

**Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**Review Report to  
The Board of Directors  
CreditAccess Grameen Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of CreditAccess Grameen Limited (the "Company") for the quarter ended June 30, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS 34 prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note 3 to the Statement, which describes the economic and social disruption, as a result of COVID-19 pandemic, of the Company's business and financial metrics, including the Company's estimates of impairment of loans to customers, which are highly dependent on uncertain future developments. Our conclusion is not modified in respect of this matter.

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

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per Shrawan Jalan  
Partner  
Membership No.: 102102

UDIN: 20102102AAACMH5902

Mumbai  
August 1, 2020

CreditAccess Grameen Limited #49, 46th Cross, 8th Block, Jayanagar, Bangalore - 560071 Statement of unaudited standalone financial results for the quarter ended June 30, 2020 CIN: L51216KA1991PLC053425					
Sr. No.	Particulars	Quarter ended			Year ended
		30-Jun-20 (Unaudited)	31-Mar-20 (Audited) (Refer Note 8)	30-Jun-19 (Unaudited)	31-Mar-20 (Audited)
₹ in crores					
	<b>Revenue from operations</b>				
(a)	Interest income				
	- Interest on loans	487.79	451.40	352.54	1,588.80
	- Income on securitisation (re-recognised on balance sheet)	-	0.60	10.25	22.25
	- Interest on deposits with banks and financial institutions	1.28	2.38	1.43	6.14
(b)	Fees and commission	0.34	2.00	0.71	4.95
(c)	Net gain on fair value changes	20.55	3.16	10.01	56.15
(d)	Bad debt recovery	0.14	1.38	1.52	5.20
<b>I</b>	<b>Total revenue from operations</b>	<b>510.10</b>	<b>460.92</b>	<b>376.46</b>	<b>1,683.49</b>
<b>II</b>	<b>Other income</b>	<b>0.58</b>	<b>0.12</b>	<b>0.24</b>	<b>0.87</b>
<b>III</b>	<b>Total income (I+II)</b>	<b>510.68</b>	<b>461.04</b>	<b>376.70</b>	<b>1,684.36</b>
	<b>Expenses</b>				
(a)	Finance costs				
	- On borrowings	185.10	166.27	120.07	563.89
	- On financial liability towards securitisation (re-recognised on balance sheet)	-	1.37	3.55	8.78
(b)	Impairment of financial instruments	138.97	140.68	15.47	238.98
(c)	Employee benefits expenses	76.71	68.17	58.64	259.64
(d)	Depreciation and amortisation expenses	5.48	5.07	3.27	19.64
(e)	Other expenses	18.88	49.64	27.57	142.54
<b>IV</b>	<b>Total expenses (IV)</b>	<b>425.14</b>	<b>431.20</b>	<b>228.57</b>	<b>1,233.47</b>
<b>V</b>	<b>Profit before tax (III-IV)</b>	<b>85.54</b>	<b>29.84</b>	<b>148.13</b>	<b>450.89</b>
	<b>Tax expense</b>				
	(1) Current tax	47.88	41.90	56.25	159.32
	(2) Deferred tax	(25.94)	(34.87)	(3.95)	(35.93)
<b>VI</b>	<b>Total tax expense (VI)</b>	<b>21.94</b>	<b>7.03</b>	<b>52.30</b>	<b>123.39</b>
<b>VII</b>	<b>Profit for the period / year (V-VI)</b>	<b>63.60</b>	<b>22.81</b>	<b>95.83</b>	<b>327.50</b>
<b>VIII</b>	<b>Other comprehensive income</b>				
(a)	(1) Items that will not be reclassified to profit or loss	(0.14)	(0.36)	0.26	0.05
	(2) Income tax relating to items that will not be reclassified to profit or loss	0.04	0.09	(0.09)	(0.01)
	<b>Subtotal (a)</b>	<b>(0.10)</b>	<b>(0.27)</b>	<b>0.17</b>	<b>0.04</b>
(b)	(1) Items that will be reclassified to profit or loss	11.64	(30.36)	(5.92)	(34.83)
	(2) Income tax relating to items that will be reclassified to profit or loss	(2.93)	7.64	2.07	7.46
	<b>Subtotal (b)</b>	<b>8.71</b>	<b>(22.72)</b>	<b>(3.85)</b>	<b>(27.37)</b>
	<b>Other comprehensive income (VIII = a+b)</b>	<b>8.61</b>	<b>(22.99)</b>	<b>(3.68)</b>	<b>(27.33)</b>
<b>IX</b>	<b>Total comprehensive income (VII+VIII) (comprising profit and other comprehensive income for the period / year)</b>	<b>72.21</b>	<b>(0.18)</b>	<b>92.15</b>	<b>300.17</b>
<b>X</b>	<b>Earnings per equity share (face value of ₹ 10 each)</b>				
	Basic (EPS) *	4.42	1.58	6.67	22.78
	Diluted (DPS) *	4.39	1.57	6.61	22.59

\* The EPS and DPS for quarters ended June 30, 2020, March 31, 2020 and June 30, 2019 are not annualised

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**CreditAccess Grameen Limited**  
**#49, 46th Cross, 8th Block, Jayanagar, Bangalore - 560071**  
**Statement of unaudited standalone financial results for the quarter ended June 30, 2020**  
**CIN: L51216KA1991PLC053425**

**Notes:**

- The above results for the quarter ended June 30, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on August 01, 2020 respectively and subjected to limited review by statutory auditors in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.
- The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and notified under Section 133 of the Companies Act, 2013 ("the Act").
- The COVID-19 pandemic has contributed to a significant disruption of the economic activities across the globe including India. The Government of India announced a strict nation-wide lockdown to contain the spread of the virus which continued till May 31, 2020. Subsequently, various state governments and local statutory authorities have imposed restrictions on economic activities depending upon the severity of the pandemic in different parts of the country which has continued to impact Company's operations including lending and collection activities due to inability of employees to physically reach borrowers and other operational challenges.

Further, pursuant to the Reserve Bank of India circulars dated March 27, 2020 and May 23, 2020 allowing lending institutions to offer moratorium to borrowers on payment of instalments falling due between March 1, 2020 and August 31, 2020, the Company initially offered a moratorium to all customers until May 31, 2020 which has been further extended up to August 31, 2020 to specific customers based on requests received.

At March 31, 2020, the Company had recorded a management overlay allowance of ₹ 82.86 crores as part of its expected credit loss estimate, to reflect, among other things, an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic based on the information available till that point in time. Further, during the quarter ended June 30, 2020 the Company has re-assessed the provisions made having regard to the continued disruption and its likely impact over a period further than that anticipated as of March 31, 2020. Accordingly, the Company has provided an additional management overlay of ₹ 140.59 crores for the quarter, taking the total provision for expected credit losses as at June 30, 2020 to ₹ 402.24 crore (including total management overlay for COVID-19 of ₹ 223.45 crore).

Given the unique nature and scale of this pandemic, its full extent of impact on the Company's operations and financial metrics (including impairment allowances for loan portfolio) will depend on highly uncertain future developments including governmental and regulatory measures and the Company's responses thereto. Accordingly, the aforesaid management overlay is based on various variables and assumptions, which could result in actual credit loss being different than that being estimated.

- Further, in view of the matters as mentioned in note 3 above, the Company has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. With the relaxation of lockdown rules, as well as resumption of commercial activities by borrowers in a majority of geographies in which the Company operates, management is confident that collections will continue, albeit likely at a lower level than earlier, as experienced during the month of June 2020. Further, the Company has considered its current liquidity position which includes cash and cash equivalents of ₹ 1,068.08 crores as at June 30, 2020 and the expected inflows from various sources of borrowings including various stimulus packages announced by the Government of India, and fresh sanctions from existing / prospective lenders as well as the incremental loan disbursements planned for the foreseeable future. Based on the foregoing and necessary stress tests considering various scenarios adjusted for actual loan collection trends observed during the quarter, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future.
- During the previous year, the Company has completed the acquisition of a controlling stake (76.08%) in the paid-up equity share capital of Madura Micro Finance Limited (MMFL), an NBFC-MFI registered with the Reserve Bank of India (RBI) which will subsequently be followed by an amalgamation of MMFL's business with the Company, subject to obtaining necessary approvals from various regulatory authorities.
- 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.
- From the previous financial year, the Company has opted for reduced rate of 25.17% for computation of income tax as per newly inserted Section 115BAA of the Income Tax Act, 1961.
- The figures for the quarter ended March 31, 2020 are the balancing figures between audited figures for the financial year ended March 31, 2020 and the unaudited published year to date figures upto December 31, 2019.
- Previous year / periods figures have been regrouped / rearranged, wherever considered necessary, to conform with current period's classification.

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

  
**Udaya Kumar Hebbbar**  
Managing Director & CEO

Bangalore  
August 01, 2020



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