.: 003990S/S200018
CHENNAI

Our conclusion is not modified in respect of the above matters.

Restriction on use

Our work was performed solely to assist the Group in submitting this Statement to the audit committee and the Board of Directors for their consideration. Our obligation in respect of this review report are entirely separate from, and our responsibility and liability are in no way changed by any other role we may have (or may have had) as auditor of the Group or otherwise. Nothing in this review report, nor anything said or done in the course of or in connection with the service that are the subject of this report, will extend any duty of care we may have in our capacity as auditor of the Group.

The review report on the Statement for the quarter ended 30 Jun 2020 is addressed to and provided to the Board of Directors of the holding Company, for the purpose of consideration by the Audit committee and the Board of Directors of the holding Company for providing the same to M/s Credit Access Grameen Limited, the ultimate holding company. Accordingly, our report should not be distributed or otherwise made available to any other person or used for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **PKF Sridhar & Santhanam LLP**
Chartered Accountants
Firm Regn. No. 003990S/S200018

PKF SRIDHAR & SANTHANAM L.L.P
Firm Regn. No.: 003990S / S200018
CHENNAI

S. Narasimhan
Partner
Membership No. 206047
Place: Chennai
Date:
UDIN:

MADURA MICRO FINANCE LIMITED

(Subsidiary of CreditAccess Grameen Limited)

Registered Office: No. 36, Second Main Road, Kasturba Nagar, Adyar, Chennai 600020

CIN: U65929TN2005PLC057390

Consolidated Statement Of Assets And Liabilities as at 30th June 2020

(Rupees in Lakhs unless otherwise stated)

Sl No	Particulars	As at June 30, 2020	As at March 31, 2020
		(Un-audited)	(Audited)
	ASSETS		
(1)	**Financial assets**		
(a)	Cash and cash equivalents	4,915.58	8,024.09
(b)	Bank balance other than cash and cash equivalents	5,329.23	5,694.43
(c)	Derivative Financial Instruments	-	-
(d)	Receivables		
	(I) Trade receivables	-	-
	(II) Other receivables	-	-
(e)	Loans		
	- Loan portfolio (excluding securitised assets)	1,81,108.01	1,83,197.48
	- Securitised assets	9,053.50	9,460.40
(f)	Investments	10,264.49	4,535.57
(g)	Other financial assets	1,079.11	1,260.27
(2)	**Non-financial assets**		
(a)	Current tax assets (net)	73.39	452.00
(b)	Deferred tax assets (net)	1,275.56	1,223.71
(c)	Property, plant and equipment	676.59	749.81
(d)	Right to use assets	146.02	166.27
(e)	Intangible assets	75.44	89.00
(f)	Other non-financial assets	145.37	15.05
	Total assets	**2,14,142.29**	**2,14,868.08**
	LIABILITIES AND EQUITY		
	LIABILITIES		
(1)	**Financial Liabilities**		
(a)	Derivative Financial Instruments	-	-
(b)	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	1,095.53	2,232.08
	(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	1,091.38	648.35
(c)	Borrowings		
	- Debt securities	13,537.86	13,729.92
	- Borrowings (other than debt securities)	1,41,733.94	1,41,764.27
	- Subordinated liabilities	7,669.75	7,489.63
	- Financial liability towards securitisation	6,727.85	8,079.08
(d)	Other financial liabilities	161.26	179.47
(2)	**Non-financial liabilities**		
(a)	Current tax liabilities (net)	-	-
(b)	Provisions	433.87	428.93
(c)	Other non-financial liabilities	128.69	155.63
(3)	**EQUITY**		
(a)	Equity share capital	719.48	719.48
(b)	Other equity	40,842.68	39,441.24
	Total liabilities and equity	**2,14,142.29**	**2,14,868.08**

For Madura Micro Finance Limited

MADURA MICRO FINANCE LTD. CHENNAI 600 020 REGISTER OFFICE

F. S. Mohan Eddy
Whole-time Director

Chennai
22-July-2020

PKF SRIDHAR & SANTHANAM LLP Firm Regn No.: 003990S / S200018

MADURA MICRO FINANCE LIMITED

(Subsidiary of CreditAccess Grameen Limited)

Registered Office: No. 36, Second Main Road, Kasturba Nagar, Adyar, Chennai 600020
CIN: U65929TN2005PLC057390

Consolidated Financial Results for the Quarter ended 30th June 2020

(Rupees in Lakhs unless otherwise stated)

Sl No.	Particulars	3 months ended 30th June 2020	For the period 19-31st March 2020
		(Un-Audited)	(Audited)
I	**Revenue from operations**		
(a)	Interest income		
	- Interest on loans	10,114.58	1,514.05
	- Income on securitisation	537.67	80.78
	- Income from portfolio purchased under assignment	34.99	4.92
	- Interest on deposits with banks and financial institutions	121.22	19.26
(b)	Fees and commission	0.50	5.00
(c)	Sale of Service	-	0.36
(c)	Dividend income	-	-
(d)	Net gain on fair value changes	63.87	20.50
(e)	Bad debt recovery	17.70	17.71
(f)	Others	-	419.07
	Total Revenue from operations (I)	**10,890.53**	**2,081.65**
II	Other Income	0.10	27.18
III	**Total Income (I+II)**	**10,890.63**	**2,108.83**
	Expenses		
(a)	Finance costs		
	- On borrowings	4,571.05	697.42
	- On financial liability towards securitisation	169.51	31.66
(b)	Impairment of financial instruments	1,613.06	-171.45
(c)	Employee benefits expenses	2,051.95	242.34
(d)	Depreciation, amortisation and impairment	111.65	15.06
(e)	Other expenses	483.96	167.42
(IV)	Total Expenses (IV)	**9,001.18**	**982.45**
(V)	Profit / (loss) before exceptional items and tax (III-IV)	**1,889.45**	**1,126.38**
(VI)	Exceptional items	-	-
(VII)	**Profit/(loss) before tax (V -VI)**	**1,889.45**	**1,126.38**
(VIII)	Tax Expense:		
	(1) Current Tax	542.13	115.04
	(2) Earlier Year Tax	-	-
	(3) Deferred Tax	-52.41	171.15
(IX)	Profit/(Loss) for the period from continuing operations (VII-VIII)	**1,399.73**	**840.19**
(X)	Profit/(loss) from discontinued operations	-	-
(XI)	Tax Expense of discontinued operations	-	-
(XII)	Profit/(loss) from discontinued operations (After Tax) (X-XI)	-	-
(XIII)	Profit/(loss) for the period (IX+XII)	**1,399.73**	**840.19**
(XIV)	Other Comprehensive Income		
	(A) (i) Items that will not be reclassified to profit or loss (specify items and amounts)	2.27	-2.77
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-0.57	0.62
	Subtotal (A)	1.70	-2.15
	(B) (i) Items that will be reclassified to profit or loss		
	(ii) Income tax relating to items that will be reclassified to Profit or Loss	-	-
	Subtotal (B)	-	-
	Other Comprehensive Income (A + B)	1.70	-2.15
(XV)	Total Comprehensive Income for the period (XIII+XIV)	**1,401.43**	**838.04**
(XVI)	Earnings per equity share (for continuing operations)		
	Basic (Rs.)	19.45	11.65
	Diluted (Rs.)	19.45	11.65
(XVII)	Earnings per equity share (for discontinued operations)		
	Basic (Rs.)	-	-
	Diluted (Rs.)	-	-
(XVIII)	Earnings per equity share (for continuing and discontinued operations)		
	Basic (Rs.)	19.45	11.65
	Diluted (Rs.)	19.45	11.65

* The EPS on Basic and Diluted for the Quarter ending 30th Jun20 and for the period 19-31st Mar20 are not annualised

For Madura Micro Finance Limited

MADURA MICRO FINANCE LTD CHENNAI 600 020 REGISTER OFFICE

F. S. Mohan Eddy
Whole-time Director

Place: Chennai
Date: 22 July 2020

PKF SRIDHAR & SANTHANAM LLP Firm Regn No.: 003990S / S200018 CHENNAI

Madura Micro Finance Limited
Karumuttu Centre, 6th Floor, No.634, Anna Salai, Nandanam, Chennai – 600035
Statement of unaudited financial results for the quarter and three months ended June 30, 2020
CINU65929TN2005PLC057390

Notes:

1. The above consolidated results for the quarter and three months ended June 30, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on July 22, 2020 respectively and subjected to limited review by statutory auditors in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended.

2. 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. The approval for re-appointment of Ms. Tara Thiagarajan as the Managing Director of the Company for the period October 2013 to September 2016 is pending with the Central Government for approval. The Company has furnished all the necessary documents/clarifications in this regard to the Ministry of Corporate Affairs (MCA). During this period an amount of INR.132.50 lakhs excluding gratuity was paid to Ms. Tara Thiagarajan as remuneration. The outbreak of Covid-19 pandemic has created a technical delay for obtaining the approval order from MCA. However, the Company is confident of getting the approval at earliest based on the recent communication from MCA.

4. The Novel Coronavirus (COVID-19) pandemic (declared as such by the World Health Organisation on March 11, 2020) has contributed to a significant decline and volatility and a significant decrease in economic activity in global and Indian markets. The Government of India announced a strict 40 day nation-wide lockdown to contain the spread of the virus till May 3, 2020 which was further extended till May 31, 2020. This has led to significant disruption and dislocations for Individuals and businesses, impacting Company's regular operations including lending and collection activities due to inability of employees to physically reach borrowers.

5. As discussed in note 4 above, the COVID-19 pandemic has led to a significant impact on Company's regular Operations including lending and collection activities.

   Further pursuant to the Reserve Bank of India Circulars dated March 27, 2020 and May 23, 2020 allowing lending institutions to offer moratorium to borrowers on payment of Instalments failing due between March 1, 2020 and August 31, 2020 the company has extended moratorium to its borrowers in accordance with its Board approved Policy.

MADURA MICRO FINANCE LTD. CHENNAI 600 020 REGISTER OFFICE

PKF SRIDHAR & SANTHANAM LLP Firm Regn. No: 003990S/S200018 CHENNAI

MADURA microfinance

In Management's view and considering the guidance provided by the Institute of Chartered Accountants of India providing moratorium to borrowers a mass scale based on RBI directive by itself is not considered to result in a significant increase in credit risk (SICR) for such borrowers. The Company has recorded management overlay allowance of Rs. 11.94 cr as additional provision to reflect among other things an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic based on the information available a this point in time. Given the unique nature and scale of the economic impact of this pandemic and its timing being close to the year end the management overlay is based on various variables and assumptions, which could result in actual credit loss being different than that being estimated

However, the full extent of impact of the pandemic on the Company's operations and financial metrics (Including impact on impairment allowance for loan portfolio) will depend on future developments including governmental and regulatory measures and the Company's response thereto, which are highly uncertain at this time.

6. Previous year / period consolidated figures have been regrouped / rearranged, wherever considered necessary, to conform with current period's classification.

For Madura Micro Finance Limited

MADURA MICRO FINANCE LTD. CHENNAI 600 020 REGISTER OFFICE

F.S. Mohan Eddy
Director

Chennai
July 22, 2020

PKF SRIDHAR & SANTHANAM LLP Firm Regn. No.: 003990S/S200018 CHENNAI

PKF SRIDHAR & SANTHANAM LLP

Chartered Accountants

INDEPENDENT AUDITOR REVIEW OF THE COMPONENT'S CONSOLIDATED FINANCIAL INFORMATION FOR GROUP REVIEW PURPOSES

Date: 21 Sep 2020

To:

Board of Directors of Madura Micro Finance Limited, Chennai
Mr. G.K. Subramaniam, Deloitte Haskins and Sells, India (Group Auditor)

We have reviewed the special purpose interim condensed Consolidated Financial Information of Madura Micro Finance Limited (Company) for the four months period ended July 31, 2020. This special purpose interim condensed consolidated financial information has been prepared solely to enable CreditAccess Grameen Limited (Group) to prepare its consolidated financial information. This is prepared based on the Group reporting package dated 9th Sept 2020 as provided by Deloitte Haskins and Sells, India (Group Auditor).

Management's Responsibility

The Management of the Company is responsible for the preparation and presentation of the special purpose interim condensed consolidated financial information on the basis of Indian Accounting Standards (IND AS) other accounting principles generally accepted in India and the Group's accounting policies, and for such internal control as management determines is necessary to enable the preparation of the special purpose financial information that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the special purpose interim condensed consolidated financial information using the requirements of the Standard on Review Engagements (SRE) 2410 'Review of Financial Information performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountant of India ("ICAI") and in accordance with Group Auditor's instructions. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the special purpose interim condensed consolidated financial information.

We planned and performed our review using the component materiality specified in Group Auditor's instructions, which is different than the materiality that we would have used had we been designing the review to express a conclusion on the special purpose financial information of the component alone.

We have complied with independence standards laid down under the Companies Act, 2013 as well as complying with Code of Ethics laid down by the Institute of Chartered Accountant of India ("ICAI"), as it relates to our independence and professional competence.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the special purpose interim condensed consolidated financial information has not been prepared, in all material respects, on the basis of Indian Accounting Standard, other accounting principles generally accepted in India and the Group's accounting policies.

Emphasis of Matter

Pursuant to the Reserve Bank of India Circulars dated March 27, 2020 and May 23, 2020 allowing lending institutions to offer moratorium to borrowers on payment of Instalments falling due between

SRIDHAR & SANTHANAM L.L.P. Regn. No.: 003990S / S200018 CHENNAI

March 1, 2020 and August 31, 2020 the Group has extended/will be extending moratorium to its borrowers in accordance with its Board approved Policy.

As at 31st Jul 2020, for determination of Expected Credit Loss (ECL) provisioning, the ageing of these Loans and Advances and their Asset Classification will remain unchanged since March 1, 2020 as per the Regulatory package. Moreover, the estimates and assumptions made by management in determining the ECL provision required for its loans are subject to uncertainties that are associated with the outcome of the pandemic. Hence the actual results may vary from these estimates. Refer note 3 to the financial information.

Our conclusion is not modified in respect of this matter.

Other Matters

We did not review the financial information of the subsidiary included in the Financial Information, whose unaudited interim financial information, before consolidation adjustments reflect, total assets of Rs.10.28 lakhs, total revenues of Nil and Rs.-12.90 lakhs total profit after tax and total comprehensive income of Rs.-12.90 lakhs for the period ended 31st Jul 2020, as considered in the consolidated financial results. These financial information have been reviewed by another auditor whose report has been furnished to us by the Management and our conclusion on the consolidated financial results, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

Restriction on Use and Distribution

This special purpose interim condensed consolidated financial information has been prepared for purposes of providing information to the Group to enable it to prepare its consolidated financial information for the four months ended July 31, 2020. As a result, the financial information is not a complete set of financial statement of Madura Micro Finance Limited in accordance with Indian Accounting Standards (IND AS) prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, other accounting principles generally accepted in India and the Group's accounting policies, and is not intended to give a true and fair view of the financial position of Madura Micro Finance Limited as of 31st July 2020, and of its financial performance for the period ended 31 Jul 2020, in accordance with Indian Accounting Standards (IND AS) prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, other accounting principles generally accepted in India and the Group's accounting policies. The special purpose interim condensed consolidated financial information may, therefore, not be suitable for another purpose.

This report is intended solely for **Deloitte Haskins & Sells** and should not be used by, or distributed to, anyone in the Group, any of its components, or any other third party.

For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm No 003990S/S200018

PKF SRIDHAR & SANTHANAM LLP Firm Regn. No.: 003990S / S200018 CHENNAI

S Narasimhan
Partner
Mem no:- 206047

Place Chennai
Date 21st Sept 2020
UDIN 20206047AAAADA1898

Madura Micro Finance Ltd
CIN:- U65929TN2005PLC057390
Condensed Consolidated Balance Sheet as at 31st July 2020

₹ in lakhs

Sr. No.	Particulars	As at July 31, 2020
	ASSETS	(Unaudited)
(1)	**Financial assets**	
(a)	Cash and cash equivalents	5,588.11
(b)	Bank balance other than cash and cash equivalents	6,781.84
(c)	Receivables	
	(I) Trade receivables	-
	(II) Other receivables	-
(d)	Loans	
	- Loan portfolio (excluding securitised assets)	1,74,103.17
	- Securitised assets	8,341.92
(e)	Investments	12,000.12
(f)	Other financial assets	1,049.86
(2)	**Non-financial assets**	
(a)	Current tax assets (net)	14.67
(b)	Deferred tax assets (net)	1,282.97
(c)	Property, plant and equipment	655.94
(d)	Right to use assets	139.27
(e)	Intangible assets	71.73
(f)	Other non-financial assets	150.54
	Total assets	**2,10,180.14**
	LIABILITIES AND EQUITY	
(1)	**Financial liabilities**	
(a)	Payables	
	(I) Trade payables	
	(i) Total outstanding dues of micro enterprises and small enterprises	-
	(ii) Total outstanding dues of creditors other than micro enterprises and	1,266.21
	(II) Other payables	
	(i) Total outstanding dues of micro enterprises and small enterprises	-
	(ii) Total outstanding dues of creditors other than micro enterprises and	945.06
(b)	Borrowings	
	- Debt securities	9,556.22
	- Borrowings (other than debt securities)	1,42,036.57
	- Subordinated liabilities	7,762.27
	- Financial liability towards securitisation	6,127.13
(c)	Other financial liabilities	154.87
(2)	**Non-financial liabilities**	
(a)	Current tax liabilities (net)	-
(b)	Provisions	440.35
(c)	Other non-financial liabilities	143.29
(3)	**Equity**	
(a)	Equity share capital	719.48
(b)	Other equity	41,028.69
	Total liabilities and equity	**2,10,180.14**

See accompanying selected notes

As per our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No:003990S / S200018

S. Narasimhan
Partner
(Membership No : 206047)

Chennai
21st September 2020

For and on behalf of the Board of Directors
of **Madura Micro Finance Limited**

F. S. Mohan Eddy
Whole-time Director

Madura Micro Finance Ltd
CIN:- U65929TN2005PLC057390
₹ in lakhs
Condensed Consolidated Statement of profit and loss for the period ended July 31, 2020

Sr. No.	Particulars	For the period ended 31 July 2020 (Unaudited)
I	**Revenue from operations**	
(a)	Interest income	
	- Interest on loans	13,478.96
	- Income on securitisation	711.54
	- Income from portfolio purchased under assignment	44.87
	- Interest on deposits with banks and financial institutions	172.14
(b)	Fees and commission	0.50
(c)	Sale of Service	-
(d)	Dividend income	-
(e)	Net gain on fair value changes	100.02
(f)	Bad debt recovery	43.32
(g)	Others	-
	Total revenue from operations (I)	**14,551.35**
II	**Other income**	0.10
III	**Total income (I+II)**	**14,551.45**
IV	**Expenses**	
(a)	Finance costs	
	- On borrowings	6,096.45
	- On financial liability towards securitisation	221.19
(b)	Impairment of financial instruments	2,440.52
(c)	Employee benefits expenses	2,738.46
(d)	Depreciation, amortisation and impairment	148.65
(e)	Other expenses	766.98
	Total expenses (IV)	**12,412.25**
V	**Profit before tax (III-IV)**	**2,139.20**
VI	**Tax expense**	
	(1) Current tax	613.29
	(2) Deferred tax	-59.83
	(3) Tax of earlier period	-
	Total tax expense (VI)	**553.46**
VII	**Profit / (loss) for the year (V-VI)**	**1,585.74**
VIII	**Other comprehensive Income**	
(a)	(1) Items that will not be reclassified to profit or loss	
	- Remeasurement (losses) and gains on defined benefit obligations (net)	2.27
	(2) Income tax relating to items that will not be reclassified to profit or loss	-0.57
	Subtotal (a)	1.70
(b)	(1) Items that will be reclassified to profit or loss	
	- Net change in fair value of loans measured at fair value through other	-
	(2) Income tax relating to items that will be reclassified to profit or loss	-
	Subtotal (b)	-
	Other comprehensive income (VIII = a+b)	**1.70**
IX	**Total comprehensive income (VII+VIII) (comprising profit / (loss) and other comprehensive income for the year)**	**1,587.44**
X	**Earnings per equity share (face value of ₹10.00 each)**	
	Basic*	22.04
	Diluted*	22.04

See accompanying selected notes

As per our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No:003990S / S200018

S. Narasimhan
Partner
(Membership No : 206047)

Chennai
21st September 2020

For and on behalf of the Board of Directors
of **Madura Micro Finance Limited**

F. S. Mohan Eddy
Whole-time Director

Madura Micro Finance Ltd
CIN:- U65929TN2005PLC057390

₹ in lakhs

Notes to the Unaudited Special Purpose Interim Condensed Consolidated Financial information for the four months period ended July 31, 2020

Statement of condensed consolidated changes in equity for the period ended July 31, 2020

Equity share capital

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

Particulars	No of shares	Amount
As at March 31, 2020	71,94,761.00	719.48
Changes in equity share capital during the year	-	-
As at July 31 2020	71,94,761.00	719.48

Other equity

Particulars	Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	Securities premium	Retained earnings	Total
As as at March 31, 2020	6,219.15	8,365.47	24,856.62	39,441.24
Profit for the period ended 31st July 2020			1,585.74	1,585.74
Remeasurement of defined benefit plans (net of taxes)			1.70	1.70
Transferred to statutory reserves	-		-	-
As as at July 31, 2020	6,219.15	8,365.47	26,444.06	41,028.68

* Transferred to statutory reserves will be carried out at the year-end based on the actual profits for the entire year.

See accompanying selected notes

As per our report of even date
For PKF Sridhar & Santhanam LLP
Chartered Accountants
Firm Registration No:003990S / S200018

PKF SRIDHAR & SANTHANAM L.L.P. Firm Regn. No.: 003990S / S200018 CHENNAI

S. Narasimhan
Partner
(Membership No : 206047)

Chennai
21st September 2020

For and on behalf of the Board of Directors
of **Madura Micro Finance Limited**

F. S. Mohan Eddy
Whole-time Director

MADURA MICRO FINANCE LTD., NANDANAM CHENNAI 600 035 CORPORATE OFFICE

PKF SRIDHAR & SANTHANAM L.L.P. Firm Regn. No.: 003990S / S200018 CHENNAI

Madura Micro Finance Limited

Karumuttu Centre, 6th Floor, No.634, Anna Salai, Nandanam, Chennai – 600035
CINU65929TN2005PLC057390

Selected Explanatory Notes to the Unaudited Special Purpose Interim Condensed Consolidated Financial information for the four month's period ended July 31, 2020

Notes:

1. These Unaudited Special Purpose Interim Condensed Consolidated Financial information of the Company have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") as notified under Section 133 of the Companies Act, 2013 ("the Act") and other accounting principles generally accepted in India for the purpose of inclusion in the Preliminary Placement Document and the Placement Document (together, the "Placement Documents") prepared in connection with the proposed offerings of the Equity shares pursuant to the Qualified Institution Placement (QIP) of the Holding Company and will be submitted/filed with the Stock Exchanges where the Holding Company's equity shares are listed and the Securities Exchange Board of India (SEBI).

   The accounting policies adopted for preparation of these Unaudited Special Purpose Interim Condensed Consolidated Financial information are consistent with those used for the preparation of annual financial statements for the year ended March 31, 2020.

2. The above Unaudited Special Purpose Interim Condensed Consolidated Financial information for the four months period ended July 31, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on September 21, 2020 respectively based on limited review by statutory auditors.

3. The COVID-19 pandemic has contributed to a significant disruption of the economic activities across the globe including India. The Government of India announced a strict nation-wide lockdown to contain the spread of the virus which continued till May 31, 2020. Subsequently, various state governments and local statutory authorities have imposed restrictions on economic activities depending upon the severity of the pandemic in different parts of the country which has continued to impact Company's operations including lending and collection activities due to inability of employees to physically reach borrowers and other operational challenges.

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PKF SRIDHAR & SANTHANAM L.L.P. Firm Regn. No.: 003990S / S200018 CHENNAI

Further, pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020 allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company initially offered a moratorium to all customers until May 31, 2020 which has been further extended up to August 31, 2020 to specific customers based on requests received.

At March 31, 2020, the Company had recorded a management overlay allowance of ₹ 9.89 crores as part of its expected credit loss estimate, to reflect, among other things, an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic based on the information available till that point in time. Further, during the current year, the Company has re-assessed the provisions made having regard to the continued disruption and its likely impact over a period further than that anticipated as of March 31, 2020. Accordingly, the Company has provided an additional management overlay of ₹ 11.40 crores for the current year, taking the total provision for expected credit losses as at July 31, 2020 to ₹ 71.04 crore (including total management overlay for COVID-19 of ₹ 21.29 crore).

Given the unique nature and scale of this pandemic, its full extent of impact on the Company's operations and financial metrics (including impairment allowances for loan portfolio) will depend on highly uncertain future developments including governmental and regulatory measures and the Company's responses thereto. Accordingly, the aforesaid management overlay is based on various variables and assumptions, which could result in actual credit loss being different than that being estimated."

4. Further, in view of the matters as mentioned in note 3 above, the Company has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. With the relaxation of lockdown rules, as well as resumption of commercial activities by borrowers in a majority of geographies in which the Company operates, management is confident that collections will continue, albeit likely at a lower level than earlier, as experienced during the months of June and July 2020. Further, the Company has considered its current liquidity position which includes cash and cash equivalents of ₹ 55.88 crores and ₹ 119.67 crores in short term liquid investment as at July 31, 2020 and the expected inflows from various sources of borrowings including various stimulus packages announced by the Government of India, and fresh sanctions from existing / prospective lenders as well as the incremental loan disbursements planned for the foreseeable future. Based on the foregoing and necessary stress tests considering various scenarios adjusted for actual loan collection trends observed during the quarter, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future.

MADURA MICRO FINANCE LTD.
NANDANAM
CHENNAI
600 035
CORPORATE OFFICE

PKF SRIDHAR & SANTHANAM LLP
Firm Regn. No.:
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CHENNAI

5. 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.

6. Contingent liabilities

   (a) Contingent liabilities not provided for in respect of the below:

Particular	Amount
a Demand under Employee Provident Fund Act, 1952	0.25 Cr.
b Indemnity undertaking given to Bajaj Allianz Life Insurance Company Limited for insurance claims	0.08 Cr.

For and on behalf of the Board of Directors
of **Madura Micro Finance Limited**

F.S. Mohan Eddy
Whole-time Director

Chennai
21-September-2020

MADURA MICRO FINANCE LTD., NANDANAM CHENNAI 600 035 CORPORATE OFFICE

PKF SRIDHAR & SANTHANAM L.L.P Firm Regn. No.: 003990S / S200018 CHENNAI

PROFORMA FINANCIAL INFORMATION

This Placement Document includes the unaudited proforma consolidated financial information of the Group for the year ended March 31, 2020, prepared to illustrate the impact of the acquisition of MMFL on the consolidated statement of profit and loss had the acquisition occurred on April 1, 2019.

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INDEPENDENT AUDITORS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PROFORMA CONSOLIDATED CONDENSED FINANCIAL INFORMATION

The Board of Directors,
CreditAccess Grameen Limited,
#49, 46th Cross, 8th Block, Jayanagar,
Bangalore – 560070

Report on the Compilation of Unaudited Proforma Consolidated Condensed Financial Information

We have completed our assurance engagement to report on the compilation of the Unaudited Proforma Consolidated Condensed Financial Information of CreditAccess Grameen Limited("hereinafter referred to as the "Company" or "Holding Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), and its share of the profit / (loss) of its subsidiaries and its jointly controlled entities prepared by the Management of the Company (the " Management"). The Unaudited Proforma Consolidated Condensed Financial Information consists of the unaudited proforma consolidated condensed statement of profit and loss for the year ended March 31, 2020 and the related notes thereto. The applicable criteria on the basis of which the Management has compiled the Unaudited Proforma Consolidated Condensed Financial Information are described in Notes 1 and 2 to the Unaudited Proforma Consolidated Condensed Financial Information.

The Unaudited Proforma Consolidated Condensed Financial Information has been compiled by the Management to illustrate the impact of the transaction as set out in Notes 1 and 2 to the Unaudited Proforma Consolidated Condensed Financial Information for the financial year ended March 31, 2020.

The Unaudited Proforma Consolidated Statement of profit and loss is based on the historical audited standalone financial statements of the Holding Company for the year ended March 31, 2020 and MMFL's historical audited consolidated statement of profit and loss for the year ended March 31, 2020. The unaudited pro-forma consolidated statement of profit and loss for the year ended March 31, 2020 gives effect to the abovementioned MMFL acquisition as if it occurred on April 1, 2019.

The date on which the transaction described above are assumed to have been undertaken, are hereinafter collectively referred to as the " Relevant Date".

As part of this process, information about the Company's consolidated condensed financial position consolidated condensed financial performance has been extracted by the Management from the Group's historical financial statements for the year ended March 31, 2020.

The Management's Responsibility for the Unaudited Proforma Consolidated Condensed Financial Information

The Management is responsible for compilation and preparation of the Unaudited Proforma Consolidated Condensed Financial Information on the basis of the applicable criteria described in Notes 1 and 2 to the Unaudited Proforma Consolidated Condensed Financial Information. This responsibility includes the responsibility for designing, implementing and maintaining internal control relevant for compiling the Unaudited Proforma Consolidated Condensed Financial Information on the basis of the applicable criteria described in Notes 1 and 2 to the Unaudited Proforma Consolidated Condensed Financial Information that is free from material misstatement, whether due to fraud or error. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations for the compilation of Unaudited Proforma Consolidated Condensed Financial Information.

Auditors Responsibility

Our responsibility is to express an opinion whether the Unaudited Proforma Consolidated Condensed Financial Information has been compiled, in all material respects, by the Management on the basis of the applicable criteria described in the Notes 1 and 2 to the Unaudited Proforma Consolidated Condensed Financial Information.

We conducted our engagement in accordance with Standard on Assurance Engagements (SAE) 3420, A"ssurance Engagements to Report on the Compilation of Proforma Consolidated Financial Information Included in a Prospectus, issued by the Institute of Chartered Accountants of India. This Standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Management has compiled, in all material respects, the Unaudited Proforma Consolidated Condensed Financial Information on the basis of the applicable criteria described in the Notes 1 and 2 to the Unaudited Proforma Consolidated Condensed Financial Information.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited proforma consolidated condensed financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Proforma Consolidated Condensed Financial Information.

The purpose of Unaudited Proforma Consolidated Condensed Financial Information is solely to illustrate the impact of a significant transaction on unadjusted financial information of the entity as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at Relevant Date would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Proforma Consolidated Condensed Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Management in the compilation of the Unaudited Proforma Consolidated Condensed Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

i. The related Proforma adjustments give appropriate effect to those criteria; and
ii. The Unaudited Proforma Consolidated Condensed Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the auditors' judgement, having regard to the auditors' understanding of the nature of the company, the transaction in respect of which the Unaudited Proforma Consolidated Condensed Financial Information has been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the Unaudited Proforma Consolidated Condensed Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RAO ASSOCIATES Chartered

Opinion

In our opinion, the Unaudited Proforma Consolidated Condensed Financial Information has been compiled, in all material respects, on the basis of applicable criteria described in Notes 1 and 2 to the Unaudited Proforma Consolidated Condensed Financial Information.

Restriction of Use and Distribution

This report has been prepared for inclusion in the preliminary placement document and placement document, prepared in connection with the proposed offering of equity shares of face value Rs.10 each by the Company in a Qualified Institutions Placement (the "Offering") in accordance with the provisions of Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") and for no other purposes.

For **Rao Associates**,
Chartered Accountants
Firm Registration Number: **003080S**

Sandeep S Shekar
Partner
Membership Number: **232631**

RAO ASSOCIATES * Chartered Accountants *

Date: 29-09-2020

UDIN: 20232631AAAAGY2169

Unaudited Pro-forma Consolidated Statement of Profit and Loss

During the year ended March 31, 2020, CreditAccess Grameen Limited (the "Holding Company") acquired controlling stake in Madura Micro Finance Limited ("MMFL") on March 18, 2020, followed by a purchase of additional stake on March 31, 2020, for an aggregate cash consideration of Rs. 661 Crores, resulting in an overall controlling interest of 76.08% as at March 31, 2020.

The following unaudited pro-forma consolidated statement of profit and loss is based on the historical audited standalone financial statements of the Holding Company for the year ended March 31, 2020 and MMFL's historical audited consolidated statement of profit and loss for the year ended March 31, 2020. The unaudited pro-forma consolidated statement of profit and loss for the year ended March 31, 2020 gives effect to the abovementioned MMFL acquisition as if it occurred on April 1, 2019.

The assumptions and estimates underlying the unaudited adjustments to the unaudited pro forma consolidated statement of profit and loss are described in the accompanying notes, which should be read together with the unaudited pro forma consolidated statement of profit and loss.

The unaudited pro-forma consolidated statement of profit and loss should be read together with the Holding Company's historical financial statements included in the

Unaudited pro-forma consolidated statement of profit and loss for the year ended March 31, 2020

Rs. in Crores

Sr. No.	Particulars	Historical audited standalone statement of profit and loss of CreditAccess Grameen Limited	Historical audited consolidated statement of profit and loss of Madura Micro Finance Limited	Pro-forma adjustments (Refer note 2)	Note No.	Unaudited pro-forma consolidated statement of profit and loss
I	**Revenue from operations**					
(a)	Interest income					
	- Interest on loans	1,588.80	414.98	-		2,003.78
	- Income on securitisation (re-recognised on balance sheet)	22.25	27.59	-		49.84
	- Income from portfolio purchased under assignment	-	7.36	-		7.36
	- Interest on deposits with banks and financial institutions	6.14	5.01	-		11.15
(b)	Fees and commission	4.95	0.26	-		5.21
(c)	Sale of Service	-	0.41			0.41
(d)	Dividend income	-	0.16	-		0.16
(e)	Net gain on fair value changes	56.15	2.51	-		58.66
(f)	Bad Debt Recovery	5.20	2.87	-		8.07
(g)	Others	-	10.36	-		10.36
	Total revenue from operations (I)	**1,683.49**	**471.51**	**-**		**2,155.00**
II	**Other income**	0.87	4.39	-		5.26
III	**Total income (I+II)**	**1,684.36**	**475.90**	**-**		**2,160.26**
IV	**Expenses**					
(a)	Finance costs					
	- On borrowings	563.89	185.53	-		749.42
	- On financial liability towards securitisation (re-recognised on balance sheet)	8.78	9.96	-		18.74
(b)	Impairment of financial instruments	238.98	57.14	-		296.12
(c)	Employee benefits expenses	259.64	67.41	-		327.05
(d)	Depreciation and amortisation expenses	19.64	5.11	16.28	2(a)	41.03
(e)	Other expenses	142.54	44.34	-	2(c)	186.88
	Total expenses (IV)	**1,233.47**	**369.49**	**16.28**		**1,619.24**
V	**Profit before tax (III-IV)**	**450.89**	**106.41**	**(16.28)**		**541.02**
VI	**Tax expense**					
	(1) Current tax					
	i. Current year	159.32	30.01	-		189.33
	ii. Pertaining to earlier years		(1.74)	-		(1.74)
	(2) Deferred tax	(35.93)	(1.53)	(4.10)	2(b)	(41.56)
	Total tax expense (VI)	**123.39**	**26.74**	**(4.10)**		**146.03**
VII	**Profit / (loss) for the year (V-VI)**	**327.50**	**79.67**	**(12.18)**		**394.99**
VIII	**Other comprehensive income**					
(a)	(1) Items that will not be reclassified to profit or loss					
	- Remeasurement (losses) and gains on defined benefit obligations (net)	0.05	(0.29)	-		(0.24)
	(2) Income tax relating to items that will not be reclassified to profit or loss	(0.01)	0.07	-		0.06
	Subtotal (a)	**0.04**	**(0.22)**	**-**		**(0.18)**
(b)	(1) Items that will be reclassified to profit or loss					
	- Net change in fair value of loans measured at fair value through other comprehensive income	(34.83)	-	-		(34.83)
	(2) Income tax relating to items that will be reclassified to profit or loss	7.46	-	-		7.46
	Subtotal (b)	**(27.37)**	**-**	**-**		**(27.37)**
	Other comprehensive income (VIII = a+b)	**(27.33)**	**(0.22)**	**-**		**(27.55)**
IX	**Total comprehensive income (VII+VIII) (comprising profit / (loss) and other comprehensive income for the year)**	**300.17**	**79.45**	**(12.18)**		**367.44**
X	**Profit is attributable to:**					
	Owners of the Company	327.50		51.34		378.85
	Non-controlling interest			16.14	2(d)	16.14
XI	**Other comprehensive Income is attributable to:**					
	Owners of the Company	(27.33)		(0.17)		(27.50)
	Non-controlling interest			(0.05)	2(d)	(0.05)
XII	**Total comprehensive Income is attributable to:**					
	Owners of the Company	300.17	-	51.18		351.35
	Non-controlling interest	-	-	16.09	2(d)	16.09
XIII	**Earnings per equity share (EPS)**					
	Basic EPS	22.78	110.74		2(f)	26.35
	Diluted DPS	22.59	110.74		2(f)	26.13
	Nominal value per share	10.00	10.00			10.00

Notes to the unaudited pro-forma consolidated statement of profit and loss

1 Basis of Preparation

The unaudited pro-forma consolidated statement of profit and loss including the accompanying notes ('the unaudited pro-forma financial information') has been prepared by the management of the Holding Company on the basis of historical audited standalone statement of profit and loss of the Holding Company and historical audited consolidated statement of profit and loss of MMFL and its subsidiary for the year ended March 31, 2020, respectively, adjusted for the pro-forma adjustments to give effect to the events that are: (1) directly attributable to MMFL acquisition; (2) factually supportable; and (3) expected to have a continuing impact on the consolidated results of the Holding Company and its subsidiaries (collectively, the "Group") following the MMFL acquisition.

Considering that MMFL acquisition took place prior to March 31, 2020 whereby the impact of such acquisition is considered in the historical audited consolidated financial position of the Group as at March 31, 2020, a separate pro-forma balance sheet as at March 31, 2020 has not been presented.

The unaudited pro-forma financial information of the Group has been prepared to give effect to the MMFL acquisition (including additional stake acquired on March 31, 2020) as if it occurred on April 1, 2019 i.e. beginning of the reporting period. This statement has been prepared for illustrative purpose only and because of its nature, the unaudited pro-forma financial information addresses a hypothetical situation and therefore, does not represent the Group's actual consolidated statement of profit and loss for the year ended March 31, 2020. Accordingly, the unaudited pro-forma financial information does not necessarily reflect what the Group's results of operations would have been had the effective date of the transaction been April 1, 2019 and is also not intended to be indicative of expected results of operations for future periods.

The Unaudited Proforma Consolidated Condensed Financial Information has been compiled in a manner consistent with the accounting policies adopted by the Company in the consolidated financial information of the Company for the year ended March 31, 2020.

The applicable criteria used by the Management in the compilation of the Unaudited Proforma Consolidated Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the acquisition by the Company of 76.08% of MMFL as on April 1, 2019.

The unaudited pro-forma consolidated statement of profit and loss has been prepared based on the audited standalone Financial Statements of the Holding Company and MMFL.

2 Pro-forma adjustments

a. Represents full-year amortisation expense in respect of the intangible asset identified upon MMFL acquisition (viz. Customer Relationships). Such asset was not recognised by MMFL in its historical consolidated financial statements.

b. Reflects tax effect of the above pro-forma adjustment on the unaudited pro-forma consolidated statement of profit and loss.

c. Other expenses in the historical audited standalone statement of profit and loss of the Holding Company include directly attributable acquisition-related costs of Rs.15.23 crores. No adjustment in this regard is made in the unaudited pro-forma consolidated statement of profit and loss.

d. Represents earnings attributable to non-controlling interests.

e. Considering that there were no inter-company transactions during the year between the Holding Company and MMFL, affecting the statement of profit and loss, no adjustment is required towards inter-company eliminations in the unaudited pro-forma consolidated statement of profit and loss.

f. Basic and diluted earnings per share have been adjusted to give effect of the above pro-forma adjustments.

RAO ASSOCIATES ★ BANGALORE FIRM Reg No 003080S ★ CHARTERED ACCOUNTANTS

DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI Regulations, Allotment of Equity Shares pursuant to this Issue shall be made by our Company, in consultation with the Book Running Lead Managers, to Eligible QIBs only, on a discretionary basis. The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them are set forth below.

	Name of the allottee	**Percentage of the post issue paid up share capital of the Company (%)**
1.	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA SMALL CAP FUND	2.31
2.	T. ROWE PRICE INTERNATIONAL DISCOVERY FUND	1.23
3.	HDFC LIFE INSURANCE COMPANY LTD	0.97
4.	KOTAK FUNDS-INDIA MIDCAP FUND	0.91
5.	TAIYO GREATER INDIA FUND LTD	0.91
6.	TATA AIA LIFE INSURANCE CO LTD A/C WHOLE LIFE MID CAP EQUITY FUND ULIF009 04/01/07 WLE 110	0.74
7.	ICICI PRUDENTIAL BANKING & FINANCIAL SERVICES FUND	0.68
8.	THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF NOMURA INDIA STOCK MOTHER FUND	0.67
9.	MOTILAL OSWAL MIDCAP 30 FUND	0.58
10.	TATA AIA LIFE INSURANCE COMPANY LIMITED - NON UNIT LINKED LIFE POLICY HOLDERS FUND PARTICIPATING	0.46
11.	ICICI PRUDENTIAL BALANCED ADVANTAGE FUND	0.40
12.	INTEGRATED CORE STRATEGIES (ASIA) PTE.LTD.	0.36
13.	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA MULTI CAP FUND	0.28
14.	CITIGROUP GLOBAL MARKETS MAURITIUS PRIVATE LIMITED - ODI	0.21
15.	BNP PARIBAS ARBITRAGE ODI	0.20
16.	WCM INTERNATIONAL SMALL CAP GROWTH FUND	0.18
17.	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA VISION FUND	0.16
18.	T. ROWE PRICE INTERNATIONAL SMALL-CAP EQUITY TRUST	0.14
19.	NOMURA SINGAPORE LIMITED ODI	0.13
20.	JNL MULTI-MANAGER INTERNATIONAL SMALL CAP FUND	0.10
21.	UBS PRINCIPAL CAPITAL ASIA LTD	0.10
22.	CLEARWATER INTERNATIONAL FUND	0.08
23.	MAX LIFE INSURANCE COMPANY LIMITED A/C ULIF00225/06/04LIFEBALANCE104 - BALANCED FUND	0.07
24.	MAX LIFE INSURANCE COMPANY LIMITED A/C ULIF01311/02/08LIFEHIGHGR104 - HIGH GROWTH FUND	0.07
25.	MORGAN STANLEY ASIA (SINGAPORE) PTE	0.07
26.	MORGAN STANLEY ASIA (SINGAPORE) PTE. - ODI	0.07
27.	PRINCIPAL LIFE INTERNATIONAL EMERGING MARKETS SEPARATE ACCOUNT	0.07
28.	AMERICAN AIRLINES INC MASTER FIXED BENEFIT PENSION TRUST - PRINCIPAL GLOBAL INVESTORS	0.06
29.	PRINCIPAL FUNDS, INC. - INTERNATIONAL EMERGING MARKETS FUND	0.06
30.	NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDIA RETIREMENT FUND - WEALTH CREATION SCHEME	0.06
31.	ICICI PRUDENTIAL VALUE FUND - SERIES 15	0.05
32.	EDELWEISS TRUSTEESHIP CO LTD AC - EDELWEISS MF AC - EDELWEISS MAIDEN OPPORTUNITIES FUND - SERIES I	0.05
33.	MAX LIFE INSURANCE COMPANY LIMITED A/C 01425/03/08LIFEDYNOPP104 - DYNAMIC OPPORTUNITIES FUND	0.04
34.	MAX LIFE INSURANCE CO LTD PENSION MAXIMISER FUND (ULIF01715/02/13PENSMAXIMI104)	0.03
35.	REGIME DE RETRAITE D'HYDRO-QUEBEC	0.03
36.	ICICI PRUDENTIAL GROWTH FUND - SERIES 1	0.03

37.	WCM INTERNATIONAL SMALL CAP GROWTH FUND (MANAGED FUND)	0.03
38.	PRINCIPAL VARIABLE CONTRACTS FUNDS, INC. - INTERNATIONAL EMERGING MARKETS ACCOUNT	0.02
39.	ADVANCED SERIES TRUST - AST T. ROWE PRICE GROWTH OPPORTUNITIES PORTFOLIO	0.02
40.	MAX LIFE INSURANCE CO LTD A/C DIVERSIFIED EQUITY FUND (ULIF02201/01/20LIFEDIVEQF104)	0.01
41.	MAX LIFE INSURANCE CO LTD PENSION PRESERVER FUND (ULIF01815/02/13PENSPRESER104)	0.01
42.	T. ROWE PRICE GLOBAL ALLOCATION FUND, INC.	0.00
43.	ADVANCED SERIES TRUST - AST T. ROWE PRICE DIVERSIFIED REAL GROWTH PORTFOLIO	0.00
44.	WCM INVESTMENT MANAGEMENT, LLC	0.00

* *The post-Issue shareholding pattern (in percentage terms) of the proposed Allottees has been disclosed on the basis of their respective PAN, except in case of Mutual Funds, insurance companies and FPIs (investing through different sub-accounts having common PAN across such sub-accounts) wherein their respective DP ID and Client ID has been considered.*

^ *Based on beneficiary position as on October 2, 2020, assuming Allotment of Equity Shares to the Proposed Allottees pursuant to the Issue.*

DECLARATION

The Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI Regulations and that all approvals and permissions required to carry on the Company's business have been obtained, are currently valid and have been complied with. The Company further certifies that all the statements in this Placement Document are true and correct.

Signed by: UDAYA KUMAR HEBBAR

Digitally signed by UDAYA KUMAR HEBBAR
DN: c=IN, o=Personal,
2.5.4.20=10e166fdce5a10c38ed4f42391fc0f53c514b30614d019c53a4d6e099eaaf78c,
postalCode=560076, st=KARNATAKA,
serialNumber=064061989712f5b0afa043023764af6025d6695f52294ed1b8ffc6254fe4d712,
cn=UDAYA KUMAR HEBBAR
Date: 2020.10.08 22:18:11 +05'30'

Udaya Kumar Hebbar
(Managing Director and Chief Executive Officer)
(DIN: 07235226)

Date: October 8, 2020
Place: Bengaluru

DECLARATION

We, the Board of Directors of the Company certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules thereunder, does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Placement Document (which includes disclosures prescribed under Form PAS-4).

For and on behalf of the Board, signed by:

UDAYA
KUMAR
HEBBAR

Digitally signed by UDAYA KUMAR HEBBAR
DN: c=IN, o=Personal,
2.5.4.20=10e166fdce5a10c38ed4f42391fc0f53
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postalCode=560076, st=KARNATAKA,
serialNumber=064061989712f5b0afa0430237
64af6025d6695f52294ed1b8ffc6254fe4d712,
cn=UDAYA KUMAR HEBBAR
Date: 2020.10.08 22:18:59 +05'30'

Udaya Kumar Hebbar
(Managing Director and Chief Executive Officer)
(DIN: 07235226)

Date: October 8, 2020
Place: Bengaluru

I am authorized by the Board of Directors of the Company, pursuant to its resolution dated October 3, 2020 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

UDAYA
KUMAR
HEBBAR

Digitally signed by UDAYA KUMAR HEBBAR
DN: c=IN, o=Personal,
2.5.4.20=10e166fdce5a10c38ed4f42391fc0f53c51
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serialNumber=064061989712f5b0afa043023764a
f6025d6695f52294ed1b8ffc6254fe4d712,
cn=UDAYA KUMAR HEBBAR
Date: 2020.10.08 22:20:11 +05'30'

Udaya Kumar Hebbar
(Managing Director and Chief Executive Officer)
(DIN: 07235226)

Date: October 8, 2020
Place: Bengaluru

CREDITACCESS GRAMEEN LIMITED

Registered and Corporate Office

New No. 49 (Old No. 725), 46th Cross, 8th Block, Jayanagar, Next to Rajalakshmi Kalyana Mantap, Bengaluru 560 070, Karnataka
Website: www.creditaccessgrameen.com
CIN: L51216KA1991PLC053425

Compliance Officer: M. J. Mahadev Prakash, Head - Compliance, Legal & Company Secretary
Address: New No. 49 (Old No. 725), 46th Cross, 8th Block, Jayanagar, Next to Rajalakshmi Kalyana Mantap, Bengaluru 560 070, Karnataka

Tel: +91 80 2263 7300 | **Fax**: +91 80 2664 3433 | **E-mail**: csinvestors@creditaccessgrameen.com | **Website**: www.creditaccessgrameen.com

BOOK RUNNING LEAD MANAGERS

ICICI Securities Limited

ICICI Center, H.T. Parekh Marg
Churchgate, Mumbai 400 020

Nomura Financial Advisory and Securities (India) Private Limited

Ceejay House, Level 11, Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai – 400 018

CLSA India Private Limited

8/F, Dalamal House, Nariman Point
Mumbai 400 021

SBI Capital Markets Limited

202, Maker Tower 'E', Cuffe Parade
Mumbai 400 005

STATUTORY AUDITORS OF OUR COMPANY

Deloitte Haskins & Sells, Chartered Accountants

ASV N Ramana Tower
52, Venkatnarayana Road
T. Nagar, Chennai-600 017, Tamil Nadu, India

DOMESTIC LEGAL COUNSEL TO THE COMPANY

Cyril Amarchand Mangaldas

3rd Floor, Prestige Falcon Towers
19, Brunton Road
Bengaluru 560 025, Karnataka, India

DOMESTIC LEGAL COUNSEL TO THE BRLMS

IndusLaw

2nd Floor, Block D, The MIRA
Mathura Road, New Delhi 110 065

INTERNATIONAL LEGAL COUNSEL TO THE BRLMS

Clifford Chance Pte. Ltd

Marina Bay Financial Centre, 25th Floor, Tower 3
12 Marina Boulevard, Singapore 018 982

APPLICATION FORM

	APPLICATION FORM
CREDITACCESS GRAMEEN LIMITED (*Incorporated in the Republic of India under the provisions of the Companies Act, 1956 and registered as an NBFC under Section 45 IA of the Reserve Bank of India Act, 1934*) **Registered and Corporate Office**: New No. 49 (Old No. 725), 46th Cross, 8th Block, Jayanagar, Next to Rajalakshmi Kalyana Mantap, Bengaluru 560 070, Karnataka **Website**: www.creditaccessgrameen.com | **CIN**: L51216KA1991PLC053425 **Telephone No.**: +91 80 2263 7300 **Email**: csinvestors@creditaccessgrameen.com	Name of the Bidder: ______________________________ Form No. ____________ Date: _________________

QUALIFIED INSTITUTIONS PLACEMENT OF UPTO [●] EQUITY SHARES OF FACE VALUE ₹10 EACH (THE "EQUITY SHARES") FOR CASH, AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE") AGGREGATING UPTO ₹ [●] MILLION UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, AS AMENDED BY CREDIT ACCESS GRAMEEN LIMITED ("THE COMPANY" AND SUCH ISSUE, THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹707.69 PER EQUITY SHARE AND THE COMPANY MAY OFFER A DISCOUNT OF UPTO 5% ON THE FLOOR PRICE, AS APPROVED BY ITS SHAREHOLDERS.

Only "Qualified Institutional Buyers" ("QIBs") as defined in Regulation 2(1)(ss) of the SEBI Regulations which (i.) is not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI Regulations or (b) restricted from participating in the Issue under the SEBI Regulations and other applicable laws, and (ii) is a resident in India or is an eligible FPI participating through Schedule II of the FEMA Rules; can submit this Application Form. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or any other applicable state securities laws of the United States and, unless so registered, may not be offered, sold or delivered within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are qualified institutional buyers (as defined in Rule 144A under the Securities Act ("Rule 144A")) ("U.S. QIBs") pursuant to Section 4(a)(2) of the Securities Act; for avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in the PPD (as defined below) as "QIBs" and (b) outside the United States in "offshore" transactions (as defined in Regulation S under the Securities Act ("Regulation S") in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For a description of selling restrictions in certain other jurisdictions, see "*Selling Restrictions*" on page 221. The Equity Shares are transferable only in accordance with the restrictions described in "*Transfer Restrictions and Purchaser Representations*" on page 228.

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF THE FOREIGN EXCHANGE MANAGEMENT (NON-DEBT INSTRUMENTS) RULES, 2019 ("FEMA RULES") IN THIS ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. ALLOTMENTS MADE TO AIFs AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

STATUS (Please ✓)			
FI	Scheduled Commercial Banks and Financial Institutions	**AIF**	Alternative Investment Funds
MF	Mutual Funds	**NIF**	National Investment Fund
FPI	Eligible Foreign Portfolio Investors*	**SI-NBFC**	Systemically Important NBFC
VCF	Venture Capital Funds	**IF**	Insurance Funds
IC	Insurance Companies	**OTH**	Others (Please Specify)

**Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue.*

To,
The Board of Directors
CreditAccess Grameen Limited
New No. 49 (Old No. 725), 46th Cross
8th Block, Jayanagar
Next to Rajalakshmi Kalyana Mantap
Bengaluru 560 070, Karnataka

Dear Sirs,

On the basis of the serially numbered Preliminary Placement Document ("**PPD**") of the Company, and subject to the terms and conditions mentioned in the other sections of the PPD and in this section of the Application Form, we hereby submit our Bid for the Allotment of the Equity Shares at the terms and price indicated below. We confirm that we are a QIB as defined in Regulation 2(1)(ss) of the SEBI Regulations which (i) is, (a) not excluded pursuant to Regulation 179(2)(b) of the SEBI Regulations or (b) not restricted from participating in the Issue under the applicable laws, and (ii) is a resident in India or is an Eligible FPI participating through Schedule II of the FEMA Rules. We confirm that we are not an FVCI. We are not a promoter (as defined in the SEBI Regulations) of the Company, or any person related to the Promoter, directly or indirectly. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with any of the Promoter or members of the Promoter Group of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. In addition, we confirm that we are eligible to invest in the Equity Shares under the SEBI Regulations and other applicable laws. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020.

We confirm that the Bid size / aggregate number of Equity Shares applied for by us and which may be Allotted to us does not exceed the relevant regulatory or approved limits. We confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("**Takeover Regulations**").We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us, if applicable, in accordance with Chapter VI of the SEBI Regulations and undertake to comply with the SEBI Regulations, and all other applicable laws, including any reporting obligations. We confirm that each foreign portfolio investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 ("**FPI Regulations**" and such foreign portfolio investor, an "**FPI**") (other than individuals, corporate bodies and family offices), and including persons who have been registered under the FPI Regulations (such FPIs, "**Eligible FPIs**"), has submitted a separate Application Form, and asset management companies of mutual funds would have specified the details of each scheme for which the Bid is being made along with the Bid Amount and number of shares to be Allotted under each fund. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holders of the Equity Shares which may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the applicant and the applicant has all the relevant approvals. We authorize you to place our name in the register of members of the Company as holders of the Equity Shares that may be Allotted to us. We note that the Company in consultation with the Book Running Lead Managers namely, ICICI Securities Limited, CLSA India Private Limited, Nomura Financial Advisory and Securities (India) Private Limited and SBI Capital Markets Limited (collectively, the "**Book Running Lead Managers**" or "**BRLMs**"), is entitled, in its absolute discretion to accept or reject this Application Form without assigning any reason thereof. We hereby accept the Equity Shares that may be Allocated to us pursuant to the Confirmation of Allocation Note ("**CAN**") and request you to credit the same to our beneficiary account as per the details given below, subject to receipt of Application Form and Bid Amount towards the Equity Shares that may be allocated to us.

We agree and consent that: (i) our names, address, PAN, contact details, bank details, email-id, and the number of Equity Shares Allotted along with other relevant information as may be required will be recorded and filed by the Company with the Registrar of Companies, Bengaluru in the format prescribed in terms of the Companies (Prospectus and Allotment of Securities Rules, 2014, as amended ("**PAS Rules**"), (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware that our name will be included in the Placement Document as proposed allottees, if applicable, along with the number of Equity Shares proposed to be Allotted to us, and the percentage of our post issue shareholding in the Company, and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Bengaluru as required in terms of the PAS Rules. We are also aware and agree that if we, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in this Issue, the Company shall be required to disclose our name, along with the name of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the website of the Stock Exchanges, and we consent to such disclosure. Further, we agree to comply with the rules and regulations that are applicable to us, including restriction on transferability and lock-in. In this regard, we authorise the Company to issue instructions to the depositories for such restriction on transferability, as may be applicable to us. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI Regulations, FEMA Rules, circulars issued by the Reserve Bank of India ("**RBI**"), and other applicable laws.

The amount payable by us as Bid Amount for the Equity Shares applied for has been/ will be remitted to the designated bank account set out in this Application Form only through electronic mode, along with this duly completed Application Form within the Bid/ Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We are aware that if the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount has been paid by us and in case we are joint holders, from the bank account of the person whose name appears first in the Application Form. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars and regulations issued by the Reserve Bank of India ("**RBI**"), and other applicable laws.

By signing and submitting this Application Form, we hereby confirm and agree (i) that the representations, warranties, acknowledgements and agreements as provided in "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Transfer Restrictions and Purchaser Representations*" and "*Selling Restrictions*" of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations, warranties, acknowledgements and agreements are given by us for the benefit of the Company and the BRLMs for the Issue, each of whom are entitled to rely and are relying on these representations, acknowledgements and agreements in consummating the Issue, (ii) that we have been provided a serially numbered copy of the PPD, and have read it in its entirety including in particular, the "*Risk Factors*" therein, and have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLMs, or any other source, including publicly available information, and (iii) to abide by the PPD and the Placement Document, this Application Form, the CAN, when issued, and the terms, conditions and agreements contained therein, (iv) that if we are participating in the Issue as an Eligible QIB, we are not an individual, corporate body or family office, (v) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with BRLMs, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (vi) that we shall not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges, (vii) that we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment, (viii) that we shall not have the right to withdraw or revise our Bid after the Bid/ Issue Closing Date, (ix) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of the post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; (x) that we, together with other persons that belong to our same group or are under common control, have not applied for more than 50% of the Issue and that the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the BRLMs. For the purposes of this representation: the expression: QIBs belonging to the "same group" under the Explanation to Regulation 180(2) of the SEBI Regulations shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst a QIB, its subsidiary or holding company and any other QIB; and 'Control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.

We hereby agree to accept the Equity Shares applied for, or such lesser number as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, this Application Form and the CAN, when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below. The Bid Amount payable by us for the Equity Shares to be allotted in the Issue has been/will be remitted to the designated bank account prior to Bid/ Issue Closing Date, only through electronic mode pursuant to duly completed Application Form and to the bank account mentioned in the Application Form. We acknowledge and agree that we have not/shall not make any payment in cash or cheque. We also agree that the amount payable for the Equity Shares in the Issue is being (shall be) made from the bank account maintained in our name, and in case we are joint holders, from the bank account of the person whose name appears first in the Application Form, and the Bid Amount may be refunded to the same bank account (i) if the Company is unable to issue and Allot the Equity Shares offered in the Issue; or (ii) if there is a cancellation of the Issue; or (iii) in case of rejection of Bids or non-allocation of Equity Shares; or (iv) In the event, the Bid Amount per Equity Share exceeds the Issue Price per Equity Share. Further, we acknowledge that we shall not have the right to revise or withdraw our Bid after the Bid/Issue Closing Date. By making this application, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. We further represent that in making our investment decision, we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLMs or from any other source, including publicly available information. We satisfy any and all relevant suitability standards for investors in the Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in the Equity Shares, and are able to sustain a complete loss of our investment in the Equity Shares.

We acknowledge that the Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. By signing this Application Form and checking the applicable box above, we hereby represent that we are either (i) qualified institutional buyers (as defined in Rule 144A) purchasing the Equity Shares pursuant to Section 4(a)(2) under the U.S. Securities Act, or (ii) located outside the United States and purchasing Equity Shares in an offshore transaction in reliance on Regulation S of the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. The payment for subscription to the Equity Shares in the Issue have been/ are being made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.

BIDDER DETAILS (in Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND PIN CODE			
COUNTRY			
PHONE NO.		**FAX NO.**	
EMAIL ID			
FOR ELIGIBLE FPIs**	SEBI FPI Registration No.______________________________		
For AIFs***	SEBI AIF Registration No.______________________________		
MFs***	SEBI MF Registration No.______________________________		
VCFs	SEBI VCFs Registration No.______________________________		
SI-NBFCs	SEBI Registration Details.______________________________		

Insurance Companies	IRDAI Registration Details____

[*]Name should exactly match with the name in which the beneficiary account is held. Any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Issuer and the BRLMs. Mutual Fund Bidders are requested to provide details of the Bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form.
[**]In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.
[***] Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under PAS-4 of the PAS Rules. For such information, the BRLMs have relied on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER	
REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER By 1:00 p.m. (IST), Thursday, October 8, 2020	
Name of the Account	CREDITACCESS GRAMEEN LIMITED - QIP ESCROW ACCOUNT
Name of the Bank	ICICI Bank Limited
Address of the Branch of the Bank	ICICI bank, Capital Market Division, 122/1 Mistry Bhavan, Backbay Reclamation, Churchgate, Mumbai – 400020.
Account Type	ESCROW ACCOUNT
Account Number	000405124148
IFSC	ICIC0000004
Phone Number	022 6681 8911

Kindly make your payment only by way of electronic fund transfers, towards the Escrow Account. Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period i.e. within the Bid/ Issue Closing Date. All payments must be made in favour of "CREDITACCESS GRAMEEN LIMITED - QIP ESCROW ACCOUNT". The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.

DEPOSITORY ACCOUNT DETAILS		
Depository Name(Please ✓)	National Security Depository Limited	Central Depository Services (India) Limited
Depository Participant Name		
DP – ID	I N	
Beneficiary Account Number		(16 digit beneficiary account. No. to be mentioned above)

The Demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. However, for the purpose of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.

You are responsible for the accuracy of the bank details mentioned below. You are aware that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank details provided by you. The Company and the BRLMs shall not be liable in any manner for refunds that are not processed due to incorrect bank details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	
NO. OF EQUITY SHARES BID		**BID PRICE PER EQUITY SHARE (RUPEES)**	
(In figures)	(In words)	(In figures)	(In words)

DETAILS OF CONTACT PERSON			
NAME			
ADDRESS			
TEL. NO.		**FAX NO.**	
EMAIL			

OTHER DETAILS	
PAN**	
Date of Application	

ENCLOSURES ATTACHED

Attested/ certified true copy of the following:
- ☐ Copy of PAN Card or PAN allotment letter
- ☐ Copy of the SEBI registration certificate as a Mutual Fund
- ☐ Copy of the SEBI registration certificate as an Eligible FPI

Signature of Authorised Signatory		☐ Copy of the SEBI registration certificate as an AIF ☐ Copy of SEBI registration certificate as a VCF ☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank ☐ Copy of notification as a public financial institution ☐ FIRC ☐ Copy of IRDAI registration certificate ☐ Certified true copy of Power of Attorney ☐ Other, please specify: ______________ ____________________________________

**The application form is liable to be rejected if any information provided is incomplete or inadequate.*

***It is to be specifically noted that the applicant should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground*

Note: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein.

The Application Form and PPD sent to you and the Placement Document to be sent to you, either in physical form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.