MADURA
Micro Finance

Standalone Financial Statements

Auditors' Report

INDEPENDENT AUDITORS' REPORT

To the Members of Madura Micro Finance Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Madura Micro Finance Limited ("the Company"), which comprise the Balance sheet as at 31 March 2020, The statement of Profit and Loss, including the statement of other comprehensive income, the statement of changes in equity and statement of cash flows 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 standalone 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 31 March 2020, its profits including other comprehensive income, changes in equity and its 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 Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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 Matter

Pursuant to Reserve Bank Of India (RBI) issuing 'COVID-19 Regulatory Package-Asset classification and Provisioning' on 17'th April 2020 , the 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 42 to the standalone financial statements.

The appointment and payment of remuneration to the managing director for the period from October 2013 to September 2016 is subject to 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 standalone financial statements.

Our opinion is not modified in respect of above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended 31'st March 2020. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the 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 43, 44 and 45 of the Ind AS 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, company has adopted Ind AS from 01.04.2019 with an effective date of 01.04.2018 for such transition. For periods up to and including the year ended March 31,2019, 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 31,2020, together with the comparative financial information for the previous year ended 31.03.2019and the transition date balance sheet as at 01.04.2018 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 Company's financial reporting processes, including generation of reliable and supportable financial information and additional disclosures required 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.	• 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).

5. Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report and chairman's statement but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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.

6. Responsibilities of the Management and Those Charged with Governance for Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards specified under section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

That Board of Directors are also responsible for overseeing the company's financial reporting process.

7. Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 standalone 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 standalonefinancial 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 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 auditors' report to the related disclosures in the standalonefinancial 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalonefinancial statements, including the disclosures, and whether thestandalonefinancial 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 standalonefinancial 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.

8. Other Matter

The financial information of the Company for the year ended 31.03.2019 and the transition date opening balance sheet as at 01.04.2018 included in these Ind AS information, are based on the previously issued statutory financial statements for the years ended 31.03.2019 and March 31, 2018 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed modified opinion dated 27 May 2019 and 4 May 2018 respectively. 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.

Our conclusion is not modified in respect of the above matters.

9. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 Los, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(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:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 30 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts at the end of the year for which there was 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

(h) As required by Section 197(16) of the Act, we report that the remuneration paid by the company 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

Signature
S Rajeshwari
Partner
Membership No. 024105
UDIN: 20024105AAAAAV5244

Chennai
18.05.2020

Annexure A

Annexure A

Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Madura Micro Finance Limited ("the Company") on the standalone financial statements as of and for the year ended 31.03.2020.

(i) In respect of the Company's fixed assets :

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

(b) The Company has a regular programme of physical verification of its fixed assets which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of the land and buildings which are freehold, are held in the name of the Company as at Balance Sheet date.

(ii) The Company does not have any inventories and hence clause ii is not applicable

(iii) The Company has not granted any loans, secured or unsecured, to parties covered in the register maintained under section 189 of the Act, except for an unsecured advance of Rs.216.12 lakhs to its subsidiary, Madura Micro Education Private Limited and which amount is outstanding as on 31.03.2020. This advance has been fully provided for in the books. According to the information and explanations given to us, there are no specific terms regarding interest or principal repayment in respect of this advance. However, in view of this being a 100% subsidiary, it is not considered as being prejudicial to the interest of the company, as the amount has been fully provided for and no interest is being accrued on this advance.

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees, and securities, as applicable. No interest is being accrued on advance given to subsidiary as the entire amount of advance has been provided for.

(v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of the Act and the rules made there under and hence clause 3(v) of the Order is not applicable.

(vi) The Company is not required to maintain cost records specified by the Central Government under sub section (1) of section 148 of the Act.

(vii)

(a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax(GST), cess and any other statutory dues as applicable with the appropriate authorities.

According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, Goods and Services Tax(GST), cess and any other statutory dues were in arrears, as at 31.03.2020 for a period of more than six months from the date they became payable.

(b) There are no dues relating to income tax / sales tax / service tax / duty of customs / duty of excise / value added tax, Goods and Services Tax (GST) which have not been deposited on account of any dispute.

(viii) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government or dues to debenture holders.

(ix) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans taken during the year were applied for the purposes for which those are raised.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no significant fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year nor have we been informed of such case by the management.

(xi) According to the information and explanations given to us, 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 except for Central Government approval yet to be received for appointment and payment of remuneration to Managing Director for the period from Oct 2013 to Sep 2016. Refer our Emphasis of Matter section.

(xii) The Company is not a Nidhi company, in accordance with Nidhi Rules 2014. Accordingly, the provisions of clause (xii) of the Order are not applicable.

(xiii) Based on our audit procedures and according to the information and explanations given to us, all the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) Based on our audit procedures and according to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year under review. Accordingly, the provisions of clause (xiv) of the Order are not applicable.

(xv) Based on our audit procedures and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.

(xvi) The company is required to be registered under Section 45-IA of Reserve Bank of India Act, 1934, and accordingly registration has been obtained.

For PKF Sridhar & Santhanam LLP

CHARTERED ACCOUNTANTS
Firm's Registration No.003990S/S200018

Signature
S Rajeshwari
Partner
Membership No. 024105
UDIN: 20024105AAAAAV5244

Chennai
18.05.2020

Annexure B

Referred to in paragraph 2(f) on 'Report on Other Legal and Regulatory Requirements' of our report of even date

1. Report on the 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 Madura Micro Finance Limited ("the Company") as of 31.03.2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

2. 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 (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 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.

3. Auditors' 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, 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

4. 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

5. 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.

6. Opinion

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls with certain changes for remote work environment were operating effectively as at 31.03.2020, 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 PKF Sridhar & Santhanam LLP

CHARTERED ACCOUNTANTS
Firm's Registration No.003990S/S200018

Signature
S Rajeshwari
Partner
Membership No. 024105
UDIN: 20024105AAAAAV5244

Chennai
18.05.2020

Balance Sheet

STANDALONE BALANCE SHEET AS AT 31.03.2020

₹ IN LAKHS

Particulars	Note No.	As At 31.03.2020	As At 31.03.2019	As at 01.04.2018
ASSETS				
(1) Financial assets				
(a) Cash and cash equivalents	4	8,020.50	13,959.10	6,170.32
(b) Bank balance other than cash and cash equivalents	5	5,694.42	5,500.46	2,803.83
(c) Derivative Financial Instruments		-	-	-
(d) Receivables				
(I) Trade receivables		-	-	-
(II) Other receivables		-	-	-
(e) Loans	6			
- Loan portfolio (excluding securitised assets)		183,197.45	169,432.20	107,958.35
- Securitised assets		9,460.40	14,715.86	8,017.12
(f) Investments	7	4,535.57	1,033.81	32.34
(g) Other financial assets	8 (A)	1,260.03	791.79	175.18
(2) Non-financial assets				
(a) Current tax assets (net)	27(B)	447.66	-	-
(b) Deferred tax assets (net)	27(B)	1,223.71	1,063.77	720.88
(c) Property, plant and equipment	9	749.65	474.15	340.20
(d) Right to use assets	9	160.64	107.44	59.48
(e) Intangible assets	9	89.00	97.15	25.03
(f) Other non-financial assets	8 (B)	15.05	20.78	10.68
TOTAL ASSETS		**214,854.08**	**207,196.51**	**126,313.41**
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		2,235.40	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		645.46	642.30	1,449.70
(c) Borrowings				
- Debt securities	10	13,729.92	15,321.60	15,375.63
- Borrowings (other than debt securities)	11	141,764.28	138,348.40	72,344.39
- Subordinated liabilities	12	7,489.63	5,000.00	5,000.00
- Financial liability towards securitisation	13	8,079.08	13,786.56	7,572.61
(d) Other financial liabilities	14(A)	173.11	291.14	261.57

(2) Non-financial liabilities				
(a) Current tax liabilities (net)	27(B)	-	215.96	57.84
(b) Provisions	15	423.32	300.72	227.33
(c) Other non-financial liabilities	14(B)	154.40	131.25	119.16
(3) Equity				
(a) Equity share capital	16	719.48	719.48	719.48
(b) Other equity	17	39,440.00	31,477.48	22,924.61
Total liabilities and equity		**214854.08**	**207196.51**	**126313.41**

Significant Accounting Policies
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's Registration No.003990S/S200018

Rajeshwari S
(Partner)
Membership No.024105

Tara Thiagarajan
Managing Director

F S Mohan Eddy
Whole-time Director

Chennai
18.05.2020

Venkateswaran Balakrishnan
Chief Financial Officer

M. Narayanan
Chief Executive Officer

Sanin Panicker
Company Secretary

Profit And Loss

Statement of profit and loss for the year ended 31.03.2020

₹ IN LAKHS

	Particulars	Note No.	For the year ended Tuesday, 31.03.2020	Sunday, 31.03.2019
I	**Revenue from operations**			
	(a) Interest income	18		
	- Interest on loans		41,498.10	34,651.56
	- 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		501.23	286.61
	(b) Fees and commission	19	25.75	26.50
	(c) Dividend income		15.72	0.30
	(d) Net gain on fair value changes	20	250.74	328.59
	(e) Bad debt recovery		287.16	210.27
	(f) Others	21	1,036.38	634.66
	Total revenue from operations (I)		**47,110.67**	**38,086.26**
II	**Other income**	**22**	**439.02**	**522.90**
III	**Total income (I+II)**		**47,549.69**	**38,609.16**
IV	**Expenses**			
	(a) Finance costs	23		
	- On borrowings		18,542.99	14,411.35
	- On financial liability towards securitisation		996.17	565.52
	(b) Impairment of financial instruments	24	5,675.63	3,482.64
	(c) Employee benefits expenses	25	6,709.31	4,601.71
	(d) Depreciation, amortisation and impairment	9	499.25	335.61
	(e) Other expenses	26	4,468.62	2,999.17
	Total expenses (IV)		**36,891.97**	**26,396.00**
V	**Profit before tax (III-IV)**		**10,657.72**	**12,213.16**
VI	**Tax expense**	27(A)		
	(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)	(-343.15)
	Total tax expense (VI)		**2,673.85**	**3,660.92**
VII	**Profit / (loss) for the year (V-VI)**		**7,983.87**	**8,552.24**
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)		(-28.53)	0.89

Profit And Loss

(2) Income tax relating to items that will not be reclassified to profit or loss	7.18	(-0.26)
Subtotal (a)	(-21.35)	0.63
(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)	(-21.35)	0.63
IX Total comprehensive income (VII+VIII) (comprising profit / (loss) and other comprehensive income for the year)	**7,962.52**	**8,552.87**
X Earnings per equity share (face value of `₹10.00 each)	110.97	118.90
Basic	110.97	118.90
Diluted		

The accompanying notes 1 to 45 form an integral part of financial statements

As per our report of even date
For PKF Sridhar & Santhanam LLP
CHARTERED ACCOUNTANTS
Firm's Registration No.003990S/S200018

Rajeshwari S
(Partner)
Membership No.024105

Tara Thiagarajan
Managing Director

F S Mohan Eddy
Whole-time Director

Chennai
18.05.2020

Venkateswaran Balakrishnan
Chief Financial Officer

M. Narayanan
Chief Executive Officer

Sanin Panicker
Company Secretary

Statement of changes in equity for the year ended 31.03.2020

Equity share capital

₹ IN LAKHS

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

Particulars	No of shares	Amount
At 01.04.2018	7,194,761.00	719.48
Changes in equity share capital during the year	-	-
At 31.03.2019	7,194,761.00	719.48
Changes in equity share capital during the year	-	-
as at 31.03.2020	7,194,761.00	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 at 01.04.2018	3,015.15	8,365.47	11,543.99	22,924.61
Profit for the year	-	-	8,552.24	8,552.24
Remeasurement of defined benefit plans (net of taxes)	-	-	0.63	0.63
Transferred to statutory reserves	1,611.00	-	(1,611.00)	-
As at 31.03.2019	4,626.15	8,365.47	18,485.86	31,477.48
Profit for the year ended 31.03.2020	-	-	7,983.87	7,983.87
Remeasurement of defined benefit plans (net of taxes)	-	-	(21.35)	(21.35)
Transferred to statutory reserves	1,593.00	-	(1,593.00)	-
As as at 31.03.2020	6,219.15	8,365.47	24,855.38	39,440.00

Cash Flow

Statement of cash flows for the year ended 31.03.2020

₹ IN LAKHS

Particulars	For the year ended 31.03.2020	31.03.2019
Cash flow from operating activities:		
Profit before tax	10,657.72	12,213.16
Adjustments to reconcile profit before tax to net cash flows:		
Interest income on loans	(42,234.44)	(34,724.15)
Income on securitisation	(2,759.25)	(1,875.18)
Depreciation and amortisations	499.25	335.61
Interest expense on borrowings	18,542.99	14,411.35
Interest expenses on financial liability towards securitisation	996.17	565.52
Impairment on financial instruments	847.42	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)
	(25,410.70)	**(20,101.17)**
Operational cash flows from interest:		
Interest received on loans	42,329.48	35,067.49
Interest received on loans securitised	2,719.90	1,903.43
Interest paid on borrowings	(18,481.35)	(14,415.16)
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	(13,567.42)	(63,115.57)
Increase/decrease in securitised assets	5,190.90	(6,943.17)
(Increase) / decrease in bank balance other than cash and cash equivalents	(193.96)	(2,696.63)
Increase in other financial assets	(468.24)	(616.61)
(Increase) / decrease in other non-financial assets	5.73	(10.10)
Increase in trade and other payables	1,284.15	79.27
Increase / (decrease) in other financial liabilities	(118.03)	29.57
Increase / (decrease) in provisions	94.07	74.28
(Decrease) / increase in other non-financial liabilities	23.15	12.09
	(7,756.86)	**(73,373.01)**
Income tax paid	(3,490.23)	(3,845.95)
Net cash flows used in operating activities (A)	**(436.78)**	**(63,113.17)**

Cash Flow

Investing activities		
Purchase of property, plant and equipment	(780.78)	(496.30)
Purchase of Intangible assets	(39.04)	(93.34)
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	138,989.72	174,077.41
Net cash flows (used in) / from investing activities (B)	**(4,055.10)**	**(1,262.23)**
Financing activities		
Debt securities (repaid) / issued (net)	(1,559.63)	(84.57)
Borrowings other than debt securities (repaid)/ issued (net)	3,873.74	65,663.26
Subordinated liabilities (repaid) / issued (net)	2,500.00	-
Financial liability towards securitisation (net)	(5,698.91)	6,210.38
Net Cash flows from financing activities (C)	**(884.80)**	**71,789.07**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(5,376.68)**	**7,413.68**
Cash and cash equivalents as at the beginning of the year	**13,395.90**	**5,982.22**
Cash and cash equivalents as at the end of the year	**8,019.22**	**13,395.90**

Reconciliation of cash and cash equivalent with balance sheet

Cash and cash equivalents consists of		
Cash and cash equivalents as at the end of the year (Refer note 4)	8,020.50	13,959.10
Cash credit (refer note 11)	(1.28)	(563.20)
Total	**8,019.22**	**13,395.90**

The accompanying notes 1 to 45 form an integral part of financial statements

For PKF Sridhar & Santhanam LLP

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Chief Financial Officer

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Chief Executive Officer

Sanin Panicker
Company Secretary

Madura Micro Finance Limited
CIN:- U65929TN2005PLC057390
Notes to the Standalone 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 Groups (SHG) members and other loans.

The 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 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 financial statements have been prepared on a going concern basis.

The 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 Company 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 Company 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 Ind AS whichever is more stringent.

For all periods up to and including the year ended March 31, 2019, 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, 2020 are the first, the Companyhas 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. 44 and 45.

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 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 Company has adopted Ind AS 116 in the financial reporting period commencing 01.04.2019 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 Company'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 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.

Ind AS 116 introduces a revised definition of a lease. As permitted by the standard, the Company 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.

New Standards Notified But Not Effective

None

2.1 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.3.13) - 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 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 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 Company 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 financial statements. These policies have been consistently applied to all the years presented.

3.1 Revenue Recognition

3.1.1 Interest Income

The Company 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 Company 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 Company 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 Thefees 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 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 Company 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 for on prospective basis. Management has estimated the useful life of Software to be the license period or 3 years, whichever

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.

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.

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 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.

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).

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 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.

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 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

3.13.1.2 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.

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 Company 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 Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company 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 Company 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 Company recognises Impairment allowance for expected credit losses (ECL) on Financial Assets held at amortized cost. The Company also computes the provision for non-performing assets (NPA) as per IRAC norms of RBI, the 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 Company's policies for determining if there has been a significant increase in credit risk are set out in note no--3.15.2

The Company 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.

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 Company 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 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 advantageous 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.

3.16 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.

3.17 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 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.

3.18 Leases (where the Company 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 Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company 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 Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company 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 these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements 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 Company 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.

4. Cash and cash equivalents

₹ IN LAKHS

Particulars	31.03.2020	31.03.2019	01.04.2018
Cash in hand	2.42	3.63	1.86
Balances with banks in current accounts	4,013.04	2,348.94	4,166.76
Bank deposit with original maturity of less than 3 months	4,005.04	11,606.53	2,001.70
Total	**8,020.50**	**13,959.10**	**6,170.32**

5. Bank balance other than cash and cash equivalents

Particulars	31.03.2020	31.03.2019	01.04.2018
Fixed deposit with bank not considered as cash and cash equivalents*	5,694.42	5,500.46	2,803.83
Total	**5,694.42**	**5,500.46**	**2,803.83**

*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	31.03.2020 At amortisedcost	31.03.2019 At amortised cost	01.04.2018 At amortised cost
(A.1) Term loans:			
Self help group loans	186,911.68	171,977.82	106,360.25
Individual loans	594.95	1,020.05	3,230.72
Total - Gross	**187,506.63**	**172,997.87**	**109,590.97**
Less: Impairment loss allowance	4,309.18	3,565.67	1,632.62
Term Loans - Net	**183,197.45**	**169,432.20**	**107,958.35**
(A.2) Loan to related parties			
Loan to subsidiary company	216.12	254.66	276.21
Less: Impairment loss allowance	216.12	254.66	276.21
Loan to related parties - Net	-	-	-
Total Loans - Net	**183,197.45**	**169,432.20**	**107,958.35**
(B) (a) Secured (SME loan against property)	25.77	33.61	39.72
(b) Unsecured	187,696.98	173,218.92	109,827.46
Total - Gross	**187,722.75**	**173,252.53**	**109,867.18**
Less: Impairment loss allowance	4,525.30	3,820.33	1,908.83
Total - Net	**183,197.45**	**169,432.20**	**107,958.35**
(C) (I) Loans in India			
(a) Public sector	-	-	-
(b) Others	187,722.75	173,252.53	109,867.18
Total - Gross	**187,722.75**	**173,252.53**	**109,867.18**
Less: Impairment loss allowance	4,525.30	3,820.33	1,908.83
Total - Net	**183,197.45**	**169,432.20**	**107,958.35**
(C) (II) Loans outside India	-	-	-
Less: Impairment loss allowance	-	-	-
Total - Net	-	-	-

₹ IN LAKHS

Securitised assets

Particulars	31.03.2020 At amortised cost	31.03.2019 At amortised cost	01.04.2018 At amortised cost
(A) Term loans:			
Self help group loans	9,814.36	14,965.91	8,050.99
Total - Gross	**9,814.36**	**14,965.91**	**8,050.99**
Less: Impairment loss allowance	353.96	250.05	33.87
Total - Net	**9,460.40**	**14,715.86**	**8,017.12**
(B) (a) Secured	-	-	-
(b) Unsecured	9,814.36	14,965.91	8,050.99
Total - Gross	**9,814.36**	**14,965.91**	**8,050.99**
Less: Impairment loss allowance	353.96	250.05	33.87
Total - Net	**9,460.40**	**14,715.86**	**8,017.12**
(C) (I) Loans in India			
(a) Public sector	-	-	-
(b) Others	9,814.36	14,965.91	8,050.99
Total - Gross	**9,814.36**	**14,965.91**	**8,050.99**
Less: Impairment loss allowance	353.96	250.05	33.87
Total - Net	**9,460.40**	**14,715.86**	**8,017.12**
(C) (II) Loans outside India	-	-	-
Less: Impairment loss allowance	-	-	-
Total - Net	-	-	-

6(A) Group lending loans

Gross carrying value of assets as at 31.03.2020

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 01.04.2018

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 01.04.2018

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**

₹ IN LAKHS

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 31.03.2019	**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 31.03.2020	**190,654.95**	**3,704.05**	**3,164.67**	**197,523.67**

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31.03.2019	**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 31.03.2020	**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 01.04.2018	**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 31.03.2019	**181,109.72**	**5,085.40**	**1,664.42**	**187,859.54**

₹ IN LAKHS

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 01.04.2018	**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 31.03.2019	**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 31.03.2020

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 31.03.2019

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 01.04.2018

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

₹ IN LAKHS

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 31.03.2019	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	-61.90		61.90	-
Transfer from Stage 2				-
Transfer from Stage 3	-			-
Gross carrying value of assets as at 31.03.2020	603.08	-	3.88	606.96

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31.03.2019	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 model	86.45		48.14	134.60
ECL allowance as at 31.03.2020	5.76	-	1.94	7.70

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 01.04.2018	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 31.03.2019	973.37	-	46.52	1,019.89

₹ IN LAKHS

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 01.04.2018	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 model	-7.13		75.29	68.16
ECL allowance as at 31.03.2019	1.62	-	23.26	24.88

Note:
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.

7. Investments

Particulars	31.03.2020	31.03.2019	01.04.2018
Investments			
A) In India			
At cost:			
Investment in Subsidiary	149.00	149.00	149.00
Less: Provision for Impairment loss	149.00	149.00	149.00
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	31.03.2020	31.03.2019	01.04.2018
Retained interest on assets assigned	845.56	537.17	-
Security deposits (unsecured, considered good)	211.91	158.70	111.08
Loans and advances to employees (unsecured, considered good)	71.58	55.75	43.28
Others	130.98	40.17	20.82
Total	1,260.03	791.79	175.18

8 (B) Other non-financial assets (at amortised cost)

₹ IN LAKHS

Particulars	31.03.2020	31.03.2019	01.04.2018
Other advances			
Unsecured, considered good	15.05	20.78	10.68
Total	**15.05**	**20.78**	**10.68**

9. Property, Plant and Equipment, Right of use Assets and Intangible Assets

₹ IN LAKHS

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 01.04.2018	**17.06**	**21.54**	**8.33**	**-**	**5.14**	**28.76**	**0.03**	**17.48**	**241.86**	**340.20**	**59.48**	**399.68**	**25.03**	**25.03**
Additions	-		0.77	-	0.72	94.54	0.35	59.78	238.67	394.82	101.86	496.68	93.34	93.34
Disposals									-0.38	-0.38	-	-0.38	-	-
As at 31.03.2019	**17.06**	**21.54**	**9.10**	**-**	**5.86**	**123.30**	**0.38**	**77.26**	**480.14**	**734.64**	**161.34**	**895.98**	**118.37**	**118.37**
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 31.03.2020	**17.06**	**21.54**	**30.99**	**-**	**29.11**	**318.57**	**0.38**	**143.04**	**824.83**	**1,385.53**	**235.73**	**1,621.26**	**157.41**	**157.41**
												-		
Depreciation:										-		-		
Depreciation charge for the year	-	0.36	1.80	-	3.30	74.85	0.06	18.51	161.60	260.49	53.90	314.39	21.22	21.22
Disposals	-	-	-	-	-	-	-	-	-	-	-	-		-
As at 31.03.2019	**-**	**0.36**	**1.80**	**-**	**3.30**	**74.85**	**0.06**	**18.51**	**161.60**	**260.49**	**53.90**	**314.39**	**21.22**	**21.22**
Depreciation charge for the year	-	0.36	4.57	-	8.49	111.27	0.07	26.36	224.25	375.38	76.69	452.07	47.18	47.18
Disposals	-	-	-	-	-	-	-	-	-	-	-55.49	-55.49	-	-
As at 31.03.2020	**-**	**0.73**	**6.38**	**-**	**11.79**	**186.12**	**0.13**	**44.88**	**385.85**	**635.87**	**75.10**	**710.97**	**68.40**	**68.40**
Net book value:														
As at 01.04.2018	17.06	21.54	8.33	-	5.14	28.76	0.03	17.48	241.86	340.20	59.48	399.68	25.03	25.03
As at 31.03.2019	17.06	21.18	7.29	-	2.55	48.45	0.32	58.75	318.55	474.15	107.44	581.59	97.15	97.15
As at 31.03.2020	17.06	20.82	24.61	-	17.32	132.45	0.25	98.15	438.99	749.65	160.64	906.53	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 01.04.2018. The cost and accumulated depreciation as on that date are as below:

As at 01.04.2018

Cost	17.06	21.79	19.00	144.08	14.88	101.08	45.37	141.25	609.83	1,114.34	59.48	1,173.82	238.62	238.62
Accumulated depreciation	-	0.25	10.67	144.08	9.74	72.32	45.34	123.77	367.97	774.14	-	774.14	213.59	213.59
Deemed cost	17.06	21.54	8.33	-	5.14	28.76	0.03	17.48	241.86	340.20	59.48	399.68	25.03	25.03

10. Debt securities (at amortised cost)

₹ IN LAKHS

Particulars	31.03.2020	31.03.2019	01.04.2018
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		
	31.03.2020	31.03.2019	01.04.2018		31.03.2020	31.03.2019	01.04.2018
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 08.05.2018	-	-	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 31.07.2020.	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 13.09.2020, with 99.99% redeemed on 13.09.2019 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 05.12.2020.	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 31.12.2020.	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 13.05.2023	360	-	-	1,000,000	3,724.31	-	-
Total					**13,729.92**	**13,825.96**	**15,375.63**

₹ IN LAKHS

Debentures (unsecured) (at amortised cost)

Terms of debentures	Number of debentures			Face value (in Rs)	Amount ₹ in lakhs		
	31.03.2020	31.03.2019	01.04.2018		31.03.2020	31.03.2019	01.04.2018
11.40% Non-convertible Debentures - Privately placed, listed. The NCD was redeemed in one bullet payment on 31.12.2019.	-	150	-	1,000,000	-	1,495.64	-
Total					-	1,495.64	-

11. Borrowings other than debt securities (at amortised cost)

Particulars	31.03.2020	31.03.2019	01.04.2018
Term loans (secured)			
Banks	95,097.56	82,009.37	44,305.37
Financial institutions	31,540.60	36,354.37	13,368.75
Non-banking financial companies	15,124.84	17,272.21	12,047.50
External commercial borrowings	-	2,149.25	2,434.67
Cash Credit (secured)			
Banks	1.28	563.20	188.10
Total	**141,764.28**	**138,348.40**	**72,344.39**
Borrowings in India	141,764.28	136,199.15	69,909.72
Borrowings outside India	-	2,149.25	2,434.67
Total	**141,764.28**	**138,348.40**	**72,344.39**

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.

11.1. Terms of repayment of borrowings as on 31.03.2020

₹ 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														
	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%	-	-	-	-	-	-	-	-	-	-	-	-	-
1-3 years	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	10.5%-11%	29	805.56	32	888.89	24	666.67	4	111.11	-	-	-	-	2,472.22
years	11%-11.5%	10	111.11	12	133.33	1	11.11	-	-	-	-	-	-	255.56
Quarterly														
	10%-10.5%	4	2,500.00	2	1,250.00	-	-	-	-	-	-	-	-	3,750.00
1-3 years	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	11%-11.5%	4	333.33	1	83.33	-	-	-	-	-	-	-	-	416.67
years	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	10.5%-11%	2	1,200.00	2	200.00	2	200.00	-	-	-	-	-	-	1,600.00
years	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.

11.2 Terms of repayment of borrowings as on 31.03.2019

₹ 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														
	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
1-3 years	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	10.5%-11%	24	466.67	24	466.67	17	288.89	-	-	-	-	-	-	1,222.22
years	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	11%-11.5%	4	333.33	4	333.33	1	83.33	-	-	-	-	-	-	750.00
years	11.5%-12%	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Yearly														
1-3 years	11.5%-12%	1	333.33	-	-	-	-	-	-	-	-	-	-	333.33
Above 3	10.5%-11%	2	1,200.00	2	1,200.00	2	200.00	2	200.00	-	-	-	-	2,800.00
years	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	11%-11.5%	-	-	-	-	-	-	-	-	-	-	-	-	-
years	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.

11.3 Terms of repayment of borrowings as on01.04.2018

₹ 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.

₹ IN LAKHS

12. Subordinated liabilities (at amortised cost)

Particulars	31.03.2020	31.03.2019	01.04.2018
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

12.1 Terms of repayment of subordinate term loans as on 31.03.2020

₹ 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	
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.

₹ IN LAKHS

Debentures (unsecured) (at amortised cost)

Terms of debentures	Number of debentures			Face value (in Rs)	Amount ₹ in lakhs		
	31.03.2020	31.03.2019	01.04.2018		31.03.2020	31.03.2019	01.04.2018
14.25% Subordinated, Unsecured, Non-Convertible Debentures - Privately placed, Listed. The NCDs are redeemable on 29.03.2024.	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**

13. Financial liability towards securitisation

Particulars	31.03.2020	31.03.2019	01.04.2018
Borrowings under securitisation arrangement	8,079.08	13,786.56	7,572.61
Total	**8,079.08**	**13,786.56**	**7,572.61**

14(A). Other financial liabilities (at amortised cost)

Particulars	31.03.2020	31.03.2019	01.04.2018
Lease Liability	173.11	110.59	59.48
Financial Guarantee given for subsidiary's loan	-	180.55	202.09
Total	**173.11**	**291.14**	**261.57**

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	31.03.2020	31.03.2019	01.04.2018
Statutory dues payable	148.54	125.40	113.31
Others	5.86	5.85	5.85
Total	**154.40**	**131.25**	**119.16**

15. Provisions

Particulars	31.03.2020	31.03.2019	01.04.2018
Provision for employee benefits:			
Gratuity	254.51	171.30	127.98
Leave encashment and availment	168.81	129.42	99.35
Total	**423.32**	**300.72**	**227.33**

₹ IN LAKHS

16. Issued capital

Particulars	31.03.2020	31.03.2019	01.04.2018
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
	31.03.2020	**31.03.2019**	**01.04.2018**
Issued, subscibed and fully paid up			
71,94,761 (31.03.2019: 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	31.03.2020		31.03.2019		01.04.2018	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
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

Equity shares	31.03.2020		31.03.2019		01.04.2018	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Equity shares of INR 10 each fully paid						
Credit Access 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%

₹ IN LAKHS

17. Other equity*

Particulars	31.03.2020	31.03.2019	01.04.2018
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	24,855.38	18,485.86	11,543.99
Total	**39,440.00**	**31,477.48**	**22,924.61**

* For detailed movement of reserves refer Statement of Changes in Equity for the year ended 31.03.2020

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.

₹ IN LAKHS

18 Interest income

Particulars	For the year ended 31.03.2020 On financial assets measured at amortised cost	For the year ended 31.03.2019 On financial assets measured at amortised cost
Interest on loans	41,498.10	34,651.56
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	501.23	286.61
Total	**45,494.92**	**36,885.94**

19. Fees and commission

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
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 31.03.2020	For the year ended 31.03.2019
(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)	**250.74**	**328.59**

21. Others

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
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

₹ in lakhs

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
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	1.46	20.11
Total	**439.02**	**522.90**

23. Finance costs

₹ in lakhs

Particulars	For the year ended 31.03.2020 On financial liabilities measured at amortised cost	For the year ended 31.03.2019 On financial liabilities measured at amortised cost
(A) On borrowings		
Interest on debt securities	1,741.16	1,731.64
Interest on borrowings other than debt securities	15,797.94	11,836.48
Interest on subordinated liabilities	849.38	765.37
Other finance costs	134.65	69.82
Finance lease obligations	19.86	8.04
Total (A)	**18,542.99**	**14,411.35**
(B) On financial liability towards securitisation	**996.17**	**565.52**
Total	**19,539.16**	**14,976.87**

24. Impairment of financial instruments

₹ in lakhs

Particulars	For the year ended 31.03.2020 On financial assets measured at amortised cost	For the year ended 31.03.2019 On financial assets measured at amortised cost
Self help group loans	5,731.35	3,522.46
Individual loans	(17.18)	(18.27)
Impairment of Advance to Subsidiary	(38.54)	(21.55)
Total	**5,675.63**	**3,482.64**

25. Employee benefit expenses

₹ in lakhs

Particulars	For the year ended	
	31.03.2020	31.03.2019
Salaries and wages	5,838.74	4,003.77
Contribution to provident and other funds	577.35	394.65
Gratuity	76.17	51.52
Leave encashment and availment	58.14	43.09
Staff welfare expenses	158.91	108.68
Total	**6,709.31**	**4,601.71**

26. Other expenses

₹ in lakhs

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Rental charges payable under operating leases	362.02	255.75
Rates and taxes	27.02	22.70
Insurance	14.03	6.88
Repairs and maintenance	368.04	223.79
Electricity	49.21	35.04
Travelling and conveyance	883.77	609.18
Postage and telecommunication	251.04	182.21
Printing and stationery	194.22	63.07
Professional and consultancy charges	1,604.98	1,078.77
Remuneration to non-executive directors	48.78	47.96
Auditors remuneration (refer Note below)		
Audit fees	47.04	15.16
Out of pocket fees	0.49	0.28
Training expenses	61.06	54.12
Corporate Social Responsibility expenses (refer note below)	132.46	138.43
Miscellaneous expenses	424.46	265.83
Total	**4,468.62**	**2,999.17**

Auditors remuneration

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
As auditor		
Audit fee	29.43	12.54
Limited review	4.36	1.63
Others (Special purpose limited review and GST audit)	12.54	-
In other capacity		
Certification services	0.72	0.99
Taxation matter	-	-
Reimbursement of expenses	0.49	0.28
Total	**47.53**	**15.44**

Details of CSR expenditure

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
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

₹ in lakhs

27(A). Income tax

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Current tax		
Current year	3,000.50	3,932.72
Earlier years	(173.89)	71.35
Deferred tax	(152.76)	(343.15)
Total tax charge	**2,673.85**	**3,660.92**

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Profit before tax	**10,657.72**	**12,213.16**
At India's statutory income tax rate of 25.17% (PY 29.12%) (A)	2,682.33	3,556.47
Adjustments (B)		
(a) Non deductible expenses		
CSR Expenses	33.34	40.31
Interest on delayed payment of tax	0.28	0.24
(b) Change in tax rate	144.37	-
(c) Additional allowance of certain expenditure	-12.58	-15.29
(d) Others	-	7.84
Income tax expense reported in statement of profit and loss (A) + (B)	**2,847.74**	**3,589.57**
Tax expense in the current year	**2,847.74**	**3,589.57**

27(B). Movement in deferred tax balances for the year ended 31.03.2020

Particulars	Net balance 01.04.2019	(Charge) / credit in profit and loss	Recognised in OCI	Net balance 31.03.2020	Net balance 31.03.2020	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 31.03.2019

Particulars	Net balance 01.04.2019	(Charge) / credit in profit and loss	Recognised in OCI	Net balance 31.03.2020	Net balance 31.03.2020	Deferred tax liability
Deferred tax assets/ (liabilities)						
Impact of difference between tax depreciation/ amortisation	20.30	19.10		39.40	39.40	-
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	-234.13		-102.41	-	-102.41
Net Deferred tax assets / (liabilities)	**720.88**	**343.15**	**(0.26)**	**1,063.77**	**1,166.18**	**(102.41)**

The following tables provides the details of income tax assets and income tax liabilities as at:

Current tax assets / liabilities

Particulars	31.03.2020	31.03.2019	01.04.2018
Income tax assets	464.44	105.02	105.03
Income tax liabilities	16.78	320.98	162.87
Total	**447.66**	**(215.96)**	**(57.84)**

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:

Particulars	31.03.2020	31.03.2019	01.04.2018
Securitisations			
Carrying amount of transferred assets measured at amortised cost	9,814.36	14,965.91	8,050.99
Carrying amount of associated liabilities (debt securities - measured at amortised cost)	8,079.08	13,786.56	7,572.61
Net position at amortised cost	**1,735.28**	**1,179.35**	**478.38**

Refer Note 6 and 13

₹ in lakhs

29(A) Defined benefit plans

Gratuity

29(A)(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:

Particulars	31.03.2020	31.03.2019	01.04.2018
Reconciliation of present value of defined benefit obligation			
Obligation at the beginning of the year	171.30	127.98	78.84
Current service cost	64.84	42.64	23.42
Interest cost	11.33	8.88	5.13
Past service cost	-	-	10.01
Benefits settled	-21.49	-7.31	-6.83
Actuarial (gains)/ losses recognised in other comprehensive income	-	-	-
- Changes in experience adjustments	12.27	-2.96	32.62
- Changes in demographic assumptions	0.01	-	-14.33
- Changes in financial assumptions	16.26	2.07	-0.88
Obligation at the end of the year	**254.52**	**171.30**	**127.98**
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	**254.52**	**171.30**	**127.98**

29(A)(2) Expense recognised in profit and loss

Particulars	31.03.2020	31.03.2019	01.04.2018
Current service cost	64.84	42.64	23.42
Interest cost	11.33	8.88	5.13
Past service cost	-	-	10.01
Interest income	-	-	-
Net gratuity cost	**76.17**	**51.52**	**38.56**

29(A)(3) Re-measurement recognised in other comprehensive income

Particulars	31.03.2020	31.03.2019	01.04.2018
Re-measurement of the net defined benefit liability			
- Changes in experience adjustments	12.27	-2.96	32.62
- Changes in demographic assumptions	0.01	-	-14.33
- Changes in financial assumptions	16.26	2.07	-0.88
Re-measurement of the net defined benefit asset			
Return on plan assets (greater)/ less than discount rate			
Total Actuarial (gain)/ loss included in OCI	**28.54**	**-0.89**	**17.41**

₹ in lakhs

29(A)(4) Plan assets

Particulars	31.03.2020	31.03.2019	01.04.2018
Funds managed by insurer	-	-	-

29(A)(5) Defined benefit obligation - Actuarial assumptions

Particulars	31.03.2020	31.03.2019	01.04.2018
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

29(A)(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	31.03.2020		31.03.2019		01.04.2018	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	244.70	265.08	165.36	177.67	123.86	132.38
Future salary growth (1% movement)	263.96	245.50	177.22	165.62	132.09	124.03
Attrition Rate (- / + 50% of attrition rates)	208.19	355.07	147.05	216.65	112.18	156.39
Mortality Rate (- / + 10% of mortality rates)	254.51	254.52	171.31	171.30	127.98	127.98

29(B) Compensated leave

29(B)(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:

Particulars	31.03.2020	31.03.2019	01.04.2018
Reconciliation of present value ofdefined benefit obligation			
Obligation at the beginning of the year	129.42	99.35	62.23
Current service cost	69.38	50.77	12.39
Interest cost	8.56	6.89	3.96
Past service cost	-	-	-
Benefits settled	-18.76	-13.02	-7.90
Actuarial (gains)/ losses recognised in other comprehensive income	-	-	-
- Changes in experience adjustments	-28.51	-15.82	33.40
- Changes in demographic assumptions	0.02	-	-4.14
- Changes in financial assumptions	8.70	1.25	-0.60
Obligation at the end of the year	**168.81**	**129.42**	**99.35**

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	**168.81**	**129.42**	**99.35**

29(B)(2) Expense recognised in profit or loss

Particulars	31.03.2020	31.03.2019	01.04.2018
Current service cost	69.38	50.77	12.39
Interest cost	8.56	6.89	3.96
Past service cost	-	-	-
Interest income	-	-	-
Re-measurement of the net defined benefit liability			
- Changes in experience adjustments	-28.51	-15.82	33.40
- Changes in demographic assumptions	0.02	-	-4.14
- Changes in financial assumptions	8.70	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	58.15	43.10	45.01

29(B)(3) Plan assets

Particulars	31.03.2020	31.03.2019	01.04.2018
Funds managed by insurer	-	-	-

29(B)(4) Defined benefit obligation - Actuarial assumptions

Particulars	31.03.2020	31.03.2019	01.04.2018
Discount rate	4.90%	6.60%	6.94%
Future salary growth	10.00%	10.00%	10.00%
Attrition rate	30%	30%	30%
Normal retirement age	60 years	60 years	60 years

29(B)(5) 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	31.03.2020		31.03.2019		01.04.2018	
Present Value of Obligation (Base)	168.81	-	129.42	-	99.35	-
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount Rate (- / + 1%)	163.58	174.39	125.80	133.26	96.43	102.46
Salary Growth Rate (- / + 1%)	174.07	163.77	133.11	125.88	102.34	96.49
Attrition Rate (- / + 50% of attrition rates)	154.34	209.75	122.84	146.82	96.54	107.91
Mortality Rate (- / + 10% of mortality rates)	168.78	168.83	129.41	129.44	99.34	99.36

30. Contingent liabilities

Particulars	31.03.2020	31.03.2019	01.04.2018
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 are not provided:

Particulars	31.03.2020	31.03.2019	01.04.2018
For purchase / development of computer software	-	-	-

32. Related party transactions

₹ in lakhs

Names of the related parties (as per IndAS – 24)

Holding Company	Credit Access Grameen Limited (w.e.f. 18.03.2020)
Subsidiary Company	Madura Micro Education Private Limited
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 18.03.2020)
Companies in which directors exercise significant influence	Midland Rubber & Produce Company Ltd (till 18.03.2020)
Key Management Personnel	Ms. Tara Thiagarajan
Key Management Personnel	Mr. F S Mohan Eddy
Key Management Personnel	Mr. M Narayanan (w.e.f. 01.08.2019)
Non-executive Director	Mr. Rajasekar Ramaraj (till 18.03.2020)
Non-executive Director	Mr. Ashok Mirza (till 18.03.2020)
Non-executive Director	Mr. Ajit Thomas (till 18.03.2020)
Independent Director	Mr. N C Sarabeswaran
Independent Director	Ms. Kavitha Vijay (till 18.03.2020)
Independent Director	Ms. Siva Kameswari Vissa (till 18.03.2020)
Additional Director	Mr. George Joseph (w.e.f. 18.03.2020)
Additional Director	Mr. Paolo Brichetti (w.e.f. 18.03.2020)
Additional Director	Mr. Ram Diwakar Boddupalli (w.e.f. 18.03.2020)
Additional Director	Mr. Manoj Kumar (w.e.f. 18.03.2020)
Additional Director	Mr. Udaya Kumar Hebbar (w.e.f. 18.03.2020)
Relative of Key Management Personnel	Mrs. Pamela Mohan

Particulars	Key Management Personnel	
	31.03.2020	31.03.2019
Transactions during the year		
Salary and perquisites -		
Mr. 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.

₹ IN LAKHS

Transactions during the year	Other related parties	
	31.03.2020	31.03.2019
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	
	31.03.2020	31.03.2019
Professional charges		
Scimergent Analytics and Education Pvt Ltd	-	6.00
Scisphere Analytics India Private Limited	200.88	258.78

Transactions during the year	Subsidiary Company	
	31.03.2020	31.03.2019
Transactions during the year		
Expenses reimbursed	20.06	12.11
Training Fees paid	42.86	38.09
Balance at the end of year		
Amount due from subsidiary company	216.12	74.12
Less Provision made	216.12	74.12
Corporate Guarantee given	-	180.55

Balances at the end of the year	Other related parties	
	31.03.2020	31.03.2019
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	-

Leases- Ind AS 116

33.1 Effective 01.04.2019, the Company has applied the standard to all lease contracts existing on 01.04.2019 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 01.04.2018.

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 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

33.4 Total lease liabilities are analysed as at **₹ in lakhs**

		31.03.2020	31.03.2019	01.04.2018
a	**Denominated in the following currencies:**	**31.03.2020**	**31.03.2019**	**01.04.2018**
	Rupees in Lakhs	173.11	110.59	59.48
	Foreign currency	-	-	-
	Total	**173.11**	**110.59**	**59.48**

b	**Maturity of Lease liability**	**31.03.2020**	**31.03.2019**	**01.04.2018**
	Current	75.56	44.24	44.37
	Non Current	97.55	66.35	15.11
	Total	**173.11**	**110.59**	**59.48**

33.5 The following amounts were recognised as expense in the year:

	31.03.2020	31.03.2019
Depreciation of right-of-use assets	76.69	53.90
Expense relating to variable lease payments	-	-
Expense relating to short-term leases and low-value assets	362.02	255.75
Interest on lease liabilities	20.35	8.04
Total recognised in the income statement	**459.06**	**317.69**

₹ in lakhs

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	31.03.2020	31.03.2019
Less than 1 year	461.49	343.51
Between 1 and 2 years	104.99	209.97
Between 2 and 5 years	-	11.30
More than 5 years	-	-
Total	**566.48**	**564.79**

33.7 The following is the movement in lease liabilities during the year ended 31.03.2020 and 31.03.2019:

Particulars	31.03.2020	31.03.2019
Balance as at 1 Apr	110.59	59.48
Additions	129.89	101.86
Finance cost accrued during the period	19.86	8.04
Deletion		
Payment of lease liabilities	-87.23	-58.79
Balance as of Mar 31	173.11	110.59

Refer Note 9 for movement in right to use of assets

34. RBI Disclosures

₹ in lakhs

a. Capital to risk assets ratio ('CRAR'):

Particulars	31.03.2020	31.03.2019
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	31.03.2020	31.03.2019
1. Value of Investments		
(i) Gross value of investments		
(a) in India	4,684.57	1,182.81
(b) outside India	-	-
(ii) Provisions for depreciation		
(a) in India	149.00	149.00
(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	149.00	149.00
(ii) Add : Provisions made during the year	-	-
(iii) Less: Write-off / write-back of excess provision	-	-
(iv) Closing balance	149.00	149.00

c. Derivatives

Particulars	31.03.2020	31.03.2019
Cross Currency Swap for External Commercial Borrowing	-	7.21

The Company has no unhedged foreign currency exposure as on 31.03.2020 (31.03.2019: Nil).

d. Disclosure related to securitization ₹ in lakhs

The information on securitisation activity of the Company, as an originator, is furnished below:

Particulars	31.03.2020	31.03.2019
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 (31.03.2019: two assignments and four securitisation transactions).

Particulars	As at 31.03.2020	As at 31.03.2019
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 current and previous year.

h. Asset liability management:

Maturity pattern of assets and liabilities as on 31.03.2020:

₹ in lakhs

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	2,496.97	171,062.91
Advances	-	-	14,641.19	40,918.63	65,821.93	71,270.17	5.93	-	192,657.85
Investments	4,501.95	-	-	-	-	-	-	33.62	4,535.57
Foreign currency assets									-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

Company has cash and bank balances amounting to Rs 8020.50 lakhs which is sufficient to meet the ALM mismatch

Maturity pattern of assets and liabilities as on 31.03.2019:

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	6,306.95	8,647.92	7,044.64	28,559.05	44,196.03	69,167.71	6,385.00	-	170,307.30
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.

i. Exposures to real estate ₹ in lakhs

Category	31.03.2020	31.03.2019
A. Direct exposure		
(i) Residential Mortgages - 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)	25.77	33.61
(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 registered with financial sector regulators / self regulatory organisations as below.

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 lakhs

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	31.03.2020	BBB+ (Under Credit watch with Positive Implications) / BBB+ Positive	950.00	31.03.2021
Long Term Bank Facilities	ICRA	04.12.2019	BBB+ placed on watch with positive implication / BBB+ Stable	300.00	03.12.2020
14.15% Non-Convertible Debentures (allotted in August 2015)	ICRA	04.12.2019	BBB+ placed on watch with positive implication / BBB+ Stable	36.60	03.12.2020
14.50% Non-Convertible Debentures (allotted in March 2017)	ICRA	04.12.2019	BBB+ placed on watch with positive implication / BBB+ Stable	50.00	03.12.2020
11.50% Non-Convertible Debentures (allotted in August 2017)	CARE	05.12.2019	BBB+ (Under Credit watch with Positive Implications) / BBB+ Positive	40.00	04.12.2020
11.40% Non-Convertible Debentures (allotted in December 2017)	CARE	05.12.2019	BBB+ (Under Credit watch with Positive Implications) / BBB+ Positive	33.00	04.12.2020
11.40% Non-Convertible Debentures (allotted in August 2018)	CARE	05.12.2019	Closed / BBB+ Positive	15.00	04.12.2020
11.40% Non-Convertible Debentures (allotted in August 2018)	CARE	05.12.2019	BBB+ (Under Credit watch with Positive Implications) / BBB+ Positive	25.00	04.12.2020

₹ in crores

Particulars	Name of rating agency	Date of rating	Rating / (Previous year rating)	Borrowing limit / conditions imposed by rating agency	Valid up to
11.00% Non-Convertible Debentures (allotted in November 2019)	CARE	05.12.2019	BBB+ (Under Credit watch with Positive Implications)	36.00	04.12.2020
MFI Grading	ICRA	22.07.2020	M2+ / Rating not done		21.07.2020
Perpetual Debt			NA		

n. Provisions and contingencies

₹ in lakhs

Particulars	For the year ended	
	31.03.2020	31.03.2019
Impairment of financial instruments	808.88	2,127.69
Provision for income tax	3,000.50	4,004.07
Provision for gratuity	76.17	51.52
Provision for leave encashment and availment	58.14	43.09
Provision for fraud and misappropriation (net of recoveries)	-	-
Provision for other assets (net)	-	-
Total	**3,943.69**	**6,226.37**

o. Drawdown from reserves:

There has been no draw down from reserves during the year ended 31.03.2020 (previous year: Nil).

p. Concentration of advances, exposures and NPAs

Particulars	31.03.2020	31.03.2019
Concentration of advances		
Total advances to twenty largest borrowers	182.27	414.25
(%) of advances to twenty largest borrower 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

₹ in lakhs

q. Sector-wise NPAs

Particulars	Percentage of NPAs to Total Advances in that sector as at 31.03.2020	Percentage of NPAs to Total Advances in that sector as at 31.03.2019
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

The above represents amount outstanding as per repayment schedule agreed with the borrowers

₹ in lakhs

r. Movement of NPAs

Particulars	31.03.2020	31.03.2019
(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 31.03.2020:

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 31.03.2019:

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	
	31.03.2020	31.03.2019
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 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 12, 2017.

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.

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.

w. Asset classification as per RBI Norms

As at 31.03.2020 ₹ in lakhs

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	-	NA	NA
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 17.04.2020

As at 31.03.2019 ₹ in lakhs

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	-	NA	NA
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.

As at 01.04.2018 ₹ in lakhs

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	-	NA	NA
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.

35 Risk Management

35.01 Introduction and risk profile

Madura Micro Finance 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 Company 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 Company 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 Company 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 that 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 Company controls it's operational risk by maintaining a comprehensive system of internal controls supported by an on-the-ground internal audit team which conducts checks at the client and branch levels concurrently with checks and balances instituted at the corporate level. In addition, the Company 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 Company'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 Company has developed advanced cash management checks that it employs at multiple levels to track and tally accounts. The Company 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 Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

₹ IN LAKHS

35.07 Total market risk exposure

	Tuesday, 31.03.2020			
	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
Assets				
Cash and cash equivalent and other bank balances	8,020.50	-	8,020.50	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	192,657.85	-	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	1,260.03	-	1,260.03	No market risk as fixed interest rate
Total	**212,168.38**	**4,501.95**	**207,666.46**	
Liabilities				
Borrowings (other than Debt Securities)	141,764.28	-	141,764.28	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	173.11	-	173.11	
Total	**171,236.02**	**-**	**171,236.02**	

₹ IN LAKHS

	Sunday, 31.03.2019			
	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
Assets				
Cash and cash equivalent and other bank balances	13,959.10	-	13,959.10	No market risk
Fixed deposits	5,500.46	-	5,500.46	Interest rate risk
Financial assets at amortised cost	184,148.06	-	184,148.06	
Loans	1,033.81	1,000.19	33.62	No market risk as fixed interest rate
Financial investments–FVTPL	791.79	-	791.79	Price risk
Other financial assets at amortised cost	205,433.22	1,000.19	204,433.03	No market risk as fixed interest rate
Total	**136,199.15**	**-**	**136,199.15**	
Liabilities				
Borrowings (other than Debt Securities)	2,149.25	-	2,149.25	Interest rate risk on floating rate interest loans
ECB loan	15,321.60	-	15,321.60	Currency risk & interest rate risk
Debt Securities	5,000.00	-	5,000.00	No interest risk as fixed interest rate
Subordinate debt				No interest risk as fixed interest rate
Borrowings under securitisation arrangement	13,786.56	-	13,786.56	No interest risk as fixed interest rate
Other financial liabilities	291.14	-	291.14	
Total	**172,747.70**	**-**	**172,747.70**	

₹ IN LAKHS

	Sunday, 01.04.2018			
	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
Assets				
Cash and cash equivalent and other bank balances	6,170.32	-	6,170.32	No market risk
Fixed deposits	2,803.83	-	2,803.83	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	
Other financial assets at amortised cost	175.18	-	175.18	No market risk as fixed interest rate
Total	**125,157.14**	**-**	**125,157.14**	
Liabilities				
Borrowings (other than Debt Securities)	69,909.72	-	69,909.72	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	7,572.61	-	7,572.61	No interest risk as fixed interest rate
Other financial liabilities	261.57	-	261.57	
Total	**100,554.20**	**-**	**100,554.20**	

*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 Company has invested in listed Mutual funds in 2019-20 which is subject to security price risk. The Company's exposure to such investments is limited. The Company manages the risk by diversifying the portfolio or by holding the investments in only very short spans of time before deploying them in business.

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 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. The Company 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 Company 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 Company, 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 Company as at the reporting dates.

35.11. Liquidity assessment as on 31.03.2020

₹ IN LAKHS

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)	4,282.76	3,152.25	12,066.51	26,730.04	44,558.46	50,048.18	926.08	-	141,764.28
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
	5,712.46	3,457.62	12,064.73	33,715.35	53,548.01	54,148.03	5,919.76	2,496.95	171,062.91

35.12. Liquidity assessment as on 31.03.2019

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)	4,806.43	6,952.84	5,824.73	22,039.50	38,061.04	58,426.26	2,237.60	-	138,348.40
Subordinated liabilities	-	-	-	-	-	-	5,000.00	-	5,000.00
Financial liability towards securitisation	1,429.70	1,362.14	1,340.70	2,976.18	4,860.40	1,817.44	-	-	13,786.56
	6,305.48	8,646.39	7,162.37	28,665.91	44,409.43	70,029.38	7,237.60	-	172,456.56

35.13. Liquidity assessment as on 01.04.2018

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)	2,523.32	2,887.85	3,120.74	12,609.43	19,371.80	29,613.23	1,941.70	276.31	72,344.39
Subordinated liabilities	-	-	-	-	-	-	-	5,000.00	5,000.00
Financial liability towards securitisation	531.03	514.73	514.73	1,544.18	3,028.91	1,439.03	-	-	7,572.61
	3,126.90	7,796.60	3,633.56	14,147.74	22,396.75	41,973.06	1,941.70	5,276.31	100,292.63

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 MMFL 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 pandemic, 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 Company'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

35.16 ALM- Funding and Capital Management

₹ IN LAKHS

35.16 A. Maturity analysis of assets and liabilities as at 31.03.2020

Sl. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	8,020.50	-	8,020.50
(b)	Bank balance other than cash and cash equivalents	2,832.70	2,861.72	5,694.42
(c)	Derivative Financial Instruments	-	-	-
(d)	Receivables			
	(I) Trade receivables	-	-	
	(II) Other receivables	-	-	-
(e)	Loans			
	- Loan portfolio (excluding securitised assets)	112,914.56	70,282.89	183,197.45
	- Securitised assets	8,467.18	993.22	9,460.40
(f)	Investments	4,501.95	33.62	4,535.57
(g)	Other financial assets	1,186.39	73.64	1,260.03

₹ IN LAKHS

Sl. No.	Particulars	Within 12 months	After 12 months	Total
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	447.66	447.66
(b)	Deferred tax assets (net)	-	1,223.71	1,223.71
(c)	Property, plant and equipment	-	749.65	749.65
(d)	Right to use assets	-	160.64	160.64
(e)	Intangible assets	-	89.00	89.00
(f)	Other non-financial assets	15.05	-	15.05
	TOTAL ASSETS	**137,938.33**	**76,915.75**	**214,854.08**
	LIABILITIES AND EQUITY			
(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	2,235.40	-	2,235.40
	(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	645.46	-	645.46
(c)	Borrowings			
	- Debt securities	10,158.74	3,571.18	13,729.92
	- Borrowings (other than debt securities)	90,790.03	50,974.25	141,764.28
	- Subordinated liabilities	1.39	7,488.24	7,489.63
	- Financial liability towards securitisation	7,548.04	531.04	8,079.08
(d)	Other financial liabilities	75.56	97.55	173.11
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (net)			
(b)	Provisions	115.85	307.47	423.32
(c)	Other non-financial liabilities	148.54	5.86	154.40
(3)	**Equity**			
(a)	Equity share capital	-	719.48	719.48
(b)	Other equity	-	39,440.00	39,440.00
	TOTAL LIABILITIES AND EQUITY	**111,719.01**	**103,135.07**	**214,854.08**

₹ IN LAKHS

35.16 B. Maturity analysis of assets and liabilities as at 31.03.2019

Sl. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	13,959.10	-	13,959.10
(b)	Bank balance other than cash and cash equivalents	1,789.28	3,711.18	5,500.46
(c)	Derivative Financial Instruments	-	-	-
(d)	Receivables			
	(I) Trade receivables	-	-	-
	(II) Other receivables	-	-	-
(e)	Loans			
	- Loan portfolio (excluding securitised assets)	117,755.52	51,676.68	169,432.20
	- Securitised assets	12,054.35	2,661.51	14,715.86
(f)	Investments	1,000.19	33.62	1,033.81
(g)	Other financial assets	731.19	60.60	791.79
(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	-	474.15	474.15
(d)	Right to use assets	13.87	93.57	107.44
(e)	Intangible assets	-	97.15	97.15
(f)	Other non-financial assets	20.78	-	20.78
	TOTAL ASSETS	**147,324.28**	**59,872.23**	**207,196.51**
	LIABILITIES AND EQUITY			
(1)	**Financial liabilities**			
(a)	Derivative Financial Instruments	-	7.21	7.21
(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	954.41	-	954.41
	(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	642.30	-	642.30
(c)	Borrowings			
	- Debt securities	5,535.92	9,785.68	15,321.60
	- Borrowings (other than debt securities)	77,684.54	60,663.86	138,348.40
	- Subordinated liabilities	-	5,000.00	5,000.00
	- Financial liability towards securitisation	11,969.11	1,817.45	13,786.56
(d)	Other financial liabilities	95.83	195.31	291.14

₹ IN LAKHS

Sl. No.	Particulars	Within 12 months	After 12 months	Total
(2)	Non-financial liabilities			
(a)	Current tax liabilities (net)	215.96	-	215.96
(b)	Provisions	96.85	203.87	300.72
(c)	Other non-financial liabilities	125.40	5.85	131.25
(3)	Equity			
(a)	Equity share capital	-	719.48	719.48
(b)	Other equity	-	31,477.48	31,477.48
	TOTAL LIABILITIES AND EQUITY	97,320.32	109,876.19	207,196.51

35.16 C. Maturity analysis of assets and liabilities as at 01.04.2018

Sl. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	Financial assets			
(a)	Cash and cash equivalents	6,170.32	-	6,170.32
(b)	Bank balance other than cash and cash equivalents	1,563.66	1,240.17	2,803.83
(c)	Derivative Financial Instruments -	-	-	
(d)	Receivables			
	(I) Trade receivables	-	-	-
	(II) Other receivables	-	-	-
(e)	Loans			
	- Loan portfolio (excluding securitised assets)	71,262.12	36,696.23	107,958.35
	- Securitised assets	5,995.50	2,021.62	8,017.12
(f)	Investments	-	32.34	32.34
(g)	Other financial assets	160.91	14.27	175.18
(2)	Non-financial assets			
(a)	Current tax assets (net)	-	-	-
(b)	Deferred tax assets (net)	-	720.88	720.88
(c)	Property, plant and equipment	-	340.20	340.20
(d)	Right to use assets	-	59.48	59.48
(e)	Intangible assets	-	25.03	25.03
(f)	Other non-financial assets	10.68	-	10.68
	TOTAL ASSETS	85,163.19	41,150.22	126,313.41
	LIABILITIES AND EQUITY			
(1)	Financial liabilities			
(a)	Derivative Financial Instruments	-	193.35	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	67.74	-	67.74

₹ in lakhs

Sl. No.	Particulars	Within 12 months	After 12 months	Total
(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	1,449.70	-	1,449.70
(c)	Borrowings			
	- Debt securities	4,454.83	10,920.80	15,375.63
	- Borrowings (other than debt securities)	40,513.14	31,831.25	72,344.39
	- Subordinated liabilities	-	5,000.00	5,000.00
	- Financial liability towards securitisation	6,133.58	1,439.03	7,572.61
(d)	Other financial liabilities	65.92	195.65	261.57
(2)	Non-financial liabilities			
(a)	Current tax liabilities (net)	57.84	-	57.84
(b)	Provisions	73.27	154.06	227.33
(c)	Other non-financial liabilities	113.30	5.86	119.16
(3)	Equity			
(a)	Equity share capital	-	719.48	719.48
(b)	Other equity	-	22,924.61	22,924.61
	TOTAL LIABILITIES AND EQUITY	52,929.32	73,384.08	126,313.41

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 Company are exposed to risks that are particular to the lending that it do and the environment in which it operate. The Company continuously identify and implement comprehensive policies and procedures to assess, monitor and manage risk. The Company'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 Company assess the fitness of it's risk management process on an event-driven basis.

The Company's risk management process has three components:

- The assessment of business risks, operational controls assessment and compliance processes.
- Concentration Risk - The Company 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 Company has adopted a cap on borrowings from any single lender at 25%."

35 Risk Management

35.18 Capital Management

The Company's capital management objectives are:
- to ensure the Company'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 Company'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 Company's various classes of debt. The Company 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 Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

₹ IN LAKHS

Particulars	As at 31.03.2020	As at 31.03.2019	As at 01.04.2018
Net Debt	171,062.91	172,456.56	100,292.63
Total Equity	40,159.48	32,196.96	23,644.09
Net debt to total equity	4.26	5.36	4.24

Net debt includes debt securities + borrowings other than debt securities + subordinated liabilities + financial libilities towards securitization

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.

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 Company offers products with monthly repayment frequency, whereby 30 and above Days Past Due ('DPD') means already 1 missed instalment 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 30 DPD.

Stage 2: 31 to 90 DPD (SICR).

Stage 3: above 90 DPD (Default).

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 Company 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 31.03.2020, the company does not have any foreign currency exposure.

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).

₹ IN LAKHS

Financial assets	Measured at	31.03.2020			
		Carrying amount	Fair value Level 1	Level 2	Level 3
Loans	Amortised cost	192,657.85		195,846.52	
Investments	FVTPL	4,535.57	4,501.95		33.62
Total		**197,193.42**	**4,501.95**	**195,846.52**	**33.62**

Fair value of financial liabilities	Measured at	31.03.2020			
		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	141,764.28		142,805.57	
Subordinated liabilities	Amortised cost	7,489.63		8,509.28	
Total		**162,983.83**	**-**	**165,339.31**	**-**

Financial assets	Measured at	31.03.2019			
		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**

₹ IN LAKHS

Fair value of financial liabilities	Measured at	31.03.2019			
		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	138,348.40	-	139,063.84	
Subordinated liabilities	Amortised cost	5,000.00	-	5,547.00	
Total		**158,670.00**	**-**	**160,235.84**	**-**

Financial assets	Measured at	01.04.2018			
		Carrying amount	Fair value Level 1	Level 2	Level 3
Loans	Amortised cost	115,975.47	-	117,866.32	-
Investments	FVTPL	32.34	-	-	32.34
Total		**116,007.81**	**-**	**117,866.32**	**32.34**

Fair value of financial liabilities	Measured at	31.03.2019			
		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	72,344.39	-	73,283.44	
Subordinated liabilities	Amortised cost	5,000.00	-	5,480.00	
Total		**92,720.02**	**-**	**94,451.44**	**-**

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.

₹ IN LAKHS

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	31.03.2020	31.03.2019
Net profit/ (loss) after tax as per statement of profit and loss	7,983.87	8,552.24
Net profit/ (loss) as above for calculation of basic EPS and diluted EPS	7,983.87	8,552.24
Net profit/ (loss) for calculation of diluted EPS	7,983.87	8,552.24
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)	110.97	118.90
Diluted earnings per share (Rs)	110.97	118.90
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 27.11.2019 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 29.01.020 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 18.03.2020 and the shareholding has further increased to 76.08% as on 31.03.2020.

Consequently, effective 18.03.2020, 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 Thiagarajan 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 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.

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	31.03.2020	31.03.2019
(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	-	-

42 On 11.03.2020, 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 24.03.2020, the Indian Government announced a strict 21-day lockdown followed by further extensions of lockdown till 17.05.2020 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 31.03.2020. 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 01.03.2020 and 31.05.2020 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 31.03.2020.

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.

43 Disclosure as per Ind AS 101 First-time adoption of Indian Accounting Standards:

43.01 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:

43.02 Mandatory exceptions and optional exemption

Deemed Cost:

The Company 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 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.

Leases:

The Company as a lessee has applied the provisions of IND AS 116 on lease by lease basis.

The Company 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 Company has also elected not to apply the requirements of IND AS 116 where the underlying asset value is of low value.

The Company 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 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.

Estimates:

The estimates at 01.04.2018 and at 31.03.2019 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 Company to present these amounts in accordance with Ind AS reflect conditions at 01.04.2018, the date of transition to Ind AS and as of 31.03.2019.

44 Reconciliation of equity as at 31.03.2019

₹ IN LAKHS

Sr. No.	Particulars	Refer note below	As at 31.03.2019 Previous GAAP	As at 31.03.2019 Ind AS Adjustments	As at 31.03.2019	As at 01.04.2018 Previous GAAP	As at 01.04.2018 Ind AS Adjustments	As at 01.04.2018
	ASSETS							
(1)	**Financial assets**							
(a)	Cash and cash equivalents		13,959.10	-	13,959.10	6,170.32	-	6,170.32
(b)	Bank balance other than cash and cash equivalents		5,500.46	-	5,500.46	2,803.83	-	2,803.83
(c)	Receivables		-	-	-	-	-	-
	(I) Trade receivables		-	-	-	-	-	-
	(II) Other receivables		-	-	-	-	-	-
(d)	Loans		-	-	-	-	-	-
	- Loan portfolio (excluding securitised assets)	1&2	170,358.98	-926.77	169,432.20	108,744.76	-786.41	107,958.35
	- Securitised assets	7	2,628.14	12,087.73	14,715.86	1,219.45	6,797.68	8,017.12
(e)	Derivative Financial Instruments		-	-	-	-	-	-
(f)	Investments		1,020.19	13.61	1,033.81	20.00	12.34	32.34
(g)	Other financial assets	7	254.61	537.19	791.79	175.18	-	175.18
		-	-	-	-	-	-	
(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		474.15	-	474.15	340.20	-	340.20
(d)	Right to use assets	6	-	107.44	107.44	-	59.48	59.48
(e)	Intangible assets		97.15	-	97.15	25.03	-	25.03
(f)	Other non-financial assets		20.78	-	20.78	10.67	0.01	10.68
	Total assets		**195,325.15**	**11,871.39**	**207,196.51**	**119,899.84**	**6,413.59**	**126,313.41**
	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	-	-	-	-	-	-	
	(ii) 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	-	-	-	-	-	-	
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		641.94	0.36	642.30	1,449.70	-	1,449.70

₹ IN LAKHS

Sr. No.	Particulars	Refer note below	As at 31.03.2019 Previous GAAP	As at 31.03.2019 Ind AS Adjustments	As at 31.03.2019	As at 01.04.2018 Previous GAAP	As at 01.04.2018 Ind AS Adjustments	As at 01.04.2018
(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	138,867.06	-518.66	138,348.40	72,604.46	-260.07	72,344.39
	- Subordinated liabilities		5,000.00	-	5,000.00	5,000.00	-	5,000.00
	- Financial liability towards securitisation	7	1,730.91	12,055.65	13,786.56	695.81	6,876.80	7,572.61
(d)	Other financial liabilities	6	-	291.14	291.14		261.57	261.57
		-	-	-	-	-	-	
(2)	**Non-financial liabilities**		-	-	-	-	-	-
(a)	Current tax liabilities (net)		215.96	-	215.96	57.84	0.00	57.84
(b)	Provisions		300.72	-	300.72	227.33	0.00	227.33
(c)	Other non-financial liabilities		131.25	-	131.25	119.15	-	119.15
		-	-	-	-	-	-	
(3)	**Equity**		-	-	-	-	-	-
(a)	Equity share capital		719.48	-	719.48	719.48	-	719.48
(b)	Other equity		31,381.36	96.12	31,477.48	23,328.23	-403.62	22,924.61
	Total liabilities and equity		**195,325.15**	**11,871.36**	**207,196.51**	**119,899.82**	**6,413.57**	**126,313.41**

₹ IN LAKHS

45 Reconciliation of total comprehensive income for the year ended 31.03.2019

Sr. No.	Particulars	Refer note below	For the year ended 31.03.2019 Previous GAAP	Ind AS Adjustments	As at 31.03.2019
I	**Revenue from operations**				
	(a) Interest income				
	- Interest on loans	1	35,045.70	-394.14	34,651.56
	- 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) Dividend income		0.30	-	0.30
	(d) Net gain on fair value changes		327.31	1.28	328.59
	(e) Bad debts Recoverd	7	209.09	1.18	210.27
	(f) Others	7	108.51	526.15	634.66
	Total revenue from operations (I)		**36,934.17**	**1,152.09**	**38,086.26**
II	**Other income**		**522.90**	**-**	**522.90**
III	**Total income (I+II)**		**37,457.07**	**1,152.09**	**38,609.16**
IV	**Expenses**				
	(a) Finance costs				
	- On borrowings	1	14,654.04	-242.69	14,411.35
	- On financial liability towards securitisation	7	-	565.52	565.52
	(b) Impairment of financial instruments	2	3,426.53	56.11	3,482.64
	(c) Employee benefits expenses	3	4,600.82	0.89	4,601.71
	(d) Depreciation, amortisation and impairment	6	281.71	53.90	335.61
	(e) Other expenses	6	3,057.96	-58.79	2,999.17
	Total expenses (IV)		**26,021.06**	**374.94**	**26,396.00**
V	**Profit before tax (III-IV)**		**11,436.01**	**777.15**	**12,213.16**
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	278.04	-343.15
	Total tax expense (VI)		**3,382.88**	**278.04**	**3,660.92**
VII	**Profit / (loss) for the year (V-VI)**		**8,053.13**	**499.11**	**8,552.24**
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)		-	0.89	0.89
	(2) Income tax relating to items that will not be reclassified to profit or loss		-	-0.26	-0.26
	Subtotal (a)		**-**	**0.63**	**0.63**

₹ IN LAKHS

Sr. No.	Particulars	Refer note below	For the year ended 31.03.2019 Previous GAAP	Ind AS Adjustments	As at 31.03.2019
(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)		**-**	**0.63**	**0.63**
IX	**Total comprehensive income (VII+VIII) (comprising profit / (loss) and other comprehensive income for the year)**		**8,053.13**	**499.74**	**8,552.87**

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 been determined based on Expected Credit Loss model (ECL). Loans under securitisation 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 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 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 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

7. Assignment & Securitisation trasanctions

"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 in view 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

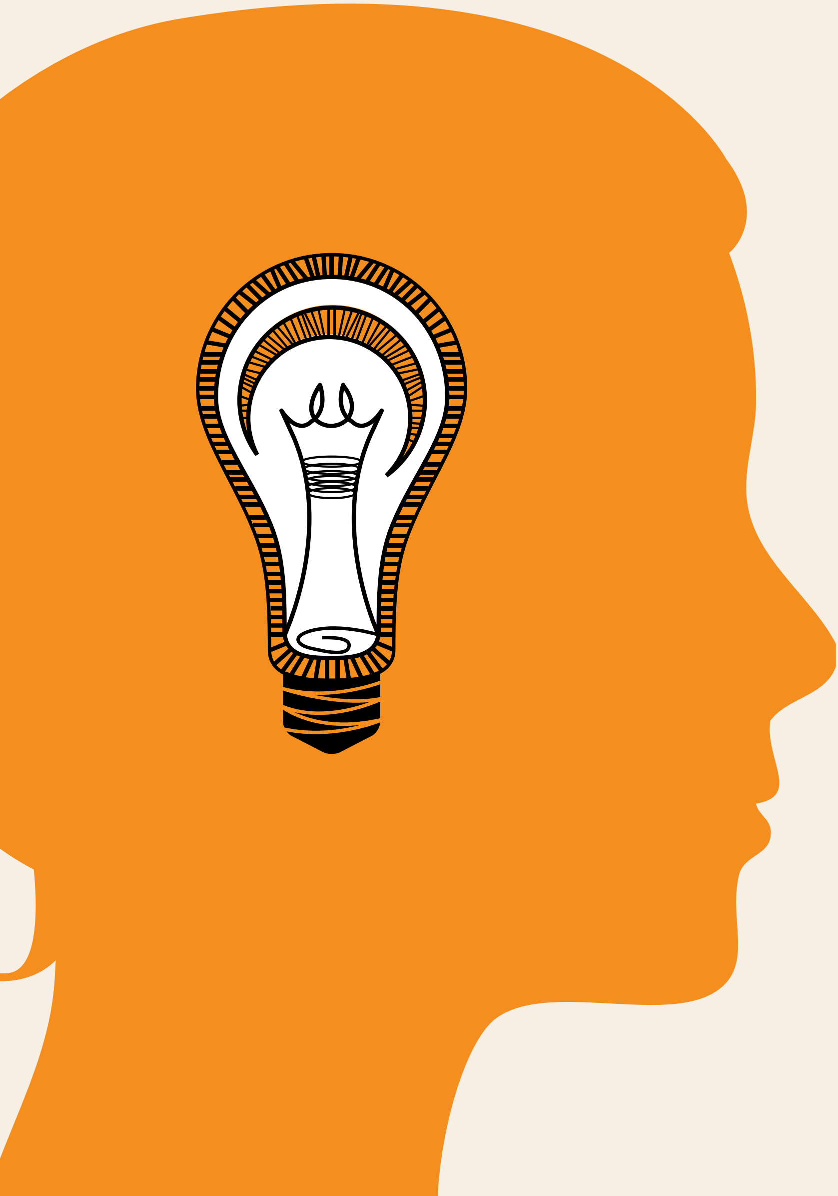
For PKF Sridhar & Santhanam LLP

CHARTERED ACCOUNTANTS
Firm's Registration No.003990S/S200018

Rajeshwari S *(Partner)* *Membership No.024105*		**Tara Thiagarajan** *Managing Director*	**F S Mohan Eddy** *Whole-time Director*
Chennai **18.05.2020**	**Venkateswaran Balakrishnan** *Chief Financial Officer*	**M. Narayanan** *Chief Executive Officer*	**Sanin Panicker** *Company Secretary*

MADURA
Micro Education

Financial Statements



Auditors' Report

Independent Auditors' Report

To the Members of Madura Micro Education Private Limited

Report on the standalone Financial Statements

Opinion

We have audited the standalone financial statements of Madura Micro Education PrivateLimited ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss (including Other Comprehensive Income, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 31st March, 2020, and its profit, and its 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 opinion.

Responsibilities of the Management and Those Charged with Governance for Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain and 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 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 uncertainly 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 uncertainly 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 out 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 financial statements including the disclosures, and whether the 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 deficiencies in internal control that we identify doing 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 to bear on our independence, and where applicable, related safeguards.

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 Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

   d. In our opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of written representations received from the directors as on 31.03.2019 taken on record by the Board of Directors, none of the Directors is disqualified as on 31.03.2019 from being appointed as a Director in terms of Section 164 (2) of the Act.

3. 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 B".

4. 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:

   a. There are no pending litigations.

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

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

ICAI UDIN NO.20020899AAAADL5751

Chennai
Dated: 12.05.2020

Annexure A

Annexure A to the Independent Auditors' Report
To the Members of Madura Micro Education Private Limited

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

(b) The Fixed Assets have been physically verified by the Management during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of the verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not own any immovable properties.

(ii) The Company does not have any inventories.

(iii) 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 Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, with respect to loans availed by it.

(v) The Company has not accepted deposits from the public.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013, for any of the activities of the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employees state insurance, excise, income tax, sales tax, value added tax, duty of customs, service tax, cess and other statutory dues have been regularly deposited during the year by the Company with appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, value added tax, duty of customs, excise, service tax, cess and other statutory dues which were in arrears as on 31st March 2020 for a period of more than six months from the date they became payable.

(b) There are no dues of income tax, sales tax, value added tax, duty of customs, excise, service tax, cess or other statutory dues that have not been deposited on account of any dispute.

(viii) The Company has not defaulted in the repayment of dues to banks, financial institutions or debenture holders.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). As per the records of the Company, the term loans availed during the year were applied for the purposes for which those are raised.

(x) As per the records of the Company and according to the information and explanations given to us, no frauds by the Company or on the company by its officers or employees have been noticed or reported during the year.

(xi) According to the information and explanations given to us, the managerial remuneration has not paid any managerial remuneration to its Directors requiring approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a nidhi company.

(xiii) In our opinion, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable Accounting Standard.

(xiv) According to the records of the Company, the Company has not made any preferential allotment or private placement of its shares or fully or partly convertible debentures during the year under review.

(xv) Based on the audit procedures performed and the information and explanations given to us, the Company has not entered into any non-cash transactions with the Directors or persons connected with the Directors.

xvi) In our opinion, the Company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934.

Chennai
Dated: 12.05.2020

"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of MADURA MICRO EDUCATION PRIVATE LIMITED

Report on the 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 **MADURA MICRO EDUCATION PRIVATE LIMITED** ("the Company") as of 31st March 2020 in conjunction with our audit of the standalone 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 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 system 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 procedure selected depends on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 31.03.2020, 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.

ICAI UDIN NO.20020899AAAADL5751

Chennai
Dated: 12.05.2020

Balance Sheet

Balance Sheet as on 31st March 2020 ₹ in rupees

Particulars	Note No.	As At 31.03.2020	As At 31.03.2019	As at 01.04.2018
ASSETS				
(1) Non-Current Assets				
(a) Property, Plant And Equipment	4	578,370	1,115,675	640,357
(b) Capital Work In Progress				
(c) Intangible Assets	5	-	677,957	2,355,287
(2) Current Assets				
(f) Financial Assets	6			
(a) Trade Receivables		-	-	-
(b) Cash And Cash Equivalents		359,456	1,862,223	208,092
(c) Other Receivables		20,727	88,423	109,085
(g) Oher Current Asssets	7			
(a) Current tax assets (net)		434,352	386,696	14,055
(h) Other non-financial assets	8	-	-	358,000
Total assets		**1,392,905**	**4,130,974**	**3,684,876**
EQUITY AND LIABILITIES				
EQUITY	**9**			
(a) Equity share capital		14,900,000	14,900,000	14,900,000
(b) Other equity		(36,388,950)	(38,541,131)	(40,076,649)
LIABILITIES				
(1) Non-Current Liabilities	**10**			
(a) Financial liabilities				
(a) Other payables		-	12,896,004	16,419,750
(b) Other Non-Current Liabilities	11			
(a) Provisions		401,593	429,467	416,018
(2) Current Liabilities				
(a) Financial liabilities				
(a) Borrowings	12	21,277,174	12,868,695	11,201,265
(b) Payables	13			
(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		-	-	-
(II) Other payables				
(i) Total outstanding dues of micro enterprises and small enterprises		284,209	198,192	277,220
- Total outstanding dues of creditors other thanmicro enterprises and small enterprises				
(c) Other Financial Liabilities	14	635,943	967,729	173,943

(b) Other Current Liabilities				
(a) Current tax liabilities (net)	15	-	-	-
(b) Provisions	16	159,185	194,324	96,520
(c) Other non-financial liabilities	17	123,751	217,694	276,809
Total Equity and Liability		**1,392,905**	**4,130,974**	**3,684,876**

Significant Accounting Policies
See accompanying Notes to Financial Statements

As per our report of even date
For S.N.S. Associates
CHARTERED ACCOUNTANTS
(Firm Registration No. 006297S)

S. Nagarajan
(Partner)
(Membership No. 020899)

Tara Thiagarajan
Director

F S Mohan Eddy
Director

Chennai
12.05.2020

Profit And Loss

Statement of profit and loss for the year ended 31.03.2020 ₹ in rupees

Particulars		Note No.	For the year ended Tuesday, 31.03.2020	For the year ended Sunday, 31.03.2019
I	**Revenue from operations**			
	(a) Fees and Commission	18	8,336,463	10,620,490
	Total Revenue from Operations (I)		**8,336,463**	**10,620,490**
II	**Other Income**	**19**	**17,165**	**1,007**
III	**Total Revenue (I+II)**		**8,353,628**	**10,621,497**
IV	**Expenses**			
	(a) Finance Cost	20		
	(i) On Borrowings		1,034,870	1,467,245
	(b) Employee Benefit expenses	21	3,145,125	3,667,083
	(c) Depreciation, amortization and impairment	4 & 5	1,215,262	2,328,214
	(d) Other expenses	22	776,501	1,526,808
	Total Expenses (IV)		**6,171,758**	**8,989,350**
V	**Profit before Tax**		**2,181,870**	**1,632,147**
VI	**Tax Expense**	**23**		
	(a) Current Tax			
	(b) Deferred Tax			
	Total Tax Expense (VI)		**-**	**-**
VII	**Profit/(loss) for the year (V-VI)**		**2,181,870**	**1,632,147**
VIII	**Other Comprehensive Income**			
	(a) Remeasurement of Defined Benefit Plans		(29,688)	(96,629)
	Tax effect on above		-	-
	Total Other Comprehensive Income for the year		**(29,688)**	**(96,629)**
IX	**Total comprehensive income (VII +VIII) (comprising profit/loss and other comprehensive income for the year)**		**2,152,182**	**1,535,518**
X	**Earnings per equity share (face value of Rs.10 each)**			
	Basic		1.44	1.03
	Diluted		1.44	1.03

See accompanying Notes to Financial Statements

Vide our report of even date attached

For S.N.S. Associates

CHARTERED ACCOUNTANTS
(Firm Registration No. 006297S)

S. Nagarajan
(Partner)
(Membership No. 020899)

Tara Thiagarajan
Director

F S Mohan Eddy
Director

Chennai
12.05.2020

Cash Flow

Statement of cash flows for the year ended 31.03.2020

₹ in rupees

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Cash flow from operating activities:		
Profit before tax	2,152,181.84	1,535,517.64
Adjustments to reconcile profit before tax to net cash flows:		
Interest income on loans	-	-
Depreciation and amortisations	1,215,262.00	2,328,214.00
Interest expense on borrowings	882,847.00	1,199,389.00
Net loss on disposal of property, plant and equipment	-	-
Net gain on financial instruments at fair value through profit or loss	-	-
Dividend Income	-	-
	2,098,109.00	**3,527,603.00**
Operational cash flows from interest:		
Interest received on loans	-	-
Interest received on loans securitised (re-recognised on balance sheet)	-	-
Interest paid on borrowings	(882,847.00)	(1,199,389.00)
Interest on financial liability towards securitisation (re-recognised on balance sheet)	-	-
Working capital changes:		
Increase in loans	-	-
(Increase) / decrease in bank balance other than cash and cash equivalents	-	-
(Increase) / decrease in trade receivables	-	-
(Increase) / decrease in other receivables	67,696.00	20,662.00
(Increase) / decrease in other financial assets	(47,656.00)	(372,641.00)
(Increase) / decrease in other non-financial assets	-	358,000.00
Increase / (decrease) in trade and other payables	(245,769.00)	714,758.00
Increase / (decrease) in Provisions	(63,013.00)	111,253.00
(Decrease) / increase in other non-financial liabilities	(93,943.00)	(59,115.00)
	(382,685.00)	**772,917.00**
Income tax paid	**-**	**-**
Net cash flows used in operating activities	2,984,758.84	4,636,648.64

Cash Flow

Particulars	For the year ended 31.03.2020	31.03.2019
Investing activities		
Purchase of property, plant and equipment	-	(1,126,202.00)
Proceeds from sale of property, plant and equipment	-	-
Purchase of Intangible assets	-	-
Purchase of investments at fair value through profit and loss	-	-
Sale of investments at fair value through profit and loss	-	-
Net cash flows (used in) / from investing activities	**-**	**(1,126,202.00)**
Financing activities		
Borrowings other than debt securities issued (net)	(4,487,525.00)	(1,856,316.00)
Net Cash flows from financing activities	**(4,487,525.00)**	**(1,856,316.00)**
Net increase / (decrease) in cash and cash equivalents	**(1,502,766.16)**	**1,654,130.64**
Cash and cash equivalents as at the beginning of the year	1,862,222.56	208,091.92
Cash and cash equivalents as at the end of the year	359,456.40	1,862,222.56

Vide our report of even date attached

For S.N.S. Associates

CHARTERED ACCOUNTANTS
(Firm Registration No. 006297S)

S. Nagarajan
(Partner)
(Membership No. 020899)

Tara Thiagarajan
Director

F S Mohan Eddy
Director

Chennai
12.05.2020

Madura Micro Education Private Limited
Notes to the financial statements for the year ended 31.03.2020

1. Corporate Information

The Company is a private limited company registered under the Companies Act, 1956 having Corporate Identification No. U80301TN2013PTC091745. The Company is engaged in the business of providing Skill development training to Micro entrepreneurs and others. The Company is a wholly owned subsidiary of Madura Micro Finance Limited (CIN U65929TN2005PLC057390). In turn, Madura Micro Finance Limited is a subsidiary of Credit Acces Grameen Limited (CIN L51216KA1991PLC053425). (ref.1.138 of Ind AS 1)

1.1. 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 rules specify the Indian Accounting Standards (Ind AS) applicable to certain class of companies and sets out dates of applicability. Madura Micro Finance Limited, the Holding Company of the company, 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 being a subsidiary, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 01.04.2018. The financial statements have been prepared on a going concern basis.

For all periods up to and including the year ended 31.03.2019, 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.

The financial statements for the year ended 31.03.2020 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.

1.2. Presentation of financial statements

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. The normal operating cycle is taken as 12 months.

The Company generally reports financial assets and financial liabilities on a gross basis in the balance sheet. They are offset and reported on a net basis only when Ind AS specifically permits the same or the company has an unconditional legally enforceable right to offset the recognised amounts not 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.

1.3. 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

2. 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.

2.1 Revenue recognition

The fees recceivable 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.

2.2 Finance cost

Borrowing cost on financial liabilities are recognised by applying the EIR.

2.3 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.

2.4 Property, plant and equipment ('PPE')

Initial Recognition and measurement:

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 and rebates, any import duties and other taxes (other than those subsequently recoverable from tax authorities), any attributable expenditure on making the assets ready for intended use.

2.5 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.

Transition to IND AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all assets, recognised as of 01.04.2018 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.6 Depreciation and amortization

2.6.1 Depreciation

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, 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, with the effect of any changes in estimate accounted for on a prospective basis.

2.6.2 Amortisation

Amortisation on intangible assets is recognised on a straight line basis over the estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on prospective basis. Software is depreciated over the license period or 3 years, whichever is lower. The Educational content on digital media is depreciated over 3 years.

The Company remeasures 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 company recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

2.7 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.

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-asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible-asset 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.

2.8 Provisions

Provisions are recognized only when there is a present obligation, as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when 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.

2.9 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.

2.10 Retirement and other employee benefits

2.10.1 Defined contribution plan

Retirement benefits in the form of provident fund 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.

2.10.2 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/asset are included in other comprehensive income.

2.10.3 Short Term Employee Benefits:

Short-term employee benefits including salaries, short term compensated absences (such as a 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.

2.10.4 Other Long Term 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.

2.11 Income Taxes

Tax expense comprises Current tax and Deferred tax.

2.11.1 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 the 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).

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.

In view of the unabsorbed losses/allowances, no provision for tax including MAT is considered necessary on the profits for the period.

2.11.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the 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.

2.12 Earning per share

Basic earnings per share is calcuated by dividing the net profit or loss for the year attributable to equity sharehoders 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 avaerage number of shares oustanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.14 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provision of the instruments.

2.14.1 Financial Assets

2.14.1.1. 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.

2.14.1.2. 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.

2.14.1.3 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.

2.14.1.4. 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.

2.14.1.5. 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 debt investment 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 Company 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 Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company 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.

2.14.2 Financial Liabilities

2.14.2.1. 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.

2.14.2.2. 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.

2.14.2.3 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.

2.14.3 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.

2.15 Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. Any subsequent recoveries are credited to statement of profit and loss.

2.16 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.

2.17 Foreign currency

2.17.1 All transactions in foreign currency are recognised at the exchange rate prevailing on the date of the transaction.

2.17.2 Foreign currency monetary items are reported using the exchange rate prevailing at the close of the period.

2.17.3 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. Leases (where the Company is the lessee)

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The company has opted to apply this standard retrospectively with the cumulative effect of initially applying this standard recognized at the date of initial application.

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The company has also used the practical expedient permitted in the standard for leases ending within 12 months by treating them as short-term leases.

The Company remeasures 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 company recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

₹ in rupees

4 & 5 Particulars At cost:	Computer Accessories	Office Equipment	Furniture and Fittings	Right to use of Leased Assets	Total	Educational content on digital media	Other software	Total
	4. Property, plant and equipment					5. Intangible Assets		
At 01.04.2018	1,369,703	167,459	100,529	173,943	1,811,634	20,324,923	2,427,631	22,752,554
Additions	-	-	-	1,126,202	1,126,202	-	-	-
Disposals				173,943	173,943			
At 31.03.2019	1,369,703	167,459	100,529	1,126,202	2,763,893	20,324,923	2,427,631	22,752,554
Additions -	-	-	-	-	-	-	-	
Disposals								
At March 2020	1,369,703	167,459	100,529	1,126,202	2,763,893	20,324,923	2,427,631	22,752,554
Depreciation								
At 01.04.2018	996,714	102,352	72,211	-	1,171,277	19,320,887	1,076,380	20,397,267
Additions	250,104	32,612	6,525	361,643	650,884	893,254	784,076	1,677,330
Disposals -	-	-	173,943	-	-	-	-	
At 31.03.2019	1,246,818	134,964	78,736	187,700	1,822,161	20,214,141	1,860,456	22,074,597
Additions	122,885	32,495	6,525	375,400	537,305	110,782	567,175	677,957
Disposals				-			-	
At 31.03.2020	1,369,703	167,459	85,261	563,100	2,359,466	20,324,923	2,427,631	22,752,554
Net Book Value:								
At 01.04.2018	372,989	65,107	28,318	173,943	640,357	1,004,036	1,351,251	2,355,287
At 31.03.2019	122,885	32,495	21,793	938,502	1,115,675	110,782	567,175	677,957
At 31.03.2020	-	-	15,268	563,102	578,370	-	-	-

6 (a) Cash and Cash Equivalents

₹ in rupees

Particulars	31.03.2020	31.03.2019	01.04.2018
Cash and cash equivalents:			
Cash in Hand	-	4,478	1,638
Balances with bank in current account	359,456	1,857,745	124,431
Deposits with Banks	-	-	82,023
Total	**359,456**	**1,862,223**	**208,092**

6 (b)Other receivables

Particulars	31.03.2020	31.03.2019	01.04.2018
Advances recoverable in cash or in kind or for value to be received.			
Rent Advance	-	75,000	75,000
Others		20,727	13,423
34,085			
Total	**20,727**	**88,423**	**109,085**

7 Current tax assets (net)

Particulars	31.03.2020	31.03.2019	01.04.2018
Income tax assets	434,352	386,696	14,055
Income tax liabilities	-	-	-
Total	**434,352**	**386,696**	**14,055**

8 Other non- financial assets (at amortized cost)

Particulars	31.03.2020	31.03.2019	01.04.2018
Preliminary expenses (to the extent not written off)	-	-	358,000
Total	**-**	**-**	**358,000**

9 (a) Issued Capital

Particulars	31.03.2020	31.03.2019	01.04.2018
Authorised			
50,00,000 equity shares of Rs.10/ each	50,000,000	50,000,000	50,000,000
1490000 equity shares of Rs.10/ each	14,900,000	14,900,000	14,900,000

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year ₹ in rupees

Equity shares	31.03.2020		31.03.2019		01.04.2018	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Number shares at the beginning of the period	1,490,000	14,900,000	1,490,000	14,900,000	1,490,000	14,900,000
Shares issued during the year			-	-	-	-
Shares outstanding at the end of the year	1,490,000	14,900,000	1,490,000	14,900,000	1,490,000	14,900,000

(b) Details of shareholders holding more than 5% shares in the company

Equity shares	31.03.2020		31.03.2019		01.04.2018	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Madura Micro Finance Limited	1,490,000	100	1,490,000	100	1,490,000	100

(c) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceeding the reporting date:

Particulars	31.03.2020 - No. of equity shares	31.03.2019 - No. of equity shares	31.03.2018- No. of equity shares
Madura Micro Finance Limited	1,480,000	1,480,000	1,480,000

9 (b) Other equity

Particulars	31.03.2020	31.03.2019	01.04.2018
Retained earnings	-36,416,338	-38,598,207	-40,230,354
Other Comprehensive Income	27,388	57,076	153,705
Total	**-36,388,950**	**-38,541,131**	**-40,076,649**

10 & 12 Borrowings other than debt securities (at amortized cost)

Particulars	31.03.2020	31.03.2019	01.04.2018
a)Term Loan:			
From other Parties **	-	18,352,608	20,208,924
b) Loans from Related parties	**21,277,174**	**7,412,091**	**7,412,091**
Total	**21,277,174**	**25,764,699**	**27,621,015**
Less : Payable after 12 Months	-	12,896,004	16,419,750
Total Payable in 12 Months	**21,277,174**	**12,868,695**	**11,201,265**

** Term Loan from National Skill Development Corporation was duly Guranteed by Holding Company

11 Provisions -Non Current

₹ in rupees

Particulars	31.03.2020	31.03.2019	01.04.2018
Provision for Employee Benefit			
Gratuity	279,118	218,310	194,347
Leave Encashment	122,475	211,157	221,671
Total	**401,593**	**429,467**	**416,018**

13 A Trade Payables

Particulars	31.03.2020	31.03.2019	01.04.2018
(i) Total outstanding dues of			
Micro enterprises and small enterprises	-	-	-
(ii) Total outstanding dues of Creditors			
other than Micro enterprises and small enterprises	-	-	-
Total	**-**	**-**	**-**

13 B Other Payables

Particulars	31.03.2020	31.03.2019	01.04.2018
(i) Total outstanding dues of Micro enterprises and small enterprises	-	-	-
(ii) Total outstanding dues of Creditors other than Micro enterprises and small enterprises			
Liability for expenses	134,189	111,743	139,914
Audit fees payable	88,500	75,000	67,260
Sundry Creditors	61,520	11,449	70,046
Travelling Expenses Payable	-	-	-
Total	**284,209**	**198,192**	**277,220**

14 Other Financial Liabilities

Particulars	31.03.2020	31.03.2019	01.04.2018
Lease Liability	635,943	967,729	173,943
Total	**635,943**	**967,729**	**173,943**

15 Current tax liabilities (net)

Particulars	31.03.2020	31.03.2019	01.04.2018
Total	**-**	**-**	**-**

16 Provisions

Particulars	31.03.2020	31.03.2019	01.04.2018
Provision for Employee Benefit			
Gratuity	108,760	92,573	383
Leave Encashment	50,425	101,751	96,137
Total	**159,185**	**194,324**	**96,520**

17 Other non-financial liabilities (at amortized)

₹ in rupees

Particulars	31.03.2020	31.03.2019	01.04.2018
Statutory Liabilities	123,751	201,963	72,397
Employee Benefit Liabilities	-	15,731	204,412
Others	-	-	-
Total	**123,751**	**217,694**	**276,809**

18 Fees and commission

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Course fees received	4,050,703	6,811,290
Training fees from SHG	4,285,760	3,809,200
Total	**8,336,463**	**10,620,490**

19 Other income

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Interest on deposits with Bank	-	95
Interest received from others	17,140	912
Misc Income	25	
Total	**17,165**	**1,007**

20 Finance costs

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
A) On borrowings		
Interest on borrowings other than Debt	882,847	1,199,389
Other Finance Cost	103,229	232,982
On finance lease obligations	48,794	34,874
Total	**1,034,870**	**1,467,245**

21 Employee Benefit Expenses

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Salary and wages	3,026,926	3,360,662
Contribution to PF and other funds	147,175	177,898
Gratuity	81,576	75,082
Leave Encashment	-130,870	23,530
Staff welfare expenses	20,318	29,911
Total	**3,145,125**	**3,667,083**

22 Other Expenses

₹ in rupees

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Office Rent	69,450	167,160
Rates and taxes	4,500	4,655
Office Maintenance	21,509	44,021
Preliminary Expenses written off	-	358,000
Printing and Stationery	56,276	59,502
Computer Maintenance	128,837	328,657
Electricity charges	15,968	22,388
Professional fees	201,680	112,350
Auditor's Remuneration	140,150	75,000
Travelling expenses	69,031	238,645
Postage and telecommunication	66,098	112,196
Other Expenses	3,002	4,234
Total	**776,501**	**1,526,808**

Auditor's Remuneration

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
As auditor		
Audit fee	102,000	75,000
In other capacity		
Certification services	38,150	
Total	**140,150.00**	**75,000**

22 (a) OCI - Income

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
OCI - Income	-29,688	-96,629
Total	**-29,688**	**-96,629**

23 Defined benefit plan

₹ in rupees

23.1 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:

Particulars	31.03.2020	31.03.2019	01.04.2018
Reconciliation of present value of defined benefit obligation			
Obligation at the beginning of the year	310,883.00	194,730.00	250,791.00
Current service cost	60,859.00	61,578.00	80,853.00
Interest cost	20,717.00	13,504.00	16,791.00
Past service cost			
Benefits settled	-34,269.00	-55,558.00	-
Actuarial (gains)/ losses recognised in other comprehensive income			
- Changes in experience adjustments	6,967.00	2,990.00	-37,297.00
- Changes in demographic assumptions	38.00	-	-108,428.00
- Changes in financial assumptions	22,683.00	93,639.00	-7,980.00
Obligation at the end of the year	**387,878.00**	**310,883.00**	**194,730.00**
Reconciliation of present value of plan assets	**NA**	**NA**	**NA**
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			

23.2 Expense recognised in profit or loss

Particulars	31.03.2020	31.03.2019	01.04.2018
Current service cost	60,859.00	61,578.00	80,853.00
Interest cost	20,717.00	13,504.00	16,791.00
Past service cost			
Interest income			
Net gratuity cost	**81,576.00**	**75,082.00**	**97,644.00**

23.3 Re-measurement recognised in other comprehensive income

Particulars	31.03.2020	31.03.2019	01.04.2018
Re-measurement of the net defined benefit liability			
- Changes in experience adjustments	6,967.00	2,990.00	-37,297.00
- Changes in demographic assumptions	38.00	-	-108,428.00
- Changes in financial assumptions	22,683.00	93,639.00	-7,980.00
Re-measurement of the net defined benefit asset			
Return on plan assets (greater)/ less than discount rate			
Total Actuarial (gain)/ loss included in OCI	**29,688.00**	**96,629.00**	**(153,705.00)**

23.4 Plan assets

Particulars	31.03.2020	31.03.2019	01.04.2018
Funds managed by insurer	0%	0%	0%

23.5 Defined benefit obligation - Actuarial assumptions

Particulars	31.03.2020	31.03.2019	01.04.2018
Discount rate	4.90%	6.65%	6.94%
Future salary growth	10%	10%	10%
Attrition rate	30%	30%	30%
Average term of liabilty (in years)			

23.6 Sensitivity analysis

We have used acturial assumptions selected by the company. The company has been advised that the assumptions selected should be unbiased and mutually compatible and should reflect the Company's best estimate of the variables of the future. The Company has also been advised to consider the requirements of Para 144 of IND AS 19 in this regard.

Particulars	31.03.2020	31.03.2019	01.04.2018
Discount Rate	4.90%	6.65%	6.94%
Future salary growth	10%	10.00%	10.00%
Attrition rate	30%	30.00%	30.00%
Average term of liability (in years)			

₹ in rupees

Particulars	31.03.2020		31.03.2019		01.04.2018	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	374,576.00	402,150.00	300,810.00	321,649.00	186,664.00	203,385.00
Future salary growth (1% movement)	401,297.00	375,060.00	321,213.00	301,021.00	203,057.00	186,812.00
Attrition Rate (- / + 50% of attrition rates)	365,945.00	460,371.00	299,747.00	345,987.00	146,895.00	263,598.00
Mortality Rate (- / + 10% of mortality rates)	387,837.00	387,920.00	310,863.00	310,902.00	194,728.00	194,731.00

24 Maturity analysis of assets and liabilities as at 31.03.2020

Sr. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Non-Current Assets**			
	(a) Property, Plant And Equipment	-	578,370	578,370
	(b) Capital Work In Progress	-	-	-
	(c) Intangible Assets	-	-	-
(2)	**Current Assets**			
	(f) Financial Assets			
	(a) Trade Receivables	-	-	-
	(b) Cash And Cash Equivalents	359,456	-	359,456
	(c) Other Receivables	20,727	-	20,727
	(g) Other Current Asssets			
	(a) Current tax assets (net)	434,352	-	434,352
	(h) Other non-financial assets	-	-	-
	Total assets	**814,535**	**578,370**	**1,392,905**
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity share capital	-	14,900,000	14,900,000
	(b) Other equity	-	-36,388,950	-36,388,950
	LIABILITIES			
(1)	**Non-Current Liabilities**			
	(a) Financial Liabilities			
	(i) Other Payables	-	-	-
	(b) Provisions	-	401,593	401,593
(2)	**Current Liabilities**			
	(a) Financial liabilities			
	(a) Borrowings	21,277,174	-	21,277,174
	(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	-	-	-
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	284,209		284,209
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
	(c) Other Financial Liabilities	635,943	-	635,943
	(b) Other Current Liabilities			
	(a) Current tax liabilities (net)	-	-	-
	(b) Provision	159,185	-	159,185
	(c) Other non-financial liabilities	123,751	-	123,751
	Total Equity and Liability	**22,480,262**	**-21,087,357**	**1,392,905**

Maturity analysis of assets and liabilities as at 31.03.2019

₹ in rupees

Sr. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Non-Current Assets**			
	(a) Property, Plant And Equipment	-	1,115,675	1,115,675
	(b) Capital Work In Progress	-	-	-
	(c) Intangible Assets	-	677,957	677,957
(2)	**Current Assets**			
	(f) Financial Assets			
	(a) Trade Receivables	-	-	-
	(b) Cash And Cash Equivalents	1,862,223	-	1,862,223
	(c) Other Receivables	88,423	-	88,423
	(g) Other Current Asssets			
	(a) Current tax assets (net)	386,696	-	386,696
	(h) Other non-financial assets	-	-	-
	Total assets	**2,337,342**	**1,793,632**	**4,130,974**
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity share capital	-	14,900,000	14,900,000
	(b) Other equity	-	-38,541,131	-38,541,131
	LIABILITIES			
(1)	**Non-Current Liabilities**			
	(a) Financial Liabilities			
	(i) Other Payables	-	12,896,004	12,896,004
	(b) Provisions	-	429,467	429,467
(2)	**Current Liabilities**			
	(a) Financial liabilities			
	(a) Borrowings	12,868,695	-	12,868,695
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-
	- Total outstanding dues of creditorsother than micro enterprises and small enterprises	-	-	-
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	198,192	-	198,192
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
	(c) Other Financial Liabilities	967,729	-	967,729
	(b) Other Current Liabilities			
	(a) Current tax liabilities (net)	-	-	-
	(b) Provisions	194,324	-	194,324
	(c) Other non-financial liabilities	217,694	-	217,694
	Total Equity and Liability	**14,446,634**	**-10,315,660**	**4,130,974**

Maturity analysis of assets and liabilities as at 01.04.2018

₹ in rupees

Sr. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Non-Current Assets**			
	(a) Property, Plant And Equipment	-	640,357	640,357
	(b) Capital Work In Progress	-	-	-
	(c) Intangible Assets	-	2,355,287	2,355,287
(2)	**Current Assets**			
	(f) Financial Assets			
	(a) Trade Receivables	-	-	-
	(b) Cash And Cash Equivalents	208,092	-	208,092
	(c) Other Receivables	109,085	-	109,085
	(g) Other Current Asssets			
	(a) Current tax assets (net)	14,055	-	14,055
	(h) Other non-financial assets	358,000	-	358,000
	Total assets	**689,232**	**2,995,644**	**3,684,876**
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity share capital	-	14,900,000	14,900,000
	(b) Other equity	-	-40,076,649	-40,076,649
	LIABILITIES			
(1)	**Non-Current Liabilities**			
	(a) Financial Liabilities			
	(i) Other Payables	-	16,419,750	16,419,750
	(b) Provisions	-	416,018	416,018
(2)	**Current Liabilities**			
	(a) Financial liabilities			
	(a) Borrowings	11,201,265	-	11,201,265
	(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	-	-	-
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	277,220	-	277,220
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
	(c) Other Financial Liabilities	173,943	-	173,943
	(b) Other Current Liabilities			
	(a) Current tax liabilities (net)	-	-	-
	(b) Provisions	96,520	-	96,520
	(c) Other non-financial liabilities	276,809	-	276,809
	Total Equity and Liability	**12,025,757**	**-8,340,881**	**3,684,876**

25 Contingent liabilities

₹ in rupees

Particulars	31.03.2020	31.03.2019	01.04.2018
Nil			

26 Capital commitments

Estimated amounts of contracts remaining to be executed on capital account (net of capital advances) and not provided:

Particulars	31.03.2020	31.03.2019	01.04.2018
Nil			

27 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 Caompany.

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	31.03.2020	31.03.2019	01.04.2018
Minimum lease obligations			
Not later than one year	384,444.00	348,437.00	173,943.00
Later than 1 year but not later than 5 years	251,499.00	619,292.00	-
Later than 5 years	-	-	-

28 Related party transactions

Names of the related parties (as per IndAS – 24)

Holding Company	**Madura Micro Finance Ltd.**	
Particulars	**31.03.2020**	**31.03.2019**
Amount due to Holding Company	8,512,091	7,412,091
Corporate guarantee given by Holding Company	12,896,003	18,054,404
Training fees from SHG	3,898,360	3,809,200
Expenses Reimbursed	1,922,451	1,922,451

29 Risk Management

29.1 Introduction and risk profile

Madura Mirco Education Private Limited is the business of creating awareness of micro finance borrowers by running training programs.

29.1.a Risk management structure

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 on receivables. Our business size and volume is insignifcant and hence we are not affected by credit risk

Interest Rate Risk

We are subject to interest rate risk, on our borrowings . However, we borrow from our Holding Company at fixed rates . So, we are insulated form this risk

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 team also manages compliance with requirements set forth by regulatory bodies and our internal standards.

Inflation Risk

Inflation rates in India have been range-bound in recent years. However, significant geo-political events may increase inflation levels in the future. A high-inflation environment may result in an increase in overall interest rates. High rates of inflation in the Indian economy could also lead to a higher operating cost, which could impact the results of our operations.However, we borrow at fixed rate from Holding company and hence the risk is managed

Risk management structure

Risk is an integral part of our business and sound risk management therefore is critical to our success.We continuously identify and implement comprehensive policies and procedures to assess, monitor and manage risk. Our 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. We assess the fitness of our risk management process on an event-driven basis.

Our risk management process has three components:

The assessment of business risks, operational controls assessment and compliance processes.

Concentration Risk - To mitigate concentration risk, we have well defined geographic norms.

29.1.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.

Interest rate sensitivity

₹ in rupees

Total market risk exposure

29.1.d

	Tuesday, 31.03.2020			Sunday, 31.03.2019			Sunday, April 1, 2018			
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
Assets										
Assets										
Cash & Cash equivalents	359,456		359,456	1,862,223		1,862,223	208,092		208,092	No market risk
Other receivables	20,727		20,727	88,423		88,423	109,085		109,085	No market risk
Liabilities										
Other payables	-		-	12,896,004		12,896,004	16,419,750		16,419,750	No market risk
Borrowings	21,277,174		21,277,174	12,868,695		12,868,695	11,201,265		11,201,265	Interest rate risk.Fixed interest- Hence no risk

30 Earnings per share (EPS)

₹ in rupees

The following reflects the profit / loss after tax and equity share data used in the basic and diluted EPS calculations:

Particulars	31.03.2020	31.03.2019
Net profit/ (loss) after tax as per statement of profit and loss	2,152,181.84	1,535,517.64
"Net profit/ (loss) as above for calculation of basic EPS and diluted EPS (₹ in crores)"	2,152,181.84	1,535,517.64
"Add: Interest on debentures convertible into equity shares (net of tax) (₹ in crores)"	-	-
Net profit/ (loss) for calculation of diluted EPS (₹ in crores)	2,152,181.84	1,535,517.64
Weighted average number of equity shares in calculating basic EPS	1,490,000.00	1,490,000.00
Stock options granted under ESOP	-	-
Weighted average number of equity shares in calculating dilutive EPS	1,490,000.00	1,490,000.00
Earnings per share	1.44	1.03
Dilutive earnings per share#	1.44	1.03
Nominal value per share		

31 Disclosure as per Ind AS 101 First-time adoption of Indian Accounting Standards:

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:

Mandatory exceptions and optional exemption

Deemed Cost:

The company has elected to use the written down value of the PPE on the date of transition as the cost of PPE.

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.

Leases:

The Company as a lessee has applied the provisions of IND AS 116 on lease by lease basis.

The company has elected not to apply the requirements of IND AS 116 for lease terms which ends within 12months from the date of transition and where management does not have an intention to continue the lease.

Similarly the company has also elected not to apply the requirements of IND AS 116 where the underlying asset value is of low value.

The company 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 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 assessed its financial assets for possible impairment as per the Expected credit loss model. However, the financial assets do not suffer from impairmnet considering the nature of the financial assets.

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.

Estimates:

The estimates used by the Company 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 31.03.2019.

Reconciliation of Balance Sheet under IGAAP with Ind AS for 31.03.2019

₹ in rupees

Particulars	Note No.	As at 31.03.2019	IndAs Adjustments	After Adjustments
ASSETS				
1) Non-Current Assets				
(a) Property, Plant And Equipment	1	177,173	938,502	1,115,675
(b) Capital Work In Progress			-	-
(c) Intangible Assets		677,957	-	677,957
2) Current Assets			-	-
(f) Financial Assets			-	-
(a) Trade Receivables		-	-	-
(b) Cash And Cash Equivalents		1,862,223	-	1,862,223
(c) Other Receivables		88,423	-	88,423
(g) Oher Current Asssets			-	-
(a) Current tax assets (net)		386,696	-	386,696
(h) Other non-financial assets		-	-	-
TOTAL ASSETS		3,192,472	938,502	4,130,974
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital		14,900,000	-	14,900,000
(b) Other equity			-	
(a) Profit & Loss account		-38,511,904	-86,303	-38,598,207
(b) Other Comprehensive Income		-	57,076	57,076
			-	
LIABILITIES				
(1) Non-Current Liabilities				
(a) Financial liabilities			-	
(a) Other payables		12,896,004		12,896,004
(b) Other Non-Current Liabilities			-	
(a) Provisions		429,467	-	429,467
(2) Current Liabilities			-	
(a) Financial liabilities			-	-
(a) Borrowings		12,868,695	-	12,868,695
(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			- -	
(II) Other payables				
(i) Total outstanding dues of micro enterprises and small enterprises		198,192		198,192

- Total outstanding dues of creditors other than micro enterprises and small enterprises	-	967,729	- 967,729
(c) Other Financial Liabilities	194,324	-	194,324
(b) Provisions	217,694	-	217,694
(c) Other non-financial liabilities	3,192,472	938,502	4,130,974
TOTAL ASSETS			

Reconciliation of Balance Sheet under IGAAP with IndAS for April 1, 2018

₹ IN LAKHS

Particulars	Note No.	" As at 31.03.2018 "	IndAs Adjustments	After Adjustments
		IGAAP		IndAS
ASSETS				
1) Non-Current Assets				
(a) Property, Plant And Equipment	3	466,414	173,943	640,357
(b) Capital Work In Progress			-	-
(c) Intangible Assets		2,355,287	-	2,355,287
2) Current Assets			-	-
(f) Financial Assets			-	-
(a) Trade Receivables		-	-	-
(b) Cash And Cash Equivalents		208,092	-	208,092
(c) Other Receivables		109,085	-	109,085
(g) Oher Current Asssets			-	-
(a) Current tax assets (net)		14,055	-	14,055
(h) Other non-financial assets		358,000	-	358,000
TOTAL ASSETS		**3,510,933**	**173,943**	**3,684,876**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital		14,900,000	-	14,900,000
(b) Other equity			-	
(a) Profit & Loss account		-40,076,649	-153,705	-40,230,354
(b) Other Comprehensive Income		-	153,705	153,705
LIABILITIES				
(1) Non-Current Liabilities				
(a) Financial liabilities			-	
(a) Other payables		16,419,750	-	16,419,750
(b) Other Non-Current Liabilities			-	
(a) Provisions		403,085	12,933	416,018
(2) Current Liabilities			-	
(a) Financial liabilities			-	-
(a) Borrowings		11,201,265	-	11,201,265
(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			-	
(II) Other payables			-	
(i) Total outstanding dues of micro enterprises and small enterprises		277,220		277,220

- Total outstanding dues of creditors other than micro enterprises and small enterprises			
(c) Other Financial Liabilities	-	173,943	173,943
(b) Other Current Liabilities		-	
(a) Current tax liabilities (net)	-	-	-
(b) Provisions	109,453	-12,933	96,520
(c) Other non-financial liabilities	276,809	-	276,809
TOTAL ASSETS	3,510,933	173,943	3,684,876

Reconciliation of Profit and Loss account under IGAAP with IndAS for 31.03.2019

	Particulars	Notes	IGAAP	IndAs Adjustments	IndAS
			For the year ended 31.03.2019		
I	**Revenue from operations**				
	(a) Fees and Commission		10,620,490	-	10,620,490
	Total Revenue from Operations (I)		**10,620,490**	**-**	**10,620,490**
II	**Other Income**		**1,007**	**-**	**1,007**
III	**Total Revenue (I+II)**		**10,621,497**	**-**	**10,621,497**
IV	**Expenses**				
	(a) Finance Cost				
	(i) On Borrowings	1	1,432,371	34,874	1,467,245
	(b) Employee Benefit expenses	2	3,763,712	-96,629	3,667,083
	(c) Depreciation, amortization and impairment	1	1,966,571	361,643	2,328,214
	(d) Other expenses		1,894,098	-367,290	1,526,808
	Total Expenses (IV)		**9,056,752**	**-67,402**	**8,989,350**
V	**Profit before Tax**		**1,564,745**	**67,402**	**1,632,147**
VI	**Tax Expense**				
	(a) Current Tax				
	(b) Deferred Tax				
	Total Tax Expense (VI)		**-**	**-**	**-**
VII	**Profit/(loss) for the year (V-VI)**		**1,564,745**	**67,402**	**1,632,147**
VIII	**Other Comprehensive Income**				
	(a) Remeasurement of Defined Benefit Plans	3	-	-96,629	-96,629
	Tax effect on above		-	-	-
	Total Other Comprehensive Income for the year		**-**	**-96,629**	**-96,629**
IX	**Total comprehensive income (VII +VIII) (comprising profit/loss and other comprehensive income for the year)**		**1,564,745**	**-29,227**	**1,535,518**
X	**Earnings per equity share (face value of Rs.10 each)**				
	Basic		1.05		1.03
	Diluted		1.05		1.03

Signature to Schedules & Notes

Vide our report of even date attached

For S.N.S. Associates

CHARTERED ACCOUNTANTS
(Firm Registration No. 006297S)

S. Nagarajan
(Partner)
(Membership No. 020899)

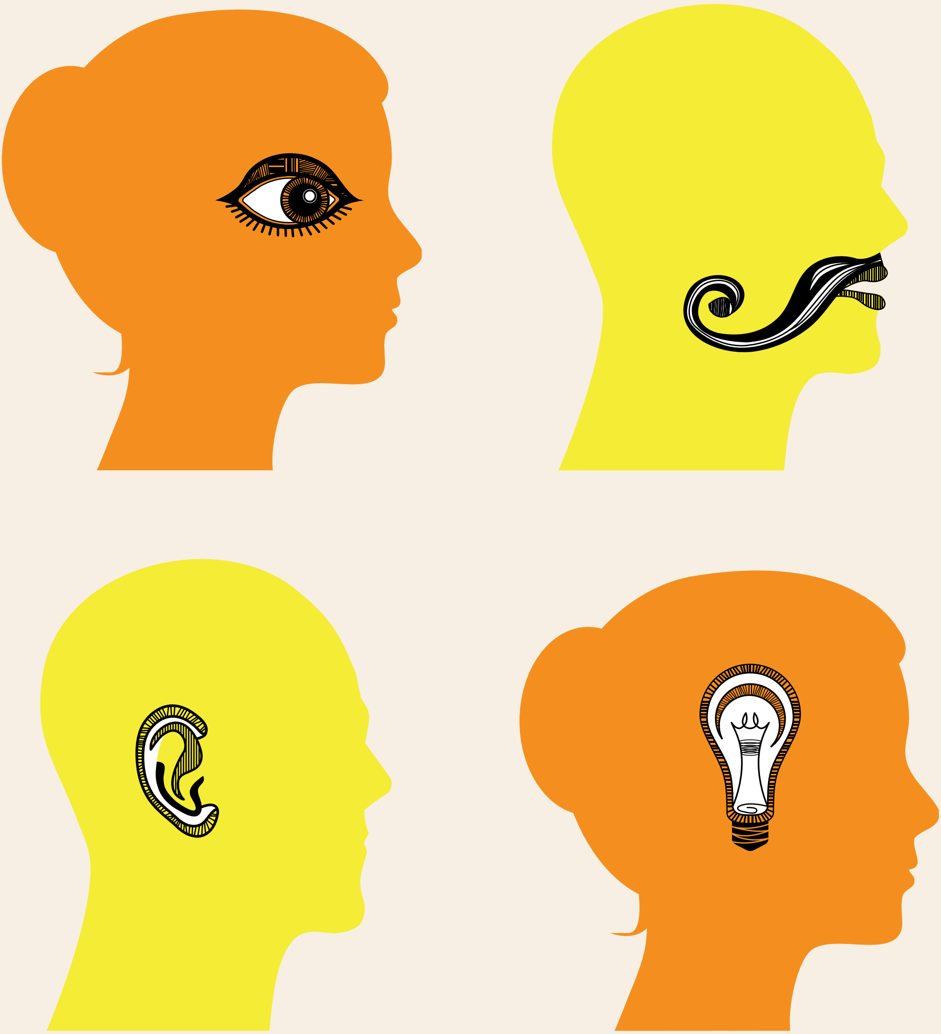
Tara Thiagarajan
Director

F S Mohan Eddy
Director

Chennai
Date: 12.05.2020

MADURA
Micro Finance

Consolidated Financial Statements



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 Flow 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 Consolidated Financial Statements 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 Matter

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 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 Matters

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 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 managements' 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 the company 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 (NIM).

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 report, 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 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 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.

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.

- 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.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

(a) 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.

   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.

(g) 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

S Rajeshwari
Partner
Membership No. 024105

Chennai
18.05.2020

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.

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

Chennai
18.05.2020

UDIN: 20024105AAAAA42857

Consolidated Balance Sheet as at March 31, 2020

₹ IN LAKHS

Particulars	Note No.	As At 31.03.2020	As At 31.03.2019	As at 01.04.2018
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
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's Registration No.003990S/S200018

Rajeshwari S
(Partner)
Membership No.024105

Tara Thiagarajan
Managing Director

F S Mohan Eddy
Whole-time Director

Chennai
18.05.2020

Venkateswaran Balakrishnan
Chief Financial Officer

M. Narayanan
Chief Executive Officer

Sanin Panicker
Company Secretary

Profit And Loss

Consolidated Statement of profit and loss for the year ended 31.03.2020

₹ IN LAKHS

Particulars	Note No.	For the year ended Tuesday, 31.03.2020	Sunday, 31.03.2019
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			
(1) Current tax	27		
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**

Profit And Loss

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's Registration No.003990S/S200018

Rajeshwari S
(Partner)
Membership No.024105

Tara Thiagarajan
Managing Director

F S Mohan Eddy
Whole-time Director

Chennai
18.05.2020

Venkateswaran Balakrishnan
Chief Financial Officer

M. Narayanan
Chief Executive Officer

Sanin Panicker
Company Secretary

Statement of changes in equity for the year ended 31.03.2020

Equity share capital

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

₹ IN LAKHS

Particulars	No of shares	Amount
At 01.04.2018	7,194,761.00	719.48
Changes in equity share capital during the year	-	-
At 31.03.2019	7,194,761.00	719.48
Changes in equity share capital during the year	-	-
as at 31.03.2020	7,194,761.00	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 at 01.04.2018	**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 31.03.2019	**4,626.15**	**8,365.47**	**18,504.11**	**31,495.73**
Profit for the year ended 31.03.2020	-	-	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 31.03.2020	**6,219.15**	**8,365.47**	**24,856.62**	**39,441.24**

Cash Flow

Consolidated Statement of cash flows for the year ended 31.03.2020

₹ IN LAKHS

Particulars	For the year ended 31.03.2020	31.03.2019
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)**

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's Registration No.003990S/S200018

Rajeshwari S
(Partner)
Membership No.024105

Tara Thiagarajan
Managing Director

F S Mohan Eddy
Whole-time Director

Chennai
18.05.2020

Venkateswaran Balakrishnan
Chief Financial Officer

M. Narayanan
Chief Executive Officer

Sanin Panicker
Company Secretary

Madura Micro Finance Limited
CIN:- U65929TN2005PLC057390
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 Ind AS, whichever is more stringent.

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 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.

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 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. 5,000/- 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 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-asset 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.

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 of profit or loss is recognised outside the statement of profit or loss (either in other comprehensive income or in equity).

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 of profit or loss is recognised outside the statement of 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

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.

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, the Group 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, the 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.

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:

- 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 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.

₹ IN LAKHS

	31.03.2020	31.03.2019	01.04.2018
4. Cash and cash equivalents			
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			
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)

₹ IN LAKHS

	31.03.2020	31.03.2019	01.04.2018
6 Loan portfolio (excluding securitised assets)			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			
(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	**-**	**-**	**-**

6(A) Group lending loans

Gross carrying value of assets as at 31st March 2020

	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**

₹ IN LAKHS

Gross carrying value of assets as at 31st March 2019

	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

	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:

	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	1,87,859.54
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**

	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**

	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

₹ IN LAKHS

	Stage 1	Stage 2	Stage 3	Total
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**

	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

	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

	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

	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.

₹ IN LAKHS

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to individual lending loans:

	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**

	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 model	86.45		48.14	134.60
ECL allowance as at 31st March 2020	**5.76**	**-**	**1.94**	**7.70**

	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		-67.18	-2,139.80
Assets written off during the year	-	-		-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**

	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 model	-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.

₹ IN LAKHS

	31.03.2020	31.03.2019	01.04.2018
7. Investments			
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)			
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)			
Other advances			
Unsecured, considered good	15.05	20.79	14.26
Total	**15.05**	**20.79**	**14.26**

9. Property, Plant and Equipment, Right of use Assets and Intangible Assets

₹ IN LAKHS

	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	-	0.36	1.80	-	3.30	74.92	0.06	18.84	164.10	263.38	57.52	320.90	37.99	37.99
As at March 31, 2019	-													
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:

	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
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

₹ IN LAKHS

10. Debt securities (at amortised cost)	31.03.2020	31.03.2019	01.04.2018
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	Amount ₹ in lakhs		
	31.03.2020	31.03.2019	01.04.2018	(in Rs)	31.03.2020	31.03.2019	01.04.2018
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

₹ IN LAKHS

Debentures (secured) (at amortised cost)

Terms of debentures	Number of debentures			Face value	Amount ₹ in lakhs		
	31.03.2020	31.03.2019	01.04.2018	(in Rs)	31.03.2020	31.03.2019	01.04.2018
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	Amount ₹ in lakhs		
	31.03.2020	31.03.2019	01.04.2018	(in Rs)	31.03.2020	31.03.2019	01.04.2018
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**	

₹ IN LAKHS

11. Borrowings other than debt securities (at amortised cost)

	31.03.2020	31.03.2019	01.04.2018
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.

₹ IN LAKHS

11.1 Terms of repayment of borrowings as on March 31, 2020

Original maturity of loan	Interest rate	Due within 1 year		Due between 1-2 Years		Due between 2-3 Years		Due between 3-4 Years		Due between 4-5 Years		Due more than 5 years		
		No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	No. of installments	Amount	Total
Monthly														
	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
1-3 years	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														
	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
1-3 years	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	-	-	141,546.93

This pertains to the principal outstanding only.

₹ IN LAKHS

11.2 Terms of repayment of borrowings as on March 31, 2019

Original maturity of loan	Interest rate	Due within 1 year		Due between 1-2 Years		Due between 2-3 Years		Due between 3-4 Years		Due between 4-5 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					-									
	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
1-3 years	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														
	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
1-3 years	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														
	11.5%-12%	1	333.33	-	-	-	-	-	-	-	-	-	-	33.33
	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.

₹ IN LAKHS

11.3 Terms of repayment of borrowings as on April 1, 2018

Original maturity of loan	Interest rate	Due within 1 year		Due between 1-2 Years		Due between 2-3 Years		Due between 3-4 Years		Due between 4-5 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														
	6%-6.5%	-	-	-	-	-	-	-	-	-	-	-	-	-
	10%-10.5%	119	8,539.58	86	6,092.55	13	1,067.92	13	86.79	-	-	-	-	15,786.84
	10.5%-11%	129	7,702.61	95	6,638.84	12	739.15	12	-	-	-	-	-	15,080.60
	11%-11.5%	92	4,865.92	55	2,045.62	22	437.33	22	-	-	-	-	-	7,348.87
1-3 years	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	4	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	2	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	63	1,235.64	7	723.02	3	278.17	72,136.29

This pertains to the principal outstanding only.

₹ IN LAKHS

	31.03.2020	31.03.2019	01.04.2018
12. Subordinated liabilities (at amortised cost)			
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		
	31.03.2020	31.03.2019	01.04.2018		31.03.2020	31.03.2019	01.04.2018
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**

₹ IN LAKHS

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 1-2 Years		Due between 2-3 Years		Due between 3-4 Years		Due between 4-5 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.

₹ IN LAKHS

		31.03.2020	31.03.2019	01.04.2018
13.	**Financial liability towards securitisation**			
	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)**			
	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**			
	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**			
	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**
16.	**Issued capital**			
	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
	Issued, subscribed 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	31.03.2020 No. of Shares	31.03.2020 Amount ₹ in lakhs	31.03.2019 No. of Shares	31.03.2019 Amount ₹ in lakhs	01.04.2018 No. of Shares	01.04.2018 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."

₹ IN LAKHS

(c) Details of shareholders holding more than 5% shares in the Company

	31.03.2020		31.03.2019		01.04.2018	
	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	8,99,345	12.50%	2,330,574	32.39%	2,330,574	32.39%
Mr. M Narayanan	3,97,683	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%

17. Other equity*

	31.03.2020	31.03.2019	01.04.2018
AuthoStatutory 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.

18. Interest income

	For the year ended 31.03.2020	For the year ended 31.03.2019
	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

	For the year ended 31.03.2020	For the year ended 31.03.2019
Loan portfolio servicing fees	25.75	26.50
Total	**25.75**	**26.50**

₹ IN LAKHS

20. Net gain / (loss) on fair value changes

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
(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**

21. Others

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Gain on de-recognition of loans under assignment (Refer note 3.1.5)	1,036.38	634.66
Total	**1,036.38**	**634.66**

22. Other Income

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
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 31.03.2020	For the year ended 31.03.2019
	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**

₹ IN LAKHS

24. Impairment of financial instruments

Particulars	For the year ended 31.03.2020 On financial assets measured at amortised cost	For the year ended 31.03.2019 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**

25. Employee benefit expenses

	For the year ended	
	31.03.2020	31.03.2019
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

	For the year ended	
Particulars	31.03.2020	31.03.2019
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**

Auditors remuneration

	For the year ended	
	31.03.2020	31.03.2019
Particulars		
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**

₹ IN LAKHS

Details of CSR expenditure Particulars	For the year ended 31.03.2020	31.03.2019
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

27. Income tax

Particulars	31.03.2020	31.03.2019
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

Particulars	31.03.2020	31.03.2019
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**

27(B) Movement in deferred tax balances for the year ended March 31, 2020

Particulars	Net balance 01.04.2019	(Charge) / credit in profit and loss	Recognised in OCI	Net balance 31.03.2020	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**

₹ IN LAKHS

Movement in deferred tax balances for the year ended March 31, 2019

	Net balance 01.04.2018	(Charge) / credit in profit and loss	Recognised in OCI	Net balance 31.03.2019	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	31.03.2020	31.03.2019	01.04.2018
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:

Particulars	31.03.2020	31.03.2019	01.04.2018
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

₹ IN LAKHS

29(A) Defined benefit plans

Gratuity

29.1 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:

Particulars	31.03.2020	31.03.2019	01.04.2018
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**

29.2 Expense recognised in profit and loss

Particulars	31.03.2020	31.03.2019	01.04.2018
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**

29.3 Re-measurement recognised in other comprehensive income

Particulars	31.03.2020	31.03.2019	01.04.2018
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**

29.4 Plan assets

Particulars	31.03.2020	31.03.2019	01.04.2018
Funds managed by insurer	-	-	-

₹ IN LAKHS

29.5 Defined benefit obligation - Actuarial assumptions

Particulars	31.03.2020	31.03.2019	01.04.2018
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

29.6 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:

	31.03.2020		31.03.2019		01.04.2018	
Particulars	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	31.03.2020	31.03.2019	01.04.2018
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**

₹ IN LAKHS

Expense recognised in profit or loss

Particulars	31.03.2020	31.03.2019	01.04.2018
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	31.03.2020	31.03.2019	01.04.2018
Funds managed by insurer	-	-	-

Defined benefit obligation - Actuarial assumptions

Particulars	31.03.2020	31.03.2019	01.04.2018
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:

Particulars	31.03.2020		31.03.2019		01.04.2018	
Present Value of Obligation (Base)	170.54	-	132.55	-	102.53	-
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	165.25	176.18	128.84	136.49	99.52	105.73
Future salary growth (1% movement)	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

30 Contingent liabilities

Particulars	31.03.2020	31.03.2019	01.04.2018
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

₹ IN LAKHS

31 Capital commitments

Estimated amounts of contracts remaining to be executed on capital account (net of capital advances) and not provided:

Particulars	31.03.2020	31.03.2019	01.04.2018
For purchase / development of computer software	-	-	-

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	31.03.2020	31.03.2019
	Key Management Personnel	
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	
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

₹ IN LAKHS

Transactions during the year	31.03.2020	31.03.2019
	Company under common control	
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	
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	-

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 Ind AS adoption, company has recognised the lease liability and right-of-use asset as per above mentioned measurement principles at the date of transition to Ind AS 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 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.

33.4 Total lease liabilities are analysed as at	31.03.2020	31.03.2019	01.04.2018
a Denominated in the following currencies:			
Rupees in Lakhs	179.47	120.27	61.22
Foreign currency	-	-	-
Total	**179.47**	**120.27**	**61.22**
b Maturity of Lease liability			
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:

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**

₹ IN LAKHS

	31.03.2020	31.03.2019

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:	31.03.2020	31.03.2019
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	31.03.2020	31.03.2019
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.

34 RBI Disclosures

a. Capital to risk assets ratio ('CRAR'):

Particulars	31.03.2020	31.03.2019
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	31.03.2020	31.03.2019
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	31.03.2020	31.03.2019
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).

₹ IN LAKHS

d. Disclosure related to securitization

The information on securitisation activity of the Company as an originator is furnished below:

Particulars	31.03.2020	31.03.2019
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	31.03.2020	31.03.2019
Number of loans assigned / securitised during the year	1,70,456	1,40,240
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 current and previous year.

₹ 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 years	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	1,71,062.90
Advances	-	-	14,641.21	40,918.63	65,821.93	71,270.17	5.93	-	1,92,657.87
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, 2020:

Particulars	Upto 30 / 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 years	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	-	1,70,490.83
Advances	12,364.30	12,533.11	12,290.01	34,972.60	57,649.84	54,327.86	10.34	-	1,84,148.06
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.

i. Exposures to real estate

Category	31.03.2020	31.03.2019
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.

₹ IN CRORES

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	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
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		

₹ IN LAKHS

	For the year ended 31.03.2020	31.03.2019
n. Provisions and contingencies		
Particulars		
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		
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 31.03.2020	Percentage of NPAs to Total Advances in that sector as at 31.03.2019
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

r. Movement of NPAs

Particulars	31.03.2020	31.03.2019
(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

₹ IN LAKHS

Particulars	31.03.2020	31.03.2019
(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, 2020:

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	31.03.2020	31.03.2019
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 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 FAQ sissued by RBI on October 12, 2017.

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.

v. The Company has not disbursed any loan against the security of gold.

All disclosure 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.

w. Asset classification as per RBI Norms

As at 31st March 2020

₹ IN LAKHS

Asset Classification as per RBI Norms (1)	Asset Classification as per IndAS 109 (2)	Gross Carrying amount as per IndAS (3)	Loss Allowances (provisions) required under IndAS 109 (4)	Net carrying Amount (5)=(3)-(4)	Provisions as per IRACP norms (6)	Difference between IndAs 109 provisions and IRACP Norms (7)=(4)-(6)
Performing Assets						
Standard	Stage 1	1,90,448.39	1,901.54	1,88,546.85	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		1,94,152.44	2,637.90	1,91,514.55	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 applicable	Not applicable
Subtotal		216.12	216.12	-	-	-
Total	Stage 1	1,90,448.39	1,901.54	1,88,546.85	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	1,97,537.12	4,879.27	1,92,657.84	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

As at 31st March 2019

₹ IN LAKHS

Asset Classification as per RBI Norms (1)	Asset Classification as per IndAS 109 (2)	Gross Carrying amount as per IndAS (3)	Loss Allowances (provisions) required under IndAS 109 (4)	Net carrying Amount (5)=(3)-(4)	Provisions as per IRACP norms (6)	Difference between IndAs 109 provisions and IRACP Norms (7)=(4)-(6)
Performing Assets						
Standard	Stage 1	1,81,169.64	1,950.90	1,79,218.74	728.33	1,222.56
	Stage 2	5,085.40	810.99	4,274.41	20.00	790.99
Standard assets total		1,86,255.04	2,761.89	1,83,493.15	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 applicable	Not applicable
Subtotal		254.66	254.66	-	-	-
Total	Stage 1	1,81,169.64	1,950.90	1,79,218.74	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	1,88,218.45	4,070.39	1,84,148.06	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.

As at 1st April 2018

₹ IN LAKHS

Asset Classification as per RBI Norms (1)	Asset Classification as per IndAS 109 (2)	Gross Carrying amount as per IndAS (3)	Loss Allowances (provisions) required under IndAS 109 (4)	Net carrying Amount (5)=(3)-(4)	Provisions as per IRACP norms (6)	Difference between IndAs 109 provisions and IRACP Norms (7)=(4)-(6)
Performing Assets						
Standard	Stage 1	1,15,857.46	953.24	1,14,904.22	466.55	486.69
	Stage 2	1,209.12	354.50	854.63	5.00	349.50
Standard assets total		1,17,066.58	1,307.74	1,15,758.85	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 applicable	Not applicable
Subtotal		276.21	276.21	-	-	-
Total	Stage 1	1,15,857.46	953.24	1,14,904.22	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	1,17,918.18	1,942.70	1,15,975.48	1,666.65	-0.16

Note: Stage 1 provision includes additional provision created to meet minumum provisions required under IRACP.

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.

₹ IN LAKHS

35.07 Total market risk exposure

	31.03.2020			
	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**	

	31.03.2019			
	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**	

₹ IN LAKHS

Assets	01.04.2018 Carrying amount	Traded risk	Non-traded risk	Primary risk sensitivity
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.

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.

₹ IN LAKHS

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 years	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	44,558.46	50,048.18	926.08	-	1,41,764.27 7,489.63
Subordinated liabilities	-0.12	-0.12	0.84	-0.38	1.17	-3.75	4,995.04	2,496.95	
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**	**1,71,062.90**

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 years	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	-	1,38,531.93
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**	**-**	**1,72,640.08**

₹ IN LAKHS

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 years	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	1,00,494.74

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 MMFL, 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 pandemic, 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

₹ IN LAKHS

35.16 ALM - Funding and Capital Management

35.16 A Maturity analysis of assets and liabilities as at March 31, 2020

SI No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
	Financial assets			
	Cash and cash equivalents	8,024.09	-	8,024.09
	Bank balance other than cash and cash equivalents	2,832.70	2,861.73	5,694.43
	Receivables	-	-	-
	(I) Trade receivables	-	-	-
	(II) Other receivables	-	-	-
	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	-	-	-
	Investments	4,501.95	33.62	4,535.57
	Other financial assets	1,186.63	73.64	1,260.27
	Non-financial assets	-	-	-
	Current tax assets (net)	-	452.00	452.00
	Deferred tax assets (net)	-	1,223.71	1,223.71
	Property, plant and equipment	-	749.81	749.81
	Right to use assets	3.99	162.28	166.27
	Capital work in progress	-	-	-
	Intangible assets under development	-	-	-
	Intangible assets	-	89.00	89.00
	Other non-financial assets	15.05	-	15.05
	Total assets	**137,946.18**	**76,921.90**	**214,868.08**
	LIABILITIES AND EQUITY			
	Financial liabilities			
	Derivative Financial Instruments	-	-	-
	Payables	-	-	-
	(I) Trade payables	-	-	-
	(i) Total outstanding dues of micro enterprises and small enterprise	-	-	-
	(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
	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
	Other financial liabilities	85.59	93.88	179.47
	Non-financial liabilities	-	-	-
	Current tax liabilities (net)	-	-	-
	Provisions	121.46	307.47	428.93
	Other non-financial liabilities	149.77	5.86	155.63
		-	-	-
	Equity	-	-	-
	Equity share capital	-	719.48	719.48
	Other equity	-	39,441.24	39,441.24
	Total liabilities and equity	**111,735.44**	**103,132.64**	**214,868.08**

₹ IN LAKHS

35.16 B Maturity analysis of assets and liabilities as at March 31, 2019

SI 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
(c)	- Subordinated liabilities	-	5,000.00	5,000.00
	- Financial liability towards securitisation	11,969.11	1,817.44	13,786.55
	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	203.86	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**

₹ 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	1,07,958.35
	- 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
(c)	- Subordinated liabilities	-	5,000.00	5,000.00
	- Financial liability towards securitisation	6,133.58	1,439.04	7,572.62
	Other financial liabilities	-128.06	189.28	61.22
		-	-	-
(2)	**Non-financial liabilities**			
	Current tax liabilities (net)	57.70	-	57.70
(a)	Provisions	78.40	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**

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%.

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.

₹ IN LAKHS

Particulars	31.03.2020	31.03.2019	01.04.2018
Net Debt	171,062.90	172,640.08	100,494.74
Total Equity	40,160.72	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 lilbilities 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).

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.

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).

₹ IN LAKHS

		31.03.2020			
Financial assets	**Measured at**	**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**

		31.03.2020			
Fair value of financial liabilities	**Measured at**	**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**	**-**

		31.03.2019			
Financial assets	**Measured at**	**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**

₹ IN LAKHS

Fair value of financial liabilities	Measured at	Carrying amount	31.03.2019 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**	**-**

Financial assets	Measured at	Carrying amount	01.04.2018 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	Carrying amount	01.04.2018 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.

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	31.03.2020	31.03.2019
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	71,94,761	71,94,761
Weighted average number of equity shares in calculating dilutive EPS	71,94,761	71,94,761
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 Thiagarajan 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.

₹ IN LAKHS

41 Disclosure relating to Micro, Small and Medium Enterprises:

Particulars	31.03.2020	31.03.2019
(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 Developmen 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	-	-

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 profit or loss	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.

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.

45 Reconciliation of equity as at Mar 31, 2019:

₹ IN LAKHS

Sr. No.	Particulars	Refer note below	As at 31.03.2019 Previous GAAP	As at 31.03.2019 Ind AS Adjustments	As at 31.03.2019	As at 01.04.2018 Previous GAAP	As at 01.04.2018 Ind AS Adjustments	As at 01.04.2018
	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	6,797.67	8,017.12
(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**

₹ IN LAKHS

		Refer note below	As at 31.03.2019 Previous GAAP	As at 31.03.2019 Ind AS Adjustments	As at 31.03.2019	As at 01.04.2018 Previous GAAP	As at 01.04.2018 Ind AS Adjustments	As at 01.04.2018
	LIABILITIES AND EQUITY							
	Financial liabilities							
(1)	Derivative Financial Instruments		7.21	-	7.21	193.35	-	193.35
(a)	Payables		-	-	-	-	-	-
(b)	(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		954.41	-	954.41	67.74	-	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		644.08	0.36	644.44	1,454.53	-	1,454.53
	Borrowings		-	-	-	-	-	-
(c)	- 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
	Other financial liabilities	6	-	120.27	120.27	-	61.22	61.22
(d)				-	-	-	-	-
	Non-financial liabilities		-	-	-	-	-	-
(2)	Current tax liabilities (net)		212.09	-	212.09	57.70	-	57.70
(a)	Provisions		306.96	-	306.96	455.58	-223.12	232.46
(b)	Other non-financial liabilities		133.28	-	133.28	119.84	-	119.84
(c)			-	-	-	-	-	-
	Equity		-	-	-	-	-	-
(3)	Equity share capital		719.48	-	719.48	719.48	-	719.48
(a)	Other equity		31,219.36	276.35	31,495.72	22,927.48	21.58	22,949.06
(b)	**Total liabilities and equity**		**195,353.21**	**11,880.73**	**207,233.94**	**119,934.82**	**6,415.30**	**126,350.12**

₹ IN LAKHS

46 Reconciliation of total comprehensive income for the year ended 31.03.2019

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 the year)**		**8,068.78**	**477.89**	**8,546.67**

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 been 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 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 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.

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

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Firm's Registration No.003990S/S200018

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Membership No.024105

Tara Thiagarajan
Managing Director

F S Mohan Eddy
Whole-time Director

Chennai
18.05.2020

Venkateswaran Balakrishnan
Chief Financial Officer

M. Narayanan
Chief Executive Officer

Sanin Panicker
Company Secretary