CreditAccess®
Grameen

STOOD THE TEST OF TIME AND TRUST

INTEGRATED ANNUAL REPORT 2021-2022

ABOUT THE REPORT

1. Our Approach to Reporting

This Annual Report (Integrated) for FY2022 – **'Stood the Test of Time and Trust',** endeavours to provide a holistic assessment of the CreditAccess Grameen Limited's ("CA Grameen" or the "Company") financial and non-financial performance. Our Report continues to evolve towards enhanced disclosures to meet the requirements of our shareholders, investors, lenders, and other stakeholders.

2. Reporting Principle

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

3. Reporting Period

The Integrated Report FY2022 is an annual publication and provides material information relating to our strategy and business model for the period April 01, 2021 to March 31, 2022. For KPIs, comparative figures for the last three to five years have been incorporated in the Report to provide a holistic view to our stakeholders.

4. Materiality & Scope

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

5. Management Responsibility

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

6. Independent Assurance

We safeguard the quality of information contained in the report through a robust assurance process, leveraging our internal expertise and external assurance carried out by Deloitte Haskins & Sells LLP, an independent third-party assurance provider. You can find our Assurance Statement on Page344.

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YEAR AT A GLANCE

Our resilient business model has been revalidated time and again during every crisis. Over the last two years, the Covid pandemic hit the macroeconomic environment, however, the Company displayed faster recovery, superior asset quality, and improved operational profitability.

The beginning of FY22 saw the second wave of Covid-19, being more severe and taking a significant toll on human lives. However, the learnings and experiences from the first wave and the nation-wide vaccination drive conducted on war-footing, helped the country to come back to normalcy at a faster pace. Further, the third wave resurfacing in January 2022 had a relatively lesser impact on public health and the economy. The microfinance industry, being a very important mode of financing at the bottom of the pyramid, was considered as an essential activity and allowed to operate during the pandemic. Further, various support schemes from the Government and RBI ensured sufficient liquidity and funding to the microfinance industry. The Company also had its own benefactors in form of a deep rural presence, a majority of customers engaging in economic activities that are classified as essential services, strong engagement with customers/community /stakeholders, agile business processes, robust risk management, and experienced and stable management team.

The Company successfully completed the process of integration at Madura Micro Finance Limited ("MMFL") in Sep-21, aligning all processes and controls at MMFL with CA Grameen. From Oct-21 onwards, all incremental disbursals were based on CA Grameen's operating model, wherein the customers primarily opted for weekly/bi-weekly repayment frequency. As on Mar-22, around 65% of MMFL's Assets Under Management has been transitioned to CA Grameen's operating model and has been displaying a robust asset quality trend.

Below are the highlights of our capitals and their key indicators.

FINANCIAL CAPITAL

Consolidated Gross Assets under Management (AUM)

₹165,993.55 MILLION (22.17% YoY)

- Gross Assets under Management (AUM): **₹165,993.55 million (22.17% YoY)**
- Active Borrowers: **3.82 million (- 2.25% YoY)**
- Total Income: **₹27,501.27 million**
- Pre-Provision Operating Profit: **₹10,775.31 million**
- Profit After Tax: **₹3,570.99 million**
- Return on Assets (ROA): **2.19%**
- Return on equity (ROE): **9.13%**
- Opex/AUM: **4.9%**
- Capital Adequacy: **22.77% (26.54% standalone)**
- Credit Rating: **A+/A1+ (stable outlook)**

SOCIAL AND RELATIONSHIP CAPITAL

- **99.99%** women borrowers
- Highest comprehensive MFI grading of M1C1 from CRISIL
- Client Protection Certified (Cerise + SPTF) with "**Gold Level**", rated by M-CRIL
- Total number of loans disbursed: **3.99 million**

Total institutions provided with direct Covid-19 support

15,632 **(Standalone)**

MANUFACTURED CAPITAL

- Pan India presence in **14 states and one union territory**
- **1,635 branches** across **319 districts**
- **17** regional/ divisional offices/ processing centres

HUMAN CAPITAL

- "Great Places To Work" Certified and amongst India's Best Workspaces in BFSI 2022 – Top 30, for 3rd consecutive year
- Number of employees: **15,667**
- Employees from local community: **97.65%**
- Average training hours per employee (Including Pre-Hires): **57 hours**

NATURAL CAPITAL

- **99.90%** loans having positive environmental & social impact
- Emissions (Scope 1,2,3) (Standalone): **10,430 tCO_2e**
- Emissions (Scope 1,2,3) Intensity (Standalone): **0.87 tCO_2e / FTE**

INTELLECTUAL CAPITAL

- **1.6 products** per customer (standalone)
- **84% customer** retention rate (standalone)
- **0.58 million** new customers digitally onboarded (standalone)
- Only MFI to integrate world standard core banking solution
- **6,601 branch audits** performed through automated digital application (standalone)

MESSAGE FROM CHAIRMAN

"Attaining Leadership in Performance Consistency, Governance, and Social Responsibility"

GEORGE JOSEPH
CHAIRMAN & LEAD INDEPENDENT DIRECTOR

The financial year 2021-22 was yet another successful year for CA Grameen as we further fortified our leadership position in the microfinance industry. The first quarter of the financial year was significantly impacted by the second wave of the COVID-19 pandemic, leading to an increase in portfolio delinquencies and a sharp decline in disbursements. However, given a robust business model, deep rural presence, and extensive customer engagement, CA Grameen demonstrated faster recovery in collections and resumption of new business beginning from Jul-21. We opened 211 new branches and added 0.69 million new customers in FY22, backed by a stronger rebound in the rural economy. Our early risk recognition, conservative provisioning, and write-off policy helped us to significantly contain the asset quality stress leading to improved visibility in the operational profitability beginning from the third quarter of FY22.

Subsequent to our acquisition of MMFL in FY21, we continued to handhold their team to navigate the operational challenges on account of Covid-19 and gradually work towards alignment with CA Grameen's operating model. We achieved a major milestone in FY22 by successfully completing the process integration with MMFL. The process integration was commenced in a phased manner beginning Feb-21 and was completed in Sep-21, resulting in the alignment of various functions across field operations, audit, risk, finance, treasury, technology, human resources, etc. Beginning Oct-21, incremental disbursements at MMFL were based on CA Grameen operating model. As on Mar-22, around 65% of MMFL's loan portfolio was as per CA Grameen operating model, primarily weekly and bi-weekly repayment frequency, and displaying stable asset quality. MMFL's portfolio grew by 27.69% in FY22, driven by 33.49% growth in H2 FY22. The benefits of CA Grameen's multi-product approach helped in increasing the average outstanding per borrower at MMFL from over ₹20,400 as on Mar-21 to over ₹30,800 as on Mar-22. We should continue to witness the benefits of a combined franchise over the coming years.

The Company had adopted Integrated Reporting in FY21 in line with the International Integrated Reporting Council framework. The Company won Gold Shield Award for "Excellence in Integrated Reporting and Reporting on Sustainable Development Goals for the year 2020-21" conferred by the Institute of Chartered Accountants of India (ICAI) in Jan-22 recognizing and honouring our efforts towards sustainability linked disclosures. Being cognizant of operating in a business which has a high environment and social responsibility, CA Grameen took necessary measures to further strengthen its governance standards and compliance with global ESG requirements. The materiality assessment process was initiated during the financial year to identify the key material stakeholder issues. The Company strengthened its policy framework by formulating various policies to enhance the monitoring and compliance with global ESG standards. To enable board level supervisory oversight, the Company established CSR & ESG committee which shall work towards identifying risks and opportunities across various ESG aspects and devise necessary action plans and targets to mitigate such risks and build on the opportunities.

I would like to convey my best wishes to the management team and all the employees to remain focused on their efforts and commitment toward leading the microfinance industry from the forefront and achieving our vision of becoming a preferred financial partner to low-income households and fulfilling their evolving lifecycle needs. I would also like to express my gratitude to our government, regulator, and all shareholders for their continued support and confidence in CA Grameen to create a long term positive social impact across the country.

MESSAGE FROM MD & CEO

"Rejuvenating for Long Term Scalable, Profitable, and Sustainable Growth"

UDAYA KUMAR HEBBAR
MD & CEO

The ingrained resiliency in our business model has helped us smoothly sail through the pandemic hit macroeconomic environment and successfully achieve our FY22 performance guidance. The resurgence of Covid 2.0 saw a large-scale impact on human lives with a short-term disruption in livelihoods and fortunately Covid 3.0 waded away without such disruptions. We continued to focus on the basics of customer and employee centricity, nurturing our relationships, and ensuring consistent process adherence. The efforts yielded rich results with our asset quality showing remarkable strength since the second quarter as unlock phase commenced while disbursements touched new heights. Our "high-tech high-touch" operating model coupled with a stable and experienced management team helped us to remain agile and responsive to changing business dynamics. Over the past six years, despite encountering multiple challenges both on the business and economic front in form of demonetization, IL&FS default led credit / liquidity crisis, COVID-19 pandemic for two financial years, and regular incidences such as floods, cyclones, and 3rd party interventions, we achieved a cross-cycle return on asset of over 3.00%.

In FY22 we registered 22.17% growth in our consolidated gross loan portfolio reaching ₹165,993.54 million with 3.82 million borrowers. Our contiguous district-based expansion has laid out well as we continue to tap newer geographies and cater to unserved and underserved deep rural markets as a part of the capital creation story at the bottom of the pyramid. We opened 211 branches, primarily outside of the top 3 states, taking our consolidated branch network to 1,635 at the end of March 2022. Moreover, 47% of the new borrower addition during the year came outside of the top 3 states showing the results of our diversification efforts. We recorded our highest consolidated income of ₹27,501.27 million and Pre-Provision Operating Profit of ₹10,775.31 million during FY22. Consolidated Profit after Tax increased by 171.76% reaching ₹3,570.99 million in FY22 compared to ₹1,314.03 million in FY21.

We have nurtured our vision of becoming the preferred financial partner of Indian low-income households lacking access to formal credit, enriching their lives by providing convenient and reliable solutions, matching their evolving needs. The new microfinance guidelines are a shot in the arm & complementary to gain pace towards achieving our vision. With an expanded market scope through upward revision of household income, risk-based pricing, and an increase in the limit of non-microfinance loans up to 25% of total assets, we are blessed with a lot of flexibility to design products based on customer suitability.

Our strategy will now be to acquire new-to-credit and early-stage customers through microfinance, retain graduated customers through individual unsecured business loans up to a certain limit, followed by offering secured products complementary to the target segment to support their growing business needs and asset ownership aspirations. On the back of our deep rural presence and a solid understanding of the customer's mindset and financing requirements, we have identified products complementary to our target customer segment – small ticket business loans, affordable housing loans, gold loans, and 2-wheeler loans. We shall run extensive pilots over the coming quarters before scaling up these products. We have already made necessary technology investments to support these new products and shall leverage our existing retail finance branch network and employee base to offer these products to our existing as well as new customers.

As we continue to grow our balance sheet, asset diversification strategy will make us more resilient to macroeconomic cycles, improve our credit ratings and provide stable returns to our stakeholders. To support the increasing business size and scale, we are further strengthening our liability profile with stable & long term funds, diversification beyond domestic resources in the coming years. We shall work towards achieving a liability mix which will have a significant share of international funds, along with stable funds from domestic banks & financial institutions. Short-term sources including direct assignment, securitization, commercial papers, etc. will remain a strategic balancing. We are working towards international ratings and ESG compliance which will be an added advantage in this journey. Overall, our key focus will be on further strengthening our ALM position to enable solid support to our growing asset book.

I am proud to share that CA Grameen has been certified as a “Great Place To Work®” and ranked as the Top 30 Best Workplaces in the BFSI sector - 2022 by Great Place To Work® Institute for the third time in a row! We dedicate this recognition to our strong employee base which we consider a highly valuable asset, with employee welfare being pivotal to our sustainable business growth strategy. We constantly strive toward improving employee satisfaction levels and strengthening employee morale to withstand emerging business challenges and capitalize on growth opportunities in all spheres of work and life. We remain committed to earning continuous support, trust, and faith from our all stakeholders.

My sincere thanks and appreciation to our ever supporting customers, management team, all the employees, Board of Directors, our promoters, lenders, rating agencies, and all the stakeholders for supporting CA Grameen to remain a sound and resilient organisation in the difficult times.

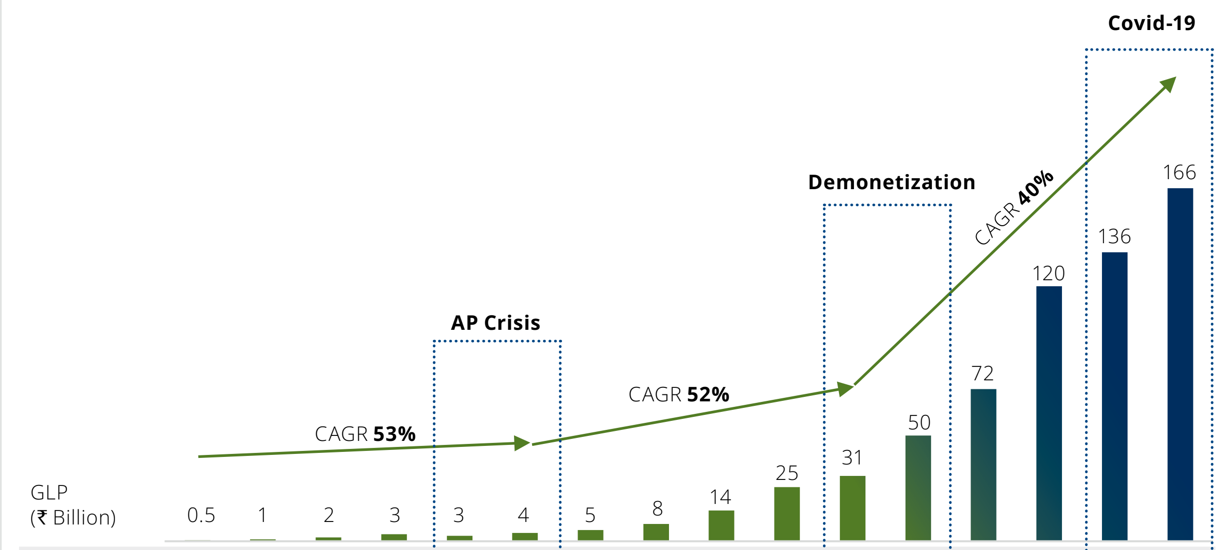
CONSISTENT VALUE CREATOR

“Robust Cross-cycle Profitable Growth and Shareholder Value Creation”

“Every crisis is an opportunity.” The adage has been the hallmark of our organization. Since our inception, our business model has been driven by the vision of providing access to credit to the people at the bottom of the pyramid. Though we have encountered several crisis in the path to achieve this mission, we have emerged stronger after every setback, consistently creating value for not only the shareholders but other prominent stakeholders as well. This has been possible due to our strong governance structure, the efficacy of our dynamic business model, and our deep relations with our stakeholders. These factors have been influential in creating a resilient and responsible business, which has stood the test of time and the trust of our stakeholders.

Consistent Growth Track Record

Emerging Stronger After Every Crisis

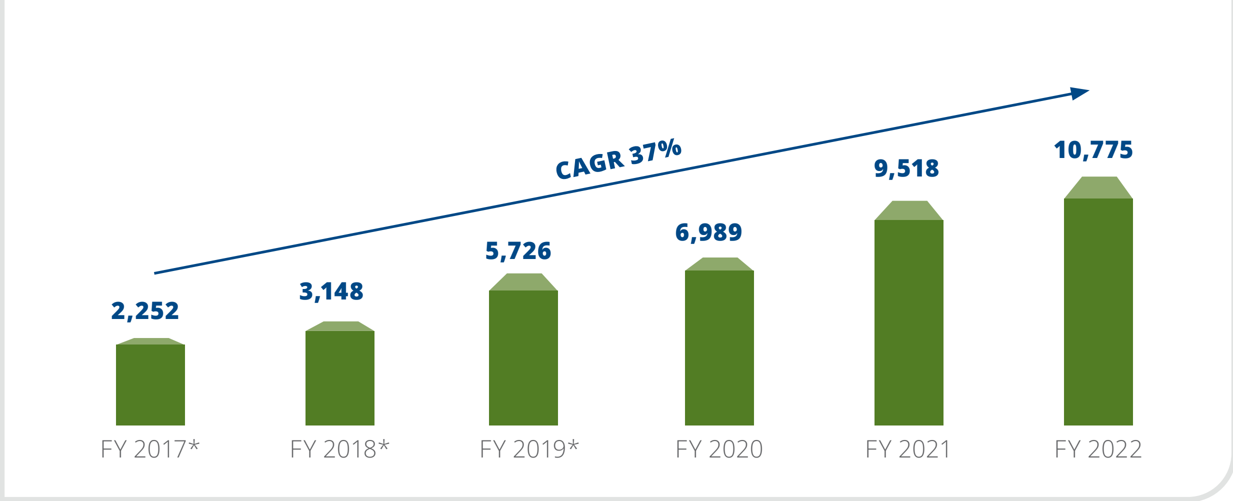


Consolidated	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
GLP (₹ Billion)	0.5	1	2	3	3	4	5	8	14	25	31	50	72	120	136	166
Branches	44	51	82	146	215	168	161	176	238	298	393	516	670	1,393	1,424	1,635
Borrowers ('000)	83	118	212	353	323	314	347	520	845	1,196	1,450	1,851	2,470	4,055	3,912	3,824

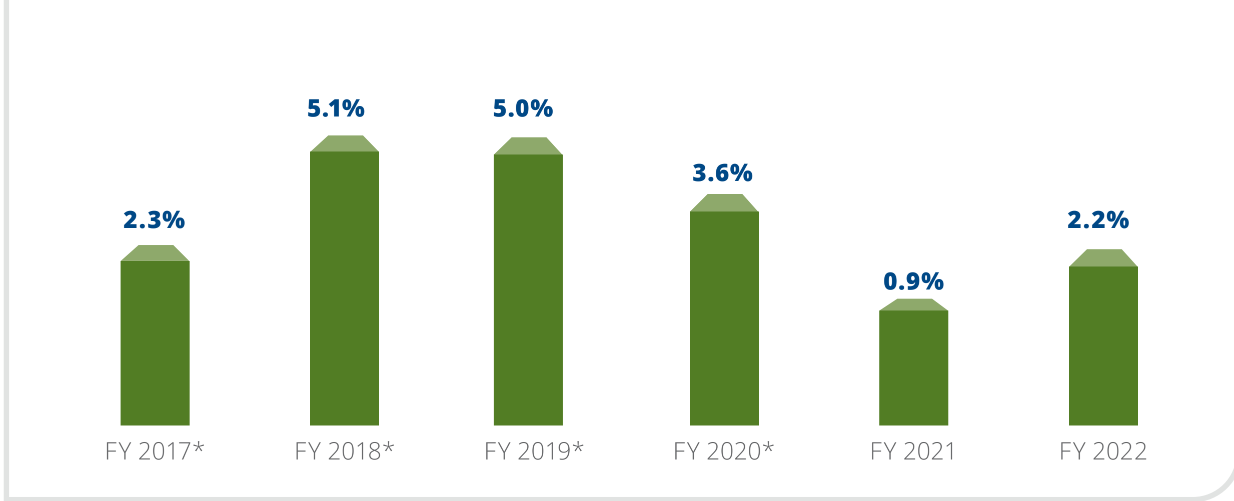
Last decade, the industry was grappled with three unprecedented major crisis, the Andhra Pradesh microfinance crisis, demonetization, and Covid-19. Yet, our Company bounced back stronger in terms of achieving our strategic objectives. We are optimistic about the future outlook of the microfinance sector and our growth prospects in line with our Vision 2025, to provide consistent returns to our shareholders as well as other stakeholders.

Cross-cycle Financial Performance (FY17 – FY22)

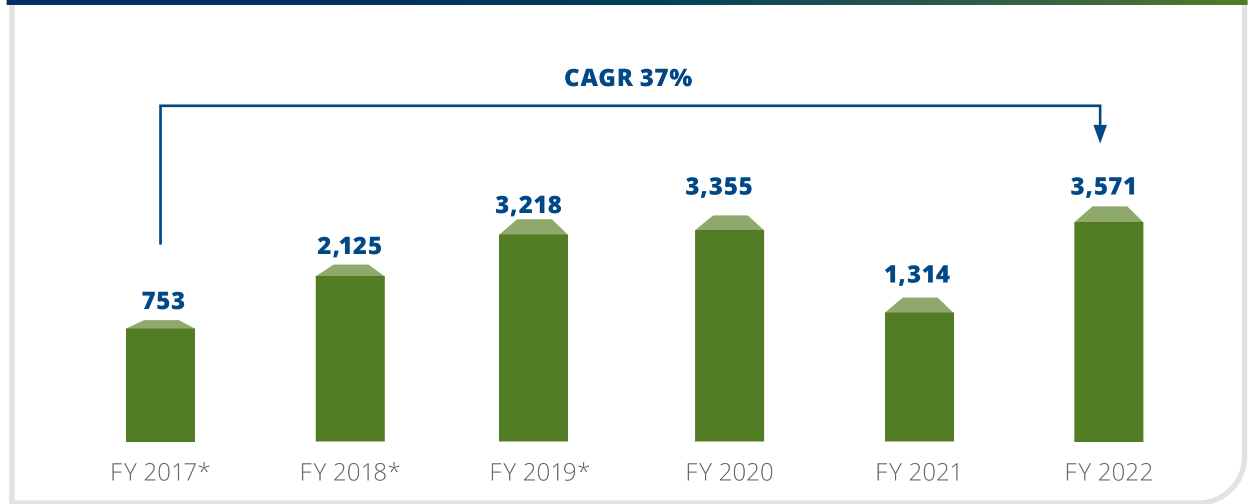
Pre-Provision Operating Profit (₹ Million)



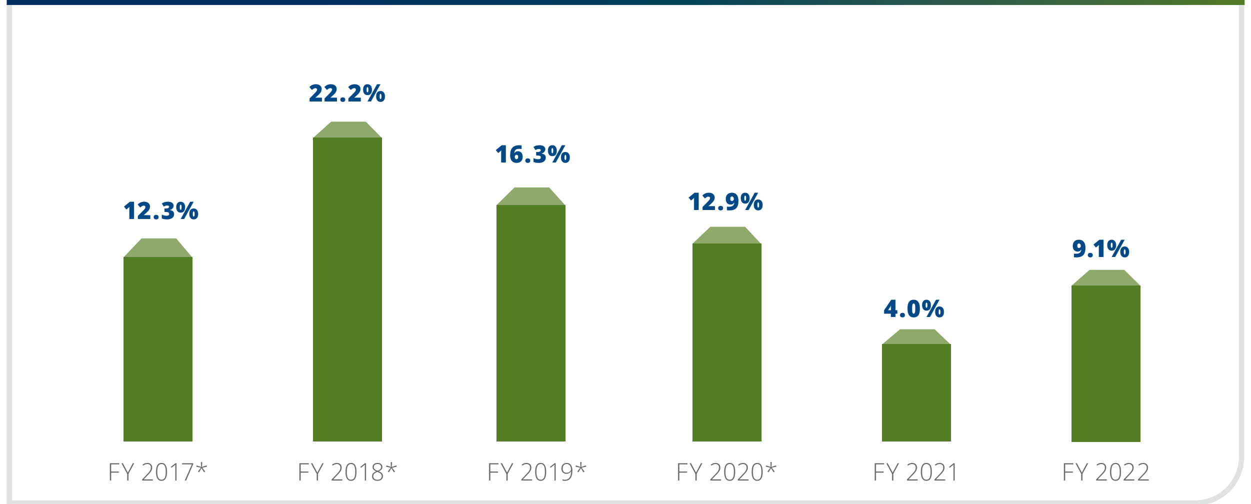
Return On Assets %



Profit After Tax (₹ Million)



Return On Equity %



* Standalone Basis

Our financial sustainability is a testament to the proficiency of our business model, which in turn provides both financial and non-financial value creation for not only the community and our customers, but also for the shareholders of the Company. For the past five financial years, not only we have increased our non-financial capital, but our financial capital and our cross cycle average returns have been one of the best in the microfinance industry. Our operating profit and net profit growth have tracked the GLP growth with a CAGR of 37% in the past five financial years. Across this period, the Company's Return on Assets (RoA) and Return on Equity (RoE), with the exception of the Covid-19 impacted period, have been more than the average value. These indicators are expected to rise in the post-pandemic period.

TESTIMONIALS FROM KEY STAKEHOLDERS

"Partnering in Growth,
Scaling to Greater Heights"

Customer

I've been a loyal CA Grameen customer for 16 years now – it has been a very fruitful association for me and my family. It has helped us meet financial requirements at various times, be it for business, children's education, home renovation, or emergencies. I recently availed the Grameen Unnati Loan of ₹1.5 lakh to expand my family's Pooja Essentials Store. The processing was quite easy with minimal documentation. The loan was also disbursed very quickly. The number of our regular customers have increased after the expansion along with our profits.

– Mrs. Nagamma, Kanakapura (Karnataka)

Employee

I have been associated with the CA Grameen family since 2009, since then CA Grameen has given a lot of opportunities to learn and grow across the spectrum of departments. Having worked in Business Analysis, Fund Raising, Risk, Head Office Operations, and Business Operations, I have got a 360-degree view of how an organization runs. Being part of the marathon where CA Grameen has grown from an outstanding of ₹180 Cr in 2009 to more than ₹ 16,000 Cr now, I can say that the journey for me has been very rewarding and fulfilling.

– Mr. Parikshit Dubey, Zonal Manager
Madhya Pradesh, Uttar Pradesh Zone (CA Grameen)

IT Partner

Kyndryl is proud to be associated with CA Grameen as a technology partner since 2011 to facilitate the nation building agenda of making India's rural population financially independent. With the support of the forward-thinking leadership team at CA Grameen, we are committed to enhance business inflow and maintain efficiency while deploying robust risk management processes. At CA Grameen, the transformation of lives and livelihood for the unserved and managing the vital systems to advance is at the heart of our progress. Together, we aim to digitally transform and empower rural India.

– Mr. Amandeep Chawla, Associate Director
Infrastructure Services (Kyndryl)

Investor

We have been a shareholder of CA Grameen since August 2019 and we appreciate their robust business model, experienced and capable management team, and high governance standards. CreditAccess builds a strong rapport with its borrowers through weekly meetings and has supported them through difficult times. This customer-centric approach along with strong processes and controls has enabled CreditAccess to bounce back to near pre-Covid levels more quickly than peers. We also appreciate that management has followed a conservative growth approach and not relied on excessively increasing the debt burden of customers as some lenders do. We are optimistic that CreditAccess will continue to remain cautious in its approach and positively impact the lives of millions of low-income households.

– Mr. Michael King, Chief Investment Officer (Taiyo Pacific Partners LP)

Lender

We have partnered with CA Grameen to support financial inclusion in rural India with the purpose to contribute to women's economic empowerment. India's economy was disrupted by the Covid-19 pandemic and the financing provided by CA Grameen to its borrowers is expected to contribute towards local income generation and improved living conditions.

– Jakob Larsson, Senior Investment Manager at Swedfund

Self-Regulatory Organisation

MFIN is proud of CA Grameen for leading the way for the sector as the largest publicly listed NBFC-MFI. Over the years that I have seen CA Grameen grow, I firmly believe that the company has all the right ingredients for success – an understanding of the pulse of rural India, diversified products catering to the entire life cycle of customers, one of the lowest interest rates in the industry and strong and capable leadership. Focus on governance and robust systems have ensured high credit ratings and investor trust. I am confident that CA Grameen will continue to scale new heights in making a change in the lives of its customers at the bottom of the pyramid.

– Dr. Alok Misra, CEO & Director (MFIN)

OUR COMPANY

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

CA Grameen, a publicly listed company on the NSE and BSE, is also the largest microfinance institution in India with headquarters in Bangalore, India. As of March 31, 2022, the Company on a consolidated basis, had a borrower base of over 3.82 million, predominantly in rural areas in 14 states and 1 union territory with a strong network of 1,635 branches and a highly efficient workforce of 15,667, contributing to achieving our mission of financial inclusion.

Our lending products cater to income generation, individual loans, family welfare, home improvement, and emergency loan requirements of people. These products are designed keeping in consideration customer needs and requests of low-income households. We have incorporated several social programs such as Water, Sanitation & Hygiene (WASH) programs, Client Awareness Programs, Social Awareness Campaigns, and Health Awareness Campaigns into our core business activities, in order to ensure the development goals of poor and low-income members of the society.

We believe in using state of the art technology and exploring new approaches to address the needs of our customers. Hence we have heavily invested in technological innovations and streamlining business processes. Our focus on robust customer selection, risk management policies, and an in-house designed audit system have borne fruits to us in the form of healthy asset quality and lower credit costs. We aim to not only sustain but surpass the strong track record of financial performance and operating efficiency over the years. The healthy industry standard ratings, certifications, and many prestigious awards conferred to us make us feel motivated to relentlessly serve the communities through our microfinance offerings.

Following a customer-centric business model has been our focus throughout our growth and expansion journey. Our mission continues to be guided by the philosophy of balancing economic growth with social responsibility to create lasting and meaningful change in the lives of our customers from the economically weaker sections of society.

Vision

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

Mission

To be the preferred financial partner of 10 million low-income households lacking access to credit, by the year 2025.

To be a responsible, sustainable, and trusted provider of need based financial and developmental services with benchmark efficiency, using technology and innovation to achieve the most affordable pricing.

Our Value Statement

With the vision to enrich and enhance low-income households' well-being by providing need-based microfinance, CA Grameen aims to create equal opportunities for both urban and rural poor. Offering a multitude of both financial and non-financial products to cater to the needs of the weaker sections of the society, CA Grameen's products are conceived and updated based on customer and staff inputs. In an effort to enable economic and social change with our financial products and development services, we rely on our overarching principles that can be epitomised by CREATE.

C	R	E	A	T	E
COMMITTED	**RELIABLE**	**EMPATHETIC**	**ACCOUNTABLE**	**TRANSPARENT**	**EFFICIENT**
We shall honour all our commitments. We are committed to our mission.	We shall not deviate from any of the policies and procedures.	EMPATHETIC We shall be sensitive to the situations and circumstances of the people with whom we are dealing and provide them support to the best of our abilities.	We shall be accountable for all our deeds, actions, and words.	We shall provide full disclosures to all our clients, in terms of the services and fees. We shall make our financial statements, reports, and accounts as clear and as comprehensive as possible.	We shall be punctual, disciplined in all transactions with our stakeholders, strive towards reducing operational costs, and thereby provide services to our customers in a cost-effective manner.

LEARNING & AGILITY

In today's unpredictable business environment marked by constant change, adaptation, and evolution, organisations increasingly need new capabilities to move forward successfully. As we are progressing along this integration journey, it is imperative for us to have an open and receptive mindset. We should be open to learn and un-learn, in order to build new skills and knowledge.

Our Financial Products

In an effort to serve the unserved and underserved, CA Grameen offers a variety of financial and non-financial services at competitive rates, keeping in mind the evolving needs of low-income households.

GROUP LENDING

INCOME GENERATION LOANS

The Income generation loan (IGL) is a type of loan to support business enterprises and income enhancement activities like purchasing fixed assets such as additional machinery. This loan also acts as additional working capital. The tenure for IGL is a minimum of 52 weeks and a maximum of 156 weeks, depending on the loan amount.

HOME IMPROVEMENT LOANS

CA Grameen offers home improvement loans to help customers with water connections, toilet construction, or for home extension projects such as repairs or replacement of roofs, walls, floors, and monsoon waterproofing. The tenure for home improvement loans is a minimum of 52 weeks and a maximum of 208 weeks, depending on the loan amount.

EMERGENCY LOANS

Customers can benefit from short-term loans to address their emergencies and short-term cash flow constraints. The tenure for emergency loans is a maximum of 3 months.

FAMILY WELFARE LOANS

CA Grameen customers can avail loans under the category of family welfare loans, depending on the purpose for which it is required, e.g., medical, festival, primary education, etc. The tenure for such loans is between 24 weeks and 52 weeks, depending on the loan amount.

GRAMEEN SURAKSHA (HOSPICASH)

Grameen Suraksha (Hospicash) is a flagship scheme exclusively designed for our members and their spouses where they can claim a daily fixed amount to cover for their income losses arising due to inability to work in the event of hospitalization.

RETAIL FINANCE

GRAMEEN UNNATI LOAN

Grameen Unnati is a business loan envisaged for graduated group lending customers who currently have a running business. These loans would be given to a member in her individual capacity and group guarantee would not be applicable for these loans. This loan is meant to meet the customer's business funding requirements such as capital investment for purchase of inventory, machinery, or working capital for business expansion. The tenure for Grameen Unnati loan is a minimum of 52 weeks and a maximum of 156 weeks, depending on the loan amount.

GRAMEEN UDYOG LOAN

As the flagship product under retail finance, the Grameen Udyog loan is targeted at someone who requires a higher loan amount to meet their capital requirements, expand their business or purchase machinery, or keep inventories. The tenure of the loan is of 24 months.

GRAMEEN SAVAARI LOAN

Grameen Savaari loan is offered to customers who wish to purchase a new vehicle (two-wheelers). The tenure of the loan is of 24 months.

GRAMEEN VIKAS LOAN

As a higher ticket asset-backed loan, the Grameen Vikas loan is offered to customers who have higher credit requirements for business expansion. The tenure of the loan is between 24 months to 180 months depending on the loan amount.

GRAMEEN SUVIDHA LOAN

As an intermediary loan, Grameen Suvidha is offered to customers to meet their additional needs such as upkeep of assets or business inventory. Customers can avail up to 15% of sanctioned amount of the main loan for a tenure of 6 or 12 months.

GRAMEEN SWARNA LOAN

Grameen Swarna loan is primarily offered to existing customers of CA Grameen, to meet their short-term requirements including emergency needs, consumption, and business or working capital, wherein the loan is backed by customer jewellery. The tenure of the loan is between 3 months to 12 months.

DISTRIBUTOR PRODUCTS

INSURANCE

CA Grameen has tied up with several insurance service providers to give insurance coverage to customers and spouse/co-borrowers (applicable for Retail Finance).

NATIONAL PENSION SCHEME – SWAVALAMBAN

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

CA GRAMEEN BUSINESS MODEL

External Environment

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

Inputs

Financial
- Diversified lenders base
- Longer tenure borrowings
- Cost of funds

Manufactured
- Pan India presence
- Deep rural penetration

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

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

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

Natural
- ESG loans
- GHG accounting

Value Creation Process

Strategic Priorities

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

Social Responsibility

Favourable work environment

C – Committed
R – Reliable
E – Empathetic
A – Accountable
T – Transparent
E – Efficient

LEARNING AGILITY

Customer Centricity

Strong Governance

Key Activities

- Vision 2025 : One stop solution for all financial needs of the custmomers
- Sustainable loan products - Income generation, house repairs, water/ sanitation, education, medical, festivals, livelihood needs, emergency, business assets/ expansion
- Risk management, IT, customer feedback/ grievance, internal audit, quality control
- Organic and Inorganic ESG growth

Outputs

Financial
- AUM: ₹**165,994 million**
- PAT: ₹**3,571 million**
- ROA: **2.19%**, ROE : **9.13%**
- Opex/AUM: **4.9%**
- Number of active borrowers: **3.82 million**
- Stable credit rating: **A+/A1+**

Manufactured
- Number of states: **14 states and 1 UT**
- Number of branches per district: **5.12**

Human
- No. of employees : **15,667**
- % of employees from local community: **97.65%**
- Average training hours per employee (Including Pre-Hires): **57 hours**

Intellectual
- Number of products per customer : **1.6**
- Customer retention rate: **84%**
- **0.58 million** customers digitally onboarded
- **99%** cashless disbursements

Social and Relationship
- Total institutions provided with direct Covid-19 support: **15,632 (Standalone)**
- Total CSR Spend ₹**96.94 million**
- % of women borrowers: **99.99%**

Natural
- % of ESG loans: **99.90%**
- Total scope emissions (tCO_2e): **10,430**
- Emissions intensity (tCO_2e/FTE): **0.87**

SDG

1 No Poverty
2 Zero Hunger
3 Good Health and Well-Being
4 Quality Education
5 Gender Equality
6 Clean Water and Sanitation
8 Decent Work and Economic Growth
9 Industry, Innovation and Infrastructure
10 Reduced Inequalities
12 Responsible Consumption and Production
13 Climate Action

Outcomes | Financial and Associated Risks

Customers
- Access to need-based credit
- Improved income
- Improved quality of life

Net Interest Income from loan, insurance and NPS activities, bad debt recovery

Employees
- Skilled employees with internal growth opportunities
- Healthy life and financial security

Staff costs, employee benefits, operating and non-operating expenses

Shareholders
- Sustainable business model
- Superior growth, profitability, RoI

Dividends and Retained Earnings

Regulators
- Compliance
- License to operate

Direct and Indirect Tax

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

GOVERNANCE

"To be cognizant of our responsibilities towards environment and society while maintaining high governance standards to protect stakeholder interests"

We are committed to adopt the best governance practices and adhere to them in the true spirit, to foster and sustain a culture that demonstrates the highest standard of ethical and responsible business conduct. We strongly believe in the ethos of transparency and accountability. With every policy, procedure, and action, we aim to deliver on our promise of accountability along with delivering greater value to all our stakeholders. Our policies are available on our website.

Our governance structure is built to be resilient and compliant with all regulatory requirements. We have regular board meetings to review and improve our transparency and accountability policies. Our Board of Directors and the committees play a pivotal role in identifying, mitigating, and managing key risks, monitoring performance, and fulfilling the stakeholder demands.

Board of Directors

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

28.57 %
of the board members are women

GEORGE JOSEPH, CHAIRMAN & LEAD INDEPENDENT DIRECTOR

George Joseph is the Chairman and Lead Independent Director of our Company. He is a banking industry veteran with diverse experience spanning over four decades. He is a certificated associate of the Indian Institute of Bankers and the Institute of Bankers, London. He retired as Chairman and Managing Director of Syndicate Bank. He was earlier associated with Canara Bank for a period of over 36 years. He also serves as a Director on the boards of Wonderla Holidays Limited, Popular Vehicles and Services Limited, and Madura Micro Finance Limited and has been associated with CA Grameen Board as an Independent Director since September 2015.

UDAYA KUMAR HEBBAR, MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

Udaya Kumar Hebbar is the Managing Diretor and Chief Executive Officer of our company. He is a seasoned banker with over 35 years of rich experience spanning across operations, including rural, agriculture, and micro-banking fields. Prior to joining CA Grameen, he held various leadership positions including Head of Commercial Banking and Payment Operations at Barclays Bank PLC. and successful stints of over a decade each in Corporation Bank and ICICI Bank. Mr. Udaya holds a Master's degree in Commerce from Karnatak University, Dharwad, and is a certificated associate from the Indian Institute of Bankers.

SUCHARITA MUKHERJEE, INDEPENDENT DIRECTOR

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

SUMIT KUMAR, NOMINEE DIRECTOR OF OUR PROMOTER, CAI

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

MASSIMO VITA, NOMINEE DIRECTOR OF OUR PROMOTER, CAI

Massimo Vita is a Nominee Director of our Promoter, CAI, in our Company. He holds a master's diploma of 2nd level in development, innovation and change from Bologna University in Bologna, Italy and a degree in economics and commerce from Verona University in Verona, Italy. He completed a three year apprenticeship as a professional auditor associated with Arthur Andersen S.p.A. as certified by the Italian Justice Ministry in 2002. He was a founding partner and director of MicroFinanza Rating Srl, an international specialized rating agency for a period of eight years. He was TA Field Expert for the TA Facility of Regional MSME Investment Fund for Sub-Saharan Africa managed by Symbiotics SA for a period of four and a half years. He was Head of Operations Support for CreditAccess Asia (CAA) for 3 years. He is currently Chief Risk Officer for CAI, our Promoter. He is also Executive Director of Asia Impact SG Pte. Ltd. (Singapore) and CAA-BOS Limited (Thailand) and he serves as Director on the boards of CreditAccess Philippines Financing Company Inc. (Philippines), PT Bina Artha Ventura (Indonesia), PT Konsultasi Mikro Ventura (Indonesia) and MicroFinanza Rating Srl (Italy).

MANOJ KUMAR, INDEPENDENT DIRECTOR

Manoj Kumar is an Independent Director of our Company. He is the Founder of Social Alpha, a multistage innovation curation and venture development platform for science and technology start-ups that aim to solve the most critical social, economic and environmental challenges. Manoj is also the Founding Trustee of Tata Institute for Genetics and Society and a Senior Advisor to Tata Trusts. Prior to founding Social Alpha, Manoj has been an entrepreneur as well as an early stage venture investor. Manoj has more than two decades of leadership experience working across banking, capital markets, and financial technology sectors. Manoj is an alumnus of Harvard Business School and lives in Bangalore, India

JESSIE PAUL, INDEPENDENT DIRECTOR

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

Committees of the Board

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

Our Management Team

Udaya Kumar Hebbar
Managing Director & Chief Executive Officer

Ganesh Narayanan
Deputy CEO & Chief Business Officer

Balakrishna Kamath
Chief Financial Officer

Sudesh Puthran
Chief Technology Officer

Firoz Anam
Chief Risk Officer

Gururaj K S Rao
Chief Audit Officer

Ravi Rathinam
Chief Information Security Officer

Gopal Reddy
Business Head - Group Lending

Srivatsa H N
Business Head - Group Lending
Head – Retail Finance

Nagananda Kumar K N
Head – Centralised Operations

Arun Kumar B
Head – Strategy, Innovation & Analytics

Haridarshini A
Head - Operational Excellence

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

Sundar Arumugam
Head – Digital Lending & Retail Finance Products

Nilesh Dalvi
Head - Investor Relations

Senior/Middle Management Employees


Chandrakanth S
Assistant Vice President


Praveen Kumar H I
Assistant Vice President


Katta Murali
Assistant Vice President


Lokesh M K
Zonal Manager


Venkatnaik S
Zonal Manager


Parikshit Dubey
Zonal Manager


Srinivasreddy N B
Zonal Manager


Srinivasababu Saheb N
Zonal Manager


Sudhakar Rao
Zonal Manager


Bhuvaneswara Prasad
Zonal Manager


Manjunatha
Zonal Manager


Piyush Sarogi
General Manager


Shivakumar M S
General Manager


Marina Alex
General Manager

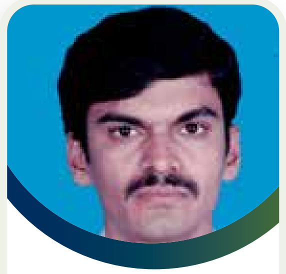

Jagadeesh Begur
General Manager


Reshma Mahaboob
General Manager


Ranjan Kumar Kar
General Manager


Bhavish Tulsian
General Manager


Vishwanatha H K
General Manager


Manjunatha D R
Deputy General Manager


K M Jayaprakash
Deputy General Manager


Revinath G
Deputy General Manager


Gorijavaram Satish
Deputy General Manager


Mohiuddin Tanveer
Deputy General Manager


Chandradas K
Deputy General Manager


Loyal Josly Quadras
Deputy General Manager


Rohit Raj
Deputy General Manager


Bharath B S
Deputy General Manager


Gunjan Vijayvergiya
Deputy General Manager


Kushal Mysore Prasanna
Deputy General Manager

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Code of Conduct

CA Grameen Code of Conduct, as adopted by the Board of Directors is applicable to all the Directors and Senior Management of the Company. It is based on our core beliefs of trust, integrity, transparency, and professional service. The Code covers guidance on ethics, fair employment practices, avoiding conflict of interest, whistle blower mechanism, and confidentiality of information. All Directors and Senior Management members adhere to the Code of Conduct and no complaints of its violation were received during the reporting period.

Vigil Mechanism/Whistle Blower Policy

It is our policy to treat complaints seriously and expeditiously. We have a Vigil Mechanism and Whistle Blower Policy, under which Directors and employees are free to report violations of applicable laws and regulations. The Chairperson of the Audit Committee has direct access to all complaints raised through the policy. All complaints are reviewed under the direction of the Audit Committee and oversight by the Company Secretary. The complaints received under the policy are investigated in detail and findings are discussed and decided on the course of action at the quarterly meet. For more details, please refer to our website. During the year, there were no vigilance complaints received.

ESG Approach and Policy

We acknowledge our responsibility to strengthen our allegiance to global standards on Environmental, Social & Governance (ESG) practices and effectively integrate them into our core business strategies. We are committed to identifying material ESG issues and their associated risk implications. Accordingly, we take actions to strengthen our business model through mitigation of such risks and strive towards sustainable business growth and stakeholder association.

To further our commitment on global ESG standards, we have constituted a board approved ESG policy in FY 2021-22. This policy outlines the framework to acknowledge various ESG risks, impacts, and opportunities in our business segments and operations. The ESG policy framework serves as a guiding document for all ESG actions and initiatives undertaken by us. The framework will be reviewed and updated on an annual basis, subject to approval by the ESG and CSR committee of the Board. This will enable us to continually strengthen our adherence to various global ESG standards and improve the level of disclosures.

In addition to our newly developed ESG policy, we have developed/amended various other policies during the reporting period. The list is as follows

- Environmental and Social Management System (ESMS) policy
- Business Continuity Policy
- Corporate Social Responsibility Policy
- Energy Management Policy
- Board Diversity and Inclusion Policy
- Employees Code of Conduct Policy
- Waste Management Policy
- Whistleblower Policy
- Remuneration Policy
- Risk Management Policy
- Tax Policy
- Vendor Management Policy
- Anti-Bribery Policy & Anti-Corruption Policy
- Corporate Governance Policy
- Non-Discrimination and Anti-Harassment Policy
- Anti-Money Laundering, Anti-Terrorism Financing Policy
- Gender/Equal Opportunity Policy
- Prevention of Sexual Harassment (POSH) Policy
- IT/Cyber Security Policy
- Human Rights Policy
- Client Data Privacy Policy

ESG Governance

We have established a CSR & ESG Committee, to which the Senior Management team reports on the progress of ESG related activities. The objective of the committee is to work towards identifying risks and opportunities across various ESG aspects and devise necessary action plans and targets to mitigate such risks and build on the opportunities.

Memberships and Associations

We collaborate with several associations to understand industry-wide issues. For more details, refer Business Responsibility and Sustainability Report, Page 147. In FY 2021-22, there were no financial and in-kind political contributions made by us.

STAKEHOLDER ENGAGEMENT

"Stakeholder Value Creation in a Responsible Manner"

Stakeholder value creation is the core of our business. For our stakeholder engagement process, we have adopted a mix of both the "outside-in" and "inside-out" approach. As part of the inside-out approach, we engage with our stakeholders to address their dynamic issues, needs, and concerns across the ESG spectrum from the organizational management's point of view. We have developed dedicated communication mechanisms to keep our engagements inclusive, transparent, and accountable. In the outside-in approach, these engagements act as a feedback mechanism which helps us to realize stakeholders' perspective of our business and non-business operations. By understanding their point of view, we are able to gauge the organization's strategy and its impact on the grassroot level. This also aids us in assessing the company's brand and reputation among the stakeholders. The approach leads to the incorporation of stakeholder expectations into our business strategy. Our overall two-pronged engagement mechanism can be envisaged as a partnership between the organization and its stakeholders to constantly optimize the company's financial and non-financial growth models for sustainable value creation for all.

We have established the stakeholder identification and prioritization mechanism to ascertain the primary stakeholders of our business. These groups have been identified and prioritized by the management according to their ability to influence the organization's business as well as their dependence on the same. Once the prioritization is done, the management has defined the criteria for the mode and frequency of engagement, which is tailored as per the engagement requirements of a stakeholder.

For us, stakeholder engagement is the foundation of our business strategy. It provides a holistic perspective on the overall organization's business which leads to informed decision making, which further results in the development of the company, the community, and the environment.

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

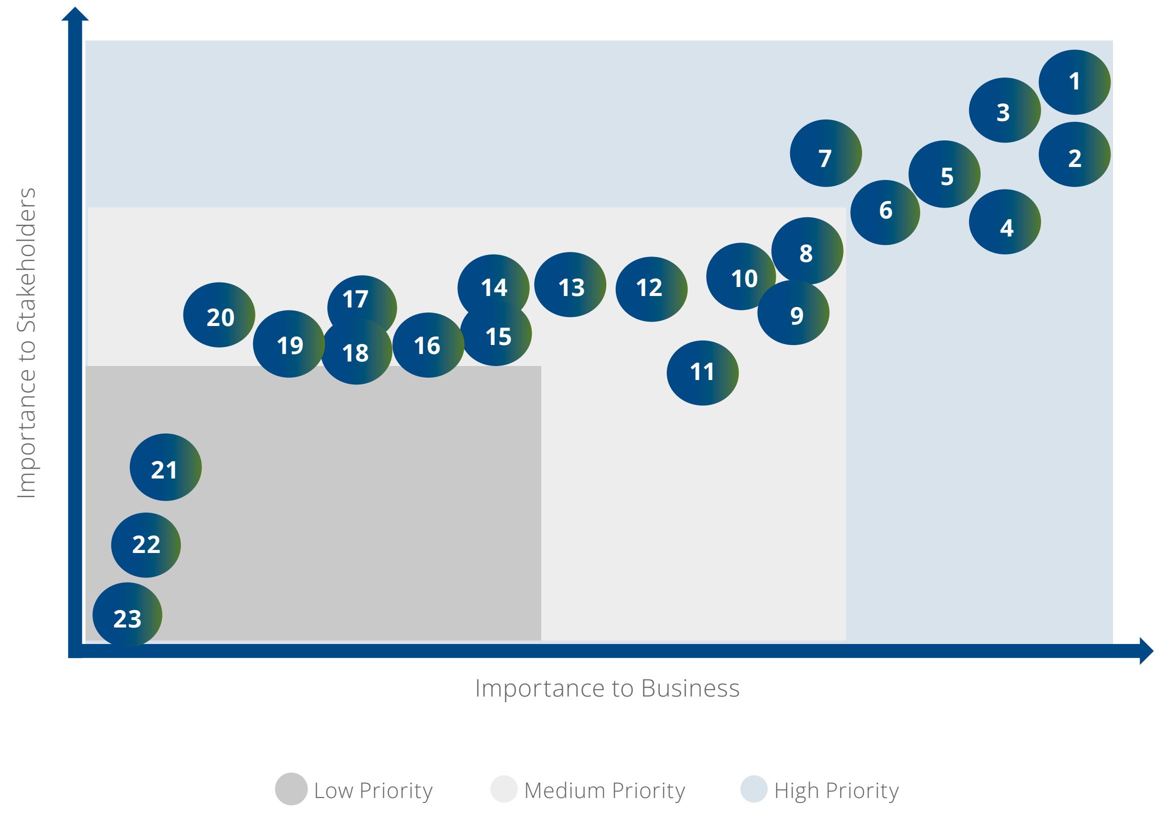
MATERIALITY ASSESSMENT

"Understanding Key Stakeholder Issues and Being Responsive"

Material topic identification → Materiality assessment → Material topic prioritization

In order to further embed ESG in our core strategy and organization's business model, we have conducted our first materiality assessment this year. Both the internal and the external stakeholders were involved in the materiality assessment exercise to decide on the priority material topics for the organization. Our materiality assessment was a 3-step process which involved the identification of material topics, materiality assessment, and material topics prioritization. In the first step, we identified an exhaustive list of material topics based on the organization's risks and opportunities, sectoral peer analysis, and as per the global reporting standards, such as the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB). In the next step, our management team shortlisted relevant material topics based on the organization's business context as well as the severity and likelihood of the economic, social, and environmental impact of the material topic on the organization and the stakeholders. In the final step, for these relevant topics, we engaged with our functional heads and senior management to rate the importance of each material topic from the business perspective. Post this, the material topics were rated by both internal and external stakeholders. We conducted Focus Group Discussions (FGDs) for customers and local communities and used online surveys in the case of other stakeholders for materiality assessment exercise. The inputs received from both groups of stakeholders were subjected to materiality analysis in order to derive the materiality matrix as per the GRI guidelines, where the topics have been plotted as per their importance to business and stakeholders.

Materiality Matrix



	FY2022 (Standalone)	Impact on Capital
1	Corporate Ethics and Integrity	All
2	Positive Customer Experience	Social and Relationship Capital
3	Regulatory Compliance	All
4	Economic Performance	Financial Capital
5	Governance Risk Management	All
6	Brand and Reputation Management	Social and Relationship Capital
7	Data security and privacy	Intellectual Capital, Social and Relationship Capital
8	Sustainable Business Strategy	All
9	Financial Inclusion	Social and Relationship Capital
10	Employee Training and Development	Social and Relationship Capital
11	Social Credit Rating	Financial Capital
12	Employee Health and Well being	Social and Relationship Capital
13	Innovative products and services	Intellectual Capital
14	Digitization	Intellectual Capital
15	Financial Literacy	Social and Relationship Capital
16	Local Employment generation	Social and Relationship Capital
17	Community Development	Social and Relationship Capital
18	Human Rights	Social and Relationship Capital
19	Equality and Diversity	Social and Relationship Capital
20	Positive Social/Environmental Impact of Products and Services	Social and Relationship Capital, Natural Capital
21	Effect of climate change on Debt	Financial Capital
22	Climate Change and GHG emissions	Natural Capital
23	Waste Management	Natural Capital

Environment Social Governance

The materiality assessment exercise has enabled us to not only identify the organization's material topics but has also provided the means to prioritize them and align the same with our strategic focus and the future scope of our business operations. We are also in pursuit of unlocking any synergy among the priority material topics and maximising value creation for the company and the stakeholders.

STRATEGY

"Build High-touch High-tech Business Model to enable Scalability and Long-term Sustainable Growth"

At CA Grameen, we aim to be the most trusted financial partner of low-income and rural households in India. We intend to create a long-term positive impact at the bottom of the social pyramid by offering responsible business products and services, matching their evolving needs. Our strategy gives us a clear view of where we want to focus as a purpose-led organisation and what we strive to achieve.

Our strategy is delivered through eight strategic value unlocks as given below. These values are identified by the management to achieve the short-term and long-term goals of the organization.

Continued Focus on Customers from Rural Areas

Our focus will continue on expanding our presence in deep rural markets with limited or no access to formal banking and finance channels. This will help us to add a robust share of new-to-credit customers.

3.8 million
women borrowers

Expand Branch Network

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

33.42%
CAGR in the number of branches since FY2018

24.68%
CAGR in the number of operational districts since FY2018

TAT < 24 hours
for loans less than ₹ 15,000

Leverage Existing Capabilities and Strengths to Diversify Product and Service Offerings

Our diversification strategy is driven by the evolving needs of our customers. We believe this is in line with the strength of our customer-centric business model and our expansion strategy as it allows us to ensure that our customers have access to various differentiated products and services which they need quickly and efficiently.

Focus on Operational Efficiencies

Efficient cost structures will help us to maintain competitive pricing of our loan products, eventually leading to strengthening our market share and operating profitability. Our deep rural penetration, contiguous district-based expansion strategy, high customer retention, and economies of scale will drive consistent improvement in operating efficiency over the coming years.

Deliver Customer Value

We partner with our customers and deliver a wide range of credit and non-credit products supporting their growing business requirements, lifecycle needs, and aspirations. We continue to focus on improving customer experience by optimizing TAT on processes and simplifying them for better serviceability.

Strengthen Employee Engagement and Enablement

Our unique employee engagement and enablement model ensures better stability leading to consistency in process adherence and customer service. Multiple growth opportunities within the organisation and a focused career development model promote an encouraging work environment and healthy organisational culture leading to stronger employer brand loyalty.

Leverage Technology for Effective and Efficient Processes

Continuous focus on data analytics and automating all key internal processes helps us in improving the overall process experience. This is achieved through increased digitization of end-to-end processes and seamless integration between various process workflows. This would result in increased customer retention, more products per customer, and higher customer wallet share over the long term in line with our vision to become our customer's financial and business partner.

Leveraging Technology in Core Lending

Our high-touch high-tech delivery model strives toward the empowerment of rural women through improved last mile connectivity and the use of technology for the seamless distribution of financial products. Digitization of all customer touchpoints and field process workflows has helped us to significantly reduce the TAT with increased responsiveness to customer needs. Our robust Core Banking Solution allows us to offer innovative product features to our customers and equips us with a large amount of data analytics which can be utilized for managing the business and anticipating future trends. Our strong tech-enabled risk and control systems enable real-time field risk monitoring, audit trail, and data capture of transactions through mobile applications.

Key Focus Areas

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

Risk Management

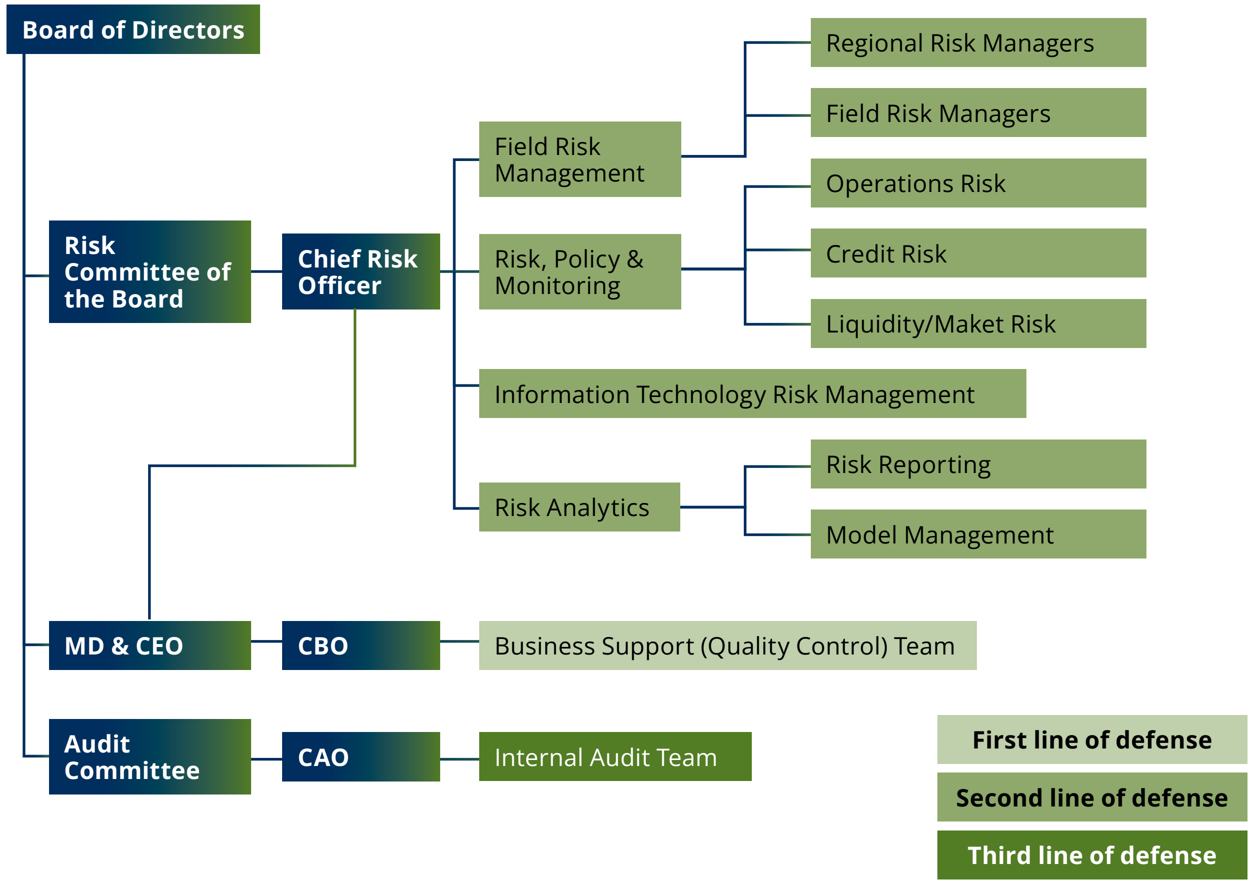
The risk landscape for the financial sector requires us to become resilient to deal with the dynamic external environment. Given that the microfinance business is more of a collection business, a robust risk management framework is pivotal to our strategy and business processes. We have been proactively taking various initiatives in line with the best practices and operating environment towards the enhancement of Risk Management. With the growth in business volumes, the introduction of innovative products/services, etc., it is highly imperative to adopt risk management practices so as to safeguard our interests.

Our multi-layered risk management process ensures sustainable profitability and supports our vision and mission. Our business model focusses on customer service, outreach and financial inclusion, innovation, technology, proactive risk management, and sustainable growth and profitability. We apply appropriate limits on risk exposures and only engage in activities that align with our vision and mission. The Risk Management Committee is responsible for the approval and regular review of the risk management plan. Consequently, we have developed a comprehensive risk management policy, which is authorized by the Risk Management Committee. This policy forms the backbone of our risk management process and institutionalizes a holistic risk management approach encompassing credit risk, market and liquidity risk, operational risk, IT risk, new product, and new branch approval.

Risk management is the responsibility of senior management and all staff members from each business line, responsible to manage its own risks.

Risk Governance Structure

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



Risk Management Framework

At CA Grameen, we have put in place a risk management framework to identify, assess, mitigate, and monitor the risks and uncertainties facing our business. The framework is supported by policies which enable effective monitoring and mitigation. Effective risk management strategies allow us to identify potential risks and opportunities and take corrective actions.

Geography Selection

Geography selection and new market risk are managed through a contiguous district-based expansion strategy which gives us good insight into historic PAR, competition, socio-economic risk, natural disturbances, etc. Strict district level exposure limits help to mitigate the impact of any district specific events. Continued focus on deep penetration in rural areas helps in lower competitive intensity and higher creditworthiness.

Customer Due Diligence

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

Product Design

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

Risk Compliance

Multiple layers of checks and balances in form of separate audits, quality controls, and risk teams, help in ensuring strict process adherence. A branch audit is performed every 60 days while quality control checks are performed on a fort-nightly basis. The Internal Audit team directly reports to the Audit Committee.

Employee deployment is unique with fresh hiring primarily at entry levels from rural areas followed by internal training. The employee rotation policy requires loan officers to be rotated every year and branch managers to be rotated every three years. Further, the incentives of the field force are not linked to disbursements or collections, instead are linked to customer service, customer additions, and branch audit grade.

Core Risk and Approach to Mitigation

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

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

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

Risk	Context	Mitigation Plan	Capitals Impacted
		The field risk management team monitors key operational risks at branches and Kendra's through field risk profile questionnaires. The responses are consequently used for reporting of potential risks with respect to stakeholders at the branch and Kendra levels. The field risk team supports the field operations teams by conducting investigations of major frauds and PAR events in the field, assess gaps in underlying controls, and recommend improvements in controls.	
IT Risk	Company depends on technology - intensive information systems to successfully carry out its mission and business functions. Information systems are subject to serious threats that can have adverse effects on organisational operations (i.e., realizing the mission, daily functioning, image or reputation), organisational assets and individual by exploiting both known and unknown vulnerabilities to compromise the confidentiality, integrity, or availability of the information being processed, stored, or transmitted by the systems.	Acceptable usage of CA Grameen IT setup is published and shared with all employees as well as third party service providers. Periodical training and awareness is given to individual employees on InfoSec, Cybersecurity. Endpoint Security is installed in the employee's workstation and IT setup of data centres. There is clear segregation of IT setup between production, pre-production and UAT (user acceptance testing) environments. Periodical access review is done both for end users as well as IT users. Changes in production IT setup are monitored and reviewed periodically. Inclusion of SLAs in agreement with vendors as per business requirements and regular monitoring of SLAs. Multiple ISPs for High Availability and monitoring. Periodical governance meetings with 3rd party suppliers. DR site is implemented with live data replication, data backup solution in place with regular review process. Regular Vulnerability assessment and patch management. Physical security as per ISO 27001:2013 at data centres.	
ESG Risk	ESG risks include those related to climate change impacts mitigation and adaptation, environmental management practices and duty of care, working and safety condition, respect for human rights, anti-bribery and corruption practices, and compliance to relevant laws and regulations. For us, these risks include • Delayed and uneven rainfall, extreme weather events and climate change leading to inconsistent rural output and vulnerability • Change in customer behaviour due to social-political changes • Over-leveraging in certain geographical areas • Increasing competition leading to diverse lender practices impacting customer credit behaviour and discipline • Decreasing soil productivity impacting agri-dependent activities • Customer migration to cities • Regulatory risks	CA Grameen primarily focusses on deep rural markets where the penetration and competition is relatively lower compared to urban and semi-urban markets. The JLG model of lending functions more effectively in rural markets where the borrowers know each other very well and can drive better group credit discipline. CA Grameen weekly meeting model helps in maintaining strong customer relationships, better control, and early risk identification. CA Grameen contiguous district-based expansion strategy helps in better understanding and mitigation of risks on account of socio-political factors, overleveraging, competition etc. The majority of CA Grameen borrowers are engaged into essential (non-discretionary) categories, primarily dependent on local demand/ supply forces. This segment of customers borrow for livelihood supporting activities and has the ability to display strong resilience to external disturbances and faster recovery. CA Grameen conducts the business in compliance with the MFI regulations stipulated by the RBI and is also governed by guidelines issues by SROs (MFIN, Sa-dhan). CA Grameen actively engages in CSR activities that go a long way in mitigating social and governmental risks. CA Grameen provides training and awareness among loan officers to avoid lending to "polluting" industries and avoid lending to activities employing "child labour".	

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

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Business Continuity Plan

As a financial sector company, we are exposed to numerous operational risks that threaten to disrupt critical business operations. We have developed a Business Continuity Plan (BCP) to ensure stability in our operations in the case of any impromptu event. Our BCP primarily includes the description of scenarios during which implementation of BCP would be required. The plan also includes documentation of the critical process, systems, and necessary resources required to perform those functions along with details of team members appointed to manage the end-to-end BCP lifecycle.

Opportunities

The NBFC-MFI sector in India has recovered faster than the other economic sectors in the post-pandemic period. The YoY increase in the gross loan portfolio is a testament to our resilience in the face of a global crisis. With the economy picking up again and the rural demand on the rise, our growth outlook looks positive for the short to medium term. The microfinance sector will be instrumental in providing access to credit and insurance requirements of the rural and sub-urban populace and play a vital role in rural development.

Apart from financial inclusion, the people at the bottom of the pyramid lack access to technology, an instrument which can result in the generation of livelihood and enhance their socio-economic well-being. With the recent digitization push by the national and state governments, the environment is conducive for us to be the technological change agents by integrating fintech and move towards physical infrastructure and services to achieve the twin goal of not only financial, but also technological inclusion. Also, incorporation of some Industry 4.0 aspects such as AI, blockchain, Cloud, data analytics, and next generation payment platforms can lead to the holistic development of the community. Moreover, the given measures will lead to better operational efficiency as well as improved customer satisfaction, which in turn assure our business sustainability.

Climate change offers another opportunity for us. As per Task Force for Climate Change Financial Disclosures (TCFD), 2017, the physical and transition risks of climate change have a direct effect on our Profit & Loss statements as well as the balance sheets. These risks may directly affect the gross debt portfolio and the repayment capacity of our customers leading to both, financial and physical stranded assets. However, we can innovate in terms of new product and service offerings, value chain optimization, and operational efficiency to hedge these risks and provide maximum returns to our stakeholders.

For more details, refer to Pg. 153 in the Management Discussion and Analysis section of the Integrated Annual Report FY 2021-22.

Vision 2025

With an aim to be a “Single Channel” for all lifecycle financial needs, CA Grameen is developing various innovative products designed based on the evolving needs of our core target customer base. Examples of projects in the pilot phase include:

PAYMENT PRODUCTS

Provide viable platform for the customers to undertake cash transactions and bill payments from their bank accounts. CA Grameen has piloted the products to allow cash withdrawals from a customer’s bank account, bill payments and mobile and direct to home recharge in cash, at the customer’s doorstep.

SAVINGS AND INVESTMENT PRODUCTS

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

INSURANCE PRODUCTS

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

ROBUST TECHNOLOGY

Various IT initiatives will be planned to ensure –

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

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DATA DRIVEN APPROACH

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

TECHNOLOGY DELIVERY & EFFICIENCY

Ensure faster technology delivery along with high levels of quality.

INFRASTRUCTURE SECURITY & COMPLIANCE

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

FINANCIAL CAPITAL

"Investing in Sustainable and Profitable Growth"

Interlinked SDGs

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

Strategic Focus

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

Future scope

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

FY2022 KPIs (Consolidated)

- Total Income: **₹ 27,501.27 million**
- Pre-Provision Operating Profit: **₹ 10,775.31 million**
- Profit After Tax: **₹ 3,570.99 million**
- Debt capital raise: **₹ 101,113.52 million**
- ROA%: **2.19%**
- ROE%: **9.13%**
- Liquidity: **₹ 17,613.95 million of cash & cash equivalents amounting to 10.13% of total assets**
- Capital Adequacy Ratio: **22.77% (26.54% standalone)**
- Debt/Equity: **3.17**

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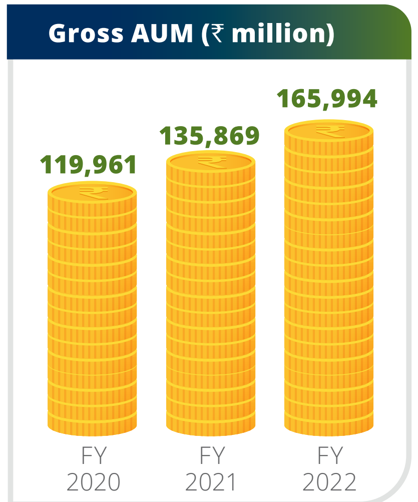
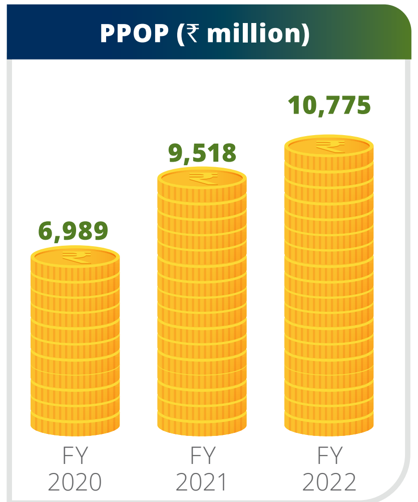
Financial capital is fundamental to our operations. As a lending institution, our and our stakeholders' growth depend on how we manage and allocate our financial resources to create monetary and non-monetary value. In order to do so, it is imperative that we constantly apply our financial expertise and exercise prudence to position ourselves as per the dynamic external environment and the risks and opportunities associated with it, cater to stakeholder expectations, and generate risk-adjusted returns to ensure our present and future business sustainability.

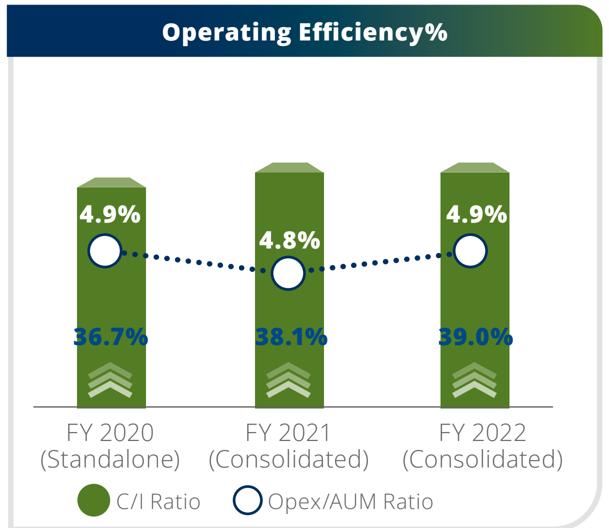
For any typical microfinance institution, our management approach for financial capital is based on generating returns for shareholders and other stakeholders. The approach is backed with the policies and procedures established by the organization. Our primary strategic objective is to provide micro-credit facilities to the unbanked population of the country while ensuring profitability in doing so. We have established several relevant KPIs such as Gross AUM, PAT, RoA, RoE, etc., and have been tracking the same to check the financial health of our operations.

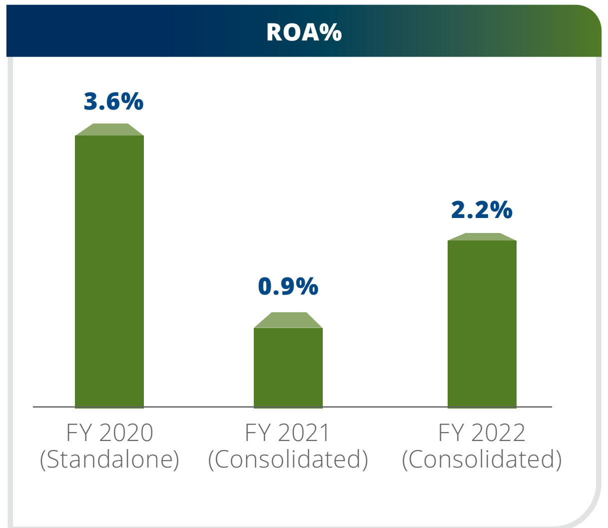
Robust Growth, Superior Asset Quality, and Improved Operational Profitability

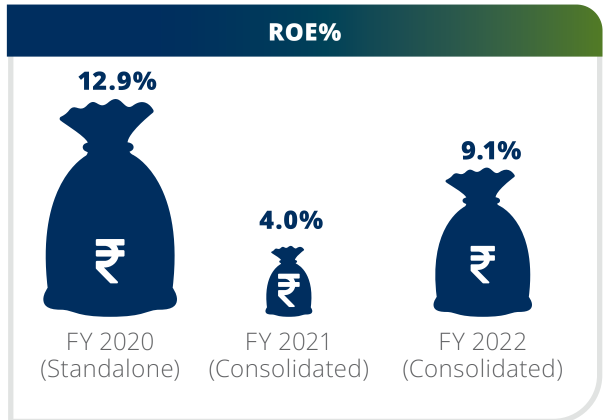
The Company has successfully navigated through the pandemic, displaying significant year-over-year improvement in performance metrics. The Company has been able to deliver 22.17% growth in gross loan portfolio to reach ₹ 165,993.55 million with an active borrower base of 3.82 million, further strengthening the leadership position in the microfinance industry. The Company recorded the highest total income of ₹ 27,501.27 million and Pre-Provision Operating Profit of ₹ 10,775.31 million during FY22. Consolidated Profit after Tax increased by 171.76% to reach ₹ 3,570.99 million in FY22.

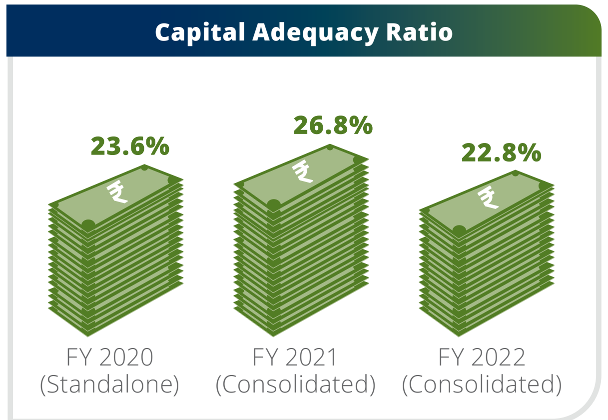


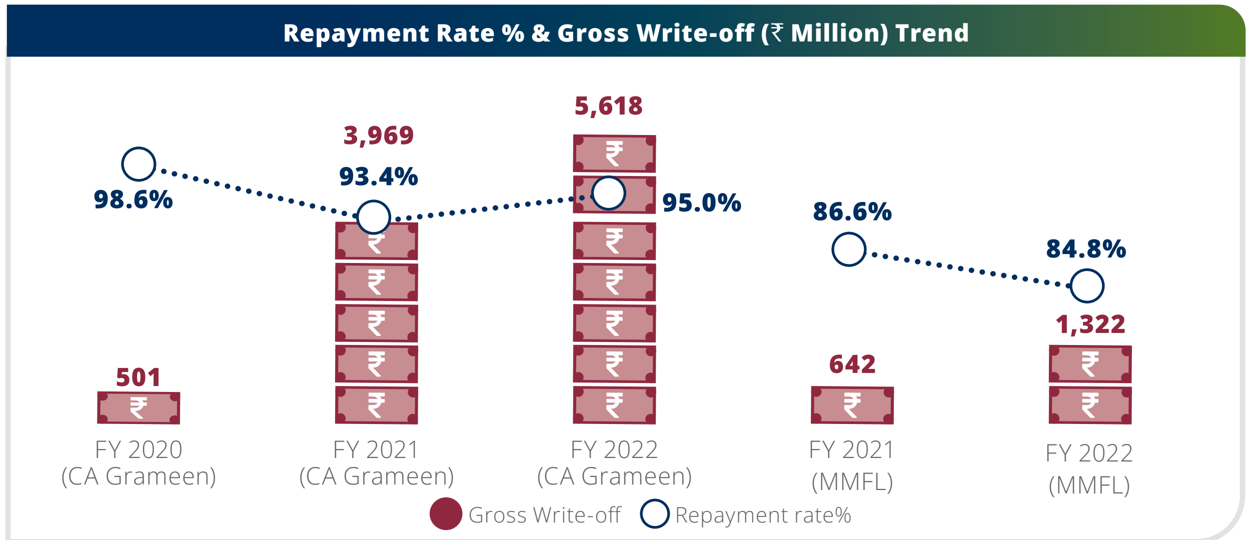












Note:
1) Gross AUM represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by the Company as of the last day of the relevant period as well as loan assets which have been transferred by our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

The Company was able to successfully navigate the impact of the second wave of Covid-19 and display faster recovery on the back of learnings from the first wave of Covid-19, a resilient business model, deep rural presence, strong customer engagement, and experienced senior management team. Further, on the back of adequate provisioning buffers created at end of FY21, the Company incurred lower credit cost (provisions + write-offs) in FY22. Improved operating profitability and lower credit cost resulted in a significant increase in net profit in FY22. The Company continued to maintain best-in-class operating efficiency, healthy liquidity and capital position. With near normal repayment rates and significant containment of asset quality stress as on Mar-22, the Company is well-placed to deliver robust growth and profitability in coming year.

	CA Grameen			MMFL	
Asset Quality (% of Gross AUM)	**FY2020**	**FY2021**	**FY2022**	**FY2021**	**FY2022**
PAR 0+ %	1.89%	5.21%	3.57%	14.04%	11.11%
PAR 60+ %	1.51%	3.49%	2.57%	6.78%	5.49%
PAR 90+ %	1.23%	2.91%	2.26%	4.71%	4.85%

Asset – Liability Management

Our governance and management approach has always been to maintain a positive asset-liability mismatch, where the maturity of assets is consistently lower than the maturity of liabilities. The resilience of the approach was especially tested during the pandemic. However, due to our financial prudence, we were able to withstand the negative effects of Covid-19 without comprising on our liquidity positioning. The goal is to maintain the positive mismatch in the short to medium-term.

Strong Credit Ratings

Despite the pandemic and several other external factors, we have been able to maintain stable credit ratings from leading credit rating agencies in India, as a result of our business model excellence and resilience. The ratings are a testament of the impact of our dynamic financial engineering during uncertain times. As we move towards the new normal in the post-pandemic phase, we aim to maintain the best ratings across the socio-economic aspects of our organization and build on the environmental aspects to become a holistic ESG company.

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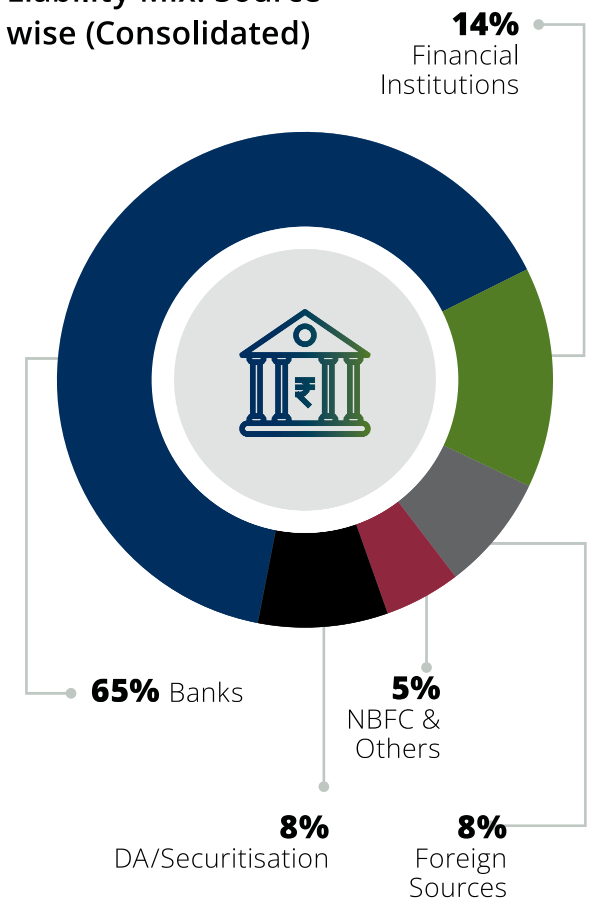
Rating Instrument	Rating Agency	Rating/Grading
Bank facilities	Ind-Ra CRISIL ICRA	AA- (Stable) A+ (Stable) A+ (Positive)
Non-convertible debentures	Ind-Ra CRISIL ICRA	AA- (Stable) A+ (Stable) A+ (Positive)
Commercial Paper	ICRA	A1+
Comprehensive Microfinance Grading (Institutional Grading/Code of Conduct Assessment (COCA))	CRISIL	M_1C_1
Client Protection Principle (CPP) Certification	M-CRIL	Gold Level

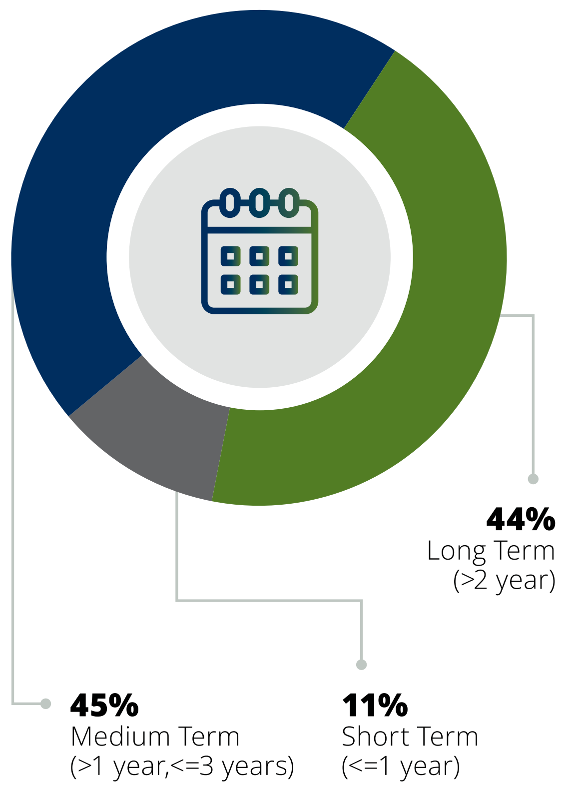
Diversified Liability Profile

The Company has a well-diversified base consisting of 44 banks, 3 financial institutions, 11 NBFCs, and 9 foreign institutional investors on a consolidated basis as on March 31, 2022.

Liability Mix: Source wise (Consolidated)



Liability Mix: Tenure wise (Consolidated)



Strengthening Stable & Diversified Funding Profile

For capital requirements, we aim to focus on maintaining a healthy balance between domestic and foreign sources. The Company targets to raise 15-20% of incremental debt through longer term foreign borrowings in form of ECBs/ NCDs from global FIIs/ FPIs, impact investors, multilateral/ bilateral institutions, development finance institutions, banks, etc. Efforts will be taken to broaden the domestic sources in addition to banks, NBFCs, financial institutions by tapping Mutual Funds, HNIs, Family Offices and Retail funds. We will be working towards obtaining an international credit rating from globally recognized rating agencies to enable the Company to raise foreign currency borrowings from global capital markets, in addition to rupee-denominated borrowings being raised historically. Further, there will be a focus on targeting ESG funds from global investors & lenders over the coming 3-5 years.

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Economic Value Generation and Distribution

We have managed to consistently increase the stakeholder value despite the past two years being significantly impacted by the Covid-19 pandemic.

Economic Value Creation	FY21 (₹ Million)	FY22 (₹ Million)
A. Economic Value Generated		
Domestic Revenues	24,610.03	27,428.20
Other Income	50.69	73.12
Total Economic Value Generated	**24,660.71**	**27,501.32**
B. Economic Value Distributed		
Operating Cost	9,615.23	8,279.72
Employee Wages and Benefits	3,799.87	4,376.64
Payments to Capital Providers	9,287.15	9,841.40
Payment to Government	1,140.53	1,337.98
CSR Initiatives	78.11	97.10
Total Economic Value Distributed	**23,920.89**	**23,932.84**
Economic Value Retained (A - B)	**739.83**	**3,568.48**

Note:
Reference to Profit & Loss Statement
i) Operating cost = Fee and commission expense + Impairment on financial instruments + Depreciation and amortisation expenses + Other expenses (excluding Rates & taxes & CSR expenses)
ii) Payments to Capital Providers = Finance costs
iii) Payment to Government = Rates & taxes + Income tax (current tax)

SOCIAL AND RELATIONSHIP CAPITAL

"Investing in Social Infrastructure and Community Wellbeing"

Interlinked SDGs

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

Strategic Focus

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

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

Future scope

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

FY2022 KPIs (Consolidated)

3.8 million
Women borrowers

Total CSR spend
₹ 96.94 million

Total COVID-19 support spend
₹ 43.85 million

Total institutions provided with COVID support
15,632 (Standalone)

Education loans disbursed over last 3 years
384,519

Water connection loans disbursed over last 3 years
53,299

Sanitation loans disbursed over last 3 years
486,346

Home improvement loans disbursed over last 3 years
205,611

Highest comprehensive MFI grading
M1C1 from CRISIL

Highest Recognition - CPP Certification **Gold Level** from M-CRIL

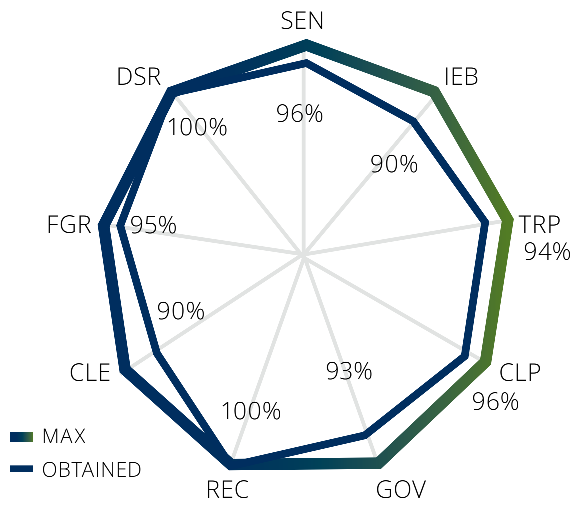
The fundamental of social capital is that relationship matters. Business and community share a symbiotic relationship where both add value to each other. While the community shares resources and provides talent and market; the business offers employment and products, economic growth, and infrastructure development. We focus on balancing business priorities along with social responsibilities, ensuring client protection, responsible financing, and community well-being across our operating geographies. At a group level, we served around 3.8 million women borrowers through 1,635 branches across 14 states and one union territory, as on 31st March 2022.

Social Performance Milestones

COMPREHENSIVE MFI GRADING (COCA + COMPANY GRADING)

CRISIL has re-affirmed 'M1C1', the industry's top MFI grading, to CA Grameen signifying the 'Highest' capacity (M1) of the institution to manage its operations in a sustainable manner and 'Excellent' performance (C1) on the Code of Conduct dimensions. This is a comprehensive rating that combines the Microfinance Capacity Assessment Grade and Code of Conduct Assessment Grade (COCA) for the evaluation. The organisation has complied with stipulated regulatory guidelines and Code of Conduct principles. A board-approved fair practices code is in place.

CoCA DIMENSION SCORES



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

Client Protection Certification

CA Grameen has been certified with the highest level of recognition, Gold Standard in Client Protection Principle (CPP) certification by M-CRIL Limited. This is a testament to the conscious effort made by the Company to provide affordable products and services to its clientele over years and be a responsible lender to the bottom of the pyramid. The certification gauges an institution on various parameters including appropriate product design and delivery, prevention of over-indebtedness, transparency, responsible pricing, fair and respectful treatment of clients, privacy of client data, and mechanisms for complaint resolution to determine the degree of client protection practices followed across loan cycle.

Customer Connect

We are a trusted partner to millions of customers, existing majorly in the rural parts of India. In addition to offering a wide range of financial solutions to meet the diverse needs of our customer base, we undertake various customer engagement initiatives, which help create a much better connection with customers. One of the key customer engagement initiatives undertaken during the year include:

Jagruti – Changing Customers' lives

Our Jagruti initiative continues to create socio-economic awareness among our customers on various topics like health management, food, and nutrition, children's care, financial literacy, sanitation, etc. The information is provided digitally through mobile and tabs to our customers through our loan officers during center meetings.

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Enhancing Customer Experience

We understand that customer needs are rapidly changing. To address these evolving needs, we have kept customer experience at the centre of our focus. We strive to engage with our stakeholders on a continuous basis. This enables us to understand their expectations and serve them better. The grievance department contacts the customers on regular basis to understand their awareness levels in various areas. Around 2% of customers were contacted during the year.

Total awareness calls made (standalone): 60,941

Topics of awareness: insurance, loan products, branch address and contact numbers, loan passbook, bank accounts, credit bureau, interest and fees, complaint box, toll free redressals

Minimum awareness level %: 95 %

FEEDBACK ON PRODUCTS AND SERVICES

Feedback from customers is taken to measure their satisfaction levels regarding our products, services, processes, and staff behaviour. Around 2% of customers were contacted during the year. Around 97% of customers contacted have said they were either happy or very happy and the rest were also satisfied with our products, processes and the conduct of the staff.

49,113 Total Feedback Calls (standalone) in FY 2021-22

Customer Grievance Resolution

We have a customer grievance redressal system in place, which is managed by the Grievance Redressal Cell of the company. The primary activity of the Grievance Redressal Cell is to report and resolve customer grievances/queries/requests by working in coordination with various other departments. A total of 5,244 customer calls were received in FY 2021-22, which included 3,189 grievances. Overall, 99.9% of grievances were resolved, out of which around 92% were resolved within 7 days.

Community Development

At CA Grameen, social initiatives form an integral part of our sustainability efforts. Going beyond economic and environmental responsibility, we engage and collaborate with the community to create lasting value for all our stakeholders. All our CSR activities are channelized through the CA India Foundation, a registered Section 8 company incorporated on 29th May 2021. The foundation provides prioritization of thrust areas, strategic direction, and performance management of the CSR activities. The foundation focuses on social development areas like Health, Education, Livelihood, and Environment.

CSR Vision

To play a significant role in the upliftment of communities in identified geographies by offering holistic solutions for key developmental issues.

CSR Mission

To execute identified programs seamlessly by partnering with various stakeholders including our own branches, NGOs, local development authorities etc., such that CA India Foundation is identified as a significant contributor to social development.

CSR Policy

Our CSR policy includes guiding principles for selection, implementation, and monitoring of activities as well as formulation of the Annual CSR Action plan. This policy is in compliance with Section 135 of the Companies Act, 2013 and acts as a guiding document for our CSR projects. It covers all the internal dimensions of the CSR structure and further captures and sets out the process implementation of the CSR related activities.

We have a board-level Committee which reviews and recommends changes in the CSR policy and oversees the implementation of CSR projects to be undertaken. For more details, please refer to our website.

Fight against Covid-19

We, at CA Grameen, felt that there was a compelling need to reach out to those afflicted directly or indirectly by Covid-19. So, we supported initiatives to finance the underprivileged. The support initiatives primarily included helping the local administration and communities to prevent the spread of Covid-19 and deal with pandemic inflicted challenges. This involved working closely with local government authorities at the state and district level, healthcare centres, district health officers, municipal commissioners, and medical officers.

We had reserved a portion of our CSR funds towards the following activities

- Vaccination drives
- Providing health kits and safety gears to frontline Covid warriors
- Meeting infrastructure requirements of COVID care centers established by local authorities.
- Provision of essentials to COVID impacted families.
- Provision of medicines and facilitation of primary care for the needy.

758,144 beneficiaries
from 16,667 institutions (CA Grameen: 15,632, MMFL: 1,035) were given health kits and other support to combat Covid-19

35,344 beneficiaries supported through vaccination drives

CSR Focus Areas

Education

Through our programmes, we aim to promote universal education and improve the knowledge comprehension and analytical abilities of students, making them the change agents of their own lives.

Scholarship programme
This programme offers scholarship to two top scoring girl students from government schools in each selected district, who pass the 10th standard in order to motivate them to continue higher education and to help their families recognize the performance of their child and encourage her to study further. A set of top districts in discussion with field teams are chosen for this initiative.

Sushikshana
Sushikshana in association with NGO partners is an interactive program designed to provide children from class 8 and above, with a holistic learning experience. The programme covers topics such as Water-Sanitation-Hygiene (WASH), financial literacy including money management, household budgeting, saving, and wealth creation. It also includes career guidance sessions for class 10 students to help them make better career choices in the future after completing their class 10 education.

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Healthcare

The pandemic has reiterated the importance of access to basic healthcare services to all. We recognise this need and support initiatives such as setting up of healthcare units and partnerships with healthcare facilities to support the vulnerable population.

Mobile health check-up vehicles
This initiative is undertaken in partnership with Dr. M.D. Sachidananda Murthy of Memorial Educational Trust, Mysore. We have organized medical camps by setting up two vans in the Chamarajnagar and Kodagu districts of Mysore.

Free vaccination drives
We conducted vaccination drives through Vaccine on Wheels, a flagship program of Jivika Healthcare Pvt Ltd. The organisation aims to vaccinate eligible individuals from remote places who had challenges accessing covid-19 vaccination.

Improvements in rural health infrastructure
Through this programme, we aimed at assessing and improving the infrastructure of selected rural Primary Health Centers, improving public toilets in rural areas, water storage facilities, and waste management infrastructure.

Livelihood

We work with a sense of responsibility towards the local communities and thrive to make them self-reliant through our efforts. To assist and enhance their means of sustenance, we provide our support through training sessions.

Tailoring training for women
This project aims to train women participants on tailoring skills [basic and advanced] through which they can generate income for their families, either through self-employment or by joining suitable organizations.

Livelihood and skill development for differently abled children
To fulfill our objective, we have partnered with the institutions that are already providing skill development and livelihood support to differently abled children from economically poor background.

Skill development for rural youth
Through this programme, we support youth in gaining information on government skill development programs such as Rural Self Employment Training Institutes (RSETI), ICICI Academy, etc. Further, we assist them to enroll in these programmes, provide logistics and support accommodation. This year, we initiated this programme with participation from 100 students.

Trainings on livestock development
We train and equip women farmers on livestock development, fodder security (silage making), value addition, and marketing linkages.

Environment

With an aim to contribute towards raising the standard of living of our people, we focus on infrastructure development.

Rainwater harvesting
We encourage water conservation activities in government schools through rainwater harvesting and recharge structures. Till date, we have initiated this programme in two rural government schools.

Block level groundwater improvement programme
Through this programme, we train and equip farmers on borewell and groundwater recharge techniques with an intend to improve the groundwater level of the block.

Other Development Activities

As part of our branch level community development activities, we also focus on the below programs:

Improving anganwadi/primary school facilities

21,613 beneficiaries
from 876 centers under Anganawadi Improvement Program

This programme focuses on inspecting the local Anganwadis and primary schools, understanding their basic needs like availability of toilets, provision for safe drinking water, furniture, painted walls, toys, sports items, etc., and fulfilling the basic requirements of the educational institutes.

Rural development program

53,302 beneficiaries
from 762 rural public institutions

This programme focuses on inspecting the local Anganwadis and primary schools, understanding their basic needs like availability of toilets, provision for safe drinking water, furniture, painted walls, toys, sports items, etc., and fulfilling the basic requirements of the educational institutes.

Rural development program

53,302 beneficiaries
from 762 rural public institutions

We focus on improving rural public infrastructure such as Anganwadi centers, local Panchayat offices, police stations, veterinary hospitals, Primary Health Care centers, government hospitals, etc.

Humanitarian aid and disaster relief activities

23,893 beneficiaries
received disaster relief support in form of ration kits and household items

Through this initiative, we provide need-based support for relief activities due to damages caused by cyclones, floods, earthquakes, fire incidents, etc.

Career guidance sessions
We organize career guidance sessions in the rural areas for Class 10th and 12th students. These sessions are undertaken by trained professionals via virtual and physical mode. It guides the students to explore the various career options available for them and help them choose the right educational path.

HUMAN CAPITAL

"By the Community, for the Community"

Future scope

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

Strategic Focus

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

Interlinked SDGs

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

FY2022 KPIs (Consolidated)

- New employee hires **9,381**
- Confirmed employees turnover **27.10%**
- Employees availing parental leaves **474**
- Average training hours per employee (Including Pre-Hires): **57 hours**
- % of employees receiving regular performance and career development reviews **70.82%**
- Number of employees **15,667**
- % of young workforce (18-35 years) **91.43%**
- % of women workforce **8.69%**
- % of employees from local community **97.65%**
- % of eligible field workforce receiving incentives during pandemic: **100% (CA Grameen), 76.87% (MMFL)**
- Great place to work and ranked amongst India's 30 Best Workplaces in the BFSI - **3rd consecutive year**

Our employees are the key enablers of our vision to become a preferred financial partner of Indian households lacking access to formal credit, as they handhold our customers in their journey of getting access to convenient and reliable financial solutions that appropriately match their needs. Being in a microfinance business, our work largely revolves around venturing into rural and remote markets, cultivating and nurturing relationships with people and meeting their respective needs whilst ensuring high levels of customer satisfaction and this feat cannot be achieved without our employees. Our people left no stones unturned in supporting the community during the pandemic. Hence, it is pivotal to invest in human capital to ensure business model consistency, scalability, and profitability.

CA Grameen strongly believes in its vision to be Committed, Reliable, Empathetic, Accountable, Transparent and Efficient (CREATE), which extends to the aspects of our employee engagement. Nurturing an environment of trust and mutual respect and becoming an employer of choice is the Company's constant endeavour. Our continuous focus on attracting the right talent, imparting adequate training and offering multiple growth avenues within the organisation has been instrumental in higher employee retention over the years. The Company has been awarded with "GREAT PLACES TO WORK – CERTIFIED®" and India's 30 Best Workspaces in BFSI – 2022, for the 3rd consecutive year.

Geographical Employee Distribution

EMPLOYEES	**CA Grameen**			**MMFL**	
STATE	**FY2020**	**FY2021**	**FY2022**	**FY2021**	**FY2022**
Karnataka	4,001	3,929	3,836	231	213
Maharashtra	2,548	2,435	2,412	466	444
Madhya Pradesh	1,348	1,364	1,488	0	0
Tamil Nadu	1,348	1,298	1,424	2,089	2,014
Chhattisgarh	421	414	402	0	0
Odisha	269	282	377	323	302
Jharkhand	194	190	337	0	0
Rajasthan	153	182	396	0	0
Bihar	169	179	463	273	282
Gujarat	131	134	264	0	0
Uttar Pradesh	104	104	378	0	0
Kerala	121	97	157	253	250
Puducherry	10	9	10	41	44
Goa	7	8	7	0	0
West Bengal	0	0	0	98	167
TOTAL	**10,824**	**10,625**	**11,951**	**3,774**	**3,716**

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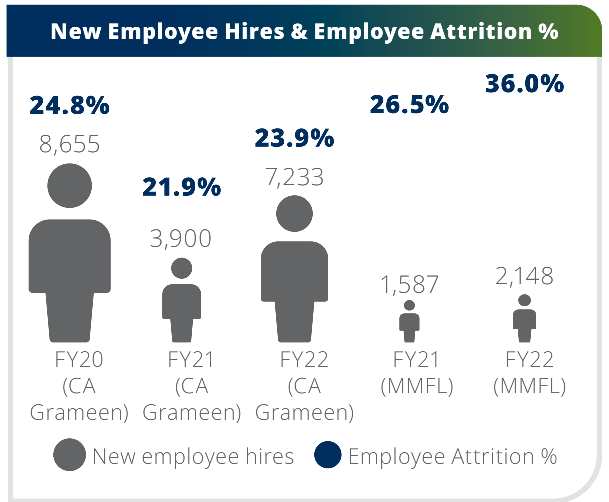
Local Employment Generation

At CA Grameen, we strongly believe that local recruits are better aware of evolving needs of low-income rural households and can thus support them in getting access to suitable financial solutions. Hence, we aim to hire field forces from the local community, especially from our customer families, and provide them with multiple learning and development opportunities with our organisation. This field force serve as loan officers for some time. Once these loan officers get sufficient experience, they are promoted internally to take up higher roles and responsibilities. They are also given an opportunity to work across different departments and divisions like audit, business support, field risk, etc. leading to an overall development of the workforce.

% of employees from the local community (hired from native state):
CA Grameen **97.27%**
MMFL **98.87%**



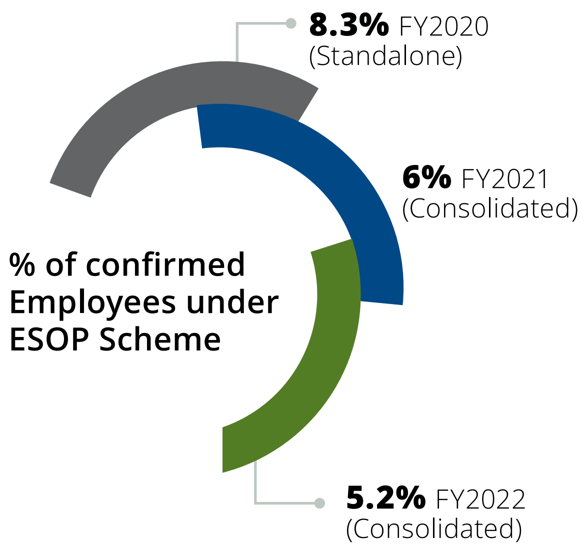
Unique Incentive Structure

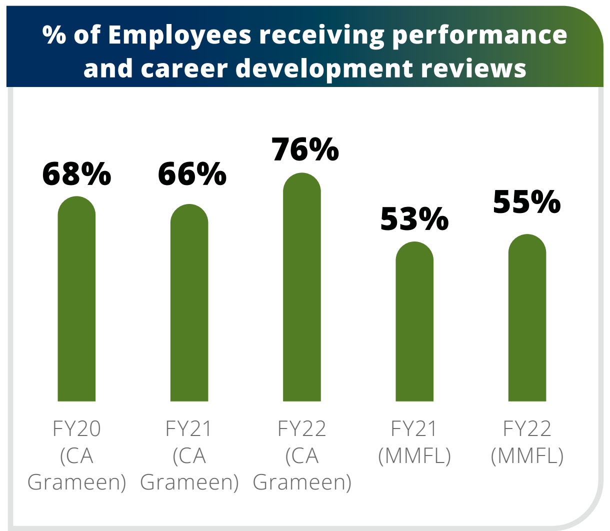
As a common practice, incentivization structure for the field workforce working in the finance sector is generally tied with disbursements and collections. However, at CA Grameen, unlike the industry, the incentives are not linked to monetary KPIs. Their incentives are basically being linked to three factors – i) number of active customers served, ii) number of new customers trained and converted, and iii) branch audit grade (determined within avg. 60 days). This way our framework ensures that high service standards, strong customer relationships, and process adherence are practiced at all times by our field staff.

% of eligible field workforce receiving incentives during pandemic:
CA Grameen **100%**
MMFL **76.87%**

Nurturing Employee Well-being

At CA Grameen, we take conscious efforts to improve benefits, rewards, and recognition for our employees. Our financial and non-financial incentives are different from regular industry standards and are centered around recognizing the employees for their efforts and maintaining high motivation levels. Apart from incentives, the field staff is also eligible to receive an Annual Performance Bonus at end of the year. The company has also implemented an Employee Stock Ownership scheme for eligible employees.





Benefits	Full Time Employees	Trainees
Wedding Gift	Max up to one-month Basic salary	Max ₹ 200
Child Gift	Max up to ₹ 2,000/-	Max ₹ 200
Bonus	Statutory/ Performance Bonus	Statutory Bonus
Earned Leave	Eligible	Not eligible during training period
LTA	Yes	No
Gratuity	Yes	No
Increment	Yes	No
Staff Loans	Eligible subject to certain conditions	Not eligible
Paternity leave	10 days, subject to certain conditions	Not eligible
PF	Eligible	Eligible
Insurance Benefits	ESIC/ Medical/ Life/ Hospitalization/ Accidental	ESIC/ Medical/ Life/ Hospitalization/ Accidental

Encouraging Employee Upskilling

Employee up-skilling helps drive operational excellence at an organisational level and professional growth at an individual level. Hence, we pay regular attention on improving employee awareness, skills, and capabilities in line with evolving business processes, products, services, and technological know-how at CA Grameen. Further, extensive in-person training sessions for field and non-field employees are conducted by the in-house training team. We have also introduced a virtual learning management system which enables efficient training and learning mechanism for all the employees including field force, middle management, and leadership team.

5,291 employees were trained on virtual platform on various aspects like roles, responsibilities, products, processes, controls, field force technology applications, RBI guidelines etc.

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14,558 employees were trained on E-Learning Portal

6,144 new members inducted under safety induction initiative

The Company's in-person training sessions consist of –

i. 15-21 days basic (pre-hiring) training program which aims at preparing prospective employees for field operations and field training at one of our branches.

ii. Refresher training program- which conducted as per operational requirements,

iii. Orientation program-conducted for promoted field staff and new employees at head office,

iv. Induction training-conducted for all lateral hires,

v. Departmental process training programs-conducted for all new recruits and promoted employees,

vi. Leadership training programs are tailored according to the seniority. All training programs are designed based on objectives, targeted groups of employees, skills and capabilities required for field operations.

Employee Grievance Redressal Mechanism

CA Grameen's employees are one of its key stakeholders and hence it is important to stay engaged with them, understand their needs and provide the appropriate working environment. Our grievance redressal mechanism enables timely reporting of issues and concerns followed by a systematic redressal process. The issues raised are heard and assessed fairly while ensuring strict confidentiality and no victimization for those raising the grievance. The grievance redressal cell handles the entire grievance process in coordination with the respective department heads. There is a clearly-defined escalation matrix which routes the issue to the grievance officer and the HR head followed by the MD & CEO in case of delayed resolution. The employee grievance procedures are reviewed and updated by the HR head on an annual basis.

Number of parental leaves taken by employees: **474 (93.46% were paternity leaves)**

Query Type	FY2021 (standalone) HR Queries	FY2021 (standalone) Payroll Queries	FY2021 (standalone) Grand Total	FY2022 (standalone) HR Queries	FY2022 (standalone) Payroll Queries	FY2022 (standalone) Grand Total
Open	27	0	27	2	1	3
Responded	184	587	771	109	566	675
Closed	18	9	27	10	8	18
Grand Total	229	596	825	121	575	696

Employee Diversity and Inclusion

CA Grameen is committed to offering a culture of diversity within the organisation by providing equal opportunities to employees independent of preference race, colour, religion, gender, age, national origin, disability status, etc. without discrimination and harassment of any sort. The Company appreciates unique experience, ideas, and perspectives which come from a diverse workforce as they help in driving innovation for better products and services and enhancing overall customer experience.

% of young workforce (18-35 years): **91.43%**

Male to Female at **10.5:1**

8.82% of the workforce in Senior & Top Management are women

The Company has undertaken a unique recruitment strategy of hiring fresh talent from local communities, especially from customer families, thus meeting the goals of financial inclusion as well as human capital inclusion at the same time.

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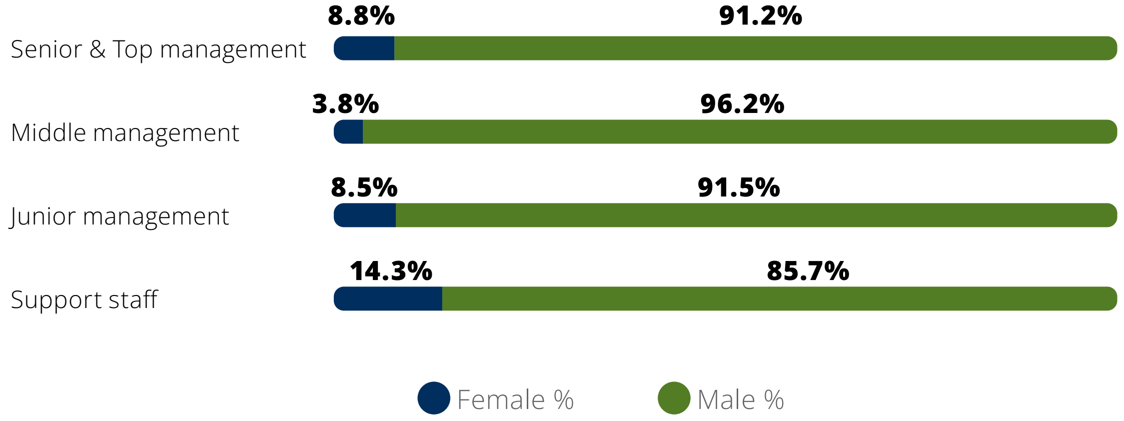
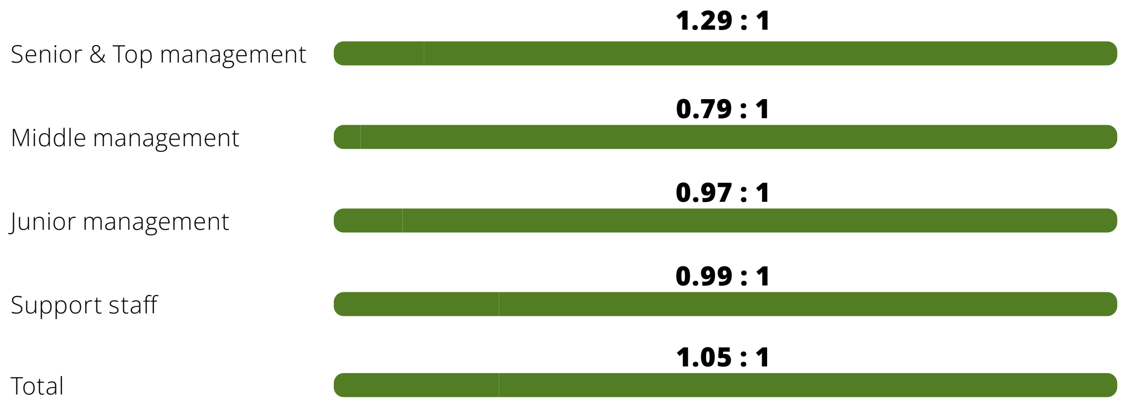
Gender Parity Across Employee Grades (Consolidated)



CTC Ratio Across Employee Grades (Consolidated)



The CTC Ratio equals the ratio of average salary of male to female employee at a particular employee grade.

Employees

Gender Parity	FY2020 (Standalone)	FY2021 (Consolidated)	FY2022 (Consolidated)
Female	858	1,495	1,361
% Female	**7.93%**	**10.38%**	**8.69%**
Male	9,966	12,904	14,306
% Male	92.07%	89.62%	91.31%
Grand Total	**10,824**	**14,399**	**15,667**

MANUFACTURED CAPITAL

"Deepening our Rural Presence and Reach"

Strategic Focus

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

Interlinked SDGs

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

Future scope

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

FY2022 KPIs (Consolidated)

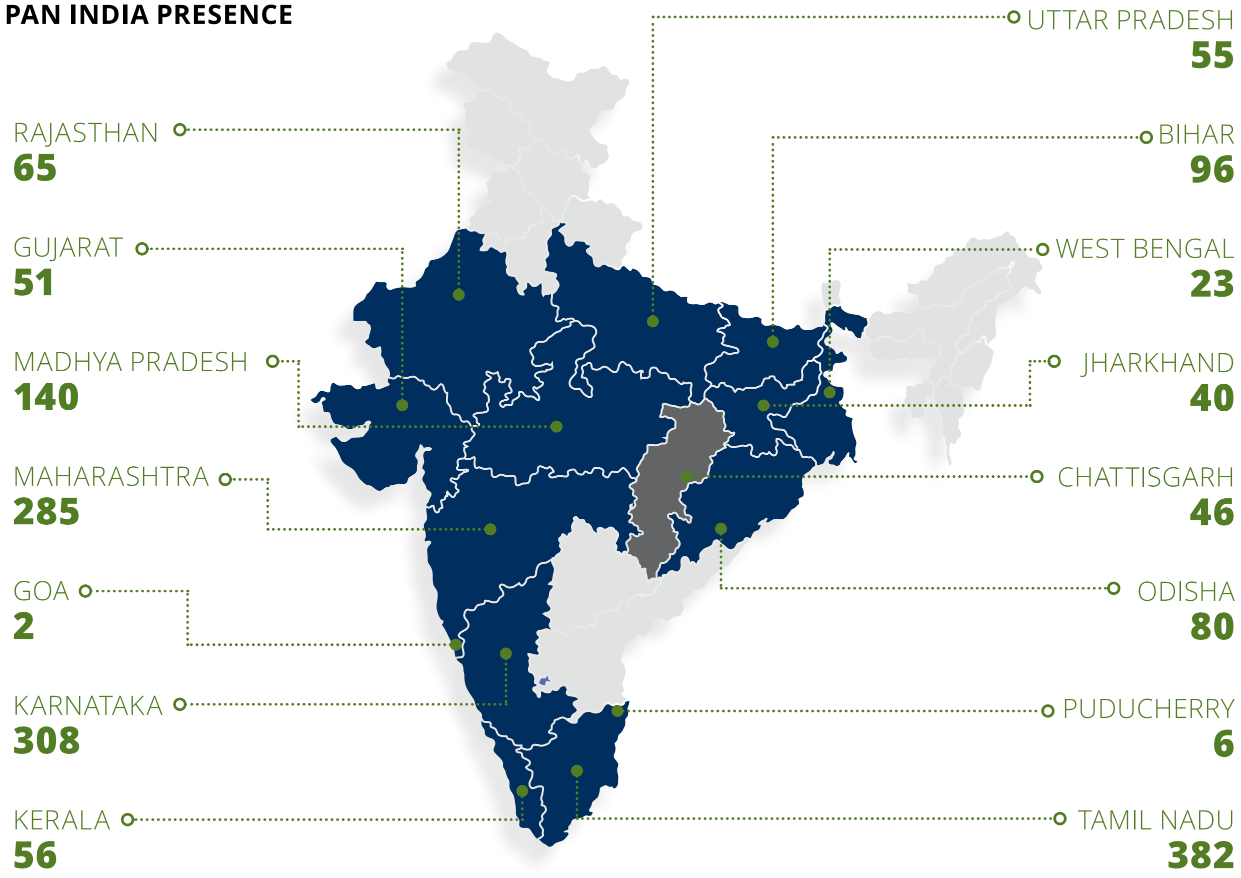
Pan India presence in **14 states** and **one** union territory

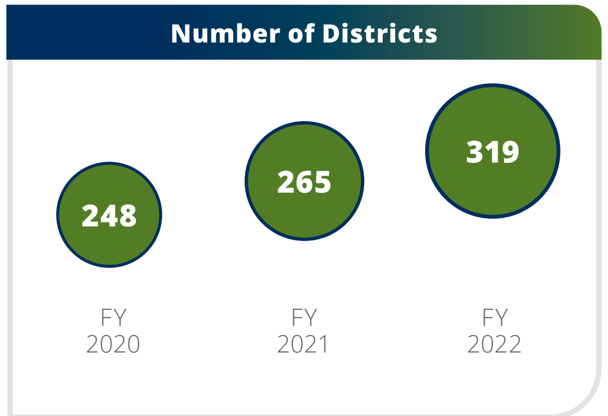
1,635 branches across **319 districts**

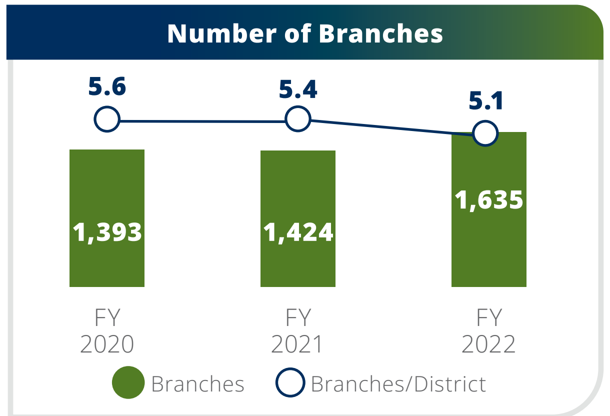
17 regional/ divisional offices/ processing centres

Being India's one of the largest microfinance business, CA Grameen has an extensive physical presence across the nation for supporting our customers and other stakeholders through our branches and office network. As on Mar-22, on a consolidated basis, CA Grameen covered 319 districts in the 14 states (Karnataka, Maharashtra, Madhya Pradesh, Tamil Nadu, Kerala, Odisha, Chhattisgarh, Goa, Bihar, Jharkhand, Gujarat, Rajasthan, Uttar Pradesh, and West Bengal) and one union territory (Puducherry) in India through 1,635 branches and 17 regional/divisional offices.

PAN INDIA PRESENCE







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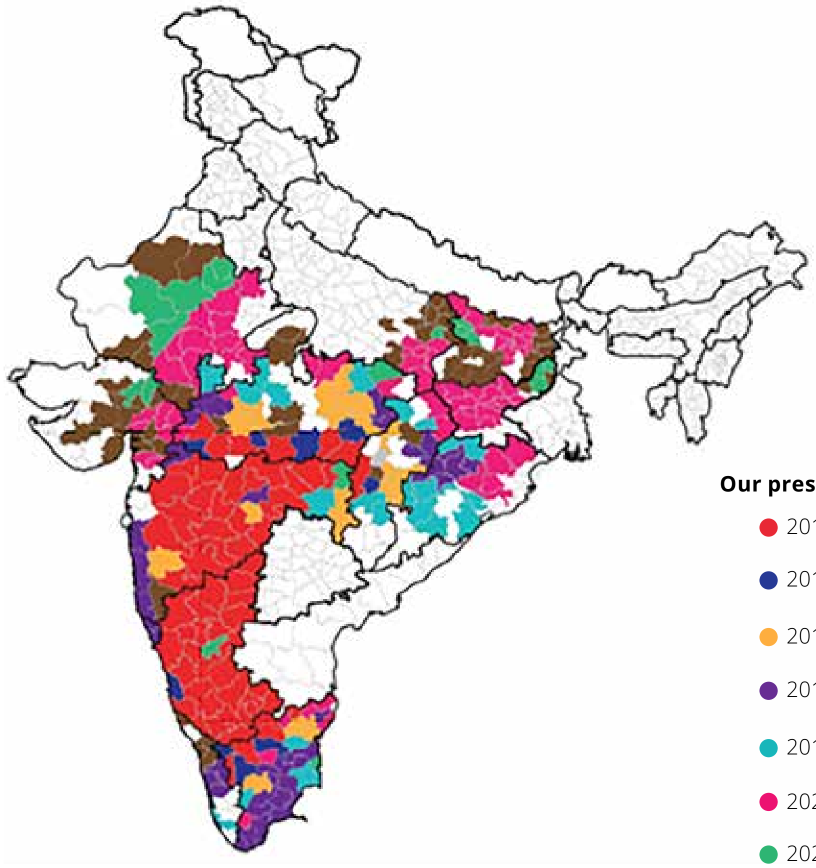
CA Grameen continues to follow a contiguous district-based expansion strategy, extensively covering deep rural villages in every district, having around 5-6 branches per district, with each branch having an operating radius of 25-30 km. Our extensive presence has ensured that no single district contributes more than 4% to consolidated Gross AUM as of Mar-22. Further, out of a total of 319 districts, around 96% districts individually account for <1% and 99% districts individually account for <2% of the consolidated Gross AUM respectively.

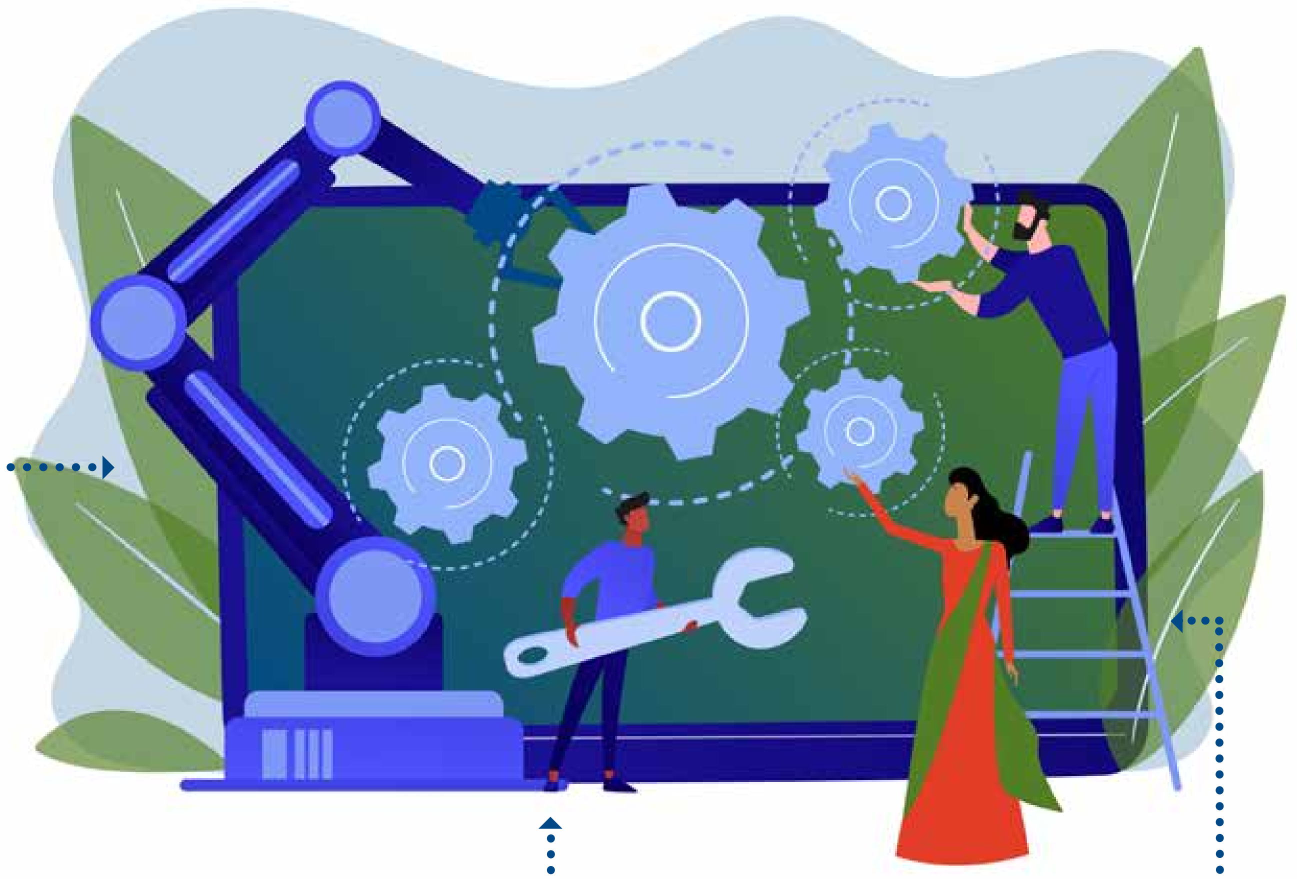
Below is the representation of CA Grameen's contiguous branch expansion (refers to standalone information)



Our presence	Districts	New Districts added
2015	64	
2016	74	10
2017	96	22
2018	132	36
2019	157	25
2020	230	73
2021	247	17
2022	301	54

INTELLECTUAL CAPITAL

"Leveraging Customer Centricity and Robust Technology Stack to Provide Innovative Financial Solutions"



Interlinked SDGs

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

Strategic Focus

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

Future scope

To focus on application scalability, process automation and integration with external eco-systems for increased efficiency and enhanced experience

FY2022 KPIs (Standalone)

1.6 Products per customer

84% Customer retention rate

0.58 million new customers digitally onboarded

99% cashless disbursements

6,601 branch audits performed, with **95%** of branches having **>80% audit** compliance

End-to-end **digitization** of field operations

Only MFI to integrate **world standard** core **banking solution**

Being a significant part of the wider economic eco-system, we actively engage and hold discussions with our diverse stakeholders to understand the evolving needs of the client and brainstorm ideas and conversations that can lead to the economic development of India and its people. Customer centricity lies at the core of CA Grameen's business strategy. CA Grameen envisages becoming the preferred financial partner for the entire customer household. Hence, we are ceaselessly working towards increasing household value by diversifying the portfolio of its credit and non-credit offerings and improving overall customer experience and engagement.

Ever since our establishment over 23 years ago, we have laid stress upon exploring building up the state of the art technology and innovation and building a repository of intellectual expertise and knowledge capital in order to efficiently meet the needs of our client. Robust technology stack facilitates the smooth execution and management of multiple process complexities in the backend and offers customized financial solutions to our customers. Our best in class core banking solution, end-to-end digital field applications, enhanced process automation, robust risk and audit controls, strong data and analytics capabilities, and ability to quickly adapt to the latest technology changes, ensures quick response to evolving customer and market dynamics. Some of which are listed below:

Initiatives to Enhance Customer Experience and Engagement

Key Initiatives	Outcome in FY22
Same day disbursement	Expanded across all Group Loan branches, applicable to non-income generating loans with ATS <= ₹ 15,000
SMS messaging	Initiated to provide key updates (loan disbursement - NEFT status, bank account updates, repayments received etc.) to customers in vernacular languages
Cashless disbursement	Achieved 99% cashless disbursements. Robotic process automation was introduced for NEFT file validations, and helped in improved productivity
Cashless collection	UPI based repayments saw 1.2 million transactions (FY21: 159k) with ₹ 1.6 billion (FY21: ₹ 264 million) collected in FY22
Digital customer on-boarding process	1.1 million applications were processed, and 0.58 million new customers were activated digitally
AEPS enabled cash withdrawal	GrameenPay App has been piloted at 76 branches, recording 17,021 successful transactions with 60% success rate, amounting to cash withdrawal of ₹ 71.6 million. Customers also extracted 19,453 mini statements to check their bank account balance
Hospicash (Insurance)	The product offers wage/income loss protection in the event of hospitalization. The annual premium of ₹ 245 per person provides a cover of ₹ 1,000 per day cash benefit for upto 30 days of hospitalisation in a year. All pre-existing diseases and maternity related hospitalisation are covered The product has been piloted at 88 branches, providing seamless claim settlement experience leading to higher customer satisfaction. FY22 saw 14,297 member enrolments, with 6.7% claim ratio

Customer Testimonials – See what our customers have to say!

"I had enrolled myself into the Hospicash scheme in September 2021. The registration process was quick and hassle-free. I didn't have to run from pillar to post to avail my claim amount. After verification, the money was duly deposited into my bank account. I have also advised a few of our group members to enroll and avail the benefit."

Mrs. Pinki Kumari, 43, Ranchi.

"Me and my husband have enrolled ourselves into the Hospicash scheme. The scheme has benefitted us a lot and we would like to continue with it further. I would also like to recommend this scheme to other group members, so they can avail the benefit."

Mrs. Sajda Khatun, 28, Ranchi.

Initiatives towards Technology and Process Improvement

Key Initiatives	Outcome in FY22
Process Improvement	• Centralised help desk scaled up across all branches, leading to 99.9% resolution rate, with 93% cases resolved within 7 days and over 80% cases resolved within 3 days • Automation of field travel conveyance claims with central verification to reduce excess claims • Streamlining and automation of customer onboarding process at RPCs (Regional processing centres) leading to 10-15% reduction in push-back cases and 18% increase in avg. documents processed per employee
Application and Infrastructure Scalability	• Increased scalability of digital field application to handle concurrent loads and high volumes along with offline functionality to reduce dependency on CBS (core banking solution) leading to faster response time • Enabled real time loan eligibility calculation based on the credit bureau and loan application data, thereby reducing loan processing TAT • Functional enhancements in CBS were undertaken to allow flexibility in collections process during Covid-19 induced lockdowns. This also included managing the interest subvention requirement during Covid-19, wherein ₹ 560 million benefit across 2.8 million loan accounts was passed on to our customers • Unification and operationalisation of databases at CA Grameen and MMFL thereby providing daily DPD and MIS leading to streamlining process integration with MMFL. Daily NPA tagging and ECL stage computing were implemented based on new RBI guidelines • CBS upgradation project was initiated in FY22, to be completed in FY23 leading to significant improvement in functional flexibilities and allowing seamless integration with APIs, external technology eco-systems • Robotic process automation was implemented to enhance cashless disbursement and loan application processing • Internal audit system was enhanced to enable audit analytics, intelligence, and MIS

Enhancing Learning & Development

Regular Learning and Development (L&D) initiatives can significantly improve productivity leadership within the organisation. Hence at CA Grameen, we pay due attention on formative journeys of our employees, their skilling and up-skilling needs and undertake required development and growth initiatives. We bank upon the online E-learning portal for employee training, for delivering effective learning modules to all employees with lower training costs involved, and for delivery of effective training programs to a large scale audience.

E-learning portal training modules:

10,833 employees trained on conveyance portal upgradation

2,865 employees trained on National Pension Scheme

2,080 employees trained on same day disbursement process

2,055 employees trained on insurance process in tab

Future Upgrades/Investments

To become the preferred financial partner of Indian households which lack access to formal credit and enrich lives by providing convenient and reliable solutions, CA Grameen is planning to take several initiatives to boost its digital infrastructure. We have plans to improve application and infrastructure stability and scalability, robotic process automation across multiple functions, system readiness to roll-out new products and services, mobility applications, data and analytics, and risk/ audit controls. We are also considering the implementation of rule-engine as it is believed to improve the credit underwriting process with faster TATs. To further enhance loan officer's usage experience, a unified mobility application will be developed. We will also be incorporating Data as a Service (API banking) and Enterprise Service Bus which will allow seamless integration and communication with external technology ecosystems. In the short-term, we aim to improve data accessibility within the organisation for advanced analytics, intelligence, and dashboards. To further enhance our intellectual capital, we have planned to develop a household credit bureau view for a better understanding of household leverage & strategize for cross-sell opportunities.

NATURAL CAPITAL

"Minimizing Environmental Impacts of our Operations"

Future scope

To integrate climate finance in the company's lending portfolio and create positive operational impact on environment.

Strategic Focus

To achieve Net Zero operations in long term

Interlinked SDGs

Organization's operational and CSR activities in environmental sustainability

Creating and managing the GHG inventory to reduce the emissions and move towards net zero

FY2022 KPIs (Consolidated)

99.90% loans having positive environmental & social impact

Scope 1 Emissions Intensity (Standalone): **0.00 tCO_2e/FTE**

Scope 2 Emissions Intensity (Standalone): **0.28 tCO_2e/FTE**

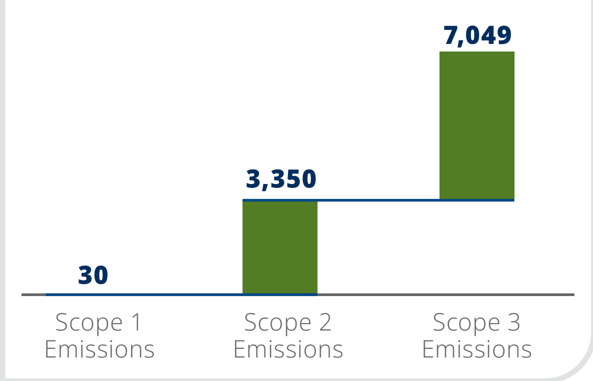
Scope 3 Emissions Intensity (Standalone): **0.59 tCO_2e/FTE**

Though the company primarily focusses on the socio-economic development of the customers and the community it serves, we are cognizant of our responsibility towards environmental commitments. We have taken continuous efforts to preserve and increase our natural capital, especially since a large number of our customers are involved in activities that depend on the eco-system services provided by the nature. Thus, in terms of both business and environmental sustainability, it is imperative that we increase the scope of this capital and work towards integrating the same in our ESG agenda.

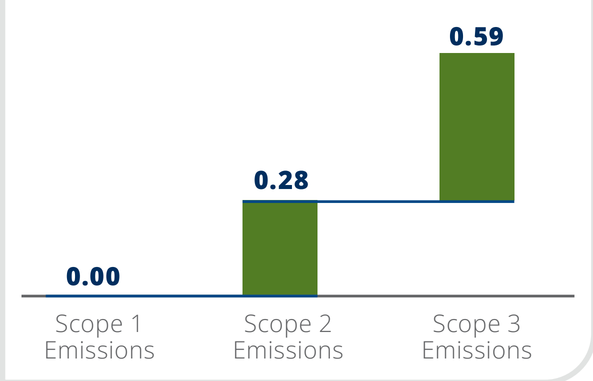
The management approach for the capital is the identification of areas of impact lending and then providing credit to the activities associated with the same. The credit line that we extend to our customers is used to finance livelihood generation activities in climate smart agriculture, agroforestry, natural resource management, and water conservation. In fact, 99.9% of our credit portfolio has positive socio-environmental impact. We have also taken several initiatives as per our CSR programmes to create awareness and provide trainings to the community regarding environmental conservation and the use of eco-system services to create value.

As part of our long term strategy to become a climate positive NBFC-MFI institution, we have created our GHG inventory, which covers Scope 1, Scope 2, and Scope 3 – employee commute (business travel) categories. CO2 gas has been considered for the calculations. Also, we have considered DEFRA and India GHG emissions factors, Central Electricity Authority, and India GHG emission factors for Scope 1, Scope 2, and Scope 3 calculations, respectively. These categories form a significant proportion of our operations. The given inventory will serve as the baseline for us. We intend to decrease our carbon footprint by implementing an energy efficient and emission reduction initiative to achieve the long term goal of carbon neutrality.

CA Grameen (Standalone) - GHG inventory (in tCO_2e)



CA Grameen (Standalone) - GHG emission intensity (in tCO_2e/employee)



AWARDS AND RECOGNITION

Gold Level Client Protection Certification

CA Grameen has been certified with the highest level of recognition, Gold Standard in Client Protection Principle (CPP) certification by M-CRIL Limited. This is a testament to the conscious effort made by the institution to provide affordable products and services to its clientele over years and be a responsible lender to the bottom of the pyramid.


M-CRIL
Incorporating EDA Rural Systems
inclusive microeconomics

CLIENT PROTECTION CERTIFICATION

Issued to:

CreditAccess Grameen Limited

No. 49, 46th Cross, 8th Block, Jayanagar
Bengaluru 560 070, Karnataka, India

CreditAccess Grameen Limited has been awarded the Gold Level Certification according to the new Client Protection Certification Framework promoted by SPTF and CERISE.

Certified by M-CRIL Limited
Level of compliance: Gold
Issue date: 06 June 2022

Arpita Pal Agrawal
Managing Director

Gold Shield Award for Excellence in Integrated Reporting and Reporting on SDG's 2020-21

CA Grameen bagged the Gold Shield Award for "Excellence in Integrated Reporting and Reporting on Sustainable Development Goals for the year 2020-21" by the Institute of Chartered Accountants of India (ICAI). The objective of "ICAI Sustainability Reporting Awards 2020-21" was to recognize initiatives of businesses with a transformative contribution to the 2030 Agenda for Sustainable Development

The award was presented by Dr. Jitendra Singh, Hon'ble Ministers of State (IC) of Earth Sciences, Science and Technology, GoI, CA. Anuj Goyal, Chairman, ICAI Research Committee, CA. Durgesh Kabra, Vice-Chairman, Sustainability Reporting Standards Board, and CA. (Dr.) Debashis Mitra, Vice-President, ICAI, in an event held on 09, February, 2022 at New Delhi.

Great Place to Work

CA Grameen is a Great Place to Work-Certified™ organisation for the third consecutive year.

The Great Place to Work® Certification is recognized world over by employees and employers alike and is considered the 'Gold Standard' in identifying and recognizing Great Workplace Cultures. CA Grameen has excelled on the five dimensions of a High-Trust, High-Performance Culture™ – Credibility, Respect, Fairness, Pride and Camaraderie. CA Grameen has also been recognized among the India's Best Workplaces in BFSI 2022 - Top 30 for third time in a row.


Great Place To Work.
Certified
FEB 2022 - FEB 2023
INDIA

This is to certify that CreditAccess Grameen Limited has successfully completed the assessment conducted by Great Place to Work® Institute, India, and is certified as a great workplace.

This certificate is valid from Feb 2022 to Feb 2023.

Yeshasvini Ramaswamy
Chief Executive Officer
Great Place to Work® Institute, India

DIRECTORS' REPORT

DIRECTORS' REPORT

To
The Members
CreditAccess Grameen Limited

The Directors have pleasure in presenting the 31st Board's Report of CreditAccess Grameen Limited (the "Company") together with the Audited Financial Statements for the Financial Year ended March 31, 2022.

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

1. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements of the Company for the year ended March 31, 2022 have been prepared in accordance with Ind AS and Schedule III to the Companies Act, 2013 (the "Act").

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

Financial Results - Standalone

(₹ in Million)

Particulars	FY2022	FY2021	% change
Total income	22,912.03	20,311.39	12.80%
Finance cost	7,881.34	7,400.71	6.49%
Net income	**15,030.70**	**12,910.68**	**16.42%**
Total operating expenses	5,409.87	4,498.76	20.25%
Pre-provisioning operating profit	**9,620.78**	**8,411.92**	**14.37%**
Impairment on financial instruments	4,494.38	6,469.04	-30.52%
Profit before tax	**5,126.40**	**1,942.88**	**163.86%**
Profit after tax	**3,821.44**	**1,423.91**	**168.38%**
Other comprehensive income	(856.37)	322.96	-365.16%
Total comprehensive income	**2,965.02**	**1,746.87**	**69.73%**
Basic Earnings Per Share (EPS) (in rupees)	24.54	9.52	157.77%
Diluted Earnings Per Share (DPS) (in rupees)	24.44	9.46	158.35%

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

Financial Results- Consolidated

(₹ in Million)

Particulars	FY2022	FY2021	% change
Total income	27,501.27	24,660.71	11.52%
Finance cost	9,841.40	9,287.15	5.97%
Net income	**17,659.87**	**15,373.56**	**14.87%**
Total operating expenses	6,884.61	5,855.76	17.57%
Pre-provisioning operating profit	**10,775.31**	**9,517.60**	**13.21%**
Impairment on financial instruments	5,967.42	7,713.60	-22.64%
Profit before tax	**4,807.89**	**1,804.00**	**166.51%**
Profit after tax	**3,570.99**	**1,314.02**	**171.76%**
Other comprehensive income	853.60	322.62	164.58%
Total comprehensive income	**2,717.44**	**1,636.64**	**66.03%**
Basic Earnings Per Share (EPS) (in rupees)	23.31	8.96	160.16%
Diluted Earnings Per Share (DPS) (in rupees)	23.22	8.90	160.90%

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

Summary of financial performance of all subsidiaries are given below:

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

A. MADURA MICRO FINANCE LIMITED

The Company holds 76.31% of the shareholding of Madura Micro Finance Limited ('MMFL') as on March 31, 2022 and MMFL is a Material Subsidiary of the Company as per the Listing Regulations. Accordingly, Secretarial Audit Report of MMFL is attached to this report along with Company's Secretarial Audit Report. The Company does not have any associate or joint venture companies.

Madura Micro Finance Limited's Financial Performance

(₹ in Million)

Particulars	FY2022	FY2021	% change
Total income	4,628.00	4,352.90	6.32%
Finance cost	2,011.50	1,903.20	5.69%
Total net income	**2,616.50**	**2,449.70**	**6.81%**
Total operating expenses	1,313.30	1,199.80	9.46%
Impairment on financial instruments	1,473.10	1,244.60	18.36%
Profit before exceptional items	**(169.90)**	**5.30**	**-**
Exceptional items	-	-	-
Profit before tax	**(169.90)**	**5.30**	**-**
Profit after tax	**(139.30)**	**(2.00)**	**-**
Other comprehensive income	2.80	(0.40)	-
Total comprehensive income	**(136.50)**	**(2.40)**	**-**

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

B. Madura Micro Education Private Limited

Madura Micro Education Private Limited (MMEPL) is a wholly owned subsidiary of Madura Micro Finance Limited. During the year under review, no business operations were carried out in this Company.

Madura Micro Education Private Limited's financial performance (₹ in Million)

Particulars	FY2022	FY2021	% change
Total income	23.24	0.17	-
Finance cost	0.00	0.03	-
Total net income	**23.24**	**0.14**	**-**
Total operating expenses	0.00	1.92	-
Impairment on financial instruments	0.01	0.00	-
Profit before exceptional items	**23.23**	**-1.74**	**-**
Exceptional items	-	-	-
Profit before tax	**23.23**	**-1.74**	**-**
Profit after tax	**23.23**	**-1.74**	**-**
Other comprehensive income	0.00	0.00	-
Total comprehensive income	**23.23**	**-1.74**	**-**

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

C. CreditAccess India Foundation:

CreditAccess India Foundation ("CAIF") was incorporated on May 29, 2021, as a wholly owned subsidiary of the Company. CAIF is a 'Not-For-Profit' Company registered under Section 8 of the Companies Act, 2013, to carry out CSR activities of all group companies.

CREDITACCESS GRAMEEN LIMITED
DIRECTORS' REPORT

CreditAccess India Foundation – Financial Performance

(₹ in Million)

Particulars	FY2022	FY2021	% change
Total income	34.138	-	-
Total Expenses	34.300	-	-
Surplus/(Deficit) before exceptional items	**(0.1625)**	**-**	**-**
Exceptional items	-	-	-
Surplus/(Deficit) before tax	(0.1625)	-	-
Tax	**-**	**-**	**-**
Surplus/(Deficit) after tax	(0.1625)	-	-
Other comprehensive income	**-**	**-**	**-**
Total comprehensive income	**-**	**-**	**-**

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

a. Business Growth

The Company was able to display healthy loan portfolio growth despite facing several challenges on account of COVID-19 impacted macro-economic environment. The company, on a consolidated basis, served 3.8 million active borrowers through 1,635 branches across 319 districts in 14 States and 1 UT. The Company was able to raise the necessary resources all through the year to match the business and operational requirements, leveraging its relationships with banks and financial institutions, as well as forming new lender relationships.

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

Your Company's organizational highlights for Financial Year ("FY") 2022 are as follows:

Year Ended	2022	2021
Branches	1,635	1,424
States/Union Territories	15	15
Districts	319	265
Borrowers	3,823,724	3,911,619
Loans Disbursed (₹ in million)	154,663	110,112
Gross AUM (₹ in million)	165,993.55	135,868.70

b. Profitability

The total income of the Company, on consolidated basis, increased from ₹24,660.71 million to ₹27,501.27 million in FY2022. The total expenditure, on consolidated basis, for the FY2022 decreased from ₹22,856.71 million to ₹22,693.38 million. The Company recorded a profit after tax (PAT) of ₹3,570.99 million for FY2022 compared to ₹1,314.02 million in FY2021.

2. DIVIDEND

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

In line with Clause 43A of the Listing Regulations, the Board of Directors adopted a Dividend distribution policy which sets out the parameters in determining the payment / distribution of dividend. The details of Dividend Distribution Policy is placed on the Company's website at https://www.creditaccessgrameen.in/wp-content/uploads/2022/05/CreditAccess-Grameen_Dividend-Distribution-Policy.pdf

3. AMOUNT PROPOSED TO BE CARRIED FORWARD TO RESERVES

The Company has transferred ₹764.29 million to reserves out of the net profit for FY2022 and an amount of ₹12,113.00 million is the accumulated balance in Retained Earnings Account (Profit and Loss account and comprehensive income).

4. SHARE CAPITAL

The paid-up Equity Share Capital as at March 31, 2022 stood at ₹1,558.66 million. During the year under review, the Company has issued 2,84,306 shares to the employees who exercised their stock options granted under CAGL Employees Stock Option Plan-2011. As on March 31, 2022, except as mentioned below, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

As on March 31, 2022, 4,77,500 stock options are held by Mr. Udaya Kumar Hebbar, MD & CEO, which are convertible into equity shares upon exercise of the same.

5. DIRECTORS

As on March 31, 2022, the Board of your Company consisted of following Seven (7) Directors:

Category	Name of Directors
Non-Executive Independent Directors	Mr. George Joseph (Chairman & Lead Independent Director) Mr. Manoj Kumar Ms. Sucharita Mukherjee Ms. Lilian Jessie Paul
Non-Executive Nominee Directors	Mr. Massimo Vita Mr. Sumit Kumar
Executive Director	Mr. Udaya Kumar Hebbar (MD & CEO)

The composition of the Board is in line with the requirements of the Act, the RBI Regulations and the Listing Regulations. All the Directors have vast knowledge and experience in their relevant fields and the Company had benefitted immensely by their presence on the Board.

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

CREDITACCESS GRAMEEN LIMITED
DIRECTORS' REPORT

a. Changes in Directors and Key Managerial Personnel (KMP) during FY22

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

Name	Date of Appointment / Resignation / Re-designation	Reason
Mr. Ganesh Narayanan	July 01, 2021	Re-designated as Deputy CEO & CBO and appointed as a KMP
Mr. Paolo Brichetti	July 30, 2021	Retired by rotation
Mr. George Joseph	August 11, 2021	Re-designated as Chairman of the Board & Lead Independent Director

As on March 31, 2022, Mr. Udaya Kumar Hebbar, Managing Director & CEO, Mr. Ganesh Narayanan, Deputy CEO & CBO, Mr. Balakrishna Kamath, Chief Financial Officer and Mr. M.J Mahadev Prakash, Head – Compliance, Legal & Company Secretary are the KMPs of the Company.

b. Woman Director

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

c. Directors retiring by Rotation

Mr. Sumit Kumar, Nominee Director shall retire by rotation and being eligible, offers himself for reappointment as per provisions of the Act at the 31st Annual General Meeting of the Company.

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

The Company has four Independent Directors on the Board and during the year under review, the Company has not appointed any Independent Directors. The Company has received declaration from all Independent Directors as per the Act and Listing Regulations, and subsequently the same was placed at the Board Meeting held on April 29, 2022.

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

e. Policy on Board Diversity

The Policy on Board Diversity as approved and adopted by the Company is available on the website www.creditaccessgrameen.in. The highlights of the said Policy is given below:

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

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

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

The said Policy as approved and adopted by the Board of Directors is available on the website of the Company at www.creditaccessgrameen.in

g. Evaluation of Board, its Committees and Individual directors

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

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

h. Meetings of the Board

The Board met 9 (Nine) times during FY2022. Details of the meetings of the Board during FY2022 along with Directors' attendance details is provided in the Corporate Governance section, which forms a part of this Report.

i. Committees of the Board

The details of the Committees of the Board along with Directors' attendance details of the meetings of the Audit Committee, Corporate Social Responsibility and Environmental, Social & Governance (CSR & ESG)Committee, Risk Management Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Asset-Liability Management Committee, IT Strategy Committee and Executive Borrowings and Investment Committee, along with their composition, terms of reference and the activities during the year under review are elaborated in the Corporate Governance section. Further, there are no instances where the Board has not accepted the recommendations of the Audit Committee.

6. AUDIT & AUDITORS

a. Statutory Auditors

In accordance with Circular no. RBI/2021-22/25-Ref.No.DoS.CO.ARG/SEC.01/ 08.91.001/2021-22 dated April 27, 2021, issued by Reserve Bank of India, M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants, Chennai (Firm Reg. No. 003990S/S200018) having their office at 7th Floor, KRD GEE GEE Crystal, 91-92, Dr. Radha Krishnan Salai, Mylapore, Chennai – 600004, have been appointed as the Joint Statutory Auditors of the Company for a period of 3 years with effect from FY22 i.e., up to March 31, 2024. As of March 31, 2022, they along with M/s. Deloitte Haskins & Sells, Chennai, Chartered Accountants (Firm Reg. No. 008072S) having their office at ASV N Ramana Tower, 52, Venkatnarayana Road, T. Nagar, Chennai – 600017, are the Joint Statutory Auditors of the Company.

Deloitte and PKF are the Joint Statutory Auditors of the Company for the Financial Years 2021-22 and 2022-23.

The Board has duly examined the Joint Statutory Auditors' Report to the Annual Financial Statements for FY2022 and confirm that there are no qualifications, reservations, adverse remarks or disclaimers in the same.

b. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act, the Board has appointed Mr. C. Dwarakanath, Company Secretary in Practice (FCS 7723 and CP 4847), to undertake secretarial audit of the Company for FY2022. A report from the Secretarial Auditor in the prescribed Form MR-3 is annexed to this Report as **Annexure III.**

CREDITACCESS GRAMEEN LIMITED
DIRECTORS' REPORT

There are no qualifications in the Secretarial Audit Report, except two observations pertaining to filing of forms with Registrar of Companies beyond the due date, with additional fees and receipt of notice from BSE Limited for not furnishing the required information in time under Regulation 54(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to listed NCDs. It is hereby confirmed that adequate actions/measures have been taken to avoid such instances, going forward.

Mr. Manoj Kumar, Independent Director has availed additional time limit provided by the Ministry of Corporate Affairs, to complete his online self-assesment test as an Independent Director.

As required pursuant to the Listing Regulations, Secretarial Audit Report issued by Mr. Ramsubramanian, (ACS 5890 and CP 11325) the Secretarial Auditor of Madura Micro Finance Limited, Material Subsidiary of the Company is attached as **Annexure IIIA.** There are no qualifications in the said audit report.

c. Cost Auditors

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

7. CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

8. CREDIT RATING

The Credit Rating of different instruments of the Company as on March 31, 2022 is provided below:

Credit Rating Agency	Instrument	Rating as on March 31, 2022
ICRA	Long-term debt	[ICRA]A+(Stable)/ [ICRA]A+(Stable)
India Ratings & Research	Long-term debt	Ind A+ Stable /Ind A+ Stable
CRISIL Ratings	Long-term debt	CRISIL A+ Stable/NA
ICRA	Non-convertible debentures	[ICRA]A+(Stable)/ [ICRA] A+(Stable)
ICRA	Non-convertible debentures	[ICRA]A+(Stable)/ NA
India Ratings & Research	Non-convertible debentures	Ind A+ Stable/ Ind A+ Stable
CRISIL Ratings	Non-convertible debentures	CRISIL A+ Stable/NA
Brickwork Ratings	Non-convertible debentures	BWR A+ Stable/BWR A+ Positive
ICRA	Commercial paper	[ICRA]A1+ / [ICRA]A1+
ICRA	PP-MLD	PP-MLD[ICRA]AA+(CE) (Stable)/NA
CRISIL Ratings	Organization grading	M1C1/M1C1

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

Comprehensive Microfinance Grading by CRISIL as on March 31, 2022 is 'M1C1'. CRISIL's Comprehensive Microfinance Capacity signifies highest capacity of the MFI to manage its operations in a sustainable manner and Excellent performance on Code of Conduct dimensions. The grading is assigned on an eight-point scale with respect to Microfinance Capacity Assessment Grading, with 'M1' being the highest grading, and 'M8', the lowest and on a five-point scale with respect to Code of Conduct Assessment, with 'C1' being excellent performance, and 'C5', the weakest.

9. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

During the year under review, The Hon'ble High Court of Karnataka, Bengaluru bench passed an order dated January 21,2022, quashing the order of Assessment & Demand Notice dated June 25, 2021, issued by the National Faceless Assessment Centre (NFAC) of the Income Tax Department, with respect to the income tax demand for ₹2,333 Crores for AY18-19. The Said Order by the Hon'ble High Court of Karnataka has remitted the case back to NFAC which may be continued from the stage of the Company's reply to the draft Assessment Order for AY 18-19 passed by the NFAC.

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

10. INTERNAL AUDIT

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

11. INTERNAL FINANCIAL CONTROLS

As required under the applicable RBI & Listing Regulations, the Audit Committee of the Board of Directors periodically reviews to ensure that the adequacy of internal financial controls of the Company is commensurate with its size, scale, and complexity of operations. The Company has robust policies and procedures which, inter alia, ensure integrity in conducting business, timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors.

The internal financial controls with reference to the financial statements were adequate and operating effectively.

12. RISK MANAGEMENT POLICY

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

13. CORPORATE SOCIAL RESPONSIBILITY

In pursuance of the provisions of Section 135 read with Schedule VII of the Act, the Company has a CSR Committee of the Board which reviews and recommends (a) the policy on Corporate Social Responsibility (CSR) including changes thereto, and (b) Oversees implementation of the CSR Projects or Programs to be undertaken by the Company as per its CSR Policy. The CSR policy of the Company is available on the website of the Company – www.creditaccessgrameen.in. The Company has renamed the CSR Committee as CSR & ESG Committee with a revised terms of reference to review the implementation of ESG Policies.

A report on CSR activities of the Company is enclosed herewith as **Annexure – IV.**

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

The Company has established a whistle blower mechanism for the Directors and employees to report any genuine concerns through vigil@cagrameen.in Employees are encouraged to report any unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy including Insider Trading or any other illegal activity occurring in the organization. In exceptional cases, directors or employees can raise their concerns directly to the Chairman of the Audit Committee by sending an e-mail to' vigil@cagrameen.in. During the year, the Company has not received any such complaints. The Whistle-Blower Policy (Vigil Mechanism) of the Company is available on the website - www.creditaccessgrameen.in.

15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company, being a non-banking financial company registered with the RBI and engaged in the business of giving loans, is exempt from complying with the provisions of section 186 of the Act in respect of loans and guarantees.

16. RELATED PARTY TRANSACTIONS

During FY2022, the Company entered into material related party transaction with Madura Micro Finance Limited (MMFL), the material subsidiary of the Company to provide financial support for its business operations, subject to compliance with applicable laws. Prior approval of Audit Committee, Board of Directors as well as shareholders of the Company has been obtained pursuant to which ₹150 Crore of sub-debt was extended by the Company to MMFL. The Audit Committee reviews the said transactions on a quarterly basis.

Details of related party transactions as required under section 134 of the Act entered during the FY 2021-22 are given in **Annexure V.**

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

17. HUMAN RESOURCE MANAGEMENT & EMPLOYEE RELATIONS

The role of human capital in any organization is of utmost importance. More so in an organization like ours where a majority of employees are customer-facing to facilitate smooth delivery of our financial services. There is a fine balance between customer service and the achievement of performance targets. The Company aims to provide a suitable work environment that encourages a positive attitude and superior performance.

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

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

18. PARTICULARS OF EMPLOYEES

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

The details of employee remuneration as required under provisions of Section 197 (12) of the Act, read with Rule 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as **Annexure VI(B)**. Further, it is confirmed that that no employee was in receipt of remuneration in the year, which in the aggregate, is in excess of salary drawn by the Managing Director and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company. No employee is posted and working in a country outside India.

Further, the Commission payable to Independent Directors is proposed to be revised by increasing it to a minimum amount of ₹15 Lakhs and maximum amount of ₹25 Lakhs per annum per Director, subject to approval of shareholders. Accordingly, the same is being recommended to the shareholders for approval at the ensuing 31st Annual General Meeting. Further, none of the other directors including the Managing Director & CEO is in receipt of any commission from either the Company or its Holding Company during the year under review.

19. MATERIAL CHANGES AND COMMITMENTS

On the back of the strong industry foundation built over the past two decades, the Reserve Bank of India announced revised guidelines for the microfinance industry on March 14, 2022, encouraging equal opportunities for all entities. Going forward, any collateral-free loan provided to a borrower with an annual household income of up to ₹3 lakh will be considered as a microfinance loan, subject to maximum Fixed Obligations to Income Ratio (FOIR) of 50%, considering all outstanding loans of the household. The regulations accentuate the need to have a board-approved income assessment and pricing policy subject to regulatory scrutiny. The regulated entities will have to determine their interest rate which will be a function of the cost of funds, operating costs, risk premium, and margin wherein the risk premium will be considered based on borrower profile, historical geographic performance, and other factors. The borrowers need to be provided with a standardized factsheet prominently disclosing the minimum, maximum and average interest rates and all associated charges. The minimum requirement of microfinance loans for NBFC-MFIs has been revised from 85% of net assets to 75% of the total assets.

The Company is well positioned to take advantage of the revised regulations. On the back of a predominant rural focus and customer centric business model, the Company has a significant head start for market share expansion and increased retention of higher vintage customers. Taking a holistic view of customer's household income is in line with Company's vision to provide multiple products supporting lifecycle needs as well as growing aspirations on business growth and asset ownership front. The Company has put in place Board approved policy for income assessment and loan pricing.

20. CORPORATE GOVERNANCE REPORT

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

All Board members and Senior Management personnel have affirmed compliance with the code of conduct for FY2022. A declaration to this effect signed by the Managing Director& CEO of the Company is included as part of this Report.

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

A certificate from the Secretarial Auditor of the Company regarding compliance of conditions of corporate governance forms a part of Corporate Governance Report and there is no adverse comment / remark in that Report for the FY22.

21. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

The Business Responsibility & Sustainability Report for the year under review has been annexed as **Annexure - VII** to this Report.

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

The Company has 1,361 women employees in various cadres as on March 31, 2022. The Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace and an Internal Complaints Committee in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder for reporting and conducting inquiry into the complaints made by the victim on the harassments at the workplace. The functioning of the Committees was carried out as per letter and spirit of the provisions of the Act.

During FY22, the Company did not receive any complaint on sexual harassment.

23. FAIR PRACTICE CODE

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

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

24. CUSTOMER GRIEVANCE

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

25. ANNUAL RETURN

Pursuant to sub-section (3)(a) of Section 134 and sub-section (3) of Section 92 of the Act, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return as at March 31, 2022 is available at www.creditaccessgrameen.in

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

a. Information Relating to Conservation of Energy, Technology Absorption

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

b. Foreign Exchange Earnings and Outgo

During the year, the foreign exchange outflow was equivalent to ₹57.12 million towards term loan interest payments and procurement of a software license.

27. DEPOSITS

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

28. EMPLOYEE STOCK OPTION PLAN (ESOP)

The ESOP Scheme of the Company is in compliance with the SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021, as amended from time to time (the 'SBEB Regulations').

Disclosures pertaining to the ESOP scheme pursuant to the SBEB Regulations are placed on the Company's website creditaccessgrameen.in Grant wise details of options vested, exercised and cancelled are provided in the notes to the standalone financial statements.

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

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

CREDITACCESS GRAMEEN LIMITED
DIRECTORS' REPORT

29. OTHER DISCLOSURES

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

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

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

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

30. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

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

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

31. ACKNOWLEDGEMENTS

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

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

Place: Bengaluru **Date: May 12, 2022**	**Udaya Kumar Hebbar** **Managing Director & CEO**	**Manoj Kumar** **Independent Director**

Annexure I

AOC-1

Salient features of the Financial Statement of Subsidiaries year ended March 31, 2022

Part-A: Subsidiaries: (₹ In Cr.)

Sl. No	Particulars	Details	Details	Details
1	Name of the subsidiary	Madura Micro Finance Limited	Madura Micro Education Private Limited	CreditAccess India Foundation
2	Date since when subsidiary was acquired/ incorporated	March 18, 2020	March 18, 2020	May 29, 2021
3	Reporting period for the subsidiary concerned, if different	N. A	N.A.	N. A
4	Reporting currency and Exchange rate as on March 31, 2021	N.A.	N.A.	N.A.
5	Share Capital	7.19	1.49	0.01
6	Reserves & Surplus	380.52	(1.49)	(0.016)
7	Total Assets	2,998.21	0.00	0.26
8	Total Liabilities	2610.50	0.00	0.275
9	Investments	0.34	0.00	-
10	Turnover/Total Income	462.80	2.32	3.41
11	Profit Before Taxation / (Loss)	(16.95)	2.32	(0.016)
12	Provision for Taxation	(3.06)	-	-
13	Profit / (Loss) after Taxation	(13.89)	2.32	(0.016)
14	Proposed Dividend	N.A.	N.A.	N.A.
15	Extent of shareholding (in %)	76.31%	100%*	76.31%

**Held by Madura Micro Finance Limited*

Part-B: Associates and Joint Ventures: Nil

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

Place: Bengaluru **Date: May 12, 2022**	**Udaya Kumar Hebbar** **Managing Director & CEO**	**Manoj Kumar** **Independent Director**

Annexure II

DECLARATION REGARDING RECEIPT OF CERTIFICATE OF INDEPENDENCE FROM ALL INDEPENDENT DIRECTORS

I hereby confirm that the Company has received from all the Independent Directors a certificate stating their independence as required under Section 149 (6) of the Companies Act, 2013.

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Annexure III

Form MR-3
Secretarial Audit Report
For the financial year ended 31st March 2022
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
CreditAccess Grameen Limited
(CIN: L51216KA1991PLC053425)
New No.49 (Old No.725), 46th Cross, 8th Block
Jayanagar (Next to Rajalakshmi Kalyana Mantap)
Bangalore - 560071

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2022 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

(i) The Companies Act, 2013 and the rules made thereunder ("Act");
(ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
(iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder ("FEMA") to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Bor rowings;
(v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable to the Company:

a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - Not Applicable during the audit period;
c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not Applicable during the audit period;
e. The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021;
f. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not Applicable during the audit period;
i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not Applicable during the audit period; and

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

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

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

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

I further report that during the Audit period,

- the Company has complied with the provisions of the Act, rules, secretarial standards except for one instance where the Company has filed form beyond the due date, with additional fees.

- The Company has received a notice from BSE Limited for not furnishing the required information under Regulation 54(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Non-disclosure of extent and nature of security created and maintained with respect to secured listed NCDs in the financial statements). However, the Company furnished the deficit in formation to BSE Limited and in the process, there is a delay of 21 days.

Further, the Company has also made a representation to BSE Limited to waive-off the penalty levied. However, reply from BSE Limited is awaited.

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act.

- However, Mr. Manoj Kumar, an Independent Director (ID) of the Company has not, in his individual capacity, passed the online proficiency self-assessment test, as required under sub-rule 4 of Rule 6 of The Companies (Appointment and Qualifications of Directors) Rules, 2014 within a period of two years and consequence under the Act are not mentioned explicitly.

- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance (and by complying with prescribed procedure where the meetings are called with less than seven days' notice), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- All decisions at the Board Meetings and Committee Meetings are carried out unanimously, as recorded in the minutes.

- The Compliance of applicable financial laws, like direct and indirect tax laws, have not been reviewed in this Audit since the same have been subject to review by the statutory financial auditor and other designated professionals.

I further report that:

- there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

- The Company has approved the proposal to make Public issue of Non-Convertible Debentures (NCD) aggregating up to ₹15,00,00,00,000/- (Rupees Fifteen Hundred Crore Only) in the Board Meeting held on 23rd March 2022.

- The Company has received the signed copy of the Order dated February 25, 2022, issued by Hon'ble National Company Law Tribunal ('the NCLT') Bengaluru Bench directing the Company to convene the meeting of its equity shareholders for consideration and approval of the proposed Scheme of Amalgamation of the Subsidiary Company - Madura Micro Finance Limited ("Transferor Company"), with CreditAccess Grameen Limited ("Transferee Company") under Sections 230 to 232 read with other applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

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

Place: Bengaluru
Date:12th May 2022

C. Dwarakanath
Company Secretary in Practice
FCS No: 7723; CP No: 4847
UDIN: F007723D000310696
Peer Review Certificate No: 674/2020

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

Annexure-1

LIST OF OTHER LAWS APPLICABLE

A. Corporate laws:

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

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

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

D. Intellectual Property laws:
1. The Patents Act, 1970; and
2. The Trade Marks Act, 1999

E. Laws & policies applicable to Non-Banking Finance Company (NBFC):
1. Reserve Bank of India Act, 1934
2. Foreign Trade Policy 2015-2020;
3. Service Export from India Scheme;
4. Master Direction - Information Technology Framework for the NBFC Sector
5. Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
6. Master Directors and Circulars issued by Reserve Bank of India with respect to NBFC from time to time to the extent applicable.

F. Miscellaneous laws
1. The Prevention of Money Laundering Act, 2002;
2. The Micro, Small and Medium Enterprises Development Act, 2006; and
3. The Competition Act, 2002

Place: Bengaluru
Date:12th May 2022

C. Dwarakanath
Company Secretary in Practice
FCS No: 7723; CP No: 4847
UDIN: F007723D000310696

CREDITACCESS GRAMEEN LIMITED
DIRECTORS' REPORT

Annexure-2

To
The Members
CreditAccess Grameen Limited
(CIN: L51216KA1991PLC053425)
New No.49 (Old No.725), 46th Cross, 8th Block
Jayanagar (Next to Rajalakshmi Kalyana Mantap)
Bangalore - 560071

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

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

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

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

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

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

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

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

Place: Bengaluru
Date:12th May 2022

C. Dwarakanath
Company Secretary in Practice
FCS No: 7723; CP No: 4847
UDIN: F007723D000310696

Annexure IIIA

Form No MR-3
Secretarial Audit Report
For the Financial Year ended 31st March 2022
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

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

I have conducted the Secretarial Audit of the compliance of the applicable statutory provisions and the adherence to Good Corporate Practices by M/s Madura Micro Finance Limited (CIN: U65929TN2005PLC057390) (the "Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2022 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder wherever applicable;

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):

   a. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, and
   b. The Debt Listing Agreement with BSE Limited.

6. The Memorandum and Articles of Association; and
7. Other applicable Laws:

   i. The Employees Provident Fund & Miscellaneous Provisions Act, 1952.
   ii. The Employees State Insurance Act, 1948
   iii. The Maternity Benefit Act, 1961
   iv. The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013
   v. The Payment of Bonus Act, 1965
   vi. The Payment of Gratuity Act, 1972
   vii. The Tamilnadu Labour Welfare Fund Act, 1972
   viii. The Tamilnadu Shops and Establishment Act, 1947

CREDITACCESS GRAMEEN LIMITED
DIRECTORS' REPORT

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

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

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

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

a) Approval of MCA for reappointment of MD:

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

MCA, vide its Letter dated 25.2.2022, directed the Registrar of Companies (ROC), Chennai, to take necessary action against the Company under Section 450 of the Companies Act, 2013 for contravention of proviso to Section 196(2) of the Companies Act, 2013 and inform the Ministry for initiating subsequent action in the matter.

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

The Company had initially filed an application for compounding of potential lapse under Section 67 and other applicable provisions of the Companies Act, 1956 on December 9, 2019 and the said compounding application was dismissed by the Hon'ble Regional Director vide its order dated April 26, 2021 on the grounds that the submissions made by the Company in the compounding application and its letter dated March 15, 2021, were contradictory to each other, and the Company was granted liberty to file a fresh application, clearly indicating the offence to be compounded. Now, the Company is refiling this application before the Hon'ble Regional Director to compound any inadvertent lapse under the provisions of Section 67 of the Companies Act, 1956.

The Company awaits further development from the RD.

I further report that:

i. The Board of Directors of the Company is duly constituted Non-Executive Directors, Independent Directors and Woman Director.
   During the year under review, Mr. Paolo Brichetti, resigned from the Board effective August 3, 2021.
ii. Constituted the Audit Committee of the Board of Directors in terms of the provisions Section 177 of the Companies Act, 2013;
iii. Constituted Nomination and Remuneration Committee of the Board of Directors and has formulated "Nomination and Remuneration Policy' in terms of the provisions of Section 178 of the Companies Act, 2013 and the Rules made thereunder;
iv. Constituted the Corporate Social Responsibility Committee (CSR) to formulate and recommend to the Board a Corporate Social Responsibility Policy, prepare and recommend the list of CSR Projects / Programs, which the Company plans to undertake in compliance with the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

During the year under review, the Company was required to spend ₹3.23 crores (which included ₹1.15 crores carried forward from the previous year). However, the Company has spent only ₹1.91 crores and has transferred ₹1.31 crores to a separate account towards ongoing projects in accordance of Section 135(6) of the Act.

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

v. Adequate notice was given to all the Directors to schedule the Board Meetings and Committees, Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the Agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable Laws, Rules, Regulations and Guidelines.

I further report that during the audit period:

(i) There were no instances of Public / Right / Preferential Issue of Shares or Non-Convertible Debentures etc.

(ii) Redemption / Buy-Back of Securities:

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

However, the Company has redeemed Two Non-Convertible Debentures as per the terms of issue and the same were in compliance with the provisions of the Companies Act, 2013 and the Rules made thereunder.

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

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

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

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

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

Chennai
28th April, 2022

V Ramasubramanian
Company Secretary
ACS No.5890
COP No.11325
UDIN: U65929TN2005PLC057390

CREDITACCESS GRAMEEN LIMITED
DIRECTORS' REPORT

Annexure IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR Policy of the Company

During the FY2021-22, the Company has incorporated a section 8 company CreditAccess India Foundation solely with the purpose of implementing its and its subsidiary companies CSR activities. CreditAccess India Foundation is a not-for-profit section 8 company having a tax exemption status under 80G & 12A of Income Tax department. Since 2011, CreditAccess India Foundation has successfully been working with the Company in implementing various non-financial activities in the focus theme areas of healthcare, education, livelihood, environment, and rural development across operational areas of the Company. Apart from the Company, CA India Foundation also implemented CSR activities for Madura Microfinance Limited in FY2021-22. During the FY2021-22, the CSR obligations of the Company were implemented by the Company, Navya Disha and CA India Foundation.

2. Composition of CSR Committee:

Name of Directors	Designation	CSR Committee Meetings held during the year	Attendance
Mr. Udaya Kumar Hebbar	Chairman	4	4
Mr. Massimo Vita	Member	4	4
Mr. Manoj Kumar	Member	4	4
Ms. Lillian Jessie Paul	Member	4	4

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

a. CSR Committee: https://www.creditaccessgrameen.in/governance/committees-of-the-board/

b. CSR Policy: https://www.creditaccessgrameen.in/csr/csr-policy/

c. CSR projects approved by the Board: https://www.creditaccessgrameen.in/csr/csr-activities/

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014:

Not applicable

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

Nil

6. Average net profit of the Company as per Section 135(5): ₹ 3,80,96,31,250/-

7. Prescribed CSR Expenditure (two per cent of the amount as in item 6 above)

a.	Two percent of average net profit of the company as per Section 135(5)	₹7,61,92,625
b	Surplus arising out of the CSR projects or programs or activities of the previous financial years	₹1,92,02,120*
c	Amount required to be set off for the financial year, if any	Nil
d	**Total CSR obligation for the financial year** (7a+7b- 7c)	**₹9,53,94,745**

** Change in earlier disclosed amount of ₹1,81,28,407 based on revised GST adjustments for FY2020-21*

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

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135 (5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹7,71,82,310	₹1,82,12,435	March 31, 2022	NA		

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

Name of the Project	Item from the list of activities in Schedule VII to the Act	Location of the project*	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current FY (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency
Vaccination on Wheels	i) iv) promoting health care including preventive health care	Maharashtra Aurangabad and Solapur	8 months	58,33,332	24,74,036	33,59,296	No	Credit Access India Foundation 147906
Anganawadi Improvement Program	ii) i) Promoting education	Karnataka, Tamilnadu, Maharashtra, Odisha, Bihar, Jharkhand, Chattisgarh, Gujarat, Rajasthan, Uttarpradesh, Madhyapradesh	15 months	1,02,95,009	43,21,870	59,73,139	No	
Rural Development	x) Rural Developme-ntal Projects	Karnataka, Tamilnadu, Maharashtra, Odisha, Bihar, Jharkhand, Chattisgarh, Gujarat, Rajasthan, Uttarpradesh, Madhyapradesh	15 months	1,19,21,007	79,21,007	40,00,000	No	
Livelihood and skill developm-ent for physic-ally/ mentally challenged children	ii) ii) special education	Kodagu, Karnataka	14 months	50,00,000	5,00,000	45,00,000	No	
Self-Learning Centers	ii) i) Promoting education	Anekal, Karnataka	12 months	76,000	3,80,000	3,80,000	No	
Total				**3,38,09,348**	**1,55,96,913**	**1,82,12,435**		

**Preference as has been given to the local area.*

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No).	Location of the project	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current FY (in ₹)	Mode of Implement-ation Direct (Yes/ No)	Mode of Imple-mentation Through Imple-menting Agency
Covid relief activities	i) iv) promoting health care including preventive health care	Yes	Maharashtra Karnataka, Tamil nadu, Maharashtra, Odisha, Bihar, Jhar khand, Chattisgarh, Gujarat, Rajasthan, Uttarpradesh, Madhyapradesh	6 months	2,14,91,240	2,14,91,240	Yes	Navya Disha CSR000 02820
Covid Awareness Activities	i) iv) promoting health care inc-luding-preventive health care	Yes	Karnataka	10 months	55,66,000	55,66,000	No	
Covid Relief Activities	i) iv) promoting health care including preventive health care	Yes	Karnatana, Maharashtra, Odisha, Tamilnadu	10 months	70,23,750	70,23,750	No	
Disaster Relief Activities	i) eradicating hunger	Yes	Karnataka, Tamil nadu, Maharashtra, Odisha, Bihar, Jhar khand, Chattisgarh, Gujarat, Rajasthan, Uttarpradesh, Madhyapradesh	10 months	12,06,353	12,06,353	No	CreditAc-cess India Foundation 147906
Health check-up camp PHC improvement Vaccination Drives	i) iv) promoting health care including preventive health care	Yes	Bihar, Tamilnadu, Karnataka	10 months	6,4,6,872	6,46,872	Yes	
Livelihood support/ vocational trainings	ii) iv) livelihood enhancement projects	Yes	Karnataka, Tumkur	3 months	3,62,490	3,62,490	No	
Mobile Vacci-nation & Health Check-up Vans	i) iv) promoting health care including prev-entive health care	Yes	Karnataka Mysore and Chamara-janagar	12 months	50,38,729	50,38,729	No	Dr. M. D. Sachdanan-da Murthy Memorial Educational Trust
Total					**4,13,35,434**	**4,13,35,434**		

(d)	Amount spent in Administrative Overheads	₹21,21,556
(e)	Amount spent on Impact Assessment	NA
(f)	Total amount spent for the Financial Year	₹7,71,82,310

(g) Excess amount for set-off, if any

(in ₹)

Sl. No	Particulars	Particulars
(i)	Two percent of average net profit of the company as per Section 135(5)	7,61,92,625
(ii)	Total amount spent for the Financial Year*	7,71,82,310
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NA
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

**Includes previous Financial year's unspent amount*

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

Sl. No	Preceding Financial Years	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeed-ing financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	2020-21	1,81,28,407	1,81,28,407	-	-	-	-
2	2019-20	-		-	-	-	-
3	2018-19	-		-	-	-	-
	Total	**1,81,28,407**	**1,81,28,407**	**-**	**-**	**-**	**-**

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

Project Id	Name of the Project	Financial Year in which the Project Commenced	Project duration	Total Amount Allocat-ed (In ₹)	Amount spent in the financial year (in ₹)	Cumulative Amount Spent (In ₹₹)	Status of the Project
NA	Covid Support	2020	12 months	1,81,28,407	1,81,28,407	1,81,28,407	Completed
		Total		**1,81,28,407**	**1,81,28,407**		

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

a. Date of creation or acquisition of the capital asset(s): **Not Applicable**

b. Amount of CSR spent for creation or acquisition of capital asset: **Not Applicable**

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

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

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

Due to COVID-19, a few activities have been deferred and will be executed during FY 2022-23 as per the Amended circular of the Ministry of Corporate Affairs.

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

Place: Bengaluru **Date: May 12, 2022**	**Udaya Kumar Hebbar** **Managing Director & CEO**	**Manoj Kumar** **Independent Director**

ANNEXURE V

FORM AOC-2

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

Sl. No	Particulars	Details of RPT	Details of RPT	Details of RPT	Details
1	Name(s) of the related parties	**Madura Micro Finance Limited**			**CreditAccess India Foundation**
2	Nature of contracts/ arrangements/ transaction	Outsourcing of IT and manpower by the Company.	Extending credit facilities of ₹ 150 Crore in the form of sub-debt.	Acquisition of Business Corre-spondence (BC) customers by CA Grameen	Sharing of office space and other manpower services Ongoing
3	Duration of contracts	March 22, 2023	Ongoing until Merger	Ongoing until Merger	The Company shall
4	Salient terms of the contracts or arrangements or transaction including the value, if any	CA Grameen shall outsource its Information Technology Resources and Manpower resources to MMFL and vice-versa. The value of transaction for IT and Man power outsou-rcing for FY2022 was ₹5.46 Cr	The Company has sought approval from shareholders to make invest-ment or advance loan or provide guarantee up to ₹250 Crore, pursuant to which credit facility of ₹150 Crore has been extended to MMFL by way of a sub-debt.	Acquisition of BC Customers of MMFL by CA Grameen and payment to MMFL for closure of loan outstanding of the customers in MMFL books. Approx. Value is ₹10 Cr.	sublet its office building and provide manpower support, wherever required. An amount of ₹ 5,000 (Rupees Five Thousand Only) per month plus taxes for the shared office and manpower resources provided by the Company
5	Date of approval by the Board	January 29, 2021 & March 23,2022	December 21, 2021	March 23, 2022	June 25, 2021
6	Advances	NA	NA	NA	NA
7	Justification for entering into such contract or arrangement or transaction	In order to reduce the cost and to align the process of MMFL with CA Grameen, this transaction is entered into with MMFL.	To support MMFL in maintaining sufficient capital adequacy and ALM Position, till legal merger	To support the collection of BC portfolio, where MMFL does not have branches.	Since CAIF is a Not-for-Profit Subsidiary company incorporated for implementing CSR activities, adequate support is required to be given
8	Date on which the Special Resolution was passed	NA	July 30, 2021	NA	NA

Annexure VI(A)

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

(i) The ratio of remuneration of Managing Director to the median remuneration of the employees of the Company for the FY2022: **67.64** times.

(ii) The percentage of increase in remuneration of the Managing Director, & Chief Executive Officer (CEO), Dy. CEO, Chief Financial Officer, and Company Secretary during FY2022:

Sl. No	Name of Director/KMP	Designation	Gross Salary including performance bonus during FY2022 (₹ in Cr.)	Perquisites on account ESOP exercise (₹ in Cr.)	% increase in Remuneration during FY2022
1	Mr. Udaya Kumar Hebbar	MD & CEO	2.77	3.12	15
2	Mr. Ganesh Narayanan	Dy. CEO & CBO	1.55	-	10
3	Mr. Balaksrishna Kamath	CFO	1.08	-	20
4	Mr. M. J. Mahadev Prakash	Head – Compliance Legal & CS	0.58	-	20

(iii) The percentage increase in the median remuneration of the employees in the FY2022: There has been an increase of 11.50% in the median remuneration of the employees of the Company in FY2022 as compared to FY2021.

(iv) The number of permanent employees on the rolls of the Company as on March 31, 2022: There were 10625 permanent employees on the rolls of the Company.

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

The average increase in the remuneration of employees other than KMPs during FY2022 was 11.84% and the average increase in the remuneration of KMPs was 18%.

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

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

Annexure VI(B)

Information as per Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name	Designation	Remuneration (CTC) (₹ in Cr.)	Age (years)	Date of Joining	Qualifications and Experience	Previous Employment	% of Equity share held
Mr. Udaya Kumar Hebbar	MD & CEO	2.30	62	08.09.2010	M.Com, CAIIB (37.4 yrs.)	Barclays Bank PLC	0.14
Mr. Ganesh Narayanan	Dy. CEO & Chief Business Officer	1.37	46	27.01.2020	MBA (24 yrs.)	Yes Bank	-
Mr. Gururaj Rao	Chief Audit Officer	1.26	47	01.07.2009	B. Com (27.2 ys)	YBA Kano, Saudi Arabia/ Bahrain	0.00*
Mr. Sudesh Puthran	Chief Technology Officer	1.29	52	01.10.2020	BE, MFM, (25 yrs.)	Aditya Birla Finance Limited	-
Mr. Balaksrishna Kamath	Chief Financial Officer	1.01	52	11.03.2020	B. Com, ACA, ACS (28.5 yrs.)	TATA Capital Housing Finance	0.00*

**Negligible*

Confirmation:

i. None of the above employees are a relative of any Director of the Company;
ii. All the above employees are permanent employees of the Company.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

1.Details of the Listed Entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L51216KA1991PLC053425
2.	Name of the Listed Entity	CreditAccess Grameen Limited
3.	Year of incorporation	1991
4.	Registered office address	New No. 49 (Old No725), 46th Cross, 8th Block, Jayanagar, (Next to Rajalakshmi Kalyana Mantap) Bengaluru KA-560071
5.	Corporate address	New No. 49 (Old No725), 46th Cross, 8th Block, Jayanagar, (Next to Rajalakshmi Kalyana Mantap) Bengaluru KA-560071
6.	E-mail	info@cagrameen.in
7.	Telephone	+91 80 22637300
8.	Website	www.creditaccessgrameen.in
9.	Financial year for which reporting is being done	2021-22
10.	Name of the Stock Exchange(s) where shares are listed	BSE, NSE
11.	Paid-up Capital	₹1,558.66 million
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mahadev Prakash Head – Compliance, Legal & Company Secretary +91 80 22637300 cs@cagrameen.in
13.	Reporting boundary	The disclosures under this report are made on a standalone basis

2. Products / Services

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

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

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

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

3. Operations

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

Location	Number of Branches	Number of offices	Total
National	1,164	1 Head Office, 17 Regional/ Divisional Offices	1,182
International	0	0	0

17. Markets served by the entity:
a) Number of locationsentity are situated.entity's Turnover).

Location	Number
National (No. of States)	14 States & 1 Union territory
International (No. of Countries)	0

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

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

4. Employees

18. Details as at the end of Financial Year:

a) Employees (including differently abled)

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
1.	Permanent (D)	11,951	11,065	92.59%	886	7.41%
2.	Other than Permanent (E)	0	0	0.00%	0	0.00%
3.	Total employees (D + E)	11,951	11,065	92.59%	886	7.41%

b) Differently abled Employees

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

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	2	28.57%
Key Management Personnel	3	0	0.00%

20. Turnover rate for permanent employees

	FY2022			FY2021			FY2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	31.71%	36.96%	32.09%	28.75%	35.35%	29.23%	36.32%	41.82%	36.70%

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

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

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

Sl. No.	Name of the holding/ subsidiary/ associate companies/joint ventures (A)	Indicate whether holding/subsidiary/ associate/joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity?
1	Madura Micro Finance Limited	Subsidiary	76.31%	Yes
2	Madura Micro Education Private Limited	Step-down subsidiary*	-	Yes
3	CreditAccess India Foundation	Subsidiary	100.00%	Yes

** Wholly owned subsidiary of Madura Micro Finance Limited*

6. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
(ii) Turnover (in ₹): ₹22,912.03 million
(iii) Net worth (in ₹): ₹39,397.93 million

7. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place	FY2022			FY2021		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil	Community grievances currently not recorded	Nil	Nil	Community grievances currently not recorded
Investors	Yes	Nil	Nil	-	Nil	Nil	-
Shareholders	Yes	Nil	Nil	-	Nil	Nil	-
Employees	Yes	39	Nil	-	8	Nil	-
Customers	Yes	3,189	1	-	2,716	4	-
Value Chain Partners	No	Nil	Nil	Value Chain Partners grievances currently not recorded	Nil	Nil	Value Chain Partners grievances currently not recorded

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

SECTION B: GENERAL DISCLOSURES

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1.a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs.	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	y
c. Web Link of the Policies, if available	www.creditaccessgrameen.in								
2. Whether the entity has translated the policy into procedures.	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes / certifications/ labels/ standards adopted by your entity and mapped to each principle.	The spirit and intent of the Company's Code of Conduct, Fair Practices Code and other Codes/ Policies are prepared in compliance with applicable laws /rules /guidelines. In addition, they reflect the vision and mission of the Company of providing financial services to the economically weaker sections that create a commercially viable and socially relevant microfinance model that delivers high value to our customers.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company strives to be a socially responsible organisation creating a meaningful long-term impact in the lives of customers, employees, communities, and various stakeholders. The Company has ensured that its processes and controls are aligned with the principles of sustainable business practises.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company actively tracks the progress against the action plan to ensure complete compliance with the established norms.								
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Refer to Page 09 of the Integrated Annual Report								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	DIN: 07235226 Name: Udaya Kumar Hebbar Designation: Managing Director and Chief Executive Officer								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. Refer to Question No. 8								
10. Details of Review of NGRBCs by the Company (a) Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y
(b) Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency?	N	N	N	N	N	N	N	N	N
12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:	Not Applicable								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	-	-	-
Key Managerial Personnel	-	-	-
Other Employees	10,027 through e-learning portal	Code of Conduct and Client Protection Principles	83.9% of employees at end of Mar-22

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

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

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.
Yes (www.creditaccessgrameen.in)

5. Number of Directors/KMPs/employees against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:
FY2022: Nil. FY2021: Nil

6. Details of complaints with regard to conflict of interest:
Number of complaints received in relation to issues of Conflict of Interest of the Directors: FY2022: Nil. FY2021: Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs: FY2022: Nil. FY2021: Nil

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

Leadership Indicators

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

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

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board?
The Company has a Board approved policy for management of conflict of interest. The objective of the Policy is to i) identify actual or potential conflict of interest of the Company with its directors and employees which may arise during the course of its business activities,

ii) implement effective organisational and administrative processes to mitigate and prevent conflicts of interest arising and damaging the interest of various stakeholders, and iii) suggest appropriate safeguards and systems for preventing or managing conflicts and an escalation mechanism. Every director or every employee of the Company shall notify the MD & CEO of any personal conflict of interest relationship which may involve the Company. Every director or employee shall also notify the MD & CEO of any conflict of interest of a non-personal nature involving the Company or its business arrangements. The MD & CEO shall analyse conflict of interest, perceived or otherwise, in order to determine an appropriate course of action.

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

Essential Indicators

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

	FY2022	FY2021	Details of improvements in environmental and social impacts
IT Capex	₹73.59 million	₹ 127.25 million	Refer to Page 84 of the Integrated Annual Report

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

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

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

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

Leadership Indicators

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

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

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

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

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

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

Essential Indicators

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Male	11,065	11,065	100%	11,065	100%	0	0%	330	2.98%	We have a creche facility at the Head Office	
Female	886	886	100%	886	100%	20	2.26%	0	0.00%		
Total	11,951	11,951	100%	11,951	100%	20	2.26%	330	2.98%		

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

Benefits	FY2022		FY2021	
	No. of employees covered as a % of total employees	Deducted and deposited with the authority	No. of employees covered as a % of total employees	Deducted and deposited with the authority
PF	100%	Y	100%	Y
Gratuity	75.61%*	Y	81.04%*	Y
ESI	10,006 out of 11,951 fall under ESIC and are 100% covered	Y	9,136 out 10,625 employees fall under ESIC and 100% covered	Y

** Excludes trainee employees*

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

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

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

Gender	Permanent employees	
	Return to work rate	Retention rate
Male	100%	96.37%
Female	Out of 20 women employees, 40% returned, 10% resigned and remaining 50% are still on leave as per policy	

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

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

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker?
Yes. Refer to Page 77 of the Integrated Annual Report.

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

8. Details of training given to employees:

Category	FY2022					FY2021				
	Total (A)	On Health		Accident insurance		Total (D)	On Health and safety measures		On Skill	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Male	11,065	7,134	64.47%	7,975	72.07%	9,830	9,506	96.70%	9,385	95.47%
Female	886	464	52.37%	579	65.35%	795	523	65.79%	593	74.59%
Total	**11,951**	**7,598**	**63.58%**	**8,554**	**71.58%**	**10,625**	**10,029**	**94.39%**	**9,978**	**93.91%**

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

Category	FY2022			FY2021		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Male	9,829	7,475	76.05%	9,821	6,537	66.46%
Female	807	585	72.49%	841	512	60.88%
Total	**10,626**	**8,060**	**75.78%**	**10,662**	**7,049**	**66.11%**

10. Health and safety management system:

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

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

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

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

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

Safety Incident/Number	Category	FY2022	FY2021
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Not Applicable	Not Applicable
Total recordable work-related injuries	Employees	40	44
No. of fatalities	Employees	21*	6
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0

**Out of 21 fatalities, there are 8 deaths due to Covid-19*

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.
Regular trainings are conducted to build awareness about occupational health and safety. Regular branch and field audits help in capturing any deviations and ensuring timely corrective action.

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

	FY2022			FY2021		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	-	Nil	Nil	-
Health & Safety	Nil	Nil	-	Nil	Nil	-

14. Assessments for the year:

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

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.
Not Applicable.

Leadership Indicators

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

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.
The statutory dues are filed individually by the respective departments, with the concerned government authorities. There is an automated process adopted by the Compliance team generates regular alerts and tracks the timely filing of dues/returns.

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

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY2022	FY2021	FY2022	FY2021
Employees	0	0	0	0

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

Yes

5. Details on assessment of value chain partners:

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

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

Not Applicable

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

Essential Indicators

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

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

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

Refer to Page 36 of the Integrated Annual Report.

Leadership Indicators

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

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

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

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

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

Refer to Page 67 of the Integrated Annual Report.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

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

Category	FY2022			FY2021		
	Total (A)	No. employees covered (B)	% (B / A)	Total (C)	No. employees covered (D)	% (C / D)
Permanent	11,951	-	-	10,625	-	-
Other than Permanent	0	-	-	0	-	-
Total Employees	**11,951**	**-**	**-**	**10,625**	**-**	**-**

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

Category	FY2022					FY2021				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Permanent	11,951	5,759	48.19%	6,192	51.81%	10,625	2,319	21.83%	8,306	78.17%
Male	11,065	5,280	47.72%	5,785	52.28%	9,830	2,106	21.42%	7,724	78.58%
Female	886	479	54.06%	407	45.94%	795	213	26.79%	582	73.21%

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

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors	-	-	-	-
Key Managerial Personnel	4	1,19,57,010	0	0
Other Employees	11,061	3,18,276	886	2,67,504

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

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

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

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

	FY2022			FY2021		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	Nil		Nil	Nil	
Discrimination at workplace	Nil	Nil		Nil	Nil	
Child Labour	Nil	Nil		Nil	Nil	
Forced Labour / Involuntary Labour	Nil	Nil		Nil	Nil	
Wages	Nil	Nil		Nil	Nil	
Other human rights related issues	Nil	Nil		Nil	Nil	

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

No pending concerns under labour compliances, sexual harassment and disciplinary issues.

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

Yes.

9. Assessments for the year:

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

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

Leadership Indicators

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

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

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

4. Details on assessment of value chain partners:

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

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

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

Essential Indicators

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

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

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Parameter	FY2022	FY2021
Total electricity consumption **(A)**	11,420 GJ	Not Available
Total fuel consumption **(B)**	1,23,861 GJ	Not Available
Energy consumption through other sources **(C)**	Nil	Not Available
Total energy consumption **(A+B+C)**	1,35,282 GJ	Not Available
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.000006 GJ	Not Available
Energy intensity (optional) – the relevant metric may be selected by the entity	11.32 GJ (FTE)	Not Available

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

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

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

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY2022	FY2021
Total Scope 1 emissions (CO2)	Metric tonnes of CO2 equivalent	30.41	Not Available
Total Scope 2 emissions (CO2)	Metric tonnes of CO2 equivalent	3,349.92	Not Available
Total Scope 1 and Scope 2 emis-sions per rupee of turnover	Metric tonnes of CO2 equivalent / INR	0.0000001	Not Available
Total Scope 1 and Scope 2 emission intensity (calculated on number of full time employees)	Metric tonnes of CO2 equivalent / Employees	0.28	Not Available

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

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY2022	FY2021
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	Not Applicable	Not Applicable
E-waste **(B)**	0.86	Not Applicable
Bio-medical waste **(C)**	Not Applicable	Not Applicable
Construction and demolition waste **(D)**	Not Applicable	Not Applicable
Battery waste **(E)**	Not Applicable	Not Applicable
Radioactive waste **(F)**	Not Applicable	Not Applicable

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

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

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

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

Leadership Indicators

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

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

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

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY2022	FY2021
Total Scope 3 emissions	Metric tonnes of CO2 equivalent	7,049.48	Not Available
Total Scope 3 emissions per rupee of turnover	Metric tonnes of CO2 equivalent / INR	0.0000003	Not Available
Total Scope 3 emission in-tensity (calculated on number of full time employees)	Metric tonnes of CO2 equivalent / Employees	0.59	Not Available
Total Scope 1 and Scope 2 emission intensity (calculated on number of full time employees)	Metric tonnes of CO2 equivalent / Employees	0.28	Not Available

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

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

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

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

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

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

Essential Indicators

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

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

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

Leadership Indicators

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

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

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

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

3. Describe the mechanisms to receive and redress grievances of the community.
Refer to Page 67 of the Integrated Annual Report.

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

Leadership Indicators

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

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**
   Refer to Page 68-70 of the Integrated Annual Report.

3. **(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups?**
   Not Applicable.
   (b) From which marginalized /vulnerable groups do you procure?
   (c) What percentage of total procurement (by value) does it constitute?
   100% local procurement.

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

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

6. **Details of beneficiaries of CSR Projects.**
   Refer to Page 68-70 of the Integrated Annual Report.

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

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**
   Refer to Page 68-70 of the Integrated Annual Report.

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

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

	FY2022			FY2021		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Unfair Trade Practices	Nil	Nil	-	Nil	Nil	-
Other	3,189	1	-	2,716	4	-

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

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? If available, provide a web-link of the policy.**
   Yes. (www.creditaccessgrameen.in)

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

Leadership Indicators

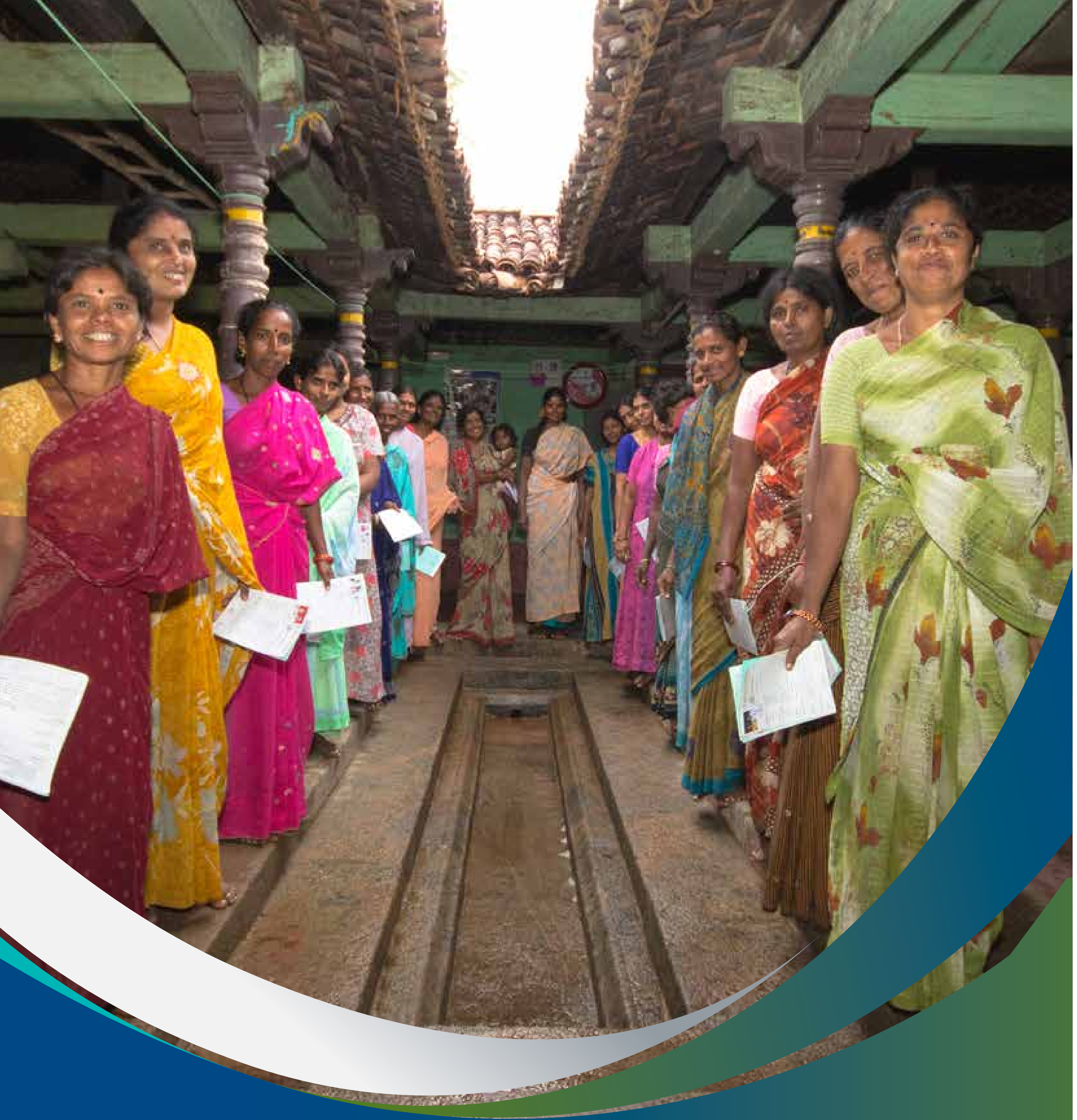
1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**
   The information on goods and services of the business can be accessed on Company website (www.creditaccessgrameen.in), help desk, centre meetings.

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

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

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**
   Yes. As per Fair Practices code, the Company is required to display interest being charged and other practices being adopted by the Company in lending loans to its Borrowers. The loan passbook mentions details about the rate of interest, loan tenure, repayment cycle and repayment instalment, processing fees, insurance, and other terms & conditions for all loan products.
   The Company regularly conducts customer satisfaction surveys relating to its products and services. Refer to Page 67 of the Integrated Annual Report.

5. **Provide the following information relating to data breaches:**
   a. **Number of instances of data breaches along-with impact**
   b. **Percentage of data breaches involving personally identifiable information of customers**
   Nil.



MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS FY2022

I. Microfinance Industry: A Broad Perspective

A. Industry Overview: Data as of March 31, 2022

The Indian microfinance industry comprises of various entities serving the bottom of the pyramid including Non-Banking Financial Companies - Micro Finance Institutions (NBFC-MFIs), Banks, Small Finance Banks (SFBs), NBFCs, and non-profit MFIs. At the end of March 2022, the Indian microfinance industry's total gross loan portfolio (GLP) stood at ₹2,854,410 million, clocking 10.0% YoY growth with 58 million unique borrowers. The NBFC-MFI segment accounted for 35.2% of the universe portfolio, with Banks at 40.0%, SFBs at 16.9%, and NBFCs/Others at 7.9%. A total of 202 lending institutions served microfinance borrowers – 84 NBFC-MFIs, 12 Banks, 9 SFBs, 58 NBFCs, and 39 others. The NBFC-MFI segment is governed by the Reserve Bank of India (RBI) and two industry self-regulatory organisations (MFIN and Sa-Dhan).

The Reserve Bank of India (RBI) released new microfinance guidelines on March 14 2022 to create a level playing field for all regulated lending entities (REs) serving the microfinance borrowers. Any collateral-free loan (irrespective of its end-use, mode of delivery channel) provided to a borrower with an annual household income of up to ₹ 0.3 million will be considered as a microfinance loan. The REs need to have a board-approved policy for assessment of household income. Further, while extending such a loan, the REs need to ensure that the overall annual fixed obligation (principal and interest payment) does not exceed 50% of the borrower's annual household income. The REs need to have a board-approved pricing policy with a well-documented interest rate model factoring cost of funds, operating costs, credit risk premium, and margin, subject to regulatory scrutiny and eventually driven by competitive forces in the market. Further, the minimum requirement of microfinance loans for NBFC-MFIs has been revised from 85% of net assets to 75% of total assets. This will enable NBFC-MFIs to build a higher proportion of non-microfinance loan book, including secured loans, thus diversifying their balance sheet and making it more resilient to macroeconomic cycles. At the same time, for NBFCs the microfinance loans limit has been increased from 10% of net assets to 25% of total assets. Overall, the new regulations are expected to improve the product and service consistency, increase competitiveness, and benefit microfinance borrowers over the long term.

B. NBFC- MFI

At the end of March 31, 2022, the NBFC-MFI segment served 27 million borrowers. The borrower base saw an increase of 3.8% YoY owing to a covid induced slowdown in economic activities, significant impact on lives and the consequent write-off of delinquent borrowers. The GLP of the NBFC-MFI segment stood at ₹1,004,070 million, a 24.7% YoY growth largely centered around serving the needs of the existing customers during the time of crisis. During FY22, a total of ₹791,830 million was disbursed by the NBFC-MFIs. As a result of the rampant increase in covid cases, disbursements were significantly lower in the Q1 FY22 which gradually picked up in the coming quarters. The NBFC-MFIs operated through 16,890 branches spread across the length and breadth of the country, providing employment opportunities to 142,811 people.

According to MFIN, based on the self-reported data of 55 NBFC-MFIs registered with the RBI, these companies are classified as Large, Medium, and Small based on their GLP. Companies having a GLP of more than ₹5,000 million are classified as large entities while ones having GLP between ₹1,000 million to ₹ 5,000 million and GLP less than ₹1,000 million are classified as medium and small entities respectively. Accordingly, there are 25 large, 17 medium, and 13 small entities operating of which 95.4% NBFC-MFI segment is held by large entities.

A profile of NBFC-MFIs is given below:

- Top Ten Large MFIs GLP contribute to 71.8% of the NBFC-MFI segment. As of March 31, 2022, rural portfolio contribution stood at 78%.
- Loans for Agri-Allied activities account for 58.1% of the GLP. Trade/services and manufacturing loans account for 40.0% and household finance loans account for 2.0% of GLP.
- Region wise distribution of portfolio is as provided below

- o South : 27%
- o West : 16%
- o North : 15%
- o Central : 11%
- o East and North-East : 31%

• Top 5 States - Tamil Nadu, Bihar, Karnataka, Uttar Pradesh, and Madhya Pradesh account for 53.2% of GLP. The top 10 States account for 83.4% of the total industry loan amount outstanding.

II. Competitive Strengths and Strategies

A. Higher Rural Penetration

As of March 31,2022, borrowers serviced by CreditAccess Grameen Limited (the "Company") in rural areas were 84%. Each branch has been planned to cover the maximum number of villages located within a radius up to 30 Kms from each branch office. The Company has consistently increased its share in rural areas over the last five years. Details of the same has been provided in the below table:

Borrowers (Consolidated)	FY2018	FY2019	FY2020	FY2021	FY2022
Rural	81%	82%	86%	85%	84%
Urban	19%	18%	14%	15%	16%

B. Market Position

As of March 31, 2022, the Company on a consolidated basis held a 5.8% market share in the overall microfinance industry. The Company's market share across its top four states of business operations was 24.3% in Karnataka, 16.3% in Maharashtra, 9.4% in Tamil Nadu and 7.1% in Madhya Pradesh. Within the NBFC-MFI segment, the Company maintained its position as the largest NBFC-MFI, with 16.5% share of the total GLP of the NBFC-MFI segment.

C. Customer Interaction

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

D. Product Design – Customer centric and Sustainable

The Company has adopted a 'Life Cycle Approach' for the design of products and services. These products cater to all customer needs during their life cycle ranging from income generation, primary education, medical, home improvement, emergency, water, and sanitation loans. Within a pre-determined borrowing limit, the customer can opt for various loans depending on their requirement. Also, the customers have an option to choose between weekly, bi-weekly, or monthly repayment frequency. These are among the unique features in the microfinance industry across the world. Customer centricity is the cornerstone of our business model which has consistently rewarded us in form of a high customer retention rate leading to optimizing operating expenses and lower credit risk.

The Company has also pioneered a unique wage loss insurance product for our borrowers named 'Hospicash' which compensates them for their wage loss due to hospitalization for up to 30 days in a year. Cash withdrawal services are also provided free of cost at the centre meeting through 'Grameen Pay' - Aadhaar Enabled Payment Service, leading to significant time and travel cost savings for the customers.

In line with our Vision 2025 of being the preferred financial partner of low-income households, the Company is catapulting from serving one woman per household to meeting the financing requirements of the entire household, partnering in their growth and aspirations. On the back of our deep rural presence and a solid understanding of the rural customer's mindset and financing requirements, the Company has identified certain products which are complementary to our target customer segment – small ticket business loans, affordable housing loans, gold loans, and 2W/3W loans. The Company has already started piloting some of these products. Our strong microfinance ecosystem can be effectively leveraged to support growth in these products. Further, these products will help us to enhance our wallet share per household and increase overall customer retention for the entire business.

E. Employee Friendly Organisation

Employee centricity plays a vital role in our resilience business model. Over 90 percent of our staff are freshers hired from deep rural areas, giving them equal opportunities. This helps us avoid cultural dilution and ensure effective learning. There are elaborate post-hiring training programmes that help candidates develop skills and understand the business. These talents get priority in internal promotions thereby providing them with career-growth opportunities.

The Company is one among few MFIs in the industry following a 5 day work policy which has proved to increase collective value for both employee and employer through higher satisfaction and better productivity. The Company has been awarded as "Great Places to Work" and ranked amongst India's 30 Best Workplaces in the Banking, Financial Services and Insurance (BFSI) sector for 2022 by the Great Place to Work Institute, India for the third time in a row. This reinforces our strong work culture, employee morale, and commitment to reaching greater heights in the future.

F. Efficient and Stable Management Team

The Company has built an efficient and stable senior management pipeline for the next phase of growth by hiring a Chief Technology Officer, Chief Risk Officer, and Chief Business Officer who also transitioned as Deputy Chief Executive Officer. Our senior management team has remained stable in the last decade helping us comfortably sail through multiple disruptions by leveraging their rich experience during times of crisis and acting quickly to remain ahead of the curve.

III. Opportunities and Threats

A. Opportunities

The Indian microfinance industry has grown multifold over the last two decades, making it the largest microfinance market in the world. However, at current levels of 58 million borrowers, it has crossed only one-third of market penetration. The urban-rural mix reveals that over 45% of the urban market has been penetrated while the rural market has merely crossed 25-30% levels. Sustainable growth in rural areas is expected to continue in the coming years driven by large unmet credit demands and growing aspirations. The increase in eligible household income limit, by new microfinance guidelines, from ₹0.125 million to ₹0.3 million for availing microfinance loans, will further increase the growth potential in the rural areas.

The line between income-generation and non-income generation loans has been flattened which should help leverage the significant opportunity to offer credit products beyond income generation loans to support education, health, consumption, infrastructure etc. leading to the overall economic development of the customer base. Further, an increase in the maximum permissible limit of non-microfinance loans, for NBFC-MFIs, from 15% of net assets to 25% of total assets will further spur a moment of product innovation to support customers as they move towards asset creation opportunities from livelihood supporting activities. This can be achieved by analyzing the large pool of data available from the credit bureau, customer behaviour, and vintage to offer suitable credit products.

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

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

B. Threats

The external forces tend to cause repayment disruptions in the microfinance industry whether it be the Covid-19 pandemic, demonetization, natural disasters or any other local event. Historically, MFIs have showcased their ability to imbibe learnings from any adverse events and have risen to the occasion during testing times. Despite encountering three macroeconomic disruptions in the past six years, the joint-liability group (JLG) model has evolved and continues to create capital at the bottom of the economic pyramid.

Given the strong industry growth prospects and excellent steady state repayment rates, the microfinance industry has been witnessing rapid competition over the past several years. Further, micro credit borrowers have been increasingly served by a diverse set of lending institutions, operating under different regulatory guidelines and adopting diverse lending practices. While this has an impact on the overall customer behaviour and credit discipline, it also leads to overleveraging with multiple lending institutions serving a common set of clients and adopting aggressive credit exposure limits to increase their customer wallet share. However, the microfinance guidelines are expected to create a level playing field with uniform guidelines for all regulated lending entities, thus protecting the interest of the end borrowers.

The occurrence of natural disasters has become a regular phenomenon due to global warming, with large implications on the environment and affecting the livelihood and economic activities of the people at the bottom of the pyramid. Given the climate change impacts, we see this threat continuing in the coming years. The self-regulatory organization MFIN, is conducting pilot tests to launch natural catastrophe insurance cover for microfinance borrowers. Such initiatives can help tide over the ill effects of natural disasters. Further, diversification at the district level will help contain the exposure to such natural disasters and effectively manage the impact. In such instances, it is important for the MFI players to continue providing financial support to the affected borrowers and communities which can help them build resilience and rebound back to normalcy.

IV. New Initiatives

A. New Product Introduction

In order to support the growing aspirations and livelihoods of our graduated customers, the Company introduced Grameen Unnati Loan, an unsecured individual loan up to ₹150,000 to support their growing income generation / business activities. This loan has a tenure of 3 years with weekly/bi-weekly/monthly repayment options to better suit the borrower's repayment capacity. Secondly, the Company pioneered a wage loss insurance product for customers, named Grameen Suraksha, to compensate the customer/spouse for wage loss on account of hospitalization for up to 30 days in a year. Thirdly, the Company launched the pilot of a gold loan product, named Grameen Swarna, for its existing microfinance customers. These new product initiatives were introduced to enhance the customer offerings, strengthen customer loyalty, and retention.

B. Process and Technology Improvements

The Company had successfully digitized all customer touchpoints during the previous financial year by equipping the field force with handheld tabs enabling automated/ paperless customer on-boarding, faster KYC verification, instant credit bureau checks, automated loan applications, centre meetings management, and paperless collection process, automated flow of collection entries to branch level reconciliation, and same day loan disbursements.

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The digitization journey continued in the current financial year to enhance the overall customer experience through scaling up of certain processes like same day disbursement, digital collections, and AEPS enabled cash withdrawal at centre meetings. The Company also initiated SMS messaging, in vernacular languages, on key customer loan updates. Robotic process automation was used in streamlining cashless disbursements and the customer onboarding process. Branch audit software was enhanced to enable audit analytics and intelligence and field monitoring application was implemented to be accessed by various teams like branch support, risk management, and internal audit teams.

C. Opening of New Branches

The Company opened 211 new branches in FY22 across Bihar (35 branches in 19 districts), Chhattisgarh (5 branches in 5 districts), Gujarat (28 branches in 13 districts), Jharkhand (10 branches in 8 districts), Karnataka (10 branches in 8 districts), Kerala (6 branches in 4 districts), Madhya Pradesh (20 branches in 10 districts), Maharashtra (6 branches in 6 districts), Odisha (9 branches in 3 districts), Rajasthan (35 branches in 14 districts), Tamil Nadu (1 branch in 1 district), Uttar Pradesh (35 branches in 13 districts) and West Bengal (11 branches in 4 districts). The branch expansion was in line with the company's contiguous district-based expansion strategy, with a primary focus on new geographies.

D. Process Integration of Madura Micro Finance Ltd

The Company successfully completed the process integration of Madura Micro Finance Ltd ('MMFL'). All 471 MMFL branches were transitioned to the CA Grameen branch model and incremental lending starting from October 2021 was provided under the CA Grameen lending model with weekly/bi-weekly repayment cycles. Adequate training sessions were conducted for MMFL staff to make them comfortable with CA Grameen's operating model, processes, and controls. Technology integration was also implemented extending CA Grameen's core banking solution, digital field application, customer onboarding tool, and branch audit portal to MMFL branches. Customer data migration, automation of reports and alignment of monthly MIS was successfully completed.

V. The Company's Operational Perspective

A. Customers Profile

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

Borrower Vintage (Consolidated)	FY2018	FY2019	FY2020	FY2021	FY2022
Less than 1 year	32%	33%	17%	13%	15%
1-3 years	37%	34%	48%	52%	35%
3-6 years	23%	25%	23%	23%	33%
6 years and above	8%	8%	12%	12%	17%

B. Profitability

For the period ended March 31, 2022, the Company's pre-provision operating profit, on a consolidated basis, stood at ₹10,775.31 million as against ₹9,517.60 million during the same period in the previous year, an increase of 13.2%. The Company's profit after tax, on a consolidated basis, stood at ₹3,570.99 million as against ₹1,314.02 million during the same time period in the previous year, an increase of 171.8%. Total revenue from operations, on a consolidated basis, for the year ended March 31, 2022, was ₹27,501.27 million as against ₹24,660.71 million during the same period in the previous year, a growth of 11.5%. Total expenses, on a consolidated basis, stood at ₹22,693.38 million as compared to ₹22,856.71 million during the same period in the previous year, a decrease of 0.7%.

C. Financial Performance

As of March 31, 2022, the portfolio yield, on a consolidated basis, was 18.3% as against 18.8% in the previous financial year. Cost to income ratio, on a consolidated basis, as of March 31, 2022 was 39.0% as against 38.1% during the same period in the previous year. The operating cost to Gross Loan Portfolio ratio, on a consolidated basis, as of March 31, 2022 stood at 4.9%, compared to 4.8% during the same period in the previous year.

D. Funding Trends

The changes in the outstanding borrowings from different sources, on a consolidated basis, during FY2022 in comparison to last year can be seen in the below table:

In ₹ Million (Consolidated)	FY2018	FY2019	FY2020	FY2021	FY2022
Public Sector Banks	3,354.75	1,217.06	44,770.53	25,052.30	30,470.70
Private and Foreign Banks	18,812.51	25,460.44	15,897.77	46,017.22	60,819.18
Securitization/ Direct Assignment (sold portion)	-	7,073.30	6,186.70	12,685.01	11,904.41
NCDs (FPIs) and ECBs	7,886.50	7,082.00	9,362.48	9,811.94	10,097.94
NBFCs, FIs, Others	5,974.87	13,086.25	24,099.44	27,790.65	27,212.19
Total	**36,028.62**	**53,919.05**	**100,316.92**	**121,357.12**	**1,40,504.42**

E. Treasury and Cash management system

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

Interest Coverage Ratio	FY2022 Consolidated	FY2021 Consolidated
PBT	4,807.89	1,804.00
Interest expense	9,841.40	9,287.15
EBIT	**14,649.29**	**11,091.15**
Interest expense	9,841.40	9,287.15
Interest coverage ratio	1.49	1.19
Debt Equity Ratio		
Debt	129,206.87	109,413.27
Equity (incl. minority interest)	40,760.44	37,963.76
Ratio	**3.17**	**2.88**
Interest income	25,673.34	22,900.32
Income from direct assignment	699.89	1,225.72
Finance cost	9,841.40	9,287.15
Operating Profit (before other expenses)	**16,531.83**	**14,838.89**
Total Revenue from operations	27,501.27	24,660.71
Operating profit margin (before operating expenses)	60.11%	60.17%
Profit after tax	3,570.99	1,314.02
Net Profit margin	**12.98%**	**5.33%**
Current ratio (Taken from ALM)		
Current assets	106,875.18	99,918.94
Current liabilities	67,904.89	64,532.48
Current ratio	**1.57**	**1.55**
Return on Equity (PAT / Average Total Equity)	**9.07%**	**3.96%**

F. Operational Trends

Particulars (Consolidated)	FY2018	FY2019	FY2020	FY2021	FY2022	CAGR* (%)
Branches	516	670	1,393	1,424	1,635	33.42%
Districts	132	157	248	265	319	24.68%
Borrowers	1,851,324	2,469,837	4,055,486	3,911,619	38,23,724	19.88%
Loans disbursed (INR Millions)	60,817	82,212	1,038,921[1]	110,112	154,663	26.28%
Gross AUM (INR Millions)	49,747	71,593	119,961	135,869	165,994	35.15%
Field Officers	4,544	5,768	9,688	9,559	10,770	24.08%
Total Staff	6,306	8,064	14,496	14,399	15,667	25.55%
Repayment Rate – CA Grameen	96.62%	98.81%	98.61%	93.44%[2]	95.01%	N/A
Repayment Rate – MMFL			98.35%	86.60%[2]	84.78%	N/A
PAR (INR Millions) – CA Grameen	631	579	1,866	5,908	4,903	N/A
PAR (INR Millions) – MMFL			1,805	3,132	3,185	N/A
Funds availed during the year (INR Millions)	26,900	50,931	81,011	80,658	101,114	39.24%

1) Since MMFL was acquired on 18th March 2020, loans disbursed in FY2020 pertain only to CA Grameen
2) Since there was a loan moratorium applicable during Apr-20 to Aug-20, FY21 repayment rate is calculated over Sep-20 to Mar-21
*CAGR is calculated for the change during the last 4 years

The Company has consistently maintained a borrower retention rate of above 84% for the past 5 years. Adaptation of life cycle approach while designing products, effective delivery of services, and constant social focus approach towards customers has reduced attrition to a very large extent.

Standalone %	FY2018	FY2019	FY2020	FY2021	FY2022
Borrower Retention Rate	84%	87%	85%	87%	84%

G. Gross AUM and Borrower Distribution

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

State wise Gross AUM Distribution

(In ₹ Million)	Consolidated Figures									
	FY2018		FY2019		FY2020		FY2021		FY2022	
State	Gross AUM	% age	Gross AUM	% age	Gross AUM	% age	Gross AUM	% age	Gross AUM	% age
KA	28,892	58.10%	37,624	52.60%	48,020	40.00%	51,941	38.20%	59,639	35.93%
MH	13,296	26.70%	18,451	25.80%	28,969	24.10%	31,863	23.50%	35,684	21.50%
TN	3,389	6.80%	7,465	10.40%	23,894	19.90%	25,167	18.50%	34,581	20.83%
MP	3,165	6.40%	5,470	7.60%	9,141	7.60%	11,132	8.20%	12,238	7.37%
OD			371	0.50%	2,408	2.00%	3,380	2.50%	5,026	3.03%
BR					2,028	1.70%	3,156	2.30%	5,138	3.10%
CG	1,005	2.00%	2,044	2.90%	2,428	2.00%	2,683	2.00%	2,962	1.78%
KL			105	0.10%	1,789	1.50%	2,440	1.80%	3,200	1.93%
JH					394	0.30%	1,207	0.90%	2,267	1.37%
RJ					176	0.10%	660	0.50%	1,605	0.97%
GJ					167	0.10%	601	0.40%	1,071	0.65%
UP					72	0.10%	441	0.30%	1,579	0.95%
WB					42	0.00%	363	0.30%	519	0.31%
PY			53	0.10%	413	0.30%	362	0.30%	419	0.25%
GA			11	0.00%	19	0.00%	22	0.00%	67	0.04%
Total	**49,747**		**71,593**		**119,961**		**135,869**		**165,994**	

State wise Borrowers Distribution

(In ₹ Million)	Consolidated Figures									
	FY2018		FY2019		FY2020		FY2021		FY2022	
State	Borrowers	% age	Borrowers	% age	Borrowers	% age	Borrowers	% age	Borrowers	% age
KA	944,262	51.00%	1,135,440	45.97%	1,261,247	31.10%	1,165,415	29.80%	10,77,335	28.18%
MH	524,315	28.30%	691,999	28.02%	903,757	22.30%	841,370	21.50%	7,91,560	20.70%
TN	162,168	8.80%	274,521	11.11%	1,113,385	27.50%	996,722	25.50%	9,11,649	23.84%
MP	168,450	9.10%	256,141	10.37%	323,098	8.00%	325,060	8.30%	3,12,475	8.17%
OD			14,652	0.59%	121,438	3.00%	139,619	3.60%	1,49,699	3.92%
BR					93,610	2.30%	130,165	3.30%	1,58,135	4.14%
CG	52,129	2.80%	91,129	3.69%	100,228	2.50%	89,670	2.30%	83,297	2.18%
KL			3,549	0.14%	85,987	2.10%	98,408	2.50%	99,741	2.61%
JH					14,329	0.40%	37,559	1.00%	70,224	1.84%
RJ					6,182	0.20%	21,286	0.50%	51,256	1.34%
GJ					6,164	0.20%	19,673	0.50%	37,448	0.98%
UP					2,762	0.10%	14,803	0.40%	45,376	1.19%
WB					1,366	0.00%	11,857	0.30%	18,936	0.50%
PY			2,024	0.08%	21,123	0.50%	19,180	0.50%	14,909	0.39%
GA			382	0.02%	810	0.00%	832	0.00%	1,684	0.04%
Total	**1,851,324**		**2,469,837**		**4,055,486**		**3,911,619**	**29.80%**	**38,23,724**	

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Product wise split of Gross AUM

(In ₹ Million)	Consolidated Figures									
	FY2018		FY2019		FY2020		FY2021		FY2022	
Products	Gross AUM	% age	Gross AUM	% age	Gross AUM	% age	Gross AUM	% age	Gross AUM	% age
Income Generation Loans	42,841	86.12%	60,878	85.03%	84,473	70.42%	105,925	77.96%	130,814	78.81%
Family Welfare Loans	1,172	2.36%	928	1.30%	1,678	1.40%	232	0.17%	377	0.23%
Home Improvement Loans	5,198	10.45%	6,433	8.99%	7,696	6.42%	3,108	2.29%	4,144	2.50%
Emergency Loans	22	0.04%	99	0.14%	126	0.11%	17	0.01%	28	0.02%
Retail Finance Loans	513	1.03%	3,255	4.55%	4,991	4.16%	4,128	3.04%	1,955	1.18%
MMFL Loans					20,997	17.50%	22,458	16.53%	28,676	17.28%
Total	**49,747**		**71,593**		**119,961**		**135,869**		**165,994**	

Number of Districts – State-wise Distribution

	Consolidated Figures				
	FY2018	FY2019	FY2020	FY2021	FY2022
KA	30	30	30	31	31
MH	30	31	32	32	32
TN	25	30	36	37	37
MP	24	30	36	37	43
OD	5	13	24	24	24
BR	0	0	15	18	31
CG	12	17	19	19	20
KL	3	3	8	8	12
JH	0	0	14	17	19
RJ	0	0	11	16	22
GJ	0	0	8	10	20
UP	0	0	7	8	18
WB	0	0	4	4	6
PY	1	1	2	2	2
GA	2	2	2	2	2
Total	**132**	**157**	**248**	**265**	**319**

Number of Districts – District Exposure As % of Gross AUM

	Consolidated Figures				
	FY2018	FY2019	FY2020	FY2021	FY2022
<0.5%	78	105	186	205	281
0.5-1%	22	19	28	28	27
1-2%	17	23	27	27	9
2-4%	11	8	7	5	2
>4%	4	2	0	0	0
Total	**132**	**157**	**248**	**265**	**319**

Number of Districts – District Exposure As % of Borrowers

	Consolidated Figures				
	FY2018	FY2019	FY2020	FY2021	FY2022
<0.5%	70	100	177	195	252
0.5-1%	25	25	40	46	45
1-2%	25	22	27	21	19
2-4%	11	9	4	3	3
>4%	1	1	0	0	0
Total	**132**	**157**	**248**	**265**	**319**

H. Human Resources (HR)

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

HR Highlights

- 15,667 permanent employees on a consolidated basis as on March 31, 2022
- CA Grameen: 11,951 employees, employee attrition rate of 23.86%
- MMFL: 3,716 employees, employee attrition rate of 36.01%
- No pending concerns under labour compliances, sexual harassment, and disciplinary issues

In-house Training

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

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

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

Training Type	Number of Hours	Number of staff trained
Field Officers Basic Training	308	7,857
Process Trainings / Refresher Trainings	433	23,433
New Initiatives / Products	48	3,509
Soft Skills	80	2,505

MMFL training programs

Training Type	Number of Hours	Number of staff trained
Process Trainings	18	19,855
Information Technology Trainings	16	119

Learning Portal

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

I. Internal Controls and its Adequacy

The Company believes in maintaining a strong internal control framework and sees such a framework as an essential prerequisite for the growth of the business. The Company has well-documented policies, procedures and authorization guidelines in place. Additionally, an integrated internal audit software platform enables managing audits across all branches, regional offices, field audits, and the Head Office. Internal Audit in the Company is an independent unit focused on improving and enhancing the operations of the organization. It assists the Company in accomplishing its objectives by bringing in a systematic and disciplined approach to evaluating and improving the effectiveness of the Company's internal control, risk management, and governance processes.

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

J. Risk Management

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

K. Information Technology

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

CORPORATE GOVERNANCE REPORT

Annexure VII

CORPORATE GOVERNANCE REPORT

I. CORPORATE GOVERNANCE PHILOSOPHY

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

In India, Corporate Governance standards for Listed Companies are mandated under the Companies Act, 2013 ("CA 2013") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In addition to the above, Corporate Governance standards for Non-Banking Finance Companies (NBFCs) are also prescribed by the Reserve Bank of India.

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

II. BOARD OF DIRECTORS

a. Composition

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

The Company is also compliant with the Corporate Governance requirements relating to constitution of various committees of the Board under the RBI Master Directions-NBFC-MFI-SI-Non-deposit taking Company & Deposit Taking Company (Reserve Bank) Directions, 2016.

As on March 31, 2022, the Company's Board comprised of seven (7) Directors, including four (4) Non-executive Independent Directors as mentioned in the table below. The Chairman of the Board is a Non-Executive Independent Director.

Category	Name of Directors
Non-Executive Nominee Directors	Mr. Massimo Vita Mr. Sumit Kumar
Non-Executive Independent Directors	Mr. George Joseph (Chairman & Lead Independent Director) Ms. Jessie Paul Ms. Sucharita Mukherjee Mr. Manoj Kumar
Executive Director	Mr. Udaya Kumar Hebbar, Managing Director & CEO

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

Skills/ Expertise/ Competence	Massimo Vita	Sumit Kumar	Jessie Paul	George Joseph	Manoj Kumar	Sucharita Mukherjee	Udaya Kumar Hebbar
Banking Operations				✓	✓	✓	✓
Audit & Financial Statements	✓		✓	✓			✓
Financing		✓	✓	✓	✓	✓	✓
Investment		✓			✓	✓	
Risk Management	✓		✓	✓	✓		✓
Entrepreneurship			✓		✓	✓	✓
Micro-Finance	✓		✓			✓	✓
Management	✓	✓	✓	✓	✓	✓	✓
Information Technology			✓		✓	✓	✓
Human Resource Development			✓				✓
Regulatory & Compliance				✓			✓

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

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

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

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

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

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

Confirmation:

- There are no inter-se relationships between the Board members.
- None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all the Companies in which he/she is a Director.
- None of the Independent Directors on the Board is an Independent director in more than seven (7) listed Companies.
- All the Directors have disclosed their interest in other companies, directorship and membership of Committees and other positions held by them. The offices held by the directors are in compliance with the CA 2013 and the Listing Regulations.

b. Board Meetings

The Board met Nine (9) times during the financial year 06.05.2021, 25.06.2021, 28.07.2021, 11.08.2021, 09.11.2021, 21.12.2021, 04.02.2022, 16.02.2022, 23.03.2022. The time gap between any two of the said meetings had not exceeded one hundred and twenty days.

During FY22, due to the COVID-19, except the Board and its Committee meetings held on November 08 & 09, 2021, all the Meetings of the Board and the Committees including the Annual General Meeting, were held through Video Conferencing.

Attendance at Board Meetings:

	*Paolo Brichetti	Massimo Vita	Sumit Kumar	George Joseph	Sucharita Mukher-jee	Manoj Kumar	Udaya Kumar Hebbar	Jessie Paul
06.05.2021	✓	✓	✓	✓	LOA	✓	✓	✓
25.06.2021	LOA	✓	✓	✓	✓	✓	✓	✓
28.07.2021	LOA	LOA	✓	✓	✓	✓	✓	LOA
11.08.2021	NA	✓	✓	✓	✓	✓	✓	✓
09.11.2021	NA	✓	✓	✓	✓	✓	✓	✓
21.12.2021	NA	✓	✓	✓	✓	✓	✓	✓
04.02.2022	NA	✓	✓	✓	✓	✓	✓	✓
16.02.2022	NA	✓	✓	✓	LOA	✓	✓	✓
23.03.2022	NA	✓	✓	✓	LOA	✓	✓	✓

** Retired by rotation with effect from July 30, 2021*

Attendance at the Annual General Meeting (AGM)

	Paolo Brichetti	Massi-mo Vita	Sumit Kumar	Udaya Kumar Hebbar	George Joseph	Sucharita Mukherjee	Manoj Kumar	Jessie Paul
July 30, 2021	-	✓	✓	✓	✓	✓	✓	✓

Confirmation:

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

c. Change in Board/KMPs

1. Mr. Ganesh Narayanan was re-designated as Dy. CEO and CBO and KMP w.e.f. July 01, 2021.
2. Mr. Paolo Brichetti retired by rotation w.e.f. July 30, 2021.
3. Mr. George Joseph was re-designated as the Chairman of the Board and lead Independent Director w.e.f. August 11, 2021.

d. Appointment, criteria and tenure of Independent Directors

Pursuant to Sections 149, 150 and 152 of the CA 2013, the Company has four Independent Directors on the Board who in the opinion of the Board fulfill the conditions specified in Listing Regulations and are independent of the Management. The terms and conditions of appointment of Independent Directors are available on the website of the Company at www.creditaccessgrameen.in.

e. Information provided to the Board of Directors

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

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

f. Familiarization program

With a view to familiarize the Independent Directors as required under the Listing Regulations, the Company has held familiarization program for the Independent Directors on Information Security and Corporate Governance & Compliances.

Further, a separate familiarization program was conducted in December 2021, for the Board of Directors focusing on Corporate Governance and Compliances. A program on Information Security awareness was also conducted in December 2021, for the benefit of Board of Directors.

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

g. Code of conduct for Directors and Senior Management Personnel

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

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

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

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

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

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

Details of shares or convertible instruments of the Company held by Non-Executive Director as on March 31, 2022 is given below:

Director's name	No. of equity shares
Mr. George Joseph	1000

j. Remuneration Policy:

Remuneration for the Managing Director & Chief Executive Officer and other Senior Management consists of fixed and variable components and other benefits as per the policies of the Company. The Nomination and Remuneration Committee conducts an annual appraisal of the performance of the Managing Director and CEO and other Senior Management personnel based on a performance-related matrix.

The annual compensation of the Senior Management personnel is approved by the Nomination and Remuneration Committee. It also recommends the annual compensation of the Managing Director and CEO, which is approved by the Board subject to shareholders' approval.

k. Remuneration paid to Executive Directors.

[₹ in Million]

Name	Design-ation	Gross Salary	Comm-ission	Perquisites on account of ESOP exercised	Others	Total Amount
Udaya Kumar Hebbar	MD & CEO	27.69	-	31.25	-	58.94

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

a. Term of agreement: Period effective from June 26, 2020 to June 25, 2023 (Extendible for a further period of up to two years on mutual consent);
b. Notice period: 60 days written notice for good reason otherwise 120 days written notice.

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

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

l. Stock Option details:

Name of the Director	Options granted	Options exercised, and shares allotted	Options outstanding
Udaya Kumar Hebbar	9,47,500	4,10,000	4,77,500

m. Remuneration to Non-Executive Directors including Independent Director

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

[₹ in Million]

Name of the Directors	Sitting fees	Commission*
	2021-22	2021-22
Mr. Paolo Brichetti	0.12	-
Mr. George Joseph	0.99	2.50
Ms. Sucharita Mukherjee	0.61	1.76
Mr. Manoj Kumar	0.89	2.00
Mr. Massimo Vita	0.79	-
Mr. Sumit Kumar	0.60	-
Ms. Jessie Paul	0.51	1.62
Total	**4.51**	**7.88**

**approved by the Board, subject to the approval by the Shareholders.*

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

During FY 2022, the Company has not advanced loans to any of its Directors and there were no pecuniary relationship or transactions with the non-executive directors.

n. Appointment/Re-appointment of Directors:

There was no Appointment / Re-appointment of Directors made in Financial Year 2021-22.

III. COMMITTEES OF THE BOARD – COMPOSITIONS AS ON MARCH 31, 2022

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

a) Audit Committee
b) Stakeholders' Relationship Committee
c) Nomination and Remuneration Committee
d) Corporate Social Responsibility and Environmental, Social & Governance (ESG) Committee
e) Risk Management Committee
f) Asset - Liability Management Committee
g) IT Strategy Committee
h) Executive, Borrowings and Investment Committee

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

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

1. AUDIT COMMITTEE

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

During the year under review, the Audit Committee met 7 (Seven) times on 06.05.2021, 25.06.2021, 11.08.2021, 09.11.2021, 21.12.2021, 04.02.2022, and 23.03.2022.

As on March 31, 2022, the Audit Committee comprises of Four (4) members including three (3) Independent Directors. Mr. George Joseph is the Chairman of the Committee.

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

	George Joseph	Massimo Vita	Sucharita Mukherjee	Manoj Kumar
06.05.2021	✓	✓	LOA	✓
25.06.2021	✓	✓	✓	✓
11.08.2021	✓	✓	✓	✓
09.11.2021	✓	✓	✓	✓
21.12.2021	✓	✓	✓	✓
04.02.2022	✓	✓	✓	✓
23.03.2022	✓	✓	✓	✓

Mr. Balakrishna Kamath, Chief Financial Officer, is responsible for the finance function, the Head of Internal Audit and the representative of the Statutory Auditors, are regularly invited to attend meetings of the Audit Committee. Mr. M. J. Mahadev Prakash Head-Compliance, Legal and Company Secretary, acts as the Secretary to the Audit Committee.

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

2. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The grievances of stakeholders and clients are reviewed by Stakeholders' Relationship Committee ("SRC").

As on March 31, 2022, SRC comprised of three (3) members, including two (2) Independent Directors. Ms. Sucharita Mukherjee is the Chairperson of the Committee.

During the year under review, the SRC met Four (4) times on 05.05.2021, 10.08.2021, 08.11.2021, and 03.02.2022. The composition of the Committee along with details of the attendance are given below:

	George Joseph	Sucharita Mukherjee	Udaya Kumar
05.05.2021	✓	LOA	✓
10.08.2021	✓	✓	✓
08.11.2021	✓	✓	✓
03.02.2022	✓	✓	✓

The functions and powers of the SRC include review and resolution of grievances of shareholders, debenture holders and other security holders and clients of the Company; approve sub-division, consolidation, transfer and issue of duplicate share/ debenture certificate.

3. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee ("NRC") comprises of three (3) members. All the members of Committee are Independent Directors. Mr. Manoj Kumar is the Chairman of the Committee.

During the year under review, the NRC met Six (6) times, on 05.05.2021, 25.06.2021, 28.07.2021, 25.10.2021, 03.02.2022 and 23.03.2022. The composition and the attendance of the Members at the NRC meetings are given below:

	Paolo Brichetti*	Sucharita Mukherjee	Manoj Kumar	Jessie Paul
05.05.2021	✓	LOA	✓	✓
25.06.2021	LOA	LOA	✓	✓
28.07.2021	LOA	✓	✓	LOA
25.10.2021	NA	LOA	✓	✓
03.02.2022	NA	✓	✓	✓
23.03.2022	NA	LOA	✓	✓

**Retired by rotation with effect from July 30, 2021*

CREDITACCESS GRAMEEN LIMITED
CORPORATE GOVERNANCE REPORT

Performance evaluation of Board Members

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

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

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

4. CORPORATE SOCIAL RESPONSIBILITY AND ESG COMMITTEE

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

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

During the year under review, the CSR & ESG Committee met Three (3) times 25.06.2021, 08.11.2021, and 23.03.2022. The composition and details of the attendance of the Members at the CSR Committee meetings are given below:

	Massimo Vita	Manoj Kumar	Udaya Kumar	Jessie Paul
25.06.2021	✓	✓	✓	✓
08.11.2021	✓	✓	✓	✓
23.03.2022	✓	✓	✓	✓

5. RISK MANAGEMENT COMMITTEE

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

The Risk Management Committee ("RMC") comprises of Four (4) members including one (1) Independent Director. Mr. Massimo Vita is the Chairman of the Committee.

During the year under review, the RMC met 4 (Four) times, 05.05.2021, 10.08.2021, 08.11.2021 and 03.02.2022.

The composition and details of the attendance of the Directors at the RMC meetings are given below

	Paolo Brichetti*	George Joseph	Massimo Vita	Sumit Kumar	Udaya Kumar
05.05.2021	✓	✓	✓	✓	✓
10.08.2021	NA	✓	✓	✓	✓
08.11.2021	NA	✓	✓	✓	✓
03.02.2022	NA	✓	✓	✓	✓

`**Retired by rotation with effect from July 30, 2021*

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

6. ASSET - LIABILITY MANAGEMENT COMMITTEE

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

ALM Committee comprises of five (5) Members including one (1) Independent Director. Mr. Udaya Kumar Hebbar is the Chairman of the Committee.

During the year under review, the ALM Committee met 4 (Four) times, 05.05.2021, 10.08.2021, 08.11.2021 and 03.02.2022. The composition and the details of the attendance of the Directors at the ALM Committee meetings are given below:

	George Joseph	Sumit Kumar	Udaya Kumar	Massimo Vita	Balakrish-na Kamath
05.05.2021	✓	✓	✓	✓	✓
10.08.2021	✓	✓	✓	✓	✓
08.11.2021	✓	✓	✓	✓	✓
03.02.2022	✓	✓	✓	✓	✓

7. IT STRATEGY COMMITTEE

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

At the end of the Financial year the IT Committee comprises of Five (5) members including (2) Independent Directors. Mr. Manoj Kumar is the Chairman of the Committee.

During the year under review, the Committee met Three (3) times, 05.05.2021, 10.08.2021, and 03.02.2022. The composition and the details of the attendance are given below:

	Manoj Kumar	Sumit Kumar	Udaya Kumar	Jessie Paul	Sudesh Puthran	Paolo Brichetti*
05.05.2021	✓	✓	✓	✓	✓	✓
10.08.2021	✓	✓	✓	✓	✓	NA
03.02.2022	✓	✓	✓	LOA	✓	NA

**Retired by rotation with effect from July 30, 2021*

8. EXECUTIVE, BORROWINGS AND INVESTMENT COMMITTEE (EBI)

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

The EBI Committee comprises of Three (3) members including one Independent Director.

During the year under review, the EBI committee met 33 times on 22.04.2021, 04.05.2021, 22.05.2021, 09.06.2021, 28.06.2021, 09.07.2021, 24.07.2021, 18.08.202, 24.08.021, 04.09.2021, 14.09.2021, 25.09.2021, 09.10.2021, 22.10.2021, 26.10.2021, 23.11.2021, 29.11.2021, 13.12.2021, 20.12.2021, 25.12.2021, 29.12.2021, 30.12.2021, 28.01.2022, 10.02.2022, 11.02.2022, 18.02.2022, 24.02.2022, 07.03.2022, 11.03.2022, 17.03.2022, 25.03.2022, 28.03.2022, and 30.03.2022.

The composition & details of attendance of Directors at the EBI Committee Meetings are given below

	Manoj Kumar	Udaya Kumar	Balakrishna Kamath	Paolo Brichetti*
22.04.2021	✓	✓	LOA	LOA
04.05.2021	✓	✓	✓	LOA
22.05.2021	✓	✓	LOA	LOA
09.06.2021	✓	✓	LOA	LOA
28.06 2021	✓	✓	✓	LOA
09.07.2021	✓	✓	✓	LOA
24.07.2021	✓	✓	✓	LOA
18.08.2021	✓	✓	✓	NA
24.08.2021	✓	✓	✓	NA
04.09.2021	✓	✓	✓	NA
14.09.2021	✓	✓	✓	NA
25.09.2021	✓	✓	✓	NA
09.10.2021	✓	✓	✓	NA
22.10.2021	✓	✓	✓	NA
26.10.2021	✓	✓	✓	NA
23.11.2021	✓	✓	✓	NA
29.11.2021	✓	✓	✓	NA
13.12.2021	✓	✓	✓	NA
20.12.2021	✓	✓	✓	NA
25.12.2021	✓	✓	✓	NA
29.12.2021	✓	✓	✓	NA
30.12.2021	✓	✓	✓	NA
28.01.2022	✓	✓	✓	NA
10.02.2022	✓	✓	✓	NA
11.02.2022	✓	✓	✓	NA
18.02.2022	✓	LOA	✓	NA
24.02.2022	✓	✓	✓	NA
07.03.2022	✓	✓	✓	NA
11.03.2022	✓	✓	✓	NA
17.03.2022	✓	✓	✓	NA
25.03.2022	✓	✓	✓	NA
28.03.2022	✓	✓	✓	NA
30.03.2022	✓	✓	✓	NA

**Retired by rotation with effect from July 30, 2021*

Independent Directors' Meeting

In compliance with Schedule IV to the CA 2013 and Regulation 25 of the Listing Regulations, all the Independent Directors held their separate meeting on December 21, 2021, without the attendance of non-independent Directors and Members of Management, *inter-alia,* to discuss the following:

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

IV. GENERAL MEETINGS

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

Financial Year	Category	Location of the Meeting	Date	Time	Number of Special Resolutions passed
2020-2021	AGM	Registered Office (Video Conferencing)	30.07.2021	03:00 PM	2
2019-2020	AGM	Registered Office (Video Conferencing)	11.08.2020	03:00 PM	8
2018-2019	AGM	Pai Vista Convention Hall, Bangalore-560004	01.08.2019	10.00 AM	6

Postal Ballot

During the Financial year, One Resolution was passed through Postal Ballot. The details of the same is as under:

Date of Notice: February 11, 2022
Voting period: February 16, 2022 to March 17, 2022

Item Proposed	Resolution Type	Total Votes	Votes in Favor		Votes Against	
			No. of votes	%	No. of votes	%
Approval for Appointment of M/s PKF Sridhar & Santhanam LLP (Firm Reg. no. 003990S/S200018), as a Joint Statutory Auditor of the Company for Three (3) years with effect from Financial Year 2021-2022	Ordinary	143638815	143294984	99.76%	343831	0.24%

Result was declared on March 18, 2022.

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

Procedure adopted for Postal Ballot:

As per Sections 108 and 110 of the Companies Act, 2013 (the 'Act') read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (the 'Rules'), Secretarial Standard-2 on General Meetings (the 'SS2'), Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations') including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force and as amended from time to time, guidelines prescribed by the Ministry of Corporate Affairs (the 'MCA') vide General Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020,10/2021 dated June 23, 2021 and 20/2021 dated December 08, 2021 (the 'MCA Circulars') including any statutory modification(s) or re-enactment(s) thereof for the time being in force, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations") and pursuant to other applicable laws and regulations, notice of the Postal Ballot by remote E-voting only ("Postal Ballot/E-Voting"), for the businesses in the notice dated February 11, 2022 was sent to the Members who have registered their email addresses with the Company or depository / depository participants and the communication. For this purpose, the Company had engaged the services of Kfin Technologies Private Limited (now known as KFin Technologies Limited).

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

The E-Voting facility was started from 9:00 am on Wednesday, February 16, 2022 and ended at 5:00 pm on Thursday, March 17, 2022. The Scrutinizer submitted his Report in writing, upon completion of scrutiny of E-voting data provided by KFin.

The results of E-voting along with the Scrutinizer's Report was declared on March 18, 2022 and displayed on the website of the Company: www.creditaccessgrameen.in the website of KFin at https://www.kfintech.com and also communicated to both NSE and BSE.

Whistle-blower mechanism

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

V. Redressal of investor grievances through SEBI Complaints Redressal System (SCORES)

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

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

VI. Means of Communication

Financial Results and Notices:

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

Website:

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

Annual Report:

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

Corporate Filings with Stock Exchanges:

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

Investor Service:

The Company has appointed KFin Technologies Limited as the Registrar and Transfer Agent and have been authorized to take care of investors' complaints. The secretarial department also assists in resolving various investor complaints. The Company has created a separate e-mail id cs@cagrameen.in exclusively for the investors to communicate their grievances to the Company.

VII. General Shareholder Information:

i. Annual General Meeting:

Day and date	Monday, July 25, 2022
Time	3.00 PM
Venue	Video Conference
E-voting date	July 22, 2022 – July 24, 2022
Cut-Off date	July 18, 2022

Financial Year: April 1, 2022 to March 31, 2023

ii. Dividend: Not proposed to be paid

iii. Registrar & Share Transfer Agent

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

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

iv. Share transfer system:

The shareholders are free to hold the Company Shares either in physical form or in dematerialised form. However, SEBI vide Notification dated June 8, 2018 had restricted effecting transfer of shares in physical form with effect from April 01, 2019. Currently 100% shareholdings of the Company is in Demat mode.

v. Plant Locations:

Being a financial services company, the Company has no plant locations.

vi. Address for correspondence:

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

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

vii. Stock Market Data from April 1, 2021 to March 31, 2022:

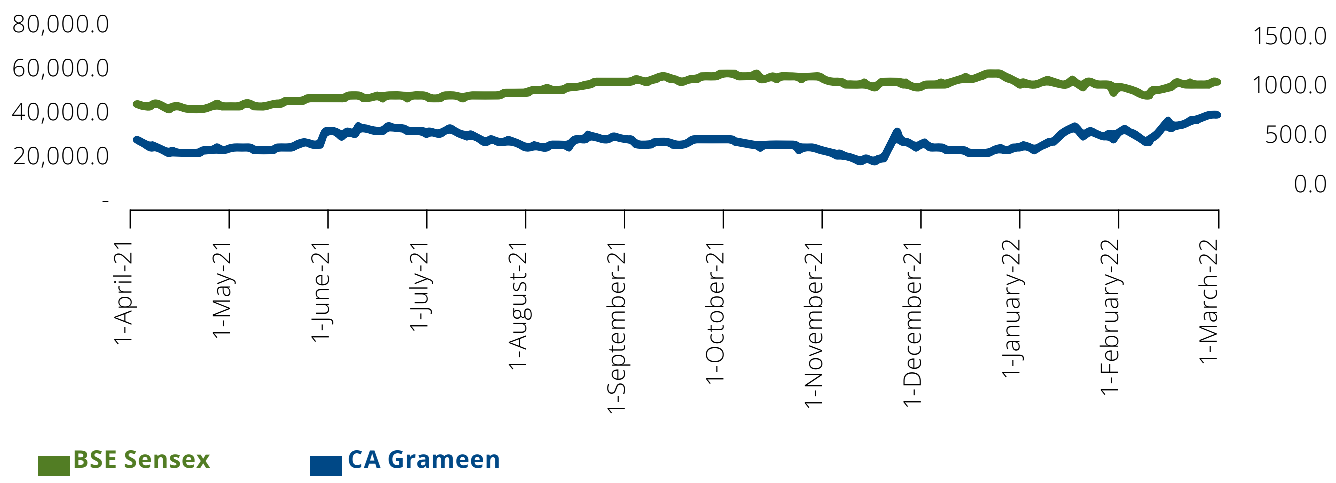
Month	National Stock Exchange of India Limited		BSE Limited	
	High Price	Low Price	High Price	Low Price
April	699.00	542.10	675.00	541.00
May	674.00	577.00	672.80	577.60
June	808.40	625.00	807.55	628.00
July	757.05	632.15	757.70	633.05
August	710.00	592.95	707.00	597.00
September	709.90	621.00	709.00	621.50
October	689.20	612.45	688.90	612.45
November	677.70	501.00	677.40	501.95
December	729.65	494.70	728.80	495.30
January	651.80	560.25	651.40	560.00
February	786.90	604.40	786.75	603.90
March	877.70	645.00	878.25	645.75

viii. Distribution of shareholding as on March 31, 2022:

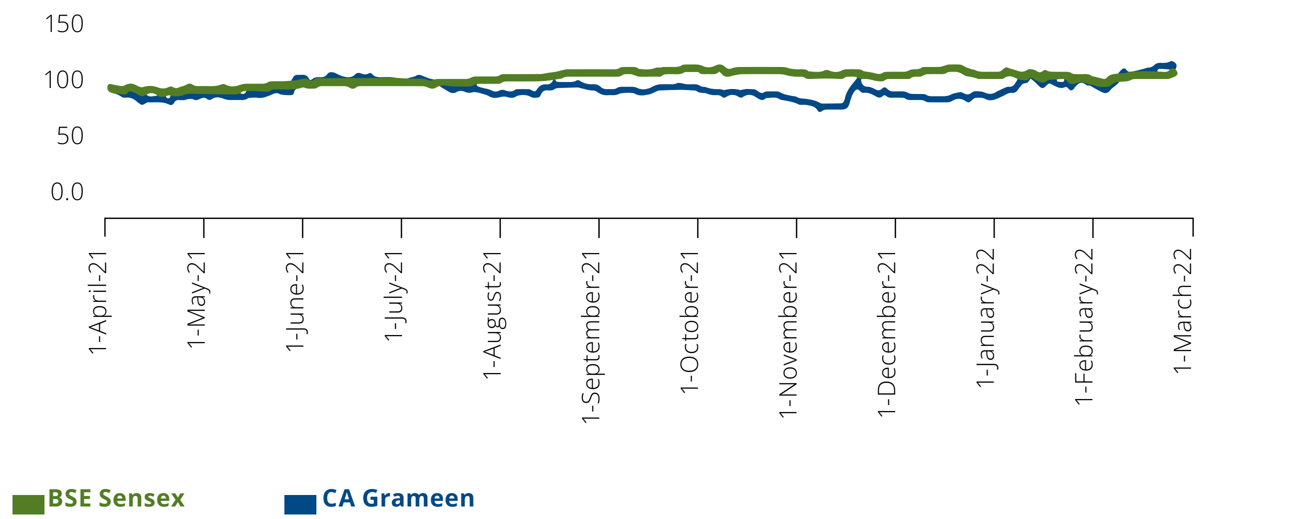
Category	No. of Shares	Percentage
Promoter & Promoter Group	11,51,09,028	73.85
Mutual Fund	1,69,56,347	10.88
Corporates	2,62,427	0.17
Public	51,47,482	3.30
Others	1,83,91,062	11.80
TOTAL	**15,58,66,346**	100.00

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

CA Grameen vs. BSE Sensex



CA Grameen vs. BSE Sensex (Normalised to a base of 100)



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

xi. **Listing information:** The Company is listed on both the exchanges. It is hereby confirmed the Company has paid the listing fee as stipulated by the respective stock exchanges.

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

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

VIII. OTHER DISCLOSURES

a. Related Party Transactions

The Company has entered into material related party transaction with its Subsidiary Company during the year, which have been approved by the Audit Committee, Board of Directors as well as the Shareholders. The Company has a policy on materiality as well as on related party transactions which has been uploaded on our website at www.creditaccessgrameen.in.

b. **Policy for determining material subsidiaries:** A policy for determining material subsidiaries has been uploaded on our website at www.creditaccessgrameen.in.

c. **Materially significant related party transaction:** No materially significant related party transactions that may have potential conflict with the interests of the Company at large were reported during FY 2022, except for the transaction mentioned in (a) above, which is entered into on arm's length basis & in the ordinary course of business.

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

The Company has received a notice from BSE Limited for delay in furnishing the required information under Regulation 54(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

However, the Company has applied for waiver of penalty since the non-compliance was mainly with regard to delay in submission of information which is technical in nature & not material non- compliance.

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

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

f. **Credit Rating:** The details with respect to Credit Ratings obtained by the Company is given in the Directors' Report section.

g. **Disclosures in relation to the Sexual Harassment of Women:** There are no instances of sexual harassment of woman which were reported during the year under review.

h. **Dematerialization of shares and liquidity:** 100% of the shares of the Company are held in DEMAT form.

i. **Fees paid to Statutory Auditors:** A consolidated fee of ₹16.5 million was paid to the Statutory Auditors by the Company and its subsidiary, Madura Micro Finance Limited for FY 2022.

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

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

l. Percentage of amount of PDIs of the amount of its Tier-1 Capital: ***Not Applicable***

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

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

o. In case the securities are suspended from trading, the directors report shall explain the reason thereof: ***Not Applicable***

p. Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity: ***Not Applicable***

q. Details of utilization of funds raised through qualified Institutions Placement as specified under Regulation 32 (7A) – ***Not Applicable***

Annexure A

CEO Certification on Code of Conduct

I, Udaya Kumar Hebbar, Managing Director and CEO of CreditAccess Grameen Limited, hereby certify that all the Board Members and Senior Managerial Personnel have affirmed compliance with the Code of Conduct of the Company laid down by the Board of Directors, for the year ended March 31, 2022.

Sd/-
Udaya Kumar Hebbar
Managing Director & CEO

Annexure B

CEO / CFO CERTIFICATION

To
The Board of Directors
CreditAccess Grameen Limited
Bangalore

We hereby certify that:

A. We have reviewed financial statements and the cash flow statement for the FY 2021-22 and that to the best of our knowledge and belief:

i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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

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

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

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

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

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

May 12, 2022 **Bengaluru**	**Sd/-** **Udaya Kumar Hebbar** **Managing Director & CEO**	**Sd/-** **Balakrishna Kamath** **Chief Financial Officer**

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To
The Members
CreditAccess Grameen Limited
Registered Office: New No.49, 46th Cross, 8th Block Jayanagar
(Next to Rajalakshmi KalyanaMantap)
Bangalore – 560070

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of CREDITACCESS GRAMEEN LIMITED having CIN: L51216KA1991PLC053425 and having registered office at New No.49, 46th Cross, 8th Block, Jayanagar (Next to Rajalakshmi Kalyana Mantap) Bangalore – 560070 Karnataka (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. George Joseph	00253754	09/09/2015
2	Ms. Sucharita Mukherjee	02569078	11/09/2017
3	Mr. Udaya Kumar Hebbar	07235226	15/07/2015
4	Mr. Sumit Kumar	07415525	16/08/2016
5	Mr. Massimo Vita	07863194	25/07/2017
6	Mr. Manoj Kumar	02924675	30/10/2019
7	Ms. Lilian Jessie Paul	02864506	16/09/2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Bengaluru
Date: June 29 2022

C. Dwarakanath
Company Secretary in Practice
FCS No: 7723; CP No: 4847
UDIN:F007723D000543808

Certificate on Compliance with the Regulations of Corporate Governance

To
The Shareholders of
CreditAccess Grameen Limited

1. I, Chennur Dwarakanath, Company Secretary in Practice, the Secretarial Auditor of CREDITACCESS GRAMEEN LIMITED ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments from time to time (the Listing Regulations).

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion

4. Based on my examination of the relevant records and according to the information and explanations provided to me and the representations provided by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the Listing Regulations during the year ended 31 March 2022.

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

Place: Bengaluru
Date: June 29 2022

C. Dwarakanath
Company Secretary in Practice
FCS No: 7723; CP No: 4847
UDIN:F007723D000543852

STANDALONE AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To The Members of CreditAccess Grameen Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of CreditAccess Grameen Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the key audit matter was addressed in our Audit
(a) Impairment of Loans (Expected Credit Losses) (as described in note 6 of the standalone Ind AS financial statements)	
The Management estimates impairment provision using Expected Credit loss (ECL) model for the loan exposure as per the Board approved policy which is in line with Ind AS requirement and the relevant Reserve Bank of India's (RBI) regulations/ circulars. The recognition and measurement of impairment of loans involve significant management judgement. The Company's impairment allowance is derived from estimates including the historical default and loss ratios using criteria in accordance with Ind AS 109 and considering applicable RBI's regulations/ circulars. Collective impairment allowances are calculated using ECL model which approximate credit conditions on homogenous portfolios of loans. The relevant disclosures are made in financial statements for ECL including those relating to judgements and estimates by the Management in determination of the ECL. Refer note 6(A), note 6(B) and note 41.2 to the standalone Ind AS financial statements.	Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognised in the financial statements were reasonable and the related disclosures in the financial statements made by the management were adequate. These procedures included, but not limited, to the following: • We examined Board Policy approving the methodology for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures commensurate with the size, complexity and risk profile specific to the Company; • We obtained an understanding of the model adopted by the Company for calculation of expected credit losses including the appropriateness of the data on which the calculation is based; • We evaluated the design and operating effectiveness of controls across the processes relevant to ECL. These controls, among others, included controls over the allocation of assets into stages; • We tested, on samples basis, the input and historical data used for determining the PD and LGD rates, model validation and agreed the data with the underlying books of accounts and records; • We tested the arithmetical calculation of the workings of the expected credit losses; • We evaluated that the Company's impairment allowance is derived in accordance with Ind AS 109 which also include considering the impact of RBI's regulations/ circulars; • We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 on ECL especially in relation to judgements used in estimation of ECL provision.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management report, but does not include the standalone financial statements and our auditor's report thereon. The Management report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the management report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

CREDITACCESS GRAMEEN LIMITED
STANDALONE AUDITORS' REPORT

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the standalone financial statements.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

The standalone financial statements as at and for the year ended March 31, 2021, have been audited by the Deloitte Haskins & Sells, Chartered Accountants, one of the joint auditors of the Company, whose report dated May 06, 2021 expressed an unmodified opinion on those standalone financial statements. Accordingly, we, PKF Sridhar & Santhanam LLP, Chartered Accountants do not express any opinion on the figures reported in the standalone financial statements as at and for the year ended March 31, 2021.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

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

   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

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

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

iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to the accounts no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

G. K. Subramaniam
Partner
Membership No. 109839
UDIN: 22109839AIVKBS5139
Place: Bengaluru
Date: May 12, 2022

PKF Sridhar & Santhanam LLP
Chartered Accountants
(Firm's Registration No. 003990S/ S200018)

Seethalakshmi M
Partner
Membership No. 208545
UDIN: 22208545AIWQFC8573
Place: Bengaluru
Date: May 12, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls over financial reporting of CreditAccess Grameen Limited (the "Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

G. K. Subramaniam
Partner
Membership No. 109839
UDIN: 22109839AIVKBS5139
Place: Bengaluru
Date: May 12, 2022

PKF Sridhar & Santhanam LLP
Chartered Accountants
(Firm's Registration No. 003990S/ S200018)

Seethalakshmi M
Partner
Membership No. 208545
UDIN: 22208545AIWQFC8573
Place: Bengaluru
Date: May 12, 2022

CREDITACCESS GRAMEEN LIMITED
STANDALONE AUDITORS' REPORT

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of CreditAccess Grameen Limited (the "Company") for the year ended March 31, 2022)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment were physically verified during the year by the management in accordance with a regular program of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination of the registered Sale Deed provided to us, we report that the title deeds of all the immovable properties, (other than immovable properties where the company is a lessee and the lease agreements are duly executed in favour of the Company) disclosed in financial statements included in Property, Plant and Equipment are held in the name of the Company as at the Balance Sheet Date.

(d) The Company has not revalued any of its property, plant and equipment (including Right of Use Assets) and intangible assets during the year.

(e) No Proceedings have been initiated during the year or are pending against the company as at 31 March, 2022 for holding Benami Property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) The Company has made investments in and granted loans or advances in the nature of Loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties in respect of which:

(a) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(a) of the Order is not applicable.

(b) The investments made and the terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated. Note 3.15 to the Standalone Financial Statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, loan assets with balances as at March 31, 2022, aggregating ₹393.22 crore were categorised as credit impaired ("Stage 3") and ₹142.48 crore were categorised as those where the credit risk has increased significantly since initial recognition ("Stage 2"). Disclosures in respect of such loans have been provided in Note 6A and Note 6B to the Financial Statements. Additionally, out of loans and advances in the nature of loans with balances as at the year-end aggregating ₹11,920.16 crore, where credit risk has not significantly increased since initial recognition (categorised as "Stage 1"), delay in the repayment of interest and/or principal in respect of loans aggregating to ₹45.05 crore were also identified. In all other cases, the repayment of principal and interest is regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.

(d) The total amount overdue for more than ninety days, in respect of loans and advances in the nature of loans, as at the year-end is ₹309.74 crore. Reasonable steps are being taken by the Company for recovery of the principal and interest as stated in the applicable Regulations and Loan agreements.

(e) The Company's principal business is to give loans, and hence reporting under clause 3(iii)(e) of the Order is not applicable.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances during the year in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantee or security to any director of the Company and hence the provisions of Section 185 of the Act is not applicable to the Company. The Company has complied with the provisions of Section 186 as applicable

(v) According to the information and explanations given to us, the Company being Non-Banking Finance Company registered with the Reserve Bank of India (the "RBI"), provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, are not applicable to the Company and no order has been passed by the RBI or any Court or any other Tribunal against the Company in this regard.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service Tax (GST), Provident Fund, Employees' State Insurance, Income Tax, Cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of GST, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) There are no statutory dues of GST, Provident Fund, Employees' State Insurance, cess, as on March 31, 2022 which have not been deposited on account of disputes. The details of dues of Income tax which have not been deposited as at March 31, 2022 on account of disputes are given below:

Name of Statute	Nature of Dues	Amount (₹ Crore)	Period to which the Amount Relates	Forum where Dispute is Pending	Remarks
Income Tax Act, 1961	Income Tax	1.16^	FY 2016-17	Commissioner of Income Tax (Appeals)	None

^ Net of ₹ 0.29 crore paid under protest

(viii) There were no transactions relating to previously unrecorded income were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) According to the information and explanations given to us, in respect of borrowings:

(a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.

(d) On an overall examination of the financial statements of the Company, fund raised on short-term basis have, *prima facie*, not been used during the year for long term purposes by the company.

(e) On an overall examination of the financial statements of the company, the Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) In our opinion, and according to the information and explanations given to us, money raised by way of further public offer of Debt instruments during the year, have been, prima facie, applied by the company for the purposes for which they were raised other than temporary deployment pending application of proceeds.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) According to the information and explanations given to us, no fraud by the Company and no material fraud on the company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed in form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with Central Government, during the year and up to the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements, etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period up to March 31, 2022.

(xv) In our opinion, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence, provisions of section 192 of the Act are not applicable.

(xvi) a) The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

b) During the year:

- The Company has not conducted any Non-Banking Financial activities without a valid certificate of Registration (CoR) from the Reserve Bank of India (RBI) as per the Reserve Bank of India Act, 1934.

-The Company has not conducted any Housing Finance activities and is not required to obtain CoR for such activities from the RBI.

c) The Company is not a Core Investment Company (CIC) and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

d) The Group does not have any CIC as part of the group and accordingly reporting under clause(xvi) (d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, Asset Liability Maturity (ALM) pattern, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, the company has transferred unspent Corporate Social Responsibility (CSR) Amount, to a Fund specified in Schedule VII of the Act before the date of this report and within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said act.

(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

(xxi) According to the information and explanations given to us, and based on the CARO Reports issued by the auditors of the subsidiaries, included in the consolidated financial statements of the company, to which reporting under CARO is applicable, provided to us by the Management of the company and based on the identification of matters of qualifications or adverse remarks in their CARO Reports by the respective component auditors and provided to us, we report that the auditors of such companies have not reported any qualification or adverse remark in their CARO Report.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

G. K. Subramaniam
Partner
Membership No. 109839
UDIN: 22109839AIVKBS5139
Place: Bengaluru
Date: May 12, 2022

PKF Sridhar & Santhanam LLP
Chartered Accountants
(Firm's Registration No. 003990S/ S200018)

Seethalakshmi M
Partner
Membership No. 208545
UDIN: 22208545AIWQFC8573
Place: Bengaluru
Date: May 12, 2022

STANDALONE FINANCIALS

Standalone balance sheet as at March 31, 2022

₹ in crore

Sr. No.	Particulars	Notes	As at March 31, 2022	As at March 31, 2021
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	4	1,401.16	1,874.59
(b)	Bank balance other than cash and cash equivalents	5	133.16	71.38
(c)	Loans	6	12,201.60	9,717.82
(d)	Investments	7	663.49	662.93
(e)	Other financial assets	8	111.44	111.47
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	30	29.90	29.47
(b)	Deferred tax assets (net)	30	126.30	115.01
(c)	Property, plant and equipment	10 (A)	26.15	18.37
(d)	Right of use assets	10 (A)	74.61	66.66
(e)	Intangible assets	10 (A)	14.28	15.73
(f)	Intangible assets under development	10 (B)	3.07	0.62
(g)	Other non-financial assets	9	9.94	12.74
	Total assets		**14,795.10**	**12,696.79**
	LIABILITIES AND EQUITY			
(1)	**Financial liabilities**			
(a)	Derivative financial instrument	11	1.66	-
(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	12	32.77	18.32
	(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	12	211.08	151.94
(c)	Borrowings			
	- Debt securities	13	1,372.81	1,506.04
	- Borrowings (other than debt securities)	14	9,112.25	7,249.68
	- Subordinated liabilities	15	-	25.00
(d)	Other financial liabilities	16	86.92	81.63
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (Net)	30	1.56	-
(b)	Provisions	17	25.11	19.68
(c)	Other non-financial liabilities	18	11.14	9.69
(3)	**Equity**			
(a)	Equity share capital	19	155.87	155.58
(b)	Other equity	20	3,783.93	3,479.23
	Total liabilities and equity		**14,795.10**	**12,696.79**

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

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839
Place: Bengaluru
Date: May 12, 2022

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration No. 003990S/S200018

M Seethalakshmi
Partner
Membership No. 208545
Place: Bengaluru
Date: May 12, 2022

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

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Bengaluru
Date: May 12, 2022

Statement of standalone profit and loss for the year ended March 31, 2022

₹ in crore

Sr. No	Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
	Revenue from operations			
(a)	Interest income	21	2,124.79	1,877.13
(b)	Fees and commission income	22	13.22	8.75
(c)	Net gain on fair value changes	23	86.42	130.64
(d)	Bad debt recovery		64.96	11.27
I	**Total revenue from operations (I)**		**2,289.39**	**2,027.79**
II	**Other income**	**24**	**1.81**	**3.35**
III	**Total income (I+II)**		**2,291.20**	**2,031.14**
	Expenses			
(a)	Finance costs	25	788.13	740.07
(b)	Fee and commission expense		2.96	3.01
(c)	Impairment of financial instruments	26	449.44	646.90
(d)	Employee benefits expenses	27	353.50	299.60
(e)	Depreciation and amortization expenses	28	26.23	23.43
(f)	Other expenses	29	158.30	123.84
IV	**Total expenses (IV)**		**1,778.56**	**1,836.85**
V	**Profit before tax (III-IV)**		**512.64**	**194.29**
	Tax expense	30		
	(1) Current tax		113.56	93.44
	(2) Deferred tax		16.94	(41.54)
VI	**Total tax expense (VI)**		**130.50**	**51.90**
VII	**Profit for the year (V-VI)**		**382.14**	**142.39**
VIII	**Other comprehensive income / (loss)**			
(A)	(1) Items that will not be reclassified to profit or loss		0.33	0.22
	(2) Income tax relating to items that will not be reclassified to profit or loss		(0.08)	(0.05)
	Subtotal (A)		**0.25**	**0.17**
(B)	(1) Items that will be reclassified to profit or loss		(114.13)	42.93
	(2) Income tax relating to items that will be reclassified to profit or loss		28.24	(10.80)
	Subtotal (B)		**(85.89)**	**32.13**
	Other comprehensive income / (loss) (VIII = A+B)		**(85.64)**	**32.30**
IX	**Total comprehensive income (VII+VIII) (comprising profit and other comprehensive income/ (loss) for the year)**		**296.50**	**174.69**
X	**Earnings per equity share (EPS) (face value of ₹ 10.00 each)**	**45**		
	Basic		24.54	9.52
	Diluted		24.44	9.46

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

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839
Place: Bengaluru
Date: May 12, 2022

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration No. 003990S/S200018

M Seethalakshmi
Partner
Membership No. 208545
Place: Bengaluru
Date: May 12, 2022

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

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Bengaluru
Date: May 12, 2022

Statement of standalone changes in equity for the year ended March 31, 2022

a) Equity share capital

(i) As at March 31, 2022

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

Particulars	No of shares	₹ in crore
Balance at the beginning of the Current reporting period (as at April 1, 2021)	**15,55,82,040**	**155.58**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the Current reporting period (as at April 1, 2021)	**15,55,82,040**	**155.58**
Changes in equity share capital during the current year	284,306	0.29
Balance at the end of the Current reporting period (as at March 31, 2022)	**15,58,66,346**	**155.87**

(i) As at March 31, 2021

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

Particulars	No of shares	₹ in crore
Balance at the beginning of the Previous reporting period (as at April 1, 2020)	**14,39,85,459**	**143.99**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the Previous reporting period (as at April 1, 2020)	**14,39,85,459**	**143.99**
Changes in equity share capital during the current year	11,596,581	11.60
Balance at the end of the Previous reporting period (as at March 31, 2021)	**15,55,82,040**	**155.58**

b) Other Equity

₹ in crore

Particulars	Reserve & Surplus					Debt instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedge	Total
	Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	Capital reserve (refer Note 20.2)	Securities premium	Share options outstanding account	Retained earnings			
As at March 31, 2020	**203.42**	**49.95**	**1,483.59**	**8.61**	**815.59**	**(36.07)**	**-**	**2,525.09**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance As at April 1, 2020	**203.42**	**49.95**	**1,483.59**	**8.61**	**815.59**	**(36.07)**	**-**	**2,525.09**
Profit for the year	-	-	-	-	142.39	-	-	142.39
Other comprehensive income (net of tax)	-	-	-	-	0.17	32.13	-	32.30
Premium on equity shares issued during the year	-	-	788.68	-	-	-	-	788.68
Premium on exercise of stock options	-	-	4.39	(2.05)	-	-	-	2.34
Transferred to statutory reserves	28.47	-	-	-	(28.47)	-	-	-
Expenses incurred towards Qualified institutional placement of equity shares	-	-	(13.53)	-	-	-	-	(13.53)
Employee stock option compensation for the year	-	-	-	1.96	-	-	-	1.96
As at March 31, 2021	**231.89**	**49.95**	**2,263.13**	**8.52**	**929.68**	**(3.94)**	**-**	**3,479.23**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance As at April 1, 2021	**231.89**	**49.95**	**2,263.13**	**8.52**	**929.68**	**(3.94)**	**-**	**3,479.23**
Profit for the year	-	-	-	-	382.14	-	-	382.14
Other comprehensive income/ (loss) (net of tax)	-	-	-	-	0.25	(86.28)	0.39	(85.64)
Premium on exercise of stock options	-	-	5.00	(2.25)	-	-	-	(2.75)
Transferred to statutory reserves	76.43	-	-	-	(76.43)	-	-	-
Expenses incurred towards Qualified institutional placement of equity shares	-	-	-	-	-	-	-	-
Employee stock option compensation for the year	-	-	-	5.45	-	-	-	5.45
As at March 31, 2022	**308.32**	**49.95**	**2,268.13**	**11.72**	**1,235.64**	**(90.22)**	**0.39**	**3,783.93**

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

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839
Place: Bengaluru
Date: May 12, 2022

For PKF Sridhar & Santhanam LLP Chartered Accountants
ICAI Firm Registration No. 003990S/S200018

M Seethalakshmi
Partner
Membership No. 208545
Place: Bengaluru
Date: May 12, 2022

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

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Bengaluru
Date: May 12, 2022

Statement of standalone cash flows for the year ended March 31, 2022

₹ in crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities:		
Profit before tax	512.64	194.29
Adjustments:		
Interest income on loans	(2,095.71)	(1,858.17)
Interest on deposits with banks and financial institutions	(25.47)	(18.96)
Interest on Loan given to subsidiary	(3.61)	-
Depreciation and amortisation expenses	26.23	23.43
Finance costs	788.13	740.07
Impairment on financial instruments	449.44	646.90
Gain on derecognition of loans designated at FVTOCI	(69.99)	(112.89)
Net gain on financial instruments at fair value through profit or loss	(16.42)	(17.74)
Share based payments to employees	5.45	1.96
Dividend Income	(0.14)	-
Provision/for other assets	1.59	0.20
	(940.50)	**(595.20)**
Operational cash flows from interest:		
Interest received on loans	2,092.81	1,852.85
Finance costs	(771.73)	(709.74)
Working capital changes:		
(Increase) in loans	(2,896.13)	(1,143.84)
Decrease/ (Increase) in other receivables	-	0.22
Decrease in other financial assets	68.42	46.97
Decrease/ (Increase) in other non-financial assets	2.80	(1.71)
Increase/(Decrease) in trade and other payables	73.59	90.42
Increase in provisions	5.76	3.88
(Decrease)/ Increase in other financial liabilities	(5.16)	2.31
Increase in other non-financial liabilities	1.45	0.60
	(2,749.27)	**(1,001.15)**
Income tax paid	(112.51)	(105.37)
Net cash flows (used in) Operating activities (A)	**(1,968.56)**	**(364.32)**
Cash flow from investing activities		
Purchase of property, plant and equipment	(17.16)	(3.29)
Proceeds from sale of property, plant and equipment	0.13	0.46
Purchase of Intangible assets and expenditure on Intangible assets under development	(5.96)	(8.50)
Loan given to subsidiary	(150.00)	-
(Increase) / Decrease in bank balance other than cash and cash equivalents	(61.78)	(55.55)
Interest on deposits with banks and financial institutions	25.47	18.96
Purchase of investments at fair value through profit and loss	(6,792.70)	(7,200.60)
Sale of investments at fair value through profit and loss	6,809.13	7,218.34
Interest on Loan given to subsidiary	4.04	-
Dividend Income	0.14	-
Investment in equity shares of subsidiary	(0.56)	(1.49)
Net cash flows (used in) investing activities (B)	**(189.25)**	**(31.67)**
Cash flow from financing activities		
Debt securities issued/ repaid (net)	(137.84)	825.84
Borrowings other than debt securities issued (net)	1,861.68	108.39
Subordinated liabilities repaid (net)	(25.00)	-
Payment for principal portion of Lease liability (net)	(17.49)	(17.35)
Proceeds from issuance of equity share capital including securities premium	-	799.99
Proceeds from the Employee Stock options	3.03	2.62
Expenses incurred towards issuance of equity share capital	-	(13.53)
Net cash flows from financing activities (C)	**1,684.38**	**1,705.96**
Net increase / (decrease) in cash and cash equivalents	**(473.43)**	**1,309.97**
Cash and cash equivalents as at the beginning of the year (Refer Note 4)	**1,874.59**	**564.62**
Cash and cash equivalents as at the end of the year (Refer Note 4)	**1,401.16**	**1,874.59**

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

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839
Place: Bengaluru
Date: May 12, 2022

For PKF Sridhar & Santhanam LLP
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ICAI Firm Registration No. 003990S/S200018

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

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

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S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Bengaluru
Date: May 12, 2022

Notes to standalone financial statements for the year ended March 31, 2022

1. Corporate information

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

The Company is engaged primarily in providing micro finance services to women who are enrolled as members and organized as Joint Liability Groups ('JLG'). In addition to the core business of providing micro-credit, the Company uses its distribution channel to provide certain other financial products and services to the members. The financial statements of the Company for the year ended March 31, 2022 were approved for issue in accordance with the resolution of the Board of Directors on May 12, 2022.

2. Basis of preparation

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

The standalone financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crores, except when otherwise indicated. These standalone financial statements have been prepared on a going concern basis.

2.1 Presentation of standalone financial statements

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

2.2 Critical accounting estimates and judgements

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

- Business model assessment (Refer Note 3.14)
- Fair value of financial instruments (Refer Note 3.18)
- Effective interest rate (EIR) (Refer Note 3.1.1)
- Impairment of financial assets (Refer Note 3.15)
- Provisions (Refer Note 3.8)
- Contingent liabilities and assets (Refer Note 3.9)
- Provision for tax expenses (Refer Note 3.11)
- Residual value and useful life of property, plant and equipment (Refer Note 3.6.1)
- Hedge accounting (Refer Note no. 3.17)

3 Summary of significant accounting policies

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

CREDITACCESS GRAMEEN LIMITED
STANDALONE FINANCIALS

3.1 Revenue recognition

3.1.1 Interest income

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

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

3.1.3 The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue From Contracts with Customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

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

3.1.4 Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised.

3.1.5 Dividend Income

Dividend income is recognised at the time when the right to receive is established.

3.2 Finance cost

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

3.3 Cash and cash equivalents

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

3.4 Property, plant and equipment ('PPE')

Initial Recognition and measurement:

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

3.5 Intangible assets

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

3.6 Depreciation and amortization

3.6.1 Depreciation

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

Category of Asset	Useful life (Years)
Furniture and fittings	10
Office equipments	05
Vehicles	08
Buildings	30
Electrical equipments	10
Computers (Including Servers)	03

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

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

Property, plant and equipment costing less then ₹5000 per unit are fully depreciated in the year of purchase.

3.6.2 Amortisation of intangible assets

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

3.7 Impairment of non–financial assets

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

3.8 Provisions

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

3.9 Contingent liabilities and assets

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

Contingent assets are not recognised. A contingent asset is disclosed where an inflow of economic benefits is probable.

3.10 Retirement and other employee benefits

3.10.1 Defined contribution plan

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

3.10.2 Defined benefit plan

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

3.10.3 Other employee benefits

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

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

3.11 Taxes

3.11.1 Current income tax

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

3.11.2 Deferred tax

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

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

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

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

3.12 Earning per share

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

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

3.13 Share based payments

Equity-settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based payments transactions are set out in Note 38.

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

3.14 Financial instruments

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

3.14.1 Financial Assets

3.14.1.1 Initial recognition and measurement

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

3.14.1.2 Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:
- Loans at amortised cost
- Loans at fair value through other comprehensive income (FVTOCI)
- Investments in debt instruments and equity instruments at fair value through profit or loss (FVTPL)

3.14.1.3 Loans at amortised costs

Loans are measured at the amortised cost if both the following conditions are met:
(a) Such loan is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

3.14.1.4 Loans at fair value through other comprehensive income (FVTOCI)

Loans are classified as at the FVTOCI if both of the following criteria are met:
- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Loans included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is recognised as interest income using the EIR method.

3.14.1.5 Investment in debt instruments and equity instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

3.14.2 Financial Liabilities

3.14.2.1 Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments, which are measured at amortised cost.

3.14.2.2 Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. The EIR amortisation is included as finance costs in the statement of profit and loss.

3.14.3 Reclassification of financial assets and liabilities

The Company doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

3.14.4 De-recognition of financial assets and liabilities

3.14.4.1 De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Company also de-recognises the financial asset if it has transferred the financial asset and the transfer qualifies for de-recognition.

The Company has transferred the financial asset if, and only if, either:
- It has transferred its contractual rights to receive cash flows from the financial asset

Or

- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients. A transfer only qualifies for de-recognition if either:
- The Company has transferred substantially all the risks and rewards of the asset.
or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit or loss account.

3.14.4.2 De-recognition of financial liabilities

Financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the re-cognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

3.15 Impairment of financial assets

3.15.1 Overview of the Expected Credit Loss (ECL) allowance principles

The Company is recording the allowance for expected credit losses for all loans at amortised cost and FVOCI and other debt financial assets not held at FVTPL.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in Note 3.15.2). The Company's policies for determining if there has been a significant increase in credit risk are set out in Note 41.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on a collective basis for identified homogenous pool of loans. The Company's policy for grouping financial assets measured on a collective basis is explained in Note 41.

Accordingly, the Company groups its loans into Stage 1, Stage 2, Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.
Stage 2: When a loan has shown a significant increase in credit risk since origination, the company records an allowance for the LTECLs.
Stage 3: Loans considered credit-impaired (as outlined in Note 41). The Company records an allowance for the LTECLs.

For financial assets for which the company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) de-recognition of the financial asset.

3.15.2 The calculation of ECL

The Company calculates ECLs based on a probability-weighted scenarios and historical data to measure the expected cash shortfalls. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

ECL consists of three key components: Probability of Default (PD), Exposure at Default (EAD) and Loss given default (LGD). ECL is calculated by multiplying them. Refer Note 41 for explanation of the relevant terms.

The maximum period for which the credit losses are determined is the expected life of a financial instrument.

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Company recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

3.16 Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to the statement profit and loss account.

3.17 Hedge accounting

The Company enters into swap contracts and other derivative financial instruments to hedge its exposure to foreign exchange and interest rates. The Company does not hold derivative financial instruments for speculative purpose. Hedges of foreign exchange risk on firm commitments are accounted as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect profit or loss.

Here, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity as 'hedging reserve'.

The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the Statement of Profit and Loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to the effective portion are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same head as the hedged item.

The effective portion of the hedge is determined at the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in the fair value of the hedged item from the inception of the hedge and the remaining gain or loss on the hedging instrument is treated as ineffective portion.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised in profit or loss when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

3.18 Fair value measurement

The Company measures certain financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantegeous market must be accessible by the Company.
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured are categorised with fair value hierachy into Level I, Level II and Level III based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are as follows:
i. Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
ii. Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
iii. Level 3 - Unobservable inputs for the asset or liability.

3.19 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.

3.20 Business combinations

A) Business combinations under common control

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The Company accounts for business combinations under common control as per the pooling of interest method. The pooling of interest method involves the following:
(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.
(iii) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

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B) Other business combinations

The Company uses the acquisition method of accounting to account for business combinations other than those under common control. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration. Any goodwill that arises on account of such business combination is tested annually for impairment. Any contingent consideration is measured at fair value at the date of acquisition. A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Company recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Company incurs in connection with a business combination, such as Stamp Duty for title transfer in the name of the Company, finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

3.21 Foreign currency

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

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

3.21.3 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.

3.22 Leases (where the Company is the lessee)

Short term leases not covered under Ind AS 116 are classified as operating lease. Lease payments during the year are charged to statement of profit and loss.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for office premises and servers. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:
(i) the contract involves the use of an identified asset;
(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

3.23 Investments

Investment in subsidiaries

Investment in subsidiaries is recognised at cost. Cost of investment represents amount paid for acquisition of the said investment.The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

Other investments

Other Investments in equity instruments are classified as FVTPL, unless the related instruments are not held for trading and the Company irrevocably elects on initial recognition of financial asset on an asset-by-asset basis to present subsequent changes in fair value in other comprehensive income (FVTOCI).

3.24 Recent Accounting Pronouncements

3.24.1 Key New and amended standards adopted by the Company

(a) Interest rate Benchment reform-Amendments to Ind AS 107 and Ind AS 109;

The Ministry of Corporate Affairs had earlier notified amendments to Ind AS 109, Financial Instruments and Ind AS 107, Financial Instruments: Disclosures which were eftective from April 1, 2020 (the Phase 1 amendments). Those amendments provided temporary reliefs from applying specific hedge accounting requirements to relationships affected by IBOR reform.

The amendments to Ind AS 109, Financial Instruments and Ind AS 107, Financial Instruments: Disclosures which are eftective from April 1, 2021 (the Phase 2 amendments) address the issues that arise during the reform of an interest rate benchmark rate, Including the replacement of one benchmark rate with an alternative one.

The key reliefs provided by the Phase 2 amendments are as follows:

* Changes to contractual cash flows

When changing the basis for determining contractual cash flows for financial asset and labilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in profit and loss.

*Hedge accounting

The hedge accounting reliefs will allow most Ind AS 109 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

(b) Covid-19- related rent concessions- Amendments to Ind AS 116;

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. Previously,an amendment to Ind AS 116, Leases provided lessees With an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied as well as the amount recognised in profit or loss arising from the rent concessions, The relief was originally limited to reduction in lease payments that were due on or before 30 June 2021 However, it was subsequently extended to 30 June 2022.

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3.24.2 Key Amendments applicable from next Financial year

(a) Ind AS 16, Property Plant and Equipment; Proceeds before intended use of property, plant and equipment

The amendment clarifies that an entity shall not deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

(b) Ind AS 37, Provisions, contingent Liabilities and contingent Assets; Onerous contracts - Cost of fulfilling a contract

The amendment explains that the cost of fulfilling a contract comprises; the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

(c) Ind AS 109, Financial instruments; Fees Included in the 10% test for derecognition of financial Liabilities.

The amendment clarifies which fees an entity includes when it applies the ‘10%’ test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, Including fees paid or received by either the entity or the lender on the other’s behalf.

The Company does not expect any of these amendments to have any material effect on the financial statements.

4 Cash and cash equivalents

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Cash in hand	6.95	7.96
Balances with Banks in current accounts	61.38	154.95
Bank deposit with maturity of less than 3 months	1,332.83	1,711.68
Total	**1,401.16**	**1,874.59**

5 Bank balance other than cash and cash equivalents

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Fixed deposit with bank not considered as cash and cash equivalents*	133.16	71.38
Total	**133.16**	**71.38**

*Balances with banks to the extent held as margin money or security against the borrowings.

6 Loans

₹ in crore

Particulars	March 31,2022			March 31, 2021		
	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total
(A) Term loans:						
Joint liability loans	**703.96**	**11,555.32**	**12,259.28**	**544.21**	**9,275.37**	**9,819.58**
Individual loans	196.58	-	196.58	414.03	-	**414.03**
Total - Gross	**900.54**	**11,555.32**	**12,455.86**	**958.24**	**9,275.37**	**10,233.61**
Less: Impairment loss allowance	94.58	309.26	403.84	133.75	382.04	**515.79**
Total - Net*	**805.96**	**11,246.06**	**12,052.02**	**824.49**	**8,893.33**	**9,717.82**
(B) Subordinated Loan to subsidiary						
Madura Micro Finance Limited (refer Note 2)	149.58	-	149.58	-	-	-
Total	**149.58**	**-**	**149.58**	**-**	**-**	**-**
Total (A+B)	**955.54**	**11,246.06**	**12,201.60**	**824.49**	**8,893.33**	**9,717.82**
(C) (a) Secured by tangible assets	9.19	-	9.19	6.17	-	6.17
(b) Unsecured	1,040.93	11,555.32	12,596.25	952.06	9,275.37	**10,227.44**
Total - Gross	**1,050.12**	**11,555.32**	**12,605.44**	**958.24**	**9,275.37**	**10,233.61**
Less: Impairment loss allowance	94.58	309.26	403.84	133.75	382.04	**515.79**
Total - Net*	**955.54**	**11,246.06**	**12,201.60**	**824.49**	**8,893.33**	**9,717.82**
(D). (I) Loans in India						
(a) Public sector	-	-	**-**	-	-	**-**
(b) Others	1,050.12	11,555.32	12,605.44	958.24	9,275.37	10,233.61
Total - Gross	**1,050.12**	**11,555.32**	**12,605.44**	**958.24**	**9,275.37**	**10,233.61**
Less: Impairment loss allowance	94.58	309.26	403.84	133.75	382.04	515.79
Total - Net*	**955.54**	**11,246.06**	**12,201.60**	**824.49**	**8,893.33**	**9,717.82**
(E). (II) Loans outside India	**-**	**-**	**-**	**-**	**-**	**-**
Less: Impairment loss allowance	**-**	**-**	**-**	**-**	**-**	**-**
Total - Net*	**-**	**-**	**-**	**-**	**-**	**-**

*Includes fair value of loans designated at FVTOCI.

Note 1: The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013),either severally or jointly with any other person that are - (a) repayable on demand or (b) without specifying any terms or period of repayment.

Note 2: Terms and conditions of Loan are as follows;
(a) The Loan is and shall remain unsecured and subordinated at all times and in all respects, including repayment terms, to the claims of all other creditors.
(b) Term of loan is six years from the date of disbursement of the Loan.
(c) Rate of Interest is 13.50% P.A and payable on monthly basis.
(d) Principal amount is payable at the end of Loan period.

6 (A) Joint Liability loans

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Joint Liability loans (including loans assets measured through FVTOCI):

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at March 31, 2021	**9,299.91**	**102.05**	**417.62**	**9,819.58**
(a) New assets originated or purchased	12,764.87	-	-	12,764.87
(b) Asset derecognised or repaid (Excluding write offs) #	(8,855.47)	(541.20)	(400.67)	(9,797.34)
Assets written off during the year	-	-	(527.83)	(527.83)
Movement between stages**				
Transfer from Stage 1	(1,971.98)	1,430.88	541.10	-
Transfer from Stage 2	468.59	(929.24)	460.65	-
Transfer from Stage 3	62.31	74.85	(137.16)	-
Gross carrying value of assets as at March 31, 2022	**11,768.23**	**137.34**	**353.71**	**12,259.28**

Represents balancing figure
** based on quarterly movement.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at March 31, 2021	**162.00**	**21.64**	**281.38**	**465.02**
(a) New assets originated or purchased	88.03	-	-	88.03
(b) Asset derecognised or repaid (Excluding write offs) #	(107.68)	(133.76)	(271.95)	(513.39)
Assets written off during the year	-	-	(527.83)	(527.83)
Movement between stages**				
Transfer from Stage 1	(13.37)	9.70	3.67	-
Transfer from Stage 2	200.32	(397.25)	196.93	-
Transfer from Stage 3	46.73	56.14	(102.87)	-
Impact on ECL on account of movement between stages	(294.88)	482.30	662.48	849.90
ECL allowance as at March 31, 2022*	**81.15**	**38.77**	**241.81**	**361.73**

Represents balancing figure.
* Includes ECL allowance created on loan assets measured through other comprehensive income of ₹ 309.26 crores.
** based on quarterly movement.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at March 31, 2020	**8,782.92**	**22.73**	**132.38**	**8,938.03**
(a) New assets originated or purchased	9,438.90	-	-	9,438.90
(b) Asset derecognised or repaid (Excluding write offs) #	(7,715.11)	(328.74)	(143.80)	(8,187.65)
Assets written off during the year	-	-	(369.70)	(369.70)
Movement between stages				
Transfer from Stage 1	(1,309.11)	1,088.03	221.08	-
Transfer from Stage 2	90.91	(684.21)	593.30	-
Transfer from Stage 3	11.40	4.24	(15.64)	-
Gross carrying value of assets as at March 31, 2021	**9,299.91**	**102.05**	**417.62**	**9,819.58**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at March 31, 2020	**143.12**	**10.11**	**97.91**	**251.14**
(a) New assets originated or purchased	63.93	-	-	63.93
(b) Asset derecognised or repaid (Excluding write offs) #	(52.25)	(141.19)	(107.75)	(301.19)
Assets written off during the year	-	-	(369.70)	(369.70)
Movement between stages				
Transfer from Stage 1	(8.87)	7.37	1.50	-
Transfer from Stage 2	39.04	(293.85)	254.81	(0.00)
Transfer from Stage 3	8.54	3.17	(11.71)	0.00
Impact on ECL on account of movement between stages	(31.51)	436.03	416.32	820.84
ECL allowance as at March 31, 2021*	**162.00**	**21.64**	**281.38**	**465.02**

Represents balancing figure.
* Includes ECL allowance created on loan assets measured through other comprehensive income of ₹ 382.04 crores.

6 (B) **Individual loans**

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

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at March 31, 2021	**369.83**	**12.25**	**31.95**	**414.03**
(a) New assets originated or purchased	72.80	-	-	72.80
(b) Asset derecognised or repaid (Excluding write offs) #	(228.16)	(18.84)	(9.69)	(256.69)
Assets written off during the year	-	-	(33.56)	(33.56)
Movement between stages**				
Transfer from Stage 1	(83.44)	76.74	6.70	-
Transfer from Stage 2	20.34	(74.84)	54.50	-
Transfer from Stage 3	0.56	9.83	(10.39)	-
Gross carrying value of assets as at March 31, 2022	**151.93**	**5.14**	**39.51**	**196.58**

Represents balancing figure.
** based on quarterly movement.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at March 31, 2021	**12.39**	**6.17**	**32.21**	**50.77**
(a) New assets originated or purchased	1.47	-	-	1.47
(b) Asset derecognised or repaid (Excluding write offs) #	(6.14)	(9.34)	(9.37)	(24.85)
Assets written off during the year	-	-	(33.56)	(33.56)
Movement between stages**				
Transfer from Stage 1	(1.66)	1.53	0.13	-
Transfer from Stage 2	10.17	(37.42)	27.25	-
Transfer from Stage 3	0.56	9.83	(10.39)	-
Impact on ECL on account of movement between stages	(13.75)	31.75	30.28	48.28
ECL allowance as at March 31, 2022	**3.04**	**2.52**	**36.55**	**42.11**

Represents balancing figure.
** based on quarterly movement.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at March 31, 2020	**484.98**	**5.66**	**9.72**	**500.36**
(a) New assets originated or purchased	192.83	-	-	192.83
(b) Asset derecognised or repaid (Excluding write offs) #	(240.89)	(6.17)	(4.97)	(252.03)
Assets written off during the year	-	-	(27.13)	(27.13)
Movement between stages				
Transfer from Stage 1	(68.64)	34.98	33.66	-
Transfer from Stage 2	1.39	(22.30)	20.91	-
Transfer from Stage 3	0.16	0.08	(0.24)	-
Gross carrying value of assets as at March 31, 2021	**369.83**	**12.25**	**31.95**	**414.03**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at March 31, 2020	**1.80**	**2.97**	**9.84**	**14.61**
(a) New assets originated or purchased	3.86	-	-	3.86
(b) Asset derecognised or repaid (Excluding write offs) #	(4.82)	(3.08)	(4.96)	(12.86)
Assets written off during the year	-	-	(27.13)	(27.13)
Movement between stages				
Transfer from Stage 1	(1.37)	0.70	0.67	-
Transfer from Stage 2	0.69	(11.15)	10.46	0.00
Transfer from Stage 3	0.16	0.08	(0.24)	0.00
Impact on ECL on account of movement between stages	12.07	16.65	43.57	72.29
ECL allowance as at March 31, 2021	**12.39**	**6.17**	**32.21**	**50.77**

Represents balancing figure.

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7 **Investments***

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Investments in fully paid equity shares		
A) Subsidiaries (at cost)		
(I) unquoted		
Madura Micro Finance Limited [Number of shares 54,90,716 (Previous year 54,86,216) of ₹10 face value]	663.28	662.73
CreditAccess India Foundation [Number of shares 9,999 (Previous year NIL) of ₹10 face value]	0.01	-
B) Other equity shares		
(I) unquoted		
(i) At fair value through profit and loss		
"Alpha Microfinance Consultants Private Limited [Number of shares 2,00,000 (Previous year 2,00,000) of ₹10 face value]"	0.20	0.20
Total	**663.49**	**662.93**

* All Investment in note 7 above are within India.

8 **Other financial assets**

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Receivable from assignment of portfolio (unsecured, considered good)	77.89	90.75
Security deposits (unsecured, considered good)	10.36	9.68
Loans to employees (unsecured, considered good)	14.76	7.54
Other financial assets		
Unsecured, considered good*	8.43	3.50
Unsecured, considered doubtful	1.53	0.39
Less: Provision for doubtful advances	(1.53)	(0.39)
Total	**111.44**	**111.47**

*Includes License and other service charges receivables from Madura Micro Finance Limited ₹1.34 crore and CreditAccess India Foundation ₹0.2 crore as at March 31, 2022 (₹1.12 crore as at March 31, 2021 from Madura Micro Finance Limited).

9 **Other non-financial assets**

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Prepaid expenses	7.41	5.42
Advances to employees	0.23	0.15
Capital advance	-	1.18
Other advances		
Unsecured, considered good	2.30	5.99
Unsecured, considered doubtful	1.21	0.98
Less: Provision for doubtful advances	(1.21)	(0.98)
Total	**9.94**	**12.74**

₹ in crore

10 (A)

Particulars	Property, plant and equipment: Land & Building	Computer	Electrical Equipment	Furniture & Fixtures	Leasehold Improvement	Office equipment	Vehicles	Total	Right of use assets: Buildings	Computer	Total	Intangible assets: Computer software	Total
Cost:													
At March 31, 2020	-	11.37	0.76	9.31	9.05	16.46	0.62	**47.57**	22.54	37.84	**60.38**	21.03	**21.03**
Additions	-	1.36	0.02	0.09	0.10	0.53	0.01	**2.11**	0.32	24.88	**25.20**	10.72	**10.72**
Disposals	-	(0.43)	(0.05)	(0.19)	(0.16)	(0.61)	-	**(1.44)**	-	-	**-**	-	**-**
At March 31, 2021	**-**	**12.30**	**0.73**	**9.21**	**8.99**	**16.38**	**0.63**	**48.24**	**22.86**	**62.72**	**85.58**	**31.75**	**31.75**
Additions	5.64	3.36	0.17	3.02	0.68	4.05	0.25	**17.17**	0.88	19.05	**19.93**	3.51	**3.51**
Disposals	-	(0.66)	(0.02)	(0.06)	-	(0.54)	-	**(1.28)**	-	-	**-**	-	**-**
At March 31, 2022	**5.64**	**15.00**	**0.88**	**12.17**	**9.67**	**19.89**	**0.88**	**64.13**	**23.74**	**81.77**	**105.51**	**35.26**	**35.26**
Depreciation / Amortisation:													
At March 31, 2020	**-**	**7.19**	**0.71**	**5.60**	**3.91**	**5.57**	**0.40**	**23.38**	**3.79**	**3.66**	**7.45**	**11.53**	**11.53**
Depreciation/Amortisation charge for the year	-	2.26	0.03	0.52	1.48	3.11	0.07	**7.47**	3.64	7.83	**11.47**	4.49	**4.49**
Disposals	-	(0.15)	(0.05)	(0.18)	(0.16)	(0.44)	-	**(0.98)**	-	-	**-**	-	**-**
At March 31, 2021	**-**	**9.30**	**0.69**	**5.94**	**5.23**	**8.24**	**0.47**	**29.87**	**7.43**	**11.49**	**18.92**	**16.02**	**16.02**
Depreciation/Amortisation charge for the year	-	2.40	0.17	1.80	1.39	3.46	0.07	**9.29**	4.08	7.90	**11.98**	4.96	**4.96**
Disposals	-	(0.66)	(0.02)	(0.05)	-	(0.45)	-	**(1.18)**	-	-	**-**	-	**-**
At March 31, 2022	**-**	**11.04**	**0.84**	**7.69**	**6.62**	**11.25**	**0.54**	**37.98**	**11.51**	**19.39**	**30.90**	**20.98**	**20.98**
Net book value:													
At March 31, 2020	**-**	**4.18**	**0.05**	**3.71**	**5.14**	**10.89**	**0.22**	**24.19**	**18.75**	**34.18**	**52.93**	**9.50**	**9.50**
At March 31, 2021	**-**	**3.00**	**0.04**	**3.27**	**3.76**	**8.14**	**0.16**	**18.37**	**15.43**	**51.23**	**66.66**	**15.73**	**15.73**
At March 31, 2022	**5.64**	**3.96**	**0.04**	**4.48**	**3.05**	**8.64**	**0.34**	**26.15**	**12.23**	**62.38**	**74.61**	**14.28**	**14.28**

Note: (i) There were no acquisitions through business combinations, change due to revaluation and changes due to impairment losses in current and previous years.

(ii) There are no immovable properties whose title deed are not held in name of the Company or are jointly held with others.

10 (B) **(a) Intangible assets under development**

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Opening	0.62	2.84
Additions during the year	3.84	2.00
Less: Capitalised during the year	(1.39)	(4.22)
Closing	**3.07**	**0.62**

(b) (i) Intangible assets under development aging schedule as at 31 March 2022*

Particular	Amount in Intangible assets under development for a period of: Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	**2.64**	**0.43**	**-**	**-**

***There were no Project which is temporarily suspended as at March 31, 2022.**

(b) (ii) Intangible assets under development aging schedule as at 31 March 2021*

Particular	Amount in Intangible assets under development for a period of: Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	**0.62**	**-**	**-**	**-**

***There were no Project which is temporarily suspended as at March 31, 2021.**

11 **Derivative financial instruments**

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Part I		
(i) Cross currency interest rate swap derivatives: #		
Fair value liability		
Cross currency interest rate swaps	1.66	-
Total	**1.66**	**-**
Part II		
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:		
(i) Cash flow hedging:		
Fair value liability		
Cross currency interest rate swaps	1.66	-
Total	**1.66**	**-**

Notional amounts of Cross currency interest rate swaps of ₹111.75 crore.

12 **Payables**

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises (refer Note below)	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	32.77	18.32
Total	**32.77**	**18.32**
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises (refer Note below)	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	211.08	151.94
Total	**211.08**	**151.94**
Total Payable	**243.85**	**170.26**

Note:

(A) Dues to micro enterprises and small enterprises:

Particulars	March 31, 2022	March 31, 2021
(i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	-	-
(ii) the amount of interest paid by the Company in terms of section 16 of MSMED Act, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year;	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Note: The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company. Based on the information available with the Company, as at the year end, there are no dues to micro and small Enterprises that are reportable under the MSMED Act, 2006.

(B) Trade Payables aging schedule

(i) As at March 31, 2022*

Particulars	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	**-**	-	**-**
(ii) Others	**32.73**	**0.04**	**-**	**-**	**32.77**

*There were no Disputed payable as at March 31, 2022.

(ii) As at March 31, 2021*

Particulars	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	**-**	-	**-**
(ii) Others	**18.32**	**-**	**-**	**-**	**18.32**

*There were no Disputed payable as at March 31, 2021.

13 Debt securities (at amortised cost)

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Debentures (secured)	1,372.81	1,506.04
Total	**1,372.81**	**1,506.04**
Debt securities in India	1,372.81	1,506.04
Debt securities outside India	-	-
Total	**1,372.81**	**1,506.04**

Nature of security

The above debentures are secured by the way of first and exclusive charge over eligible specified book debts of the Company.

Debentures (secured) (at amortised cost)

Terms of debentures	Number of debentures		Face value	Amount in Crores	
	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021
11.68% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 28, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	195	195	10,00,000	19.50	19.48
11.47% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 28, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	195	195	10,00,000	19.49	19.47
11.11% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Three years from the date of allotment i.e. February 27, 2020.	800	800	10,00,000	80.52	80.33
11.60% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Five years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. July 31, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	1,000	1,000	10,00,000	100.94	100.95
10.34% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after five years from the date of allotment i.e. May 31, 2017.	459	905	10,00,000	47.39	93.19
9.50% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Five years from the date of allotment i.e. November 8, 2019.	2,140	2,140	10,00,000	220.19	219.39
10.20% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Thirty Seven months from the date of allotment i.e. March 13, 2020.	170	170	10,00,000	16.97	16.94
10.42% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Three years from the date of allotment i.e. March 31, 2021.	1,450	1,450	10,00,000	144.93	144.90
10.50% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Thirty Four months from the date of allotment i.e. June 29, 2020.	725	1,208	10,00,000	74.29	123.74
9.81% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after Thity Six Months from the date of allotment i.e. July 31, 2020.	167	250	10,00,000	16.89	25.31

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Terms of debentures	Number of debentures		Face value	Amount in crore	
	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021
10.00% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Three years from the date of allotment i.e. June 26, 2020.	500	500	10,00,000	53.62	53.52
10.05% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Three years from the date of allotment i.e. July 3, 2020.	300	300	10,00,000	32.15	32.10
9.95% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Thirty Four Months from the date of allotment i.e. July 27, 2020.	1,000	1,000	10,00,000	106.64	106.57
9.25% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Eighteen months from the date of allotment i.e. August 14, 2020.	-	500	10,00,000	-	52.84
9.25% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Eighteen months from the date of allotment i.e. August 14, 2020.	-	360	10,00,000	-	37.98
9.15% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Eighteen months from the date of allotment i.e. September 23, 2020.	-	500	10,00,000	-	49.93
9.15% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Eighteen months from the date of allotment i.e. September 23, 2020.	-	500	10,00,000	-	49.97
9.15% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Eighteen months from the date of allotment i.e. October 20, 2020.	1,000	1,000	10,00,000	104.04	103.73
9.15% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Eighteen months from the date of allotment i.e. November 11, 2020.	250	250	10,00,000	25.88	25.80
9.15% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Eighteen months from the date of allotment i.e. December 10, 2020.	250	1,000	10,00,000	25.12	100.35
9.00% Secured Redeemable Market Linked Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Two years from the date of allotment i.e. March 25, 2021.	500	500	10,00,000	54.13	49.55
8.56% Secured Redeemable Market Linked Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Two years and Five days from the date of allotment i.e. August 31, 2021.	1,000	-	10,00,000	104.11	-
9.90% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Three years and Fifteen days from the date of allotment i.e. April 30, 2021.	710	-	10,00,000	70.92	-
9.70% Secured Redeemable Non-convertible Debentures of face value of ₹1,000,000 each redeemable after Three years from the date of allotment i.e. March 11, 2022.	552	-	10,00,000	55.09	-
Total	**13,363**	**14,723**		**1,372.81**	**1,506.04**

Note: The rates mentioned above are the original coupons rates as per the individual contracts.

14 Borrowings other than debt securities (at amortised cost)

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Term loans (secured)		
Banks	6,869.21	5,115.80
Financials institutions	1,730.98	1,783.72
Non-banking financial companies	302.24	124.65
External commercial borrowings	93.74	225.51
Term loans (unsecured)		
External commercial borrowings	116.08	-
Total	**9,112.25**	**7,249.68**
Borrowings in India	8,902.43	7,024.17
Borrowings outside India	209.82	225.51
Total	**9,112.25**	**7,249.68**

Note:
(1) The term loans are covered by unsecured microfinance loans to the extent of minimum 100% of outstanding. Further in respect of borrowings (including Debentures) drawn during quarter 4 of FY 2021-22 aggregating to ₹734.70 crore (Quarter 4 of Previous year ₹528.59 crore), the Company will assign the book debts in due course as per the sanction terms. The borrowings have not been guaranteed by directors or others.
(2) Term loans availed during the year were applied for the purposes for which the loans were obtained, other than temporary deployment pending application.

14.1 Delay in repayment

There were no delay in repayment of borrowings as at March 31, 2022 and March 31, 2021.

15 Subordinated liabilities (at amortised cost)

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Term Loan (Unsecured)	-	25.00
Total	**-**	**25.00**
Subordinated Liabilities in India	-	25.00
Subordinated Liabilities outside India	-	-
Total	**-**	**25.00**

Terms of repayment of borrowings as on March 31, 2022

₹ in crore

Type of instrument / institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
				No. of install-ments	Amount (in Rupees)	No. of install-ments	Amount (in Rupees)	No. of install-ments	Amount (in Rupees)	No. of install-ments	Amount (in Rupees)	No. of install-ments	Amount (in Rupees)	No. of install-ments	Amount (in Rupees)	
Debentures	Quarterly	1-3 years	9%-9.5%	1	25.00	-	-	-	-	-	-	-	-	-	-	25.00
	Half Yearly	1-3 years	10.5%-11%	2	48.33	1	24.17	-	-	-	-	-	-	-	-	72.50
		Above 3 years	9.5%-10%	-	-	2	107.00	2	107.00	-	-	-	-	-	-	214.00
	Bullet	1-3 years	8.5%-9%	-	-	1	100	-	-	-	-	-	-	-	-	100.00
			9%-9.5%	3	175.00	-	-	-	-	-	-	-	-	-	-	175.00
			9.5%-10%	1	8.33	2	108.34	-	-	-	-	-	-	-	-	116.67
			10%-10.5%	-	-	2	80.00	-	-	-	-	-	-	-	-	80.00
		Above 3 years	9.5%-10%	-	-	-	-	2	126.20	-	-	-	-	-	-	126.20
			10%-10.5%	1	17.00	1	145.00	-	-	-	-	-	-	-	-	162.00
			11%-11.5%	1	80.00	1	19.50	-	-	-	-	-	-	-	-	99.50
			11.5%-12%	1	100.00	1	19.50	-	-	-	-	-	-	-	-	119.50
	Annually	Above 3 years	10%-10.5%	1	45.90	-	-	-	-	-	-	-	-	-	-	45.90
Term loan banks	Monthly	1-3 years	5.5%-6.0%	9	16.88	-	-	-	-	-	-	-	-	-	-	16.88
			6.5%-7.0%	24	27.27	9	10.45	-	-	-	-	-	-	-	-	37.73
			7%-7.5%	56	183	46	139	11	26.47	-	-	-	-	-	-	348.75
			7.5%-8.0%	591	1,720.29	299	959.59	20	180.00	-	-	-	-	-	-	2,859.87
			8%-8.5%	162	503.66	91	361.09	9	75.00	-	-	-	-	-	-	939.76
			8.5%-9%	142	566.33	65	117.50	2	6.25	-	-	-	-	-	-	690.08
			9%-9.5%	126	273.57	42	95.62	-	-	-	-	-	-	-	-	369.18
		Above 3 years	7%-7.5%	36	66.67	36	66.67	26	52.78	-	-	-	-	-	-	186.12
			7.5%-8.0%	24	33.33	24.00	33.33	16	22	-	-	-	-	-	-	88.89
			8%-8.5%	105	259.70	77	96	52	44	-	-	-	-	-	-	400.05
			10%-10.5%	12	17	7	10	-	-	-	-	-	-	-	-	26.37
	Quarterly	1-3 years	7.5%-7.75%	3	60.00	4	80.00	3	60.00	-	-	-	-	-	-	200.00
			8%-8.5%	4	50.00	3	37.50	-	-	-	-	-	-	-	-	87.50
			8.5%-9%	8	71.43	4	36.36	5	45.45	-	-	-	-	-	-	153.25
			9%-9.5%	8	14.55	8	14.55	3	5.45	-	-	-	-	-	-	34.55
		Above 3 years	6.5%-7.0%	4	20.00	4	20.00	4	20.00	-	-	-	-	-	-	60.00
			8.5%-9%	3	6.82	4	9.09	4	9.09	-	-	-	-	-	-	25.00
			9%-9.5%	6	54.55	8	72.73	8	72.73	-	-	-	-	-	-	200.00
	Half Yearly	1-3 years	9.5%-10%	2	20.00	2	20.00	-	-	-	-	-	-	-	-	40.00
	Bullet	1-3 years	7.5%-8.0%	3	82.50	1	27.50	-	-	-	-	-	-	-	-	110.00
Term loan from financial institutions	Monthly	1-3 years	6%-6.5%	12	66.00	-	-	-	-	-	-	-	-	-	-	66.00
		1-3 years	9.5%-10%	7	5.83	12	10.00	11	9.17	-	-	-	-	-	-	25.00
	Quarterly	Above 3 years	9.5%-10%	8	140.80	8	117.20	8	91.00	8	47.20	5	32.60	-	-	428.80
	Half Yearly	1-3 years	7%-7.5%	3	216.00	-	-	-	-	-	-	-	-	-	-	216.00
			10.5%-11%	1	57.50	-	-	-	-	-	-	-	-	-	-	57.50
		Above 3 years	10.5%-11%	5	9.50	-	-	-	-	-	-	-	-	-	-	9.50
			11.5%-12%	12	325.00	12.00	405.00	6.00	180.00	-	-	-	-	-	-	910.00
Term loan from non-banking financial companies	Monthly	1-3 years	8.5%-9%	32	76.96	16	42.06	12	37.71	-	-	-	-	-	-	156.74
			9.5%-10%	4	15.33	4	15.33	-	-	-	-	-	-	-	-	30.67
		Above 3 years	9%-9.5%	36	42.56	36	44.05	26	27.85	-	-	-	-	-	-	114.45
External commercial borrowings	Half Yearly	Above 3 years	10%-10.5%	-	-	-	-	2	44.70	2	44.70	1	22.35	-	-	111.75
	Bullet	1-3 years	11%-11.5%	1	93.44	-	-	-	-	-	-	-	-	-	-	93.44
Grand Total				**1,460**	**5,596.13**	**833**	**3,444.11**	**232**	**1,242.99**	**10**	**91.90**	**6**	**54.95**	**-**	**-**	**10,430.08**

Note: The above amount pertains to the principal outstanding only.

Terms of repayment of borrowings as on March 31, 2021

₹ in crore

Type of instrument / institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
				No. of install-ments	Amount (in Rupees)	No. of install-ments	Amount (in Rupees)	No. of install-ments	Amount (in Rupees)	No. of install-ments	Amount (in Rupees)	No. of install-ments	Amount (in Rupees)	No. of install-ments	Amount (in Rupees)	
Debentures	Quarterly	1-3 years	9%-9.5%	3	75.00	1	25.00	-	-	-	-	-	-	-	-	100.00
	Half Yearly	1-3 years	10.5%-11%	2	48.33	2	48.33	1	24.17	-	-	-	-	-	-	120.83
		Above 3 years	9.5%-10%	-	-	-	-	2	107.00	2	107.00	-	-	-	-	214.00
	Bullet	1-3 years	9%-9.5%	4	186.00	3	175.00	-	-	-	-	-	-	-	-	361.00
			9.5%-10%	1	8.33	1	8.33	2	108.34	-	-	-	-	-	-	125.00
			10%-10.5%	-	-	-	-	2	80.00	-	-	-	-	-	-	80.00
		Above 3 years	10%-10.5%	-	-	1	17.00	1	145.00	-	-	-	-	-	-	162.00
			11%-11.5%	-	-	1	80.00	1	19.50	-	-	-	-	-	-	99.50
			11.5%-12%	-	-	1	100.00	1	19.50	-	-	-	-	-	-	119.50
	Annually	Above 3 years	10%-10.5%	1	44.55	1	45.90	-	-	-	-	-	-	-	-	90.45
Term loan banks	Monthly	1-3 years	7.5%-8.0%	292	1,061.25	179	532.48	-	-	-	-	-	-	-	-	1,593.73
			8%-8.5%	195	551.31	98	326.21	26	73.78	-	-	-	-	-	-	951.30
			8.5%-9%	99	260.44	25	48.86	-	-	-	-	-	-	-	-	309.30
			9%-9.5%	102	243.45	66	102.14	14	19.69	-	-	-	-	-	-	365.28
			9.5%-10%	1	2.27	-	-	-	-	-	-	-	-	-	-	2.27
		Above 3 years	8%-8.5%	24	116.67	24	116.67	6	29.16	-	-	-	-	-	-	262.50
			8.5%-9%	12	399.96	11	366.21	-	-	-	-	-	-	-	-	766.17
			9%-9.5%	10	7.58	12	9.09	11	8.33	-	-	-	-	-	-	25.00
			9.5%-10%	3	1.82	-	-	-	-	-	-	-	-	-	-	1.82
			10%-10.5%	18	19.26	12	16.68	7	9.69	-	-	-	-	-	-	45.63
	Quarterly	1-3 years	7.5%-8.0%	23	76.79	-	-	-	-	-	-	-	-	-	-	76.79
			8%-8.5%	14	59.00	-	-	-	-	-	-	-	-	-	-	59.00
			8.5%-9%	12	106.00	6	53.25	-	-	-	-	-	-	-	-	159.25
			9%-9.5%	2	16.25	-	-	-	-	-	-	-	-	-	-	16.25
	Half Yearly	1-3 years	7.5%-8.0%	4	70.00	-	-	-	-	-	-	-	-	-	-	70.00
			8%-8.5%	4	74.16	-	-	-	-	-	-	-	-	-	-	74.16
			9.5%-10%	1	10.00	2	20.00	2	20.00	-	-	-	-	-	-	50.00
	Bullet	1-3 years	7.5%-8.0%	12	250.00	-	-	-	-	-	-	-	-	-	-	250.00
			7%-7.5%	-	-	2	32.50	-	-	-	-	-	-	-	-	32.50
			6.5%-7%	1	17.50	-	-	-	-	-	-	-	-	-	-	17.50
Term loan from financial institutions	Monthly	1-3 years	6%-6.5%	14	133.00	2	16.00	-	-	-	-	-	-	-	-	149.00
	Half Yearly	1-3 years	7%-7.5%	3	269.00	2	123.50	-	-	-	-	-	-	-	-	392.50
		Above 3 years	10.5%-11%	8	15.00	5	9.50	-	-	-	-	-	-	-	-	24.50
			11.5%-12%	12	280.00	12	325.00	12	405.00	6	180.00	-	-	-	-	1,190.00
Term loan from non-banking financial companies	Monthly	1-3 years	8.5%-9%	17	52.17	9	29.35	-	-	-	-	-	-	-	-	81.52
			9%-9.5%	11	33.48	-	-	-	-	-	-	-	-	-	-	33.48
			9.5%-10%	2	3.33	2	3.33	2	3.34	-	-	-	-	-	-	10.00
External commercial borrowings	Bullet	1-3 years	11%-11.5%	-	-	1	93.44	-	-	-	-	-	-	-	-	93.44
		Above 3 years	10%-10.5%	1	33.80	-	-	-	-	-	-	-	-	-	-	33.80
			10.5%-11%	1	95.00	-	-	-	-	-	-	-	-	-	-	95.00
Sub-debt	Bullet	Above 3 years	14.5%-15%	1	25.00	-	-	-	-	-	-	-	-	-	-	25.00
Grand Total				**910**	**4,645.70**	**481**	**2,723.77**	**90**	**1,072.50**	**8**	**287**	**-**	**-**	**-**	**-**	**8,728.97**

Note: The above amount pertains to the principal outstanding only.

16 Other financial liabilities

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Lease liabilities	84.82	74.36
Others	2.10	7.27
Total	**86.92**	**81.63**

17 Provisions

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Provision for employee benefits:		
Gratuity	4.85	4.20
Leave encashment and availment	20.26	15.48
Total	**25.11**	**19.68**

18 Other non-financial liabilities

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Statutory dues payable (Tax deducted at source, GST etc)	11.14	9.69
Total	**11.14**	**9.69**

19 Equity share capital

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Authorised		
Equity shares of ₹10 each	160.00	160.00
16,00,00,000 (March 31, 2021 : 16,00,00,000) equity shares	**160.00**	**160.00**
	March 31, 2022	**March 31, 2021**
Issued, subscibed and fully paid up		
155,866,346 (March 31, 2021: 155,582,040) equity shares of ₹10 each fully paid	155.87	155.58

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

Equity shares	March 31, 2022		March 31, 2021	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
At the beginning of the year	15,55,82,040	155.58	14,39,85,459	143.99
Add: Issued during the year				
- On account of Qualified Institutional Placement	-	-	1,13,15,323	11.31
- Employee Stock Option Plan	284,306	0.29	2,81,258	0.28
Outstanding at the end of the year	**15,58,66,346**	**155.87**	**15,55,82,040**	**155.58**

In the previous year, Pursuant to the approval accorded by the board of directors of the Company (the "Board"), at its meeting held on September 3, 2020 and the special resolution passed by the members of the Company at the Extraordinary General Meeting (EGM) held on September 26, 2020, the Capital Raising Committee of the Board (the "CRC Committee") has, at its meeting held on October 05, 2020 approved the Qualified institutions placement of equity shares of face value ₹10 each of the Company.

Subsequently, the CRC Committee, at its meeting held on October 8, 2020, approved the allotment of 1,13,15,323 Equity Shares of face value ₹ 10 each to eligible qualified institutional buyers at the issue price of ₹ 707 per Equity Share (including a premium of ₹ 697 per Equity Share) aggregating to ₹ 7,99,99,33,361 (Rupees Seven Ninety Nine Crore Ninety Nine Lakh Thirty Three Thousand Three Hundred and Sixty One only).

(b) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. Any dividends proposed by the Board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Equity shares	March 31, 2022		March 31, 2021	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Equity shares of ₹ 10 each fully paid				
CreditAccess India NV (Holding Company)	11,51,09,028	73.85%	11,51,09,028	73.99%
Nippon Life India Trustee Limited	87,21,856	5.60%	61,05,884	3.92%

(d) Details of shareholders holding of Promoters

Particulars	March 31, 2022			March 31, 2021		
	No. of Shares	%of total shares	% Change during the year	No. of Shares	%of total shares	% Change during the year
1) CreditAccess India NV	11,51,09,028	73.85%	-0.14%	11,51,09,028	73.99%	-5.95%

(e) For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company refer Note 38.

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

Particulars	31-Mar-22 (No. of equity shares)	31-Mar-21 (No. of equity shares)	31-Mar-20 (No. of equity shares)	31-Mar-19 (No. of equity shares)	31-Mar-18 (No. of equity shares)	31-Mar-17 (No. of equity shares)
Equity shares alloted to Equity Share holders and Compulsorily Convertible Debentureholders of MV Microfin Private Limited as a purchase consideration for amalgamation of business with the Company	-	-	-	-	48,90,140	-
Equity shares alloted to CreditAccess India NV (Formerly known as CreditAccess Asia NV) in lieu of conversion of compulsorily convertible debentures	-	-	-	-	1,29,87,012	-
Total	**-**	**-**	**-**	**-**	**1,78,77,152**	**-**

20 Other equity*

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	308.32	231.89
Capital reserve	49.95	49.95
Securities premium	2,268.13	2,263.13
Share options outstanding account	11.72	8.52
Retained earnings	1,235.64	929.68
Effective portion of Cash Flow Hedge	0.39	-
Debt instruments through Other Comprehensive Income	(90.22)	(3.94)
Total	**3,783.93**	**3,479.23**

* For detailed movement of reserves refer statement of changes in equity for the year ended March 31, 2022.

Nature and purpose of reserve

20.1 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.

20.2 Capital reserve

During the year ended 2018, the Company pursuant to the scheme of amalgamation acquired MV Microfin Private Limited with effect from April 1, 2017, per the accounting treatment of the scheme of amalgamation approved by the Honourable High Court of Karnataka the differential amount between the carrying value of investments and net assets acquired from the transferor companies has been accounted as Capital reserve.

20.3 Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

20.4 Share option outstanding account

The share option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.

20.5 Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve, general reserve or any other such other appropriations to specific reserves.

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20.6 Other comprehensive income

(i) Effective portion of Cash Flow Hedge

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss.

(ii) Debt instruments through Other Comprehensive Income

The Company has elected to recognize changes in the fair value of loans in other comprehensive income . These changes are accumulated as reserve within equity. The Company transfers amount from this reserve to retained earnings when the relevant loans are derecognized.

20.7

₹ in crore

Movement of other comprehensive income for the year	March 31, 2022	March 31, 2021
Opening balance	(3.94)	(36.07)
(+) Fair value change during the year	(486.65)	(450.50)
(+) Effective portion of Cash Flow Hedge	0.39	-
(-) Impairment allowance transferred to statement of profit and loss	400.37	482.63
Closing balance	**(89.83)**	**(3.94)**

20.8

The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

21 Interest income

₹ in crore

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total
Interest on loans	1,914.94	180.77	**2,095.71**	1,615.45	242.72	**1,858.17**
Interest on Loan to subsidiary	-	3.61	**3.61**	-	-	**-**
Interest on deposits with banks and financial institutions	-	25.47	**25.47**	-	18.96	**18.96**
Total	**1,914.94**	**209.85**	**2,124.79**	**1,615.45**	**261.68**	**1,877.13**

22 Fees and commission income

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Service fees for management of assigned portfolio of loans	0.06	0.09
Service and administration charges	2.44	3.27
Distribution Income	10.72	5.39
Total	**13.22**	**8.75**

23 Net gain on fair value changes

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
(A) Net gain on fair value instruments at fair value through profit or loss		
(i) On trading portfolio (realised)		
- Investments	16.43	17.74
(B) Others		
(i) Gain on derecognition of loans designated at FVTOCI	69.99	112.90
Total Net gain on fair value changes	**86.42**	**130.64**

24 Other Income

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Net gain / (loss) on foreign currency transaction and translation (other than considered as finance cost)	-	(0.01)
Miscellaneous income	1.81	3.36
Total	**1.81**	**3.35**

25 Finance costs

₹ in crore

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at amortised cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at amortised cost	Total
Interest on debt securities	-	151.14	**151.14**	-	110.83	**110.83**
Interest on borrowings other than debt securities	-	626.44	**626.44**	-	618.56	**618.56**
Interest on subordinated liabilities	-	2.49	**2.49**	-	3.69	**3.69**
Other interest expense						
-Interest on lease liabilities	-	8.02	8.02	-	6.39	6.39
-Others	-	0.04	**0.04**	-	0.60	**0.60**
Total Finance costs	**-**	**788.13**	**788.13**	**-**	**740.07**	**740.07**

26 Impairment of Finance instruments

₹ in crore

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total
Joint liability loans	400.37	24.20	424.57	482.63	100.98	583.61
Individual loans	-	24.87	24.87	-	63.29	63.29
Total	**400.37**	**49.07**	**449.44**	**482.63**	**164.27**	**646.90**

27 Employee benefit expenses

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Salaries and wages	314.83	269.69
Contribution to provident and other funds	31.51	26.33
Share based payments to employees	5.45	1.96
Staff welfare expenses	1.71	1.62
Total	**353.50**	**299.60**

28 Depreciation and amortization expenses

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
- On property, plant and equipment	9.29	7.47
- On intangible assets	4.96	4.49
- On right of use assets	11.98	11.47
Total	**26.23**	**23.43**

29 Other expenses

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Rental charges payable under operating leases (Refer Note 36)	18.15	14.99
Bank charges	3.28	4.60
Rates and taxes	9.78	7.44
Insurance	3.41	1.75
Repairs and maintenance	12.39	7.15
Electricity	3.54	2.99
Travelling and conveyance	60.78	41.29
Postage and telecommunication	7.29	10.50
Printing and stationery	4.34	4.87
Professional and consultancy charges	12.82	9.63
Remuneration to directors	0.98	0.79
Auditors remuneration (Refer Note below)	1.25	0.76
Training expenses	6.21	1.83
Corporate Social Responsibility expenses (Refer Note below)	7.72	5.69
Provision for other assets	1.59	0.20
Miscellaneous expenses**	4.77	9.36
Total	**158.30**	**123.84**

Auditors remuneration

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
As auditor		
Audit fee	0.63	0.41
Limited review	0.47	0.32
In other capacity		
Certification services	0.15	0.01
Reimbursement of expenses	0.01	0.02
Total	**1.25**	**0.76**

Excludes payment amounting to ₹0.68 crore for services in relation to Qualified institutions placement of equity shares, which has been adjusted in securities premium.

**Details of CSR expenditure

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
a) Gross amount required to be spent by the Company during the year	7.62	7.61
b) Amount spent during the year (in cash)		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	5.80	5.69
c) Shortfall at the end of the year, *	1.82	1.92
d) Total of previous years shortfall	-	-

* Previous year unspent balance of ₹1.92 Crores has been fully spent during the current year.

Note:
1. The Company has deposited the unspent amount in relation to the CSR expenditure in dedicated bank account.
2. Reason for shortfall, are as below
a) Few of the projects like the Vaccination Drives, Support to physically/mentally challenged children and the self-learning center have been commenced in the last quarter of this year and the period of the project extends to the next Financial year with committed payments to be made during the next Financial Year.

b) Two ongoing projects namely Anganawadi Improvement Program and Rural development program had execution challenges due to the covid situations in certain geographies. Hence, even though the institutions were identified, and events planned, the execution got delayed and some of the event dates have been extended to next financial year.
3. For nature of CSR activities refer annual report on CSR activities in Directors report.
4. Contribution of ₹2.7 crore made to CreditAccess India Foundation (Section 8 Company which is subsidary of the Company).

5. The Company has entered into a Memorandum of Understanding with CreditAccess India Foundation for CSR Activities (COVID-19 pandemic support program, Community Development activity like education, health Care, livelihood and other support activity).

** The Company has reversed additional provision carried over and above requirements as per Section 135 Companies Act, 2013 to the extent of ₹4.96 Crore during the current year.

30 Income tax

₹ in crore

(A)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Current tax	113.56	93.44
Deferred tax	16.94	(41.54)
Total tax charge	**130.50**	**51.90**

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

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Profit before tax	512.64	194.29
At India's statutory income tax rate of 25.17% (2021: 25.17%)	129.03	48.90
(a) Non deductible expenses		
Donations	(1.27)	0.48
CSR	1.94	2.02
Employee stock option cost	1.38	0.50
Others	(0.58)	-
Income tax expense reported in statement of profit and loss	**130.50**	**51.90**

(C) Movement in deferred tax balances for the year ended March 31, 2022

₹ in crore

Particulars	Net balance April 1, 2021	(Charge)/ credit in profit and loss	Recognised in OCI	Recognised in other equity	Net balance March 31, 2022	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Impact of difference between tax depreciation/ amortisation	2.93	0.96	-	-	3.89	3.89	-
Remeasurement gain / (loss) on defined benefit plan	3.93	1.20	-	-	5.13	5.13	-
Provision for donation	121.34	(27.53)	-	-	93.81	93.81	-
Impairment allowance for loans	2.92	(1.46)	-	-	1.46	1.46	-
Expenses incurred on Initial Public Offering	(22.48)	2.87	-	-	(19.60)	-	(19.60)
Other items	6.36	7.01	28.24	-	41.61	41.61	-
Net Deferred tax assets / (liabilities)	**115.01**	**(16.94)**	**28.24**	**-**	**126.30**	**145.90**	**(19.60)**

(D) Movement in deferred tax balances for the year ended March 31, 2021

₹ in crore

Particulars	Net balance April 1, 2020	(Charge)/ credit in profit and loss	Recognised in OCI	Recognised in other equity	Net balance March 31, 2021	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Impact of difference between tax depreciation/ amortisation	2.28	0.65	-	-	2.93	2.93	-
Remeasurement gain / (loss) on defined benefit plan	3.14	0.79	-	-	3.93	3.93	-
Provision for donation	58.05	63.29	-	-	121.34	121.34	-
Impairment allowance for loans	4.38	(1.46)	-	-	2.92	2.92	-
Expenses incurred on Initial Public Offering	(6.89)	(15.59)			(22.48)	-	(22.48)
Other items	23.31	(6.14)	(10.80)	-	6.36	6.36	-
Net Deferred tax assets / (liabilities)	**84.27**	**41.54**	**(10.80)**	**-**	**115.01**	**137.49**	**(22.48)**

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

(a) Current tax assets (net)

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Income tax assets (A)	420.35	593.58
Income tax liabilities (B)	390.45	564.11
Total (A-B)	**29.90**	**29.47**

(b) Current tax Liability (net)

Particulars	March 31, 2022	March 31, 2021
Income tax liabilities (A)	114.05	-
Income tax assets (B)	112.49	-
Total (A-B)	**1.56**	**-**

31 Employee benefits

A. Defined benefit plan

Gratuity

The Company provides for the gratuity, a defined benefit retirement plan covering qualifying employees . Employees who are in continous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service. The gratuity is a funded plan and the Company makes contibutions to Gratuity scheme administered by the insurance company through its Gratuity fund.

B. Defined contribution plan

The Company makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the basic salary to fund the benefits. The contributions payable to these plans by the Company are administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.The Company recognised ₹20.25 crores (March 31, 2021: ₹15.31 crores) for Provident fund contributions and ₹4.88 crores (March 31, 2021: ₹4.75 crores) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss.

31.1 Reconciliation of net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability / assets and its components:

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	18.28	14.26
Current service cost	5.04	4.30
Interest cost	1.23	0.94
Past service cost	-	-
Benefits settled	(1.24)	(0.79)
Actuarial (gains) / losses recognised in other comprehensive income	-	-
- Changes in experience adjustments	2.73	0.27
- Changes in demographic assumptions	(0.02)	0.48
- Changes in financial assumptions	(3.05)	(1.18)
Obligation at the end of the year	**22.97**	**18.28**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	14.08	10.57
Interest income on plan assets	1.09	0.82
Re-measurement- actuarial gain	(0.01)	(0.21)
Return on plan assets recognised in other comprehensive income	-	-
Contributions	4.20	3.69
Benefits settled	(1.24)	(0.79)
Plan assets at the end of the year, at fair value	**18.12**	**14.08**
Net defined benefit liability	**4.85**	**4.20**

31.2 Expenses recognised in statement of profit or loss

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Current service cost	5.04	4.30
Interest cost	0.14	0.12
Net gratuity cost	**5.18**	**4.42**

31.3 Re-measurement recognised in other comprehensive income

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Re-measurement of the net defined benefit liability		
- Changes in experience adjustments	2.73	0.27
- Changes in demographic assumptions	(0.02)	0.48
- Changes in financial assumptions	(3.05)	(1.18)
Re-measurement of the net defined benefit asset		
Return on plan assets (greater)/ less than discount rate	0.01	0.21
Total actuarial gain / (losses) included in OCI	**(0.33)**	**(0.22)**

31.4 Plan assets

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Funds managed by insurer	100%	100%

31.5 Defined benefit obligation - Actuarial assumptions

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Discount rate	6.96%	6.79%
Future salary growth	8.00%	10.00%
Attrition rate	23.01%	22.85%
Average term of liabilty (in years)	6.57	7.79

31.6 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

₹ in crore

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.57)	1.83	(1.45)	1.72
Future salary growth (1% movement)	1.58	(1.39)	1.48	(1.29)
Attrition rate (1% movement)	(0.30)	0.32	(0.48)	0.54

31.7

Expected contribution to the plan for the next annual reporting period is ₹7.55 crores (March 31, 2021 ₹5.74 crores).

The weighted average duration of the defined benefit obligation is 6.57 years (March 2021-7.79 years). The expected maturity analysis of undiscounted gratuity is as follows:

₹ in crore

Particulars	Less than a year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	Between 5-10 years	Beyond 10 years	Total
31 March, 2022								
Gratuity	2.79	2.29	1.95	1.59	1.37	4.45	31.49	45.92
Total	**2.79**	**2.29**	**1.95**	**1.59**	**1.37**	**4.45**	**31.49**	**45.92**
31 March, 2021								
Gratuity	2.17	1.67	1.41	1.22	1.02	3.57	29.17	40.23
Total	**2.17**	**1.67**	**1.41**	**1.22**	**1.02**	**3.57**	**29.17**	**40.23**

31.8 Mortality:

Published rates under the Indian Assured Lives Mortality (2012-14) Ultimate.

31.9

Through its defined benefit plans the company is exposed to a number of risks, the most significant of which are detailed below:

Demographic risks

This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the defined benefit obligations depend upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward.

Change in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments.

Inflation risk

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Life expectancy

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

31.10 The Code on Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

32 Maturity analysis of assets and liabilities

(A) Maturity analysis of assets and liabilities as at March 31, 2022

₹ in crore

Sr. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	1,401.16	-	**1,401.16**
(b)	Bank balance other than cash and cash equivalents	133.15	0.01	**133.16**
(c)	Loans	7,157.73	5,043.87	**12,201.60**
(d)	Investments	-	663.49	**663.49**
(e)	Other financial assets	92.16	19.28	**111.44**
(2)	**Non-financial assets**			**-**
(a)	Current tax assets (net)	-	29.90	**29.90**
(b)	Deferred tax assets (net)	-	126.30	**126.30**
(c)	Property, plant and equipment	-	26.15	**26.15**
(d)	Right to use assets	-	74.61	**74.61**
(e)	Intangible assets	-	14.28	**14.28**
(f)	Intangible assets under development	-	3.07	**3.07**
(g)	Other non-financial assets	9.77	0.17	**9.94**
	Total assets	**8,793.97**	**6,001.13**	**14,795.10**
	LIABILITIES			
(1)	**Financial liabilities**			
(a)	Derivative financial instrument	1.66	-	**1.66**
(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	32.77	-	**32.77**
	(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	210.95	0.13	**211.08**
(c)	Borrowings *			
	- Debt securities	533.73	839.08	**1,372.81**
	- Borrowings (other than debt securities)	5,123.05	3,989.20	**9,112.25**
	- Subordinated liabilities	-	-	**-**
(d)	Other financial liabilities	13.74	73.18	**86.92**
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	1.56	-	**1.56**
(b)	Provisions	11.41	13.70	**25.11**
(c)	Other non-financial liabilities	11.14	-	**11.14**
	Total liabilities	**5,940.01**	**4,915.29**	**10,855.30**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders

(B) Maturity analysis of assets and liabilities as at March 31, 2021

₹ in crore

Sr. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	1,874.59	-	**1,874.59**
(b)	Bank balance other than cash and cash equivalents	11.02	60.36	**71.38**
(c)	Other receivables	-	-	**-**
(d)	Loans	6,122.49	3,595.33	**9,717.82**
(e)	Investments	-	662.93	**662.93**
(f)	Other financial assets	86.94	24.53	**111.47**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	29.47	**29.47**
(b)	Deferred tax assets (net)	-	115.01	**115.01**
(c)	Property, plant and equipment	-	18.37	**18.37**
(d)	Right to use assets	-	66.66	**66.66**
(e)	Intangible assets	-	15.73	**15.73**
(f)	Intangible assets under development	-	0.62	**0.62**
(g)	Other non-financial assets	11.60	1.14	**12.74**
	Total assets	**8,106.64**	**4,590.15**	**12,696.79**
	LIABILITIES			
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	18.32	-	**18.32**
	(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	151.94	-	**151.94**
(b)	Borrowings*			
	- Debt securities	400.45	1,105.59	**1,506.04**
	- Borrowings (other than debt securities)	4,284.26	2,965.42	**7,249.68**
	- Subordinated liabilities	25.00	-	**25.00**
(c)	Other financial liabilities	15.15	66.48	**81.63**
(2)	**Non-financial liabilities**			
(a)	Provisions	8.52	11.16	**19.68**
(b)	Other non-financial liabilities	9.69	-	**9.69**
	Total liabilities	**4,913.33**	**4,148.65**	**9,061.98**

*All borrowings are disclosed based on the contractual maturities since loan covenant breaches,if any have been waived off by the lenders

33 Transfer of financial assets

(a) Transferred financial assets that are not derecognised in their entirety.

The Company has not transferred any assets that are not derecognised in their entirety.

(b) Transferred financial assets that are derecognised.

The Company has assigned loans (earlier measured at FVTOCI) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 85%-95% of the assets transferred to the buyer, the assets have been de-recognised from the Company's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets measured at fair value and the gain/(loss) on derecognition during the year:

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Direct assignments		
Carrying amount of derecognised financial assets	1,120.30	1,203.83
Gain from derecognition	75.69	100.14

Since the Company transferred the above financial asset in a transfer that qualified for derecognition in its entirety, therefore the whole of the interest spread (over the expected life of the asset) is recognised on the date of derecognition itself as 'Receivable from assignment of portfolio' with a corresponding profit on derecognition of financial asset.

(c) Transferred financial assets that are derecognised in their entirety.
The Company has not transferred any assets that are derecognised during the year in their entirety where the Company continues to have continuing involvement.

34 Contingent liabilities

Contingent liabilities not provided for in respect of the below:

₹ in crore

(a)

Particulars	March 31, 2022	March 31, 2021
Performance security provided by the Company pursuant to service provider agreement	0.10	0.11

(b) Pertaining to Assessment Year 2017-18 (Financial year 2016-17)
The Assesing Officer, Income Tax, Bangalore, through an order dated 28th December 2019, has confirmed the demand of ₹2.62 crores (net demand after adjusting of payment made is ₹1.16 crore) from the Company. The Company has preferred an appeal before Commissioner of Income Tax against said assement order. The Company is of view that the said demand is not tenable and expects to succeed in its appeal.

(c) In addition, the Company is involved in other legal proceedings and claims, which have arisen in the ordinary course of business. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and result of operations.

35 Capital commitments

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

₹ in crore

Particulars	March 31, 2022	March 31, 2021
For purchase / development of computer software	3.91	0.87

36 Leases

36.1 Company as a leasee

The company's leased assets mainly comprise office building and servers taken on lease. Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The term of property leases ranges from 1-10 years and server leases are ranging from 1-10 years. The Company has applied short term lease exemption for leasing arrangements where the period of lease is less than 12 months.

36.2 Total lease liabilities are analysed as follows:

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Current	11.11	7.88
Non-current	73.71	66.48
Total	**84.82**	**74.36**

36.3 Amounts recognised in the statement of profit and loss

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Depreciation charge of right-of-use assets		
Buildings	4.08	3.64
Computers	7.90	7.83
Total	**11.98**	**11.47**
Expense relating to short-term leases (included in other expenses)	18.15	14.99
Interest on lease liabilities (included in finance costs)	8.02	6.39

36.4 Total cash outflow for leases and commitments for short-term leases

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Total cash outflow for leases	35.65	28.93
Total commitments for short-term leases	10.48	6.44

36.5 The Company had committed to leases which had not commenced. The total future cash outflows for leases that had not yet commenced were as follows:

₹ in crore

Type of asset	March 31, 2022	March 31, 2021
Computers	-	7.59

36.6 The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:

₹ in crore

Maturity analysis:	March 31, 2022	March 31, 2021
Less than 1 year	19.10	15.22
Between 1 and 2 years	17.72	14.83
Between 2 and 5 years	49.89	41.00
More than 5 years	31.19	37.65
Total	**117.90**	**108.70**

36.7 The following is the movement in lease liabilities during the year.

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Balance as at April 1, 2021	74.36	60.11
Additions during the period	19.93	25.20
Finance cost incurred during the period	8.02	6.39
Payment of lease liabilities	(17.49)	(17.34)
Balance as of March 31, 2022	**84.82**	**74.36**

Note: Refer Note 10(A) for movement in right to use of assets

37 Related party transactions

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

Holding Company	CreditAccess India NV
Subsidiary Company	Madura Micro Finance Limited ("MMFL")
Subsidiary Company	CreditAccess India Foundation
Step-down Subsidiary	Madura Micro Education Private Limited
Chairman & Nominee Director	Mr. Paolo Brichetti (upto July 30,2021)
Managing Director & CEO (KMP)	Mr. Udaya Kumar Hebbar
Chairman & Lead Independent Director	Mr. George Joseph (Chairman from August 11,2021)
Key management personnel - Director-Finance (w.e.f June 14, 2020) & CFO and Additional Director (w.e.f. March 18, 2020)	Mr. Diwakar B R (Resigned on November 06, 2020)
Independent Director	Mr. R Prabha (Cessation of office on November 03, 2020)
Independent Director	Ms. Sucharita Mukherjee
Independent Director	Mr. Anal Kumar Jain (upto June 25, 2020)
Independent Director	Mr. Manoj Kumar
Nominee Director	Mr. Sumit Kumar
Nominee Director	Mr. Massimo Vita
Independent Director	Ms. Lilian Jessie Paul (w.e.f. September 16, 2020)
Key Management Personnel	Mr. Ganesh Narayanan, Deputy CEO (w.e.f. July 01, 2021)
Key Management Personnel	Mr. S Balakrishna Kamath, Chief Financial Officer (w.e.f. November 7, 2020)
Key Management Personnel	Mr. M J Mahadev Prakash, Company Secretary

₹ in crore

Particulars	Key management personnel	
	March 31, 2022	March 31, 2021
Transactions during the year		
Mr. Udaya Kumar Hebbar		
Salary and perquisites	2.85	2.21
Employee Stock Options exercised	0.59	0.11
Mr. Diwakar B R		
Salary and perquisites	-	1.46
Employee Stock Options exercised	-	0.07
Mr. Balakrishna Kamath		
Salary and perquisites	1.10	0.33
Employee Stock Options exercised	0.15	-
Mr. M J Mahadev Prakash		
Salary and perquisites	0.58	0.45
Employee Stock Options exercised	-	-
Mr. Ganesh Narayanan		
Salary and perquisites	1.27	-
Employee Stock Options exercised	-	-

Provisions for gratuity and leave benefits are made for the Group as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.

Sitting fees	March 31, 2022	March 31, 2021
Mr. R Prabha	-	0.06
Mr. Paolo Brichetti	0.01	0.08
Mr. Sumit Kumar	0.04	0.06
Mr. Massimo Vita	0.06	0.07
Mr. Anal Kumar Jain	-	0.02
Ms. Sucharita Mukherjee	0.05	0.04
Mr. George Joseph	0.10	0.09
Mr. Manoj Kumar	0.09	0.08
Ms. Lilian Jessie Paul	0.06	0.03

Commission	Other related parties	
	March 31, 2022	March 31, 2021
Mr. R Prabha	0.01	0.07
Mr. Anal Kumar Jain	(0.04)	0.06
Ms. Sucharita Mukherjee	0.12	0.07
Mr. George Joseph	0.17	0.07
Ms. Lilian Jessie Paul	0.14	-
Mr. Manoj Kumar	0.17	0.06

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Transactions during the year		
Madura Micro Finance Limited		
(i) Investment in subsidiary *	0.55	1.49
(ii) Sub-debt		-
(a) 'Loan given	150.00	-
(b) Interest income	3.61	-
(iii) Transaction in the nature of reimbursement		
(a) Transfer of license	1.59	0.48
(b) others	3.25	0.64
CreditAccess India Foundation		
(i) Grant paid for CSR expenses	2.70	-
(ii) Rent received	0.01	-
(iii) Transaction in the nature of reimbursement		
(a) Reimbursement expenses	0.02	-

* Represents acquisition of stake from previous shareholders of Madura Micro Finance Limited.

₹ in crore

Particulars	Holding Company	
	March 31, 2022	March 31, 2021
Balances at the end of the year		
Subsidiary Company		
Subordinated Loan to subsidiary	149.58	-
Investment in subsidiary	663.28	662.73

Sitting fees payable	Other related parties	
	March 31, 2022	March 31, 2021
Mr. Paolo Brichetti	-	0.02
Mr. Massimo Vita	0.01	0.02
Mr. Sumit Kumar	-	0.01

Commission payable	Other related parties	
	March 31, 2022	March 31, 2021
Mr. R Prabha	-	0.07
Mr. Anal Kumar Jain	-	0.06
Ms. Sucharita Mukherjee	0.10	0.06
Mr. George Joseph	0.12	0.07
Ms. Lilian Jessie Paul	0.08	-
Mr. Manoj Kumar	0.10	0.03

License and other service charges receivables	Subsidiary company	
	March 31, 2022	March 31, 2021
Madura Micro Finance Limited	1.34	1.12
CreditAccess India Foundation	0.02	-

38 Employee stock options

Stock options: The Company has provided share based payments to its employees under the 'CAGL Employees Stock Option Plan – 2011' (upto July 8, 2020 name was 'Grameen Koota Financial Services Private Limited – Employees Stock Option Plan 2011'). The various Tranches I, II, III, IV, V,VI, VII and VIII represent different grants made under the plan. During year ended March 31, 2022, the following stock option grant were in operation:

₹ in crore

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI	Tranche VII	Tranche VIII
Date of grant	Apr 1, 2012	Oct 1, 2013"	Jun 1, 2014	Jul 1, 2016	Jan 1, 2017	Jan 1, 2018	Jan 1, 2021	Jan 1, 2022
Date of Board / Compensation Committee approval	Oct 15, 2011	Aug 22, 2012	Jul 30, 2014	Jun 29, 2016	May 17, 2017	Jan 24, 2018	Jan 29, 2021	Mar 23, 2022
Number of Options granted	716,676	631,339	443,000	431,000	521,000	971,000	375,900	1,029,300
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Graded vesting period:								
Day following the expiry of 12 months from grant	25%	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 24 months from grant	25%	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 36 months from grant	25%	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 48 months from grant	25%	25%	25%	25%	25%	25%	25%	25%
Exercise period	48 months from date of vesting						36 months from the date of vesting	
Vesting conditions	Employee to be in service at the time of vesting							
Weighted average remaining contractual life (years)								
-I	-	-	-	-	-	0.75	3.76	4.76
-II	-	-	-	0.25	0.75	1.75	4.76	5.76
-III	-	-	-	1.25	1.76	2.76	5.76	6.76
-IV	-	-	0.17	2.25	2.76	3.76	6.76	7.76
Weighted average exercise price per option (₹)	27.00	27.00	39.86	63.90	84.47	120.87	786.91	595.68
Weighted average fair value of options (₹)	-	18.73	38.46	75.78	61.95	86.27	224.32	167.40

Additional disclosures for Tranche VIII - granted during the current year and Tranche VII- in previous year:

Particulars	Tranche VIII	Tranche VII
Share price on the date of Grant (in ₹)	597.30	768.85
Expected volatility (%)		
I	44.44%	58.89%
II	43.38%	52.16%
III	51.03%	49.37%
IV	49.42%	49.82%
Risk free interest rate (%)		
I	5.10%	4.34%
II	5.65%	4.99%
III	6.12%	5.62%
IV	6.46%	6.03%
Fair value per option (in₹)		
I	116.67	184.06
II	144.49	207.75
III	193.85	235.30
IV	214.58	270.19

CREDITACCESS GRAMEEN LIMITED
STANDALONE FINANCIALS

Reconciliation of options:

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Tranche I		
Options outstanding at the beginning of the year	-	-
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	-	-
Exercisable at the end of the year	-	-
Tranche II		
Options outstanding at the beginning of the year	4,000	7,500
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	1,500	2,000
Expired during the year	2,500	1,500
Outstanding at the end of the year	-	4,000
Exercisable at the end of the year	-	4,000
Tranche III		
Options outstanding at the beginning of the year	7,500	38,500
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	1,500	29,500
Expired during the year	1,500	1,500
Outstanding at the end of the year	4,500	7,500
Exercisable at the end of the year	4,500	7,500
Tranche IV		
Options outstanding at the beginning of the year	1,83,250	2,52,250
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	26,500	69,000
Expired during the year	-	-
Outstanding at the end of the year	1,56,750	1,83,250
Exercisable at the end of the year	1,56,750	1,83,250
Tranche V		
Options outstanding at the beginning of the year	3,13,950	3,56,300
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	98,700	34,850
Expired during the year	-	7,500
Outstanding at the end of the year	2,15,250	3,13,950
Exercisable at the end of the year	2,15,250	3,13,950
Tranche VI		
Options outstanding at the beginning of the year	5,20,343	6,88,525
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	1,54,256	1,45,908
Expired during the year	11,826	22,274
Outstanding at the end of the year	3,54,261	5,20,343
Exercisable at the end of the year	3,54,261	3,16,591
Tranche VII		
Options outstanding at the beginning of the year	3,75,900	-
Granted during the year	-	3,75,900
Forfeited during the year	-	-
Exercised during the year	1,850	-
Expired during the year	41,925	-
Outstanding at the end of the year	3,32,125	3,75,900
Exercisable at the end of the year	82,150	-
Tranche VIII		
Options outstanding at the beginning of the year	-	-
Granted during the year	10,29,300	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	1,029,300	-
Exercisable at the end of the year	-	-

39 Revenue from contracts with customers

₹ in crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) Type of services		
Service fees for management of assigned portfolio of loans	0.06	0.09
Service and administration charges	2.44	3.27
Distribution Income	10.72	5.39
Total	**13.22**	**8.75**

(B) Geographical markets

₹ in crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
India	13.22	8.75
Outside India	-	-
Total	**13.22**	**8.75**

(C) Timing of revenue recognition

₹ in crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Services transferred at a point in time	13.22	8.75
Services transferred over time	-	-
Total	**13.22**	**8.75**

Receivables

₹ in crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Distribution income	4.02	1.07

40 Financial instruments – fair values

40.1 Accounting classification and fair values:

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

₹ in crore

Financial assets/ Liabilities (assets and Liabilities measured at fair value)	March 31,2022			March 31, 2021		
	Fair value			Fair value		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Loans (measured at FVOCI)	-	-	11,246.06	-	-	8,893.33
Investments *	-	-	0.20	-	-	0.20
Total	**-**	**-**	**11,246.26**	**-**	**-**	**8,893.53**
Financial Liabilities						
Derivative financial instruments	-	1.66	-	-	-	-
Total	**-**	**1.66**	**-**	**-**	**-**	**-**

* Investment above does not include investment in subsidiary, which is measured at cost in accordance with Ind AS 27.

Fair values of Loans designated under FVOCI have been measured under level 3 at fair value based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest. The Significant Unobservable Input is the Discount rate, determined using the cost of lending of the company.

₹ in crore

Fair value of financial assets and liabilities measured at amortised cost	March 31, 2022				March 31, 2021			
	Amortised cost	Fair value			Amortised cost	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Loans	805.96	-	-	802.11	824.49	-	-	834.33
Subordinated Loan to subsidiary	149.58	-	-	149.58	-	-	-	-
Total	**955.54**	**-**	**-**	**951.69**	**824.49**	**-**	**-**	**834.33**
Debt securities	1,372.81	-	-	1,392.39	1,506.04	-	-	1,539.94
Borrowings (other than debt securities)	9,112.25	-	-	9,169.32	7,249.68	-	-	7,319.46
Subordinated liabilities	-	-	-	-	25.00	-	-	25.93
Lease Liability	84.82	-	-	89.12	74.36	-	-	74.74
Total	**10,569.88**	**-**	**-**	**10,650.83**	**8,855.08**	**-**	**-**	**8,960.07**

Note:

The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets/liabilities and trade and other payables approximate the fair value because of their short-term nature.

There were no transfers between Level 3 and Level 1/Level 2 during the current year.

Fair values of Loans measured at amortised cost have been measured based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest. The Significant Unobservable Input is the Discount rate, determined using the cost of lending of the company.

Valuation methodologies of financial instruments not measured at fair value

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Loans (measured at amortised cost)

Fair values of Loans measured at amortised cost have been measured based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest. The Significant Unobservable Input is the Discount rate, determined using the cost of lending of the company.

Financial liabilities measured at amortised cost

The fair value of fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rate being charged for new borrowings. The fair value of floating rate borrowing is deemed to equal its carrying value.

41 Risk Management

41.1 Introduction and risk profile

CreditAccess Grameen Limited ("Company") is one of the leading microfinance institutions in India focused on providing financial support to women from low income households engaged in economic activity with limited access to financial services. The Company predominantly offers collateral free loans to women from low income households, willing to borrow in a group and agreeable to take joint liability. The wide range of lending products address the critical needs of customers throughout their lifecycle and include income generation, home improvement, children's education, sanitation and personal emergency loans. With a view to diversifying the product profile, the company has introduced individual loans for matured group lending customers. These loans are offered to customers having requirement of larger loans to expand an existing business in their individual capacity.

The common risks for the company are operational, business environment, political, regulatory, concentration, expansion and liquidity. As a matter of policy, these risks are assessed and steps as appropriate, are taken to mitigate the same.

41.1.a Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.The Risk Management framework approved by the Board has laid down the governance structure supporting the identification, assessment, monitoring, reporting and mitigation of risk throughout the company. The objective of the risk management platform is to make a conscious effort in developing risk culture within the organisation and having appropriate systems and tools for timely identification, measurement and reporting of risks for managing them.

The Board has a Risk Management committee which is responsible for monitoring the overall risk process within the Company and reports to the Board of Directors.

The Risk Management guidelines will be implemented through the established organization structure of Risk Department. The overall monitoring of the Risks is done by the Chief Risk Officer (CRO) with the support from all the department heads of the Company. The Board reviews the status and progress of the risk and risk management system, on quarterly basis through the Audit Committee and Risk Management Committee. The individual departments are responsible for ensuring implementation of the risk management framework and policies, systems and methodologies as approved by the Board. Assignment of responsibilities in relation to risk management is prerogative of the Heads of Departments, in coordination with CRO.While each department focuses on its specific area of activity, the Risk Management Unit operates in coordination with all other departments, utilising all significant information sourced to ensure effective management of risks in accordance with the guidelines approved by the Board. The unit works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework.

Heads of Departments are accountable to a Management Level Risk Committee (MLRC) comprising of MD&CEO, CFO, CAO, Deputy CEO & CBO, CTO and CRO. The departmental heads will report for the implementation of above mentioned guideline within their respective areas of responsibility. The department heads are also accountable to the MLRC for identification, assessment, aggregation, reporting and monitoring of the risk related to their respective domain.

The Company's policy is that risk management processes throughout the Company are audited by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Audit Committee.

41.1.b Risk mitigation and risk culture

Risk assessments are conducted for all business activities. The assessments are to address potential risks and to comply with relevant legal and regulatory requirements. Risk assessments are performed by competent personnel from individual departments and risk management department including, where appropriate, expertise from outside the Company. Procedures are established to update risk assessments at appropriate intervals and to review these assessments regularly. Based on the Risk Control and Self Assessment (RCSA), the Company formulates its Risk Management Strategy / Risk Management plan on annual basis. The strategy will broadly entail choosing among the various options for risk mitigation for each identified risk. The risk mitigation is planned using the following key strategies:

Risk Avoidance: By not performing an activity that could carry risk. Avoidance may seem the answer to all risks, but avoiding risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed.

Risk Transfer: Mitigation by having another party to accept the risk, either partial or total, typically by contract or by hedging.

Risk Reduction: Employing methods/solutions that reduce the severity of the loss.

Risk Retention: Accepting the loss when it occurs. Risk retention is a viable strategy for small risks where the cost of insuring against the risk would be greater over time than the total losses sustained. All risks that are not avoided or transferred are retained by default. This includes risks that are so large or catastrophic that they either cannot be insured against or the premiums would be infeasible.

41.1.c Risk measurement and reporting systems

The heads of all the departments in association with risk management department are responsible for coordinating the systems for identifying risks within their own department or business activity through RCSA exercise to be conducted at regular intervals. Based on a cost / benefit assessment of a risk, as is undertaken, some risks may be judged as having to be accepted because it is believed mitigation is not possible or warranted. As the risk exposure of any business may undergo change from time to time due to continuously changing environment, the updation of the Risk Register will be done on a regular basis. All the strategies with respect to managing these major risks shall be monitored by the CRO and MLRC. The Management Level Risk Committee meetings are held as necessary or at least once a month. The Management Level Risk Committee would monitor the management of major risks specifically and other risks of the Company in general. The Committee takes an integrated view of the risks facing the entity and monitor implementation of the directives received from Risk Management Committee and actionable items drawn from the risk management framework.

Accordingly, the Management Level Risk Committee reviews the following aspects of business specifically from a risk indicator perspective and suitably record the deliberations during the monthly meeting.

- Review of business growth and portfolio quality.
- Discuss and review the reported details of Key Risk Threshold breaches (KRI's), consequent actions taken and review of operational loss events, if any.
- Review of process compliances including audit performance across organisation.
- Review of HR management, training and employee attrition.
- Review of new initiatives and product/policy/process changes.
- Discuss and review performance of IT systems.
- Review the status of strategic projects initiated.
- Review, where necessary, policies that have a bearing on the operational & credit risk management and recommend amendments.
- Discuss and recommend suitable controls/mitigations for managing operational & credit risk and assure that adequate resources are being assigned to mitigate the risks.
- Review analysis of frauds, potential losses, non-compliance, breaches etc. and determine corrective measures to prevent their recurrences.
- Understand changes and threats, concur on areas of high priority and possible actions for managing/mitigating the same.

41.1.d Risk Management Strategies

Excessive risk concentrations

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

The following management strategies and policies are adopted by the Company to manage the various key risks.

Political Risk mitigation measures:
• Low cost operations and low pricing for customers.
• Customer centric approach, high customer retention.
• Rural focus.
• Systematic customer awareness activities.
• High social focused activities.
• Adherence to client protection guidelines.
• Robust grievance redressal mechanism.
• Adherence to regulatory guidelines in letter and spirit.

Concentration risk mitigation measures:
• District centric approach.
• District exposure cap.
• Restriction on growth in urban locations.
• Maximum disbursement cap per loan account.
• Maximum loan exposure cap per customer.
• Diversified funding resources.

Operational & HR Risk mitigation measures:
• Stringent customer enrolment process.
• Multiple products.
• Proper recruitment policy and appraisal system.
• Adequately trained field force.
• Weekly & fortnightly collections – higher customer touch, lower amount instalments.
• Multilevel monitoring framework.
• Strong, Independent and fully automated Internal Audit function.
• Strong IT system with access to real time client and loan data.

Liquidity risk mitigation measures:
• Diversified funding resources.
• Asset liability management.
• Effective fund management.
• Maximum cash holding cap.

Expansion risk mitigation measures:
• Contiguous growth.
• District centric approach.
• Rural focus.
• Branch selection based on census data & credit bureau data.
• Three level survey of the location selected.

Credit risk
Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument, whether a customer or otherwise, fails to meet its contractual obligations towards the Company. Credit risk is the core business risk of the Company. The Company therefore has high appetite for this risk but low tolerance and the governance structures including the internal control systems are particularly designed to manage and mitigate this risk. The Company is mainly exposed to credit risk from loans to customers (including loans transferred to SPVs under securitization agreements, excluding loans sold under assignment presented as off-balance sheet assets).

The credit risk may arise due to, over borrowing by customers or over lending by other financial institutions competitors, gaps in joint-liability collateral and repayment issues due to external factors such as political, community influence, regulatory changes and natural disasters (storm, earthquakes, fires, floods) and intentional default by customers.

To address credit risk, the Company has stringent credit policies for customer selection. To ensure the credit worthiness of the customers, stringent underwriting policies such as credit investigation, both in-house and field credit verification, is in place. In addition, the company follows a systematic methodology in the selection of new geographies where to open branches considering factors such as the portfolio at risk and over indebtedness of the proposed area/region, potential for micro-lending and socio-economic risk evaluation (e.g., the risk of local riots or natural disasters). Loan sanction and rejections are carried out at the head office. A credit bureau rejections analysis is also regularly carried out in company.

Credit risk is being managed by continuously monitoring the borrower's performance if borrowers are paying on time based on their amortization dues. The company ensures stringent monitoring and quality operations through both field supervision (branch/area/region staff supervision, quality control team supervision) and management review. Management at each company's head office closely monitors credit risk through system generated reports (e.g., PAR status and PAR movement, portfolio concentration analysis, vintage analysis, flow-rate analysis) and Key Risk Indicators (KRIs) which include proactive actionable thresholds limits (acceptable, watch and breach) developed by CRO, revised at the the MLRC and at the Risk Committee at the Board level.

Some of the main strategies to mitigate credit risk are:
1. Maintain stringent customer enrolment process,
2. Undertake systematic customer awareness activities/ programs,
3. Reduce geographical concentration of portfolio,
4. Maximum loan exposure to member as determined from time to time,
5. Modify product characteristics if needed (e.g., longer maturity for group clients in case the loan is above a certain threshold),
6. Carry out due diligence of new employees and adequate training at induction,
7. Decrease field staff turnover,
8. Supporting technologies: credit bureau checks, GPS tagging and KYC checks.

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the country in which the customers are located, as these factors may have an influence on the credit risk.

41.2 Impairment assessment
The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the summary of significant accounting policies.

41.2.a Definition of default, significant increase in credit risk and stage assessment
For the measurement of ECL, Ind AS 109 distinguishes between three impairment stages. All loans need to be allocated to one of these stages, depending on the increase in credit risk since initial recognition (i.e. disbursement date):

Stage 1: includes loans for which the credit risk at the reporting date is in line with the credit risk at the initial recognition (i.e. disbursement date).
Stage 2: includes loans for which the credit risk at reporting date is significantly higher than at the risk at the initial recognition (Significant Increase in Credit Risk i.e. SICR).
Stage 3: includes default loans. A loan is considered default at the earlier of (i) the Company considers that the obligor is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realizing collateral (if held); or (ii) the obligor is past due more than 60 / 90 days on any material credit obligation to the company.

Further, the RBI on March 27, 2020, April 17, 2020 and May 23, 2020, announced 'COVID-19 Regulatory Package' on asset classification and provisioning. In terms of these RBI guidelines, the Company granted a moratorium on the repayment of all Installments and/or Interest, as applicable, due between March 1, 2020 and August 31, 2020 to all eligible borrowers. In respect of such accounts that were granted moratorium, the moratorium period has been excluded from determining overdue days.

The accounts which were restructured under the resolution Framework for Covid-19 related stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) were initially classified under Stage-2.

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting date by considering the change in the risk of default occurring over the remaining life of the financial instrument.

(i) Joint liability loans (JLG)

Unlike banks which have more of monthly repayments, the Company offers products with primarily weekly repayment frequency, whereby 15 and above Days past due ('DPD') means already 2 missed instalments from the borrower, and accordingly, the Company has identified the following stage classification to be the most appropriate for its JLG :

Stage 1: 0 to 15 DPD.
Stage 2: 16 to 60 DPD (SICR).
Stage 3: above 60 DPD (Default).

(ii) Individual loans

Since Individual loans are on monthly repayment model, the Company has identified the following stage classification to be the most appropriate for these loans :

Stage 1: 0 to 30 DPD.
Stage 2: 31 to 90 DPD (SICR).
Stage 3: Above 90 DPD (Default).

41.2.b Probability of Default ('PD')

(i) Joint Liability Loans (JLG)

PD describes the probability of a loan to eventually falling into Stage 3. PD %age is calculated for each loan account separately and is determined by using available historical observations.

PD for stage 1: is derived as %age of all loans in stage 1 moving into stage 3 in 12-months' time.

PD for stage 2: is derived as %age of all loans in stage 2 moving into stage 3 in the maximum lifetime of the loans under observation.

PD for stage 3: is derived as 100% considering that the default occurs as soon as the loan becomes overdue for 60 days which matches the definition of stage 3.

(ii) Individual loans

Individual loans is a relatively new portfolio that was started in November 2016. Performance history of matured vintage loan is not available in adequate number to build PD or LGD model. The ECL estimation for Individual loans portfolio is carried out using a which is based on management judgement.

41.2.c Exposure at default (EAD)

Exposure at default (EAD) is the sum of outstanding principal and the interest amount accrued but not received on each loan as at reporting date.

41.2.d Loss given default (LGD)

LGD is the opposite of recovery rate. LGD = 1 – (Recovery rate). LGD is calculated based on past observations of Stage 3 loans.

(i) Joint liability loans (JLG)

LGD is computed as below:

The Company determines its expectation of lifetime loss by estimating recoveries towards its loan through analysis of historical information. The Company determines its recovery rates by analysing the recovery trends over different periods of time after a loan has defaulted. LGD is the difference between the exposure at default and its recovery rate.

In estimating LGD, the Company reviews macro-economic developments taking place in the economy. A select group of Stage 2 and Stage3 loans exhibiting specific payment pattern has been applied an LGD which is lower than the regular LGD estimate.

(ii) Individual loans

Individual loans is a relatively new portfolio that was started in November 2016. Performance history of matured vintage loan is not available in adequate number to build PD or LGD model. The ECL estimation for individual loans portfolio is carried out using a methodology which is based on management judgement.

41.2.e Grouping financial assets measured on a collective basis

The Company believes that the Joint Liability Group (JLG) loans have shared risk characteristics (i.e. homogeneous) which are different from those of Individual loans (IL). Therefore, JLG and IL are treated as two separate groups for the purpose of determining impairment allowance.

41.2.f The Company's Loan book consists of a large number of customers spread over diverse geographical area, hence the Company is not exposed to concentration risk with respect to any particular customer.

41.2.g Analysis of inputs to the ECL model under multiple economic scenarios

Adjusting the ECL to reflect the expected changes (if any) in the economic environment for forward looking information in the form of management overlay.

41.2.h Pursuant to the RBI circular dated November 12, 2021 - " Prudential norms on Income Recognition, Asset-Classification and Provisioning (IRACP) pertaining to Advances - Clarifications", the Company changed its NPA definition to comply with the norms/ changes for regulatory reporting, as applicable. This has resulted in classification of loans amounting to 3.48 Crore as additional non-performing assets (Stage 3) as at March 31, 2022. However, the said change does not have a material impact on the financial results for the quarter / year ended March 31, 2022. On 15 February 2022, the RBI allowed deferment pertaining to the upgradation of Non Performing accounts till 30 September 2022. However, the Company has not opted for such deferment and continues to align Stage 3 definition to revised NPA definition.

41.3 Capital

The Company actively manages its capital base to cover risks inherent to its business and meet the capital adequacy requirement of RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

(i) Capital management

The Company's objectives when managing capital are to -

• safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

• Maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities.

Planning

The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks– which include credit, liquidity and interest rate.

The Company monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis through its Assets Liability Management Committee (ALCO).

The Company endeavours to maintain its CRAR higher than the mandated regulatory norm of 15%. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

(ii) Regulatory capital

Particulars	As at March 31, 2022	As at March 31, 2021
Tier I CRAR	25.87%	30.50%
Tier II CRAR	0.67%	1.25%
	26.54%	**31.75%**

41.4 Liquidity risk and funding management

Liquidity risk arises due to the unavailability of adequate amount of funds at an appropriate cost and tenure. The Company may face an asset-liability mismatch caused by a difference in the maturity profile of its assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. We monitor liquidity risk through our Asset Liability Management Committee. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term. We actively monitor our liquidity position to ensure that we can meet all borrower and lender-related funding requirements.

There are Liquidity Risk mitigation measures put in place which helps in maintaining the following:

Diversified funding resources:

The Company's treasury department secures funds from multiple sources, including banks, financial institutions and capital markets and is responsible for diversifying our capital sources, managing interest rate risks and maintaining strong relationships with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies. The Company continuously seek to diversify its sources of funding to facilitate flexibility in meeting our funding requirements. Due to the composition of the loan portfolio, which also qualifies for priority sector lending, it also engages in securitization and assignment transactions.

Asset Liability Management (ALM) can be termed as a risk management technique designed to earn an adequate return while maintaining a comfortable surplus of assets over liabilities. ALM, among other functions, is also concerned with risk management and provides a comprehensive as well as dynamic framework for measuring, monitoring and managing liquidity and interest rate risks. ALM is an integral part of the financial management process of CA Grameen. It is concerned with strategic balance sheet management, involving risks caused by changes in the interest rates and the liquidity position of CA Grameen. It involves assessment of various types of risks and altering the asset-liability portfolio in a dynamic way in order to manage risks.

ALM committee constitutes of Board of Directors who would review the tolerance limits for liquidity/ interest rate risks and would recommend to Board of Directors for its approval from time to time. As per the directions of the Board, the ALM statements would be reported to the ALM committee on quarterly basis for necessary guidance.

The scope of ALM function can be described as follows:
i. Funding and Capital Managementm,
ii. Liquidity risk management,
iii. Interest Rate risk management,
iv. Forecasting and analyzing 'What if scenario' and preparation of contingency plans

Capital guidelines ensure the maintenance and independent management of prudent capital levels for CA Grameen. 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 41.3 with respect to regulatory capital of the Company as at the reporting dates.

Liquidity assessment as on March 31, 2022** ₹ in crore

Particulars	Upto 30 / 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings *									
Debt securities	106.44	39.04	82.11	166.71	213.09	929.32	-	-	**1,536.71**
Borrowings (other than debt securities)	444.95	405.01	461.86	1,770.62	2,596.96	4,141.40	161.34	-	**9,982.14**
Subordinated liabilities	-	-	-	-	-	-	-	-	**-**
Total	**551.39**	**444.05**	**543.97**	**1,937.33**	**2,810.05**	**5,070.72**	**161.34**	**-**	**11,518.85**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lender
**For Maturity pattern of assets- Refer Note 46 (h).

Liquidity assessment as on March 31, 2021** ₹ in crore

Particulars	Upto 30 / 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings*									
Debt securities	3.13	12.84	59.23	104.03	321.27	1,150.04	114.63	-	**1,765.17**
Borrowings (other than debt securities)	400.29	329.89	445.35	1,206.75	2,352.27	3,036.07	192.87	-	**7,963.49**
Subordinated liabilities	0.30	0.31	0.30	0.93	25.63	-	-	-	**27.47**
Total	**403.72**	**343.04**	**504.88**	**1,311.71**	**2,699.17**	**4,186.11**	**307.50**	**-**	**9,756.13**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.
**For Maturity pattern of assets- Refer Note 46 (h).

41.5 Market Risk

41.5.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

41.5.2 Interest rate risk

The Interest rate risk is the risk where changes in market interest rates might adversely affect CA Grameen's financial condition. The immediate impact of changes in interest rates is on earnings (i.e. reported profits) by changing its Net Interest Margin (NIM). The risk from the earnings perspective can be measured as changes in Net Interest Margin (NIM). In line with RBI guidelines, the traditional Gap analysis is considered as a suitable method to measure the Interest Rate Risk for CA Grameen.

In case of CA Grameen. it may be noted that portfolio loans are not rate sensitive as there is no re-pricing of existing loans are carried out. Only some of the liabilities in the form of borrowings are rate sensitive and considering the size of our business the quantum of impact of change of interest rate of borrowings on liquidity is not significant and can be managed with appropriate treasury action.

The following table demonstrates the sensitivity to a reasonably possible charge in interest rates (all other variables being constant) of the Company's profit and loss statement.

₹ in crore

Particulars	Basis points	Effect on profit / loss and equity for the year 2021-22	Effect on profit / loss and equity for the year 2020-21
Borrowings			
Increase in basis points	+ 25	(12.01)	(11.21)
Decrease in basis points	- 25	12.01	11.21

41.5.3 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Company manages its foreign currency risk by entering in to cross currency swaps and forward contract.

Particulars	March 31, 2022 USD	March 31, 2021 USD
Liability – External Commercial Borrowings	1,50,00,000	-
Assets – Crorss Currency Interest rate Swap Contract	1,50,00,000	-

41.5.4 Hedging Policy

The Company's Hedging Policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationship where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and qualitative assessment of effectiveness is performed.

In respect of Interest rate swaps, there is an economic relationship between the hedged item and the hedging instrument as the terms of the Interest Rate swap contract match that of the foreign currency borrowing (notional amount, interest repayment date etc. The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swap are identical to the hedged risk components.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss, and is included in the '(Gain) / Loss in Fair Value of Derivatives' line item.

Impact of hedge on the balance sheet

₹ in crore

Particulars	Notional amount	Carrying amount of hedging instrument assets	Carrying amount of hedging instrument Liability
INR USD CCIRS	**111.75**	**-**	**1.66**

41.5.5 Changes in liabilities arising from financing activities

₹ in crore

Particulars	As at March 31,2021	Cash flows	Others	As at March 31, 2022
Debt securities	1,506.04	(137.84)	4.61	1,372.81
Borrowings (other than debt securities)	7,249.68	1,861.68	0.89	9,112.25
Subordinated liabilities	25.00	(25.00)	-	-
Lease liabilities	74.36	(17.49)	27.95	84.82
Total liabilities from financing activities	**8,855.08**	**1,681.35**	**33.45**	**10,569.88**

₹ in crore

Particulars	As at March 31,2020	Cash flows	Others	As at March 31, 2021
Debt securities	655.07	825.84	25.13	1,506.04
Borrowings (other than debt securities)	7,142.49	108.39	(1.20)	7,249.68
Subordinated liabilities	25.00	-	-	25.00
Lease liabilities	60.11	(17.35)	31.60	74.36
Total liabilities from financing activities	**7,882.67**	**916.88**	**55.53**	**8,855.08**

42 Operating segments

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company. The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure. No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended March 31, 2022 or March 31, 2021.

43 Impact of COVID 19

Expected Credit Losses

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant volatility in the financial markets and slowdown in the economic activities. Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional restrictions continued to be implemented in areas as India witnessed two more waves of the Covid-19 pandemic during the year ended 31 March 2022.

Currently, the number of new Covid-19 cases have reduced significantly and the Government of India has withdrawn most of the Covid-19 related restrictions. As at March 31, 2022, the Company holds an aggregate provision of ₹403.84 crores against the advances which includes provision of ₹42.16 crores for the accounts restructured under the RBI resolution framework.

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44 Business combination

On March 18, 2020, the Company had completed the acquisition of a controlling stake (76.08%) in the paid-up equity share capital of Madura Micro Finance Limited (MMFL), an NBFC-MFI registered with the Reserve Bank of India (RBI). During FY21, the Company has acquired 12,241 equity shares, representing 0.17% of the equity share capital of MMFL. Further, during the current year, the Company has acquired 4500 equity shares, representing 0.06% of the equity share capital of MMFL, taking the aggregate shareholding of the Company in MMFL as on March 31, 2022 to 76.31%.

The Board of Directors of the Company in its meeting held on November 27, 2019 has approved the scheme of amalgamation of MMFL with the Company, subject to requisite approvals from various regulatory and statutory authorities, respective shareholders and creditors.

Based on the Order by the Hon'ble National Company Law Tribunal (NCLT), Bengaluru dated February 25, 2022, a Meeting of the equity shareholders of the Company was convened on April 25, 2022 for obtaining the approval to the Scheme of Amalgamation. Further, based on the Order by the NCLT Chennai dated March 29, 2022, a meeting of the equity shareholders of MMFL was convened on May 04, 2022. The above Scheme has been approved by the equity shareholders of both the Companies and is now subject to the subsequent approvals of the NCLT Bengaluru and Chennai.

45 Earnings per share (EPS)

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

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
Net profit after tax as per statement of profit and loss (₹ in crores)	382.14	142.39
Net profit as above for calculation of basic EPS and diluted EPS (₹ in crores)	382.14	142.39
Weighted average number of equity shares in calculating basic EPS	15,57,23,606	14,95,40,013
Stock options granted under ESOP	622,097	1,003,028
Weighted average number of equity shares in calculating dilutive EPS	15,63,45,702	15,05,43,041
Earnings per share	24.54	9.52
Dilutive earnings per share	24.44	9.46
Nominal value per share	10.00	10.00

46 Disclosures pursuant to the Master Direction- Non-Banking Financial Company-Systematically Important Non- Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time ('the Master Directions') issued by the RBI

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

₹ in crore

Particulars	March 31, 2022	March 31, 2021
CRAR-Tier I Capital (%)	25.87%	30.50%
CRAR-Tier II Capital (%)	0.67%	1.25%
Amount of subordinated debt raised as Tier II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

b. Investments

₹ in crore

Particulars	March 31, 2022	March 31, 2021
1. Value of Investments		
(i) Gross value of investments		
(a) in India	663.49	662.93
(b) outside India	-	-
(ii) Provisions for depreciation		
(a) in India	-	-
(b) outside India	-	-
(iii) Net value of investments		
(a) in India	663.49	662.93
(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

(I) Forward Rate Agreement / Interest Rate Swap (also includes currency interest rate swaps)

₹ in crore

Particulars	March 31, 2022	March 31, 2021
(i) The notional principal of swap agreements	111.75	-
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	1.66	-
(iii) Collateral required by the NBFC upon entering into swaps	-	-
(iv) Concentration of credit risk arising from the swaps	-	-
(v) The fair value of the swap book	1.66	-

(II) Exchange Traded Interest Rate (IR) Derivatives:

The Company has not traded in Interest Rate Derivative during the financial year ended March 31,2022 (Previous year: NIL).

(III) Disclosures on Risk Exposure in Derivatives

The Company has a Treasury Risk Management Policy approved by the Assets Liability Committee and the Board. This policy provides the framework for managing various risks including interest rate risk and currency risk. The policy provides for use of derivative instruments in managing the risks.

The Company has sourced External Commercial Borrowing in foreign currency. The same has been hedged as required by RBI.

Qualitative Disclosure

₹ in crore

Particulars	Currency Derivatives	Interest Rate Derivatives"
(i) Derivatives (Notional principal amount) for Hedeging	111.75	NIL
(ii) Market to Market position		
(a) Asset (+)	6.50	-
(b) Liability (-)	(8.16)	-
(iii) Credit exposure	111.75	-
(iv) Unhedged exposure	NIL	-

The Company has no unhedged foreign currency exposure as on March 31, 2022 (March 31, 2021: Nil).

d. Disclosure related to securitization

During the year the Company has not transferred any loans through securitization.

₹ in crore

Particulars	March 31, 2022	March 31, 2021
No of SPVs sponsored by the NBFC for securitization transactions	-	-
Amount of securitized assets as per books of SPV sponsored by NBFC	-	-
Amount of exposures retained by NBFC to comply with MRR as on the date of balance sheet	-	-
a. Off-balance sheet exposure		
· First loss	-	-
· Others	-	-
b. On-balance sheet exposure		
· First loss – cash collateral	-	-
· Others	-	-
Amount of exposures other than MRR		
a. Off-balance sheet exposure		
i. Exposure to own securitizations		
· First loss	-	-
· Loss	-	-
ii. Exposure to third party transactions		
· First loss	-	-
· Others	-	-
b. On-balance sheet exposure		
i. Exposure to own securitizations		
· Others	-	-
ii. Exposure to third party transactions		
· First loss	-	-
· Others	-	-

e. Details of financial assets sold to securitization / reconstruction company for asset reconstruction

The Company has not sold any financial asset to securitization / reconstruction company for asset reconstruction in the current and previous year.

f. Details of assignment transactions

The Company has undertaken 5 assignment transactions during the current year (March 31, 2021: 4 transactions).

Particulars	March 31, 2022	March 31, 2021
Number of loans assigned	374,239	393,980
Aggregate value (net of provision) of accounts sold	1,120.30	1,203.83
Aggregate consideration*	1,120.30	1,203.83
Aggregate gain over net book value	75.69	100.14

* this represents principal amount outstanding as at the date of transaction adjusted for any specific provisions.

g. Details of non-performing financial asset purchased / sold

The Company has not purchased / sold any non-performing financial assets in the current and previous year.

h. Asset liability management

Maturity pattern of assets and liabilities as on March 31, 2022:

₹ in crore

Particulars	1 to 7 days	8 to 14 days	Over 14 days to one month	Over one month to 2 months	Over 2 months to 3 months	Over 3 Months upto 6 months	Over 6 Months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Borrowings	36.27	116.98	364.12	387.87	482.07	1,742.75	2,526.72	4,680.17	148.11	-	**10,485.06**
-Other than foreign currency liability	36.27	116.98	364.12	387.87	482.07	1,742.75	2,523.35	4,635.86	79.72	-	**10,368.98**
- Foreign currency liability	-	-	-	-	-	-	3.37	44.32	68.40	-	**116.08**
Advances #	151.17	142.11	329.22	662.30	749.82	1,898.44	3,325.89	4,854.42	59.80	149.81	**12,322.98**
Investments	-	-	-	-	-	-	-	-	-	663.49	**663.49**

Note applicable for FY 2021-22

1. All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.
2. For the purpose of above disclosure, Advances include aggregate outstanding balance of Loans, Other Financial Assets and Other Non-Financial Assets.

\# Includes subordinated debt given to MMFL of ₹ 149.58 crore with maturity period over 5 years.

Maturity pattern of assets and liabilities as on March 31, 2021:

₹ in crore

Particulars	1 to 7 days	8 to 14 days	Over 14 days to one month	Over one month to 2 months	Over 2 months to 3 months	Over 3 Months upto 6 months	Over 6 Months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Borrowings	35.58	139.28	199.83	300.09	459.18	1,138.10	2,437.65	3,784.47	286.54	-	**8,780.72**
-Other than foreign currency liability	35.58	139.28	199.83	300.09	459.18	1,138.10	2,437.65	3,784.47	286.54	-	**8,780.72**
- Foreign currency liability	-	-	-	-	-	-	-	-	-	-	**-**
Advances	142.24	122.97	319.24	552.07	637.23	1,603.34	2,843.95	3,494.21	126.78	-	**9,842.03**
Investments	-	-	-	-	-	-	-	-	-	662.93	**662.93**

Note applicable for FY 2020-21

1. All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.
2. For the purpose of above disclosure, Advances include aggregate outstanding balance of Loans, Other Financial Assets and Other Non-Financial Assets.

i. Exposures

The Company has no exposure to the real estate sector and capital market directly or indirectly in the current and previous year.

j. Details of Financing of Parent Company Products

The Company was not involved in the financing of Parent Company products.

k. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not exceeded the prudential exposure limits for Single Borrower Limit (SGL) / Group Borrower Limit (GBL) during the year.

l. Unsecured Advances

The Company has not given any Loans and advances against intangible securities during the year.

m. Registration obtained from other financial regulators:

Regulator - Insurance Regulator and Development Authority	Registration No.	Validity
Corporate Agents for : - HDFC Life Insurance Company Limited - ICICI Prudential Life Insurance Company Limited - Kotak Mahindra Life Insurance Company Limited	CA0642	March 15, 2022 to March 14, 2025

n. Disclosure of penalties imposed by RBI and other regulators:

No penalties were imposed by RBI and other regulators during current and previous year.

o. Ratings assigned by credit rating agencies and migration of ratings:

Particulars	Name of rating agency	Date of rating	Rating / (Previous year rating)	Borrowing limit / conditions imposed by rating agency (₹ in crores)	Valid up to
Long-term debt	ICRA	24-Dec-21	[ICRA]A+(Stable)/ [ICRA] A+(Stable)	3,500.00	24-Dec-22
Long-term debt	India Ratings and Research	10-Jan-22	Ind A+ (Stable) /Ind A+ (Stable)	2,000.00	10-Jan-23
Long-term debt	CRISIL	24-Sep-21	CRISIL A+ (Stable)/CRISIL A+ (Stable)	2,000.00	23-Sep-22
Non-convertible debentures	ICRA	24-Dec-21	[ICRA]A+(Stable)/ [ICRA] A+(Stable)	1,022.24	24-Dec-22
Non-convertible debentures	ICRA	24-Dec-21	[ICRA]A+(Stable)/ NA	300.00	24-Dec-22
Non-convertible debentures	India Ratings and Research	10-Jan-22	Ind A+ (Stable)/ Ind A+ (Stable)	100.00	10-Jan-23
Non-convertible debentures	CRISIL	24-Sep-21	CRISIL A+ (Stable)/CRISIL A+ (Stable)	25.00	23-Sep-22
Non-convertible debentures	Brickwork Ratings	30-Nov-21	BWR A+ (Stable)/ BWR A+ (Positive)	100.00	10-Jun-22
Commercial paper	ICRA	24-Dec-21	[ICRA]A1+ / [ICRA]A1+	500.00	24-Dec-22
PP-MLD	ICRA	24-Dec-21	PP-MLD[ICRA]AA+(CE) (Stable)/PP-MLD[ICRA] AA+(CE)(Stable)	50.00	24-Dec-22
PP-MLD	ICRA	24-Dec-21	PP-MLD[ICRA]AA+(CE) (Stable)/NA	100.00	24-Dec-22
Organization grading	CRISIL	16-Oct-21	M1C1/M1C1	NA	15-Oct-22

p. Provisions and contingencies (shown under the head expenditure in statement of profit and loss):

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Impairment of financial instruments	449.44	646.90
-Provision for Stage 1 & 2	484.68	441.07
-Provision for Stage 3	(35.24)	205.83
Provision for income tax	113.56	93.44
Provision for gratuity	5.19	4.42
Provision for leave encashment and availment	10.94	7.36
Provision fraud and misappropriation (net of recoveries)	0.04	0.07
Provision for other assets (net)	1.55	0.13
Total	**580.72**	**752.32**

q. Drawdown from reserves:

There has been no drawdown from reserves during the year ended March 31, 2022 (previous year: Nil).

r. Concentration of advances, exposures and NPAs *

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Concentration of advances		
Total advances to twenty largest borrowers	1.06	0.82
(%) of advances to twenty largest borrowers to total advances	0.01%	0.01%
Concentration of exposures		
Total exposure to twenty largest borrowers / customers	1.06	0.82
(%) of exposures to twenty largest borrowers / customers to total exposure	0.01%	0.01%
Concentration of NPAs		
Total Exposure to top four NPA accounts	**0.12**	**0.14**

s. Sector-wise NPAs *

₹ in crore

Particulars	Percentage of NPAs to Total Advances in that sector as at March 31, 2022	Percentage of NPAs to Total Advances in that sector as at March 31, 2021
Agriculture and allied activities	3.29%	3.96%
MSME	-	-
Corporate borrowers	-	-
Services	2.32%	3.98%
Others	2.78%	10.20%
Unsecured personal loans #	21.92%	9.16%
Auto loans	12.59%	6.49%
Other personal loans	-	-

represents retail business loan given to individuals.

t. Movement of NPAs *

₹ in crore

Particulars	March 31, 2022	March 31, 2021
(i) Net NPAs to Net Advances (%)	**0.94%**	**1.37%**
(ii) Movement of NPAs (Gross):		
Opening balance	449.56	142.10
Additions during the year	1,062.95	868.95
Reductions during the year	1,119.29	561.48
Closing balance	**393.22**	**449.56**
(iii) Movement of Net NPAs		
Opening balance	135.98	34.35
Additions during the year	142.20	141.62
Reductions during the year	163.32	39.99
Closing balance	**114.86**	**135.98**
(iv) Movement of provisions for NPAs		
Opening balance	313.59	107.75
Provisions made during the year	920.74	727.33
Write-off / write-back of excess provisions	955.98	521.49
Closing balance	**278.36**	**313.59**

u. The net interest margin (NIM)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Average interest (a)	18.62%	18.94%
Average effective cost of borrowing (b)	8.86%	9.15%
Net interest margin (a-b)	9.76%	9.79%

Note:

1. Above computation is in accordance with the method accepted by RBI vide its letter no DNBS. PD.NO.4906/03.10.038/2012-13 dated April 4, 2013 to Micro-finance Institutions Network (the "MFIN format") read with the FAQs issued by RBI on October 14, 2016 and RBI circulated dated March 13, 2020 on implementation of Indian Accounting Standards.

2. Average loan outstanding determined for the purpose of calculating NIM is based on carrying value of loans under Ind AS, excluding effect of following:
a. Fair value changes recognised through other comprehensive income;
b. Securitised loans qualifying for de-recognition as per RBI's "true sale" criteria and related interest income have not been considered for computation of "average interest charged" in accordance with the MFIN format. Accordingly, the purchase consideration received towards such securitisations and related finance costs have also not been considered for computation of "average effective cost of borrowings".
c. Impairment allowance adjusted from the carrying value of loans in accordance with Ind AS 109;
d. Carrying value of loans classified as Stage III loans (i.e. erstwhile NPA classification) as per specific communication from RBI.

3. Interest income considered for computation of "average interest charged" excludes loan processing fee collected from customers in accordance with para 56 (vi) of the RBI Master Directions. As per Ind AS 109, such loan processing fee forms part of interest income in the Ind AS standalone financial statements.

v. Overseas Assets

The Company does not have any subsidiary / joint venture abroad.

w. Off Balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The Company does not have SPVs sponsored (which are required to be consolidated as per accounting norms).

x. Disclosure of customer complaints

Sl No	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	No. of complaints pending at the beginning of the year	4	-
(b)	No. of complaints received during the year	3,189	2,716
(c)	No. of complaints redressed during the year	3,192	2,712
(d)	No. of complaints pending at the end of the year	1	4

y. Information on instances of fraud

Instances of fraud reported during the year ended March 31, 2022:

₹ in crore

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount provided
Cash Embezzlement	7	0.14	0.10	0.04

Instances of fraud reported during the year ended March 31, 2021:

₹ in crore

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount provided
Cash Embezzlement	7	0.12	0.07	0.05

z. Public disclosure on Liquidity risk management

(i) Funding concentration based on significant Counterparty *(both deposits and borrowings)

As at March 31, 2022

Number of significant counterparties	Amount (₹ in Crore)	% of Total Deposits	% of Total Liabilities
22	8,601.62	NA	79.24%

As at March 31, 2021

Number of significant counterparties	Amount (₹ in Crore)	% of Total Deposits	% of Total Liabilities
23	7,756.31	NA	85.59%

(ii) Top 20 large deposits (amount in ₹ Crore and % of total deposits) - Not applicable. The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with the Reserve Bank of India does not accept public deposits.

(iii) Top 10 borrowings (amount in ₹ Crore and % of total borrowings)

As at March 31, 2022

₹ in crore

Amount (₹ in Crore)	% of Total Borrowings
6,781.45	64.68%

As at March 31, 2021

₹ in crore

Amount (₹in Crore)	% of Total Borrowings
5,891.45	67.10%

(iv) Funding concentration based on significant instrument / product*

₹ in crore

Name of the instrument/ product	March 31, 2022	% of Total Liabilities	March 31, 2021	% of Total Liabilities
Term loans from Banks	6,869.29	63.28%	5,115.80	56.45%
Term Loans from Financial Institutions	1,730.98	15.95%	1,783.72	19.68%
Non Convertible Debentures	1,372.81	12.65%	1,506.04	16.62%
External commercial borrowings	93.74	0.86%	225.51	2.49%
Term Loans from Non banking Financial Companies	302.24	2.78%	124.65	1.38%

(v) Stock Ratios

As at March 31, 2022

Particulars	as a % of total public funds*	as a % of total liabilities*	as a % of total assets
Commercial papers	0%	0%	0%
Non-convertible debentures (original maturity of less than one year)	0%	0%	0%
Other short-term liabilities	3.40%	2.58%	1.89%

As at March 31, 2021

Particulars	as a % of total public funds*	as a % of total liabilities*	as a % of total assets
Commercial papers	0%	0%	0%
Non-convertible debentures (original maturity of less than one year)	0%	0%	0%
Other short-term liabilities	3.07%	2.25%	1.60%

(vi) Institutional set-up for liquidity risk management

The Company's Board of Directors has the overall responsibility of management of liquidity risk The Board decides the strategic policies and procedures of the Company to manage liquidity risk in accordance with the risk tolerance/limits decided by it.

The Company also has a Risk Management Committee, which is a sub-committee of the Board and is responsible for evaluating the overall risk faced by the Company including liquidity risk.

Asset Liability Management Committee (ALCO) of the Company is responsible ensuring adherence to the risk tolerance/limits as well as implementing the liquidity risk management strategy of the Company.

Chief Risk Officer shall be part of the process of identification, measurement and mitigation of liquidity risks.

The ALM support group consist of CFO and Head-Treasury who shall be responsible for analysing, monitoring and reporting the liquidity profile to the ALCO.

***Notes**

1. A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

2. A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs.

3. Total Liabilities has been computed as sum of all liabilities (Balance Sheet figure) less Equities and Reserves/Surplus.

4. "Public funds" shall include funds raised either directly or indirectly through public deposits, commercial paper, debentures, inter-corporate deposits and bank finance but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 10 years from the date of issue as defined in Regulatory Framework for Core Investment Companies issued vide Notification No. DNBS (PD) CC.No. 206/03.10.001/2010-11 dated January 5, 2011.

5. The amount stated in this disclosure is based on the audited standalone financial statements for the year ended March 31, 2022.

aa. Asset classification as per IRAC norms

As at March 31, 2022 ₹ in crore

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms (Refer Note 1 below)	Difference between Ind AS 109 provisions and IRACP norms
-1-	-2-	-3-	-4-	(5)=(3)-(4)	-6-	(7) = (4)-(6)
Performing Assets						
Standard	Stage I *	11,920.16	84.19	11,835.97	44.96	39.23
	Stage II *	142.48	41.29	101.19	6.30	34.99
Subtotal		**12,062.64**	**125.48**	**11,937.16**	**51.26**	**74.21**
Non-Performing Assets (NPA)						
Substandard	Stage III	393.22	278.36	114.86	104.29	174.07
Doubtful - Up to 1 year	Stage III	-	-	-	-	-
1 to 3 years	Stage III	-	-	-	-	-
More than 3 years	Stage III	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage III	-	-	-	-	-
Subtotal for NPA		**393.22**	**278.36**	**114.86**	**104.29**	**174.07**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms.	Stage I	-	-	-	-	-
	Stage II	-	-	-	-	-
	Stage III	-	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**	**-**
Total	**Stage I**	**11,920.16**	**84.19**	**11,835.97**	**44.96**	**39.23**
	Stage II	**142.48**	**41.29**	**101.19**	**6.30**	**34.99**
	Stage III	**393.22**	**278.36**	**114.86**	**104.29**	**174.07**
	Total	**12,455.86**	**403.84**	**12,052.02**	**155.55**	**248.29**

Notes:
1. Figures under this columns Represents provisions determined in accordance with the Asset classification and provisioning norms as stipulated under Master Directions.

As at March 31, 2021 ₹ in crore

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms (Refer Note 1 & 2 below)	Difference between Ind AS 109 provisions and IRACP norms
-1-	-2-	-3-	-4-	(5)=(3)-(4)	-6-	(7) = (4)-(6)
Performing Assets						
Standard	Stage I	9,669.74	174.38	9,495.36	39.42	134.96
	Stage II	114.29	27.82	86.47	1.04	26.78
Subtotal		**9,784.03**	**202.20**	**9,581.83**	**40.46**	**161.74**
Non-Performing Assets (NPA)						
Substandard	Stage III	449.58	313.60	135.98	68.50	245.10
Doubtful - Up to 1 year	Stage III	-	-	-	-	-
1 to 3 years	Stage III	-	-	-	-	-
More than 3 years	Stage III	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage III	-	-	-	-	-
Subtotal for NPA		**449.58**	**313.60**	**135.98**	**68.50**	**245.10**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms.	Stage I	-	-	-	-	-
	Stage II	-	-	-	-	-
	Stage III	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	**Stage I**	**9,669.74**	**174.38**	**9,495.36**	**39.42**	**134.96**
	Stage II	**114.29**	**27.82**	**86.47**	**1.04**	**26.78**
	Stage III	**449.58**	**313.60**	**135.98**	**68.50**	**245.10**
	Total	**10,233.61**	**515.80**	**9,717.80**	**108.96**	**406.84**

Notes:
1. Figures under this columns Represents provisions determined in accordance with the Asset classification and provisioning norms as stipulated under Master Directions.

ab. Loans against the security of gold

i) The Company has disbursed loans against the security of gold during financial year 2021-22. However, no auctions were conducted.

ii) Percentage of Loans against the security of gold to total asset:

₹ in crore

Particulars	31-Mar-22	31-Mar-21
Gold Loans granted against collateral of gold jewellery (principal portion)	0.18	-
Total assets of the Company	14,795.10	12,696.79
Percentage of Gold Loans to Total Assets	0.00%	-

ac. Details of resolution plans implemented under the resolution Framework for Covid-19 related stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) as at March 31, 2022:

Type of borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan - Position as at the end of the previous half year i.e. September 30, 2021 (A) @	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2022	Of (A) amount written off during the half-year ended March 31, 2022	Of (A) amount paid by the borrowers during the halfyear ended March 31, 2022 #	"Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year i.e. March 31, 2022"
Personal Loans *	115.59	23.95	-	23.65	67.99
Corporate persons	-	-	-	-	-
Total	**115.59**	**23.95**	**-**	**23.65**	**67.99**

Notes:
- In the above table, asset classification is reported as per Ind AS and represents stage 1 and stage 2.
@ Includes cases where restructuring request was received on or before September 30, 2021 and was implemented subsequently.
# Amount paid by the borrower during the half year is net of additions in the exposure on account interest capitalisation.
* Includes joint liability group loan (JLG) and individual loan (IL).

ad. Disclosure of resolution plans implemented during the year ended March 31, 2022 in terms of RBI's notification no. RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7 June 2019 is as follows:

Number of accounts where resolution plan has been implemented*	Exposure as at 31-March-2022 (₹ in crore)
10541	41.30

* Includes joint liability group loan (JLG) and individual loan (IL).

ae. Details of loans transferred / acquired during the year ended March 31, 2022 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

(i) Details of transfer through Direct assignment in respect of loans not in default during the year March 31, 2022:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Number of Loans	374,239	393,980
Aggregate amount (₹ in crore)	1,260.69	1,355.95
Sale consideration (₹ in crore)	1,120.30	1,203.83
Number of transactions	5	4
Weighted average remining maturity (in months)	16	16
Weighted average holding period after origination (in months)	8	6
Retention of beneficial economic interest	6.81% to 15.00%	5.00% to 15.00%
Coverage of tangible security Coverge	-	-
Rating wise distribution of rated loans	-	-
Number of instances (transactions) where transferred as agreed to replace the transferred loans	-	-
Number of transferred loans replaced	-	-

(ii) The Company has not transferred any non-performing assets (NPAs).
(iii) The Company has not acquired any loans through assignment.
(iv) The Company has not acquired any stressed loan.

af. Liquidity Coverage Ratio Disclosure

Institutional set-up for liquidity risk management

The RBI has issued final guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies on November 04, 2019. As per the said guidelines, LCR requirement shall be binding on all non-deposit taking systemically important NBFCs with asset size of ₹10,000 crore and above from December 1, 2020, with the minimum LCR to be 50%, progressively increasing, till it reaches the required level of 100%, by December 1, 2024.

The Company follows the criteria laid down by RBI for calculation of High Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-day period. HQLA predominantly comprises cash and balance with other banks in current account. All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation template.

The disclosure on Liquidity Coverage Ratio of the Company for the year ended March 31, 2022 is as under:

₹ in crore

	Particulars	Quarter March 31, 2022		Quarter December 31, 2021		Quarter September 30, 2021		Quarter June 30, 2021		Year ended March 31, 2021	
		Total un-weighted value (average) @	Total weighted value (average) $	Total un-weighted value (average) @	Total weighted value (average) $	Total un-weighted value (average) @	Total weighted value (average) $	Total un-weighted value (average) @	Total weighted value (average) $	Total un-weighted value (average) @	Total weighted value (average) $
High Quality Liquid Assets											
1	Total High Quality Liquid Assets (HQLA)	-	-	-	-	-	-	-	-	-	-
	Cash and bank balance	805.65	805.65	435.90	435.90	753.52	753.52	1,192.68	1,192.68	204.53	204.53
	Short term fixed deposit	-	-	-	-	-	-	-	-	-	-
		805.65	**805.65**	**435.90**	**435.90**	**753.52**	**753.52**	**1,192.68**	**1,192.68**	**204.53**	**204.53**
Cash outflows											
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-	-	-
4	Secured wholesale funding	-	-	-	-	-	-	-	-	-	-
5	Additional requirements, of which										
	(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-	-	-
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	719.16	827.03	675.36	776.66	564.97	649.72	575.71	662.07	525.47	604.29
7	Other contingent funding obligations	-	-	-	-	-	-	-	-	-	-
8	**TOTAL CASH OUTFLOWS**	**719.16**	**827.03**	**675.36**	776.66	**564.97**	649.72	**575.71**	662.07	**525.47**	604.29
Cash inflows											
9	Secured lending	-	-	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	830.45	622.84	783.36	587.52	701.65	526.24	687.14	515.36	733.50	550.13
11	Other cash inflows #	202.34	151.75	302.41	226.80	517.64	388.23	521.69	391.26	1,547.79	1,160.84
12	**TOTAL CASH INFLOWS**	**1,032.79**	**774.59**	**1,085.77**	**814.32**	**1,219.29**	**914.47**	**1,208.83**	**906.62**	**2,281.29**	**1,710.97**
13	Total HQLA		805.65		435.90		753.52		1,192.68		204.53
14	Total net cash outflows		206.76		194.16		162.43		165.52		151.07
15	Liquidity Coverage Ratio (%)		389.66%		224.50%		463.91%		720.58%		135.39%

@ Unweighted values calculated as outstanding balances maturing or callable within one month (for inflows and outflows). Averages are calculated basis simple average of month-end observations for Q4-FY2022.
$ Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow (75%) and outflow (115%).
# Other cash inflows includes Fixed deposit placed with banks and proceeds from redemption of mutual funds.

ag. Schedule to the Balance Sheet of a Non-Banking Financial Company as required under Master Direction - Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended:

₹ in crore

Particulars	March 31, 2022		March 31, 2021	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
1) **Liabilities side :**				
Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
(a) Debentures : Secured	1,372.81	-	1,506.04	-
: Unsecured	-	-	-	-
(other than falling within the meaning of public deposits)				
(b) Deferred Credits	-	-	-	-
(c) Term Loans	9,112.25	-	7,274.68	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial Paper	-	-	-	-
(f) Other Loans (Working Capital Loans from Banks)	-	-	-	-

Particulars	March 31, 2022	March 31, 2021
	Amount Outstanding	Amount Outstanding
Assets side :		
2) **Break-up of Loans and Advances including bills receivables [other than those included in (4) below] (net carrying value):**		
(a) Secured	8.76	5.74
(b) Unsecured	12,192.84	9,712.08
3) **Break up of Leased Assets and stock on hire and other assets counting towards AFC activities**		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease		
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:	-	-
(a) Assets on hire		
(b) Repossessed Assets	-	-
(iii) Other loans counting towards AFC activities	-	-
(a) Loans where assets have been repossessed		
(b) Loans other than (a) above	-	-
4) **Break-up of Investments :**	-	-
Current Investments :		
1. Quoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2. Unquoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Certificate of Deposits and Commercial Paper)		
Long Term investments :		
1. Quoted :		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2. Unquoted :		
(i) Shares : (a) Equity	663.49	662.93
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-

CREDITACCESS GRAMEEN LIMITED
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5) Borrower group-wise classification of assets financed as in (2) and (3) above :

₹ in crore

Category	March 31, 2022			March 31, 2021		
	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	149.58	149.58	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	-	-	-	-	-	-
2. Other than related parties	8.76	12,043.26	12,052.02	5.74	9,712.08	9,717.82
Total	**8.76**	**12,192.84**	**12,201.60**	**5.74**	**9,712.08**	**9,717.82**

6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

₹ in crore

Category	March 31, 2022		March 31, 2021	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties **				
(a) Subsidiaries	762.48	663.29	755.53	662.73
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	NA	0.20	NA	0.20
Total		**663.49**		**662.93**

** As per Ind AS

7) Other information

₹ in crore

Category	March 31, 2022			March 31, 2021		
	Secured	Unsecured	Total	Secured	Unsecured	Total
(i) Gross Non-Performing Assets						
(a) Related parties	-	-	-	-	-	-
(b) Other than related parties	0.20	393.02	393.22	0.26	449.30	449.56
(ii) Net Non-Performing Assets						
(a) Related parties	-	-	-	-	-	-
(b) Other than related parties	-	114.86	114.86	-	135.98	135.98
(iii) Assets acquired in satisfaction of debt	**-**	**-**	**-**	**-**	**-**	**-**

47 Additional disclosures

(i) No Benami Property are held by the Company and or no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) The Company has reviewed transactions to identify if there are any transactions with struck off companies. To the extent information is available on struck off companies, there are no transactions with struck off companies.

(iii) There is no charges or satisfaction in relation to any debt / borrowings yet to be registered with ROC beyond the statutory period.

(iv) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(v) Other than the transactions that are carried out as part of Company' normal lending business:

A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall -
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall -
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

(vii) There are no transactions which have not been recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Also, there are no previously unrecorded income and related assets.

(viii) **Analytical Ratios**

Ratios	Numerator	Denominator	Current period	Previous Period	% Variance	Reason for variance (if above 25%)
Capital to risk-weighted assets ratio (CRAR)						
-Tier I CRAR	3,268.63	12,635.04	25.87%	30.50%	-15.19%	N/A
- Tier II CRAR	84.22	12,635.04	0.67%	1.25%	-46.67%	#
Liquidity Coverage Ratio	805.65	206.76	389.66%	135.39%	187.81%	##

Subordinated liabilities is fully paid during the current financial year.
Higher liquidity maintained during the March 31, 2022

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48 Previous year figures have been regrouped/rearranged, wherever considered necessary, to conform to the classification / disclosure adopted in the current year.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Bengaluru
Date: May 12, 2022

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration No. 003990S/S200018

M Seethalakshmi
Partner
Membership No. 208545

Place: Bengaluru
Date: May 12, 2022

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

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Bengaluru
Date: May 12, 2022

CONSOLIDATED AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Members of CreditAccess Grameen Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **CreditAccess Grameen Limited** (the "Parent") and its subsidiary companies, (the Parent and its subsidiary companies together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiary companies referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the key audit matter was addressed in our Audit
(a). Impairment of Loans (Expected Credit Losses) (as described in note 6 of the consolidated Ind AS financial statements)	
The Management estimates impairment provision using Expected Credit loss (ECL) model for the loan exposure as per the Board approved policy which is in line with Ind AS requirement and the relevant Reserve Bank of India's (RBI) regulations/ circulars. The recognition and measurement of impairment of loans involve significant management judgement. The Group's impairment allowance is derived from estimates including the historical default and loss ratios using criteria in accordance with Ind AS 109 and considering applicable RBI's regulations/ circulars. Collective impairment allowances are calculated using ECL model which approximate credit conditions on homogenous portfolios of loans. The relevant disclosures are made in financial statements for ECL including those relating to judgements and estimates by the Management in determination of the ECL.Refer note 6(A) note 6(B) and note 41.2 to the consolidated Ind AS financial statements.	Our audit procedures in relation to expected credit losses were focused on obtaining sufficient appropriate audit evidence as to whether the expected credit losses recognised in the financial statements were reasonable and the related disclosures in the financial statements made by the management were adequate. These procedures included, but not limited, to the following: • We examined Board Policy approving the methodology for computation of ECL that address policies, procedures and controls for assessing and measuring credit risk on all lending exposures, commensurate with the size, complexity and risk profile specific to the Group; • We obtained an understanding of the model adopted by the Group for calculation of expected credit losses including the appropriateness of the data on which the calculation is based; • We evaluated the design and operating effectiveness of controls across the processes relevant to ECL. These controls, among others, included controls over the allocation of assets into stages; • We tested, on samples basis, the input and historical data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records; • We tested the arithmetical calculation of the workings of the expected credit losses; • We evaluated that the Group's impairment allowance is derived in accordance with Ind AS 109 which also include considering the impact of RBI's regulations/ circulars; • We assessed the adequacy and appropriateness of disclosures in compliance with the Ind AS 107 on ECL especially in relation to judgements used in estimation of ECL provision.

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CONSOLIDATED AUDITORS' REPORT

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, but does not include the consolidated financial statements, standalone financial statements and our auditors' report thereon. The Management Report is expected to be made available to us after the date of this auditors' report.
- Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiary companies audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary companies, is traced from their financial statements audited by the other auditors.
- When we read the management report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Consolidated Financial Statements

The Parent Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

• Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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CONSOLIDATED AUDITORS' REPORT

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

(a) We did not audit the financial statements of three subsidiary companies whose financial statements reflect total assets of ₹ 2,998.48 crore as at March 31, 2022, total revenues of ₹ 466.21 crore and net cash outflows amounting to ₹ 306.09 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary companies, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary companies is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

(b) The consolidated financial statements as at and for the year ended March 31, 2021, have been audited by the Deloitte Haskins & Sells, Chartered Accountants, one of the joint auditors of the Group, whose report dated May 06, 2021 expressed an unmodified opinion on those consolidated financial statements. Accordingly, we, PKF Sridhar & Santhanam LLP, Chartered Accountants do not express any opinion on the figures reported in the consolidated financial statements as at and for the year ended March 31, 2021.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements / financial information of the subsidiary companies referred to in the Other Matters section above 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 of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

CREDITACCESS GRAMEEN LIMITED
CONSOLIDATED AUDITORS' REPORT

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent and taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and its subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts;

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies;

iv) (a) The respective Managements of the Parent and its subsidiary companies , whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary companies respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective Managements of the Parent and its subsidiary companies, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary companies respectively that, to the best of their knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Parent or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiary companies shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiary companies, whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The Parent has not declared or paid any dividend during the year and has not proposed final dividend for the year.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

G. K. Subramaniam
Partner
Membership No. 109839
UDIN: 22109839AIVKPF7213
Place: Bengaluru
Date: May 12, 2022

PKF Sridhar & Santhanam LLP
Chartered Accountants
(Firm's Registration No. 003990S/ S200018)

Seethalakshmi M
Partner
Membership No. 208545
UDIN: 22208545AIWQIE7858
Place: Bengaluru
Date: May 12, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of CreditAccess Grameen Limited (hereinafter referred to as the "Parent") and its subsidiary companies as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, the Parent and its subsidiary companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to three subsidiary companies is based solely on the corresponding reports of the auditors of such companies.

Our opinion is not modified in respect of the above matter.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

G. K. Subramaniam
Partner
Membership No. 109839
UDIN: 22109839AIVKPF7213
Place: Bengaluru
Date: May 12, 2022

PKF Sridhar & Santhanam LLP
Chartered Accountants
(Firm's Registration No. 003990S/ S200018)

Seethalakshmi M
Partner
Membership No. 208545
UDIN: 22208545AIWQIE7858
Place: Bengaluru
Date: May 12, 2022

CONSOLIDATED FINANCIALS

Consolidated Balance Sheet as at March 31, 2022

₹ in crore

Sr. No.	Particulars	Notes	As at March 31, 2022	As at March 31, 2021
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	4	1,580.55	2,360.09
(b)	Bank balance other than cash and cash equivalents	5	180.84	124.29
(c)	Loans	6	14,765.33	11,720.48
(d)	Investments	7	0.54	0.54
(e)	Other financial assets	8	118.75	132.45
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	30	32.26	31.83
(b)	Deferred tax assets (net)	30	132.48	104.09
(c)	Property, plant and equipment	10 (A)	31.80	24.15
(d)	Right of use assets	10 (A)	74.76	67.50
(e)	Goodwill on consolidation		317.58	317.58
(f)	Intangible assets	10 (A)	146.65	163.54
(g)	Intangible assets under development	10 (B)	3.07	0.62
(h)	Other non-financial assets	9	10.14	13.07
	Total assets		**17,394.75**	**15,060.23**
	LIABILITIES AND EQUITY			
(1)	**Financial liabilities**			
(a)	Derivative financial instrument	11	1.66	-
(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	12	40.46	42.65
	(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	12	218.56	159.04
(c)	Borrowings			
	- Debt securities	13	1,418.10	1,674.95
	- Borrowings (other than debt securities)	14	11,424.85	9,163.68
	- Subordinated liabilities	15	77.74	102.70
(d)	Other financial liabilities	16	87.44	82.94
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (Net)	30	5.12	0.99
(b)	Provisions	17	31.25	25.53
(c)	Other non-financial liabilities	18	13.52	11.37
(3)	**Equity**			
(a)	Equity share capital	19	155.87	155.58
(b)	Other equity	20	3,821.78	3,535.97
(c)	Non-controlling interests		98.40	104.83
	Total liabilities and equity		**17,394.75**	**15,060.23**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839
Place: Bengaluru
Date: May 12, 2022

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration No. 003990S/S200018

M Seethalakshmi
Partner
Membership No. 208545
Place: Bengaluru
Date: May 12, 2022

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

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Bengaluru
Date: May 12, 2022

Statement of consolidated profit and loss for the year ended March 31, 2022

₹ in crore

Sr. No.	Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
I	**Revenue from operations**			
(a)	Interest income	21	2,567.33	2,290.03
(b)	Fees and commission income	22	13.22	8.76
(c)	Net gain on fair value changes	23	87.84	132.90
(d)	Bad debts recovery		74.15	15.72
(e)	Others		0.28	13.59
	Total revenue from operations (I)		**2,742.82**	**2,461.00**
II	**Other income**	**24**	**7.31**	**5.07**
III	**Total income (I+II)**		**2,750.13**	**2,466.07**
IV	**Expenses**			
(a)	Finance costs	25	984.14	928.72
(b)	Fee and commission expense		2.96	3.01
(c)	Impairment of financial instruments	26	596.74	771.36
(d)	Employee benefits expenses	27	437.66	379.99
(e)	Depreciation and amortization expenses	28	47.23	44.07
(f)	Other expenses	29	200.61	158.52
	Total expenses (IV)		**2,269.34**	**2,285.67**
V	**Profit before tax (III-IV)**		**480.79**	**180.40**
VI	**Tax expense**	30		
	(1) Current tax		123.94	106.44
	(2) Deferred tax		(0.25)	(57.44)
	Total tax expense (VI)		**123.69**	**49.00**
VII	**Profit for the year (V-VI)**		**357.10**	**131.40**
VIII	**Other comprehensive income / (loss)**			
(a)	(1) Items that will not be reclassified to profit or loss		0.71	0.17
	(2) Income tax relating to items that will not be reclassified to profit or loss		(0.18)	(0.04)
	Subtotal (a)		**0.53**	**0.13**
(b)	(1) Items that will be reclassified to profit or loss		(114.13)	42.93
	(2) Income tax relating to items that will be reclassified to profit or loss		28.24	(10.80)
	Subtotal (b)		**(85.89)**	**32.13**
	Other comprehensive income / (loss) (VIII = a+b)		**(85.36)**	**32.26**
IX	**Total comprehensive income (VII+VIII) (comprising profit and other comprehensive income / (loss) for the year)**		**271.74**	**163.66**
X	**Profit / (loss) attributable to:**			
	Owners of the Company		363.04	134.02
	Non-controlling interest		(5.94)	(2.62)
XI	**Other comprehensive Income / (loss) attributable to:**			
	Owners of the Company		(85.42)	32.27
	Non-controlling interest		0.06	(0.01)
XII	**Total comprehensive Income / (loss) attributable to:**			
	Owners of the Company		277.62	166.29
	Non-controlling interest		(5.88)	(2.63)
XIII	**Earnings per equity share** (EPS) (face value of ₹10.00 each)	48		
	Basic (₹)		23.31	8.96
	Diluted (₹)		23.22	8.90

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839
Place: Bengaluru
Date: May 12, 2022

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration No. 003990S/S200018

M Seethalakshmi
Partner
Membership No. 208545
Place: Bengaluru
Date: May 12, 2022

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

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Bengaluru
Date: May 12, 2022

Statement of consolidated changes in equity for the year ended March 31, 2022

a) Equity share capital

(i) As at March 31, 2022

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

Particulars	No of shares	₹ in crore
Balance at the beginning of the Current reporting period (as at April 1, 2021)	**15,55,82,040**	**155.58**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the Current reporting period (as at April 1, 2021)	**15,55,82,040**	**155.58**
Changes in equity share capital during the current year	2,84,306	0.29
Balance at the end of the Current reporting period (as at March 31, 2022)	**15,58,66,346**	**155.87**

(ii) As at March 31, 2021

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

Particulars	No of shares	₹ in crore
Balance at the beginning of the Previous reporting period (as at April 1, 2020)	**14,39,85,459**	**143.99**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the previous reporting period (as at April 1, 2020)	**14,39,85,459**	**143.99**
Changes in equity share capital during the previous year	1,15,96,581	11.60
Balance at the end of the previous reporting period (as at March 31, 2021)	**15,55,82,040**	**155.58**

b) Other Equity

₹ in crore

Particulars	Reserve & Surplus					Debt instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedge	Total Other Equity (A)	Non Controlling interests (B)	Total (A)+(B)
	Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	Capital reserve (Refer Note 20.2)	Securities premium	Share options outstanding account	Retained earnings					
As at March 31, 2020	**265.61**	**49.95**	**1,483.59**	**8.61**	**818.54**	**(36.07)**	**-**	**2,590.23**	**108.95**	**2,699.18**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance As at April 1, 2020	**265.61**	**49.95**	**1,483.59**	**8.61**	**818.54**	**(36.07)**	**-**	**2,590.23**	**108.95**	**2,699.18**
Profit for the year	-	-	-	-	134.04	-	-	134.04	(2.63)	131.40
Other comprehensive income	-	-	-	-	0.13	32.13	-	32.26	-	32.26
Premium on equity shares issued during the year	-	-	788.68	-	-	-	-	788.68	-	788.68
Premium on exercise of stock options	-	-	4.39	(2.05)	-	-	-	2.34	-	2.34
Transferred to statutory reserves	28.48	-	-	-	(28.48)	-	-	-	-	-
Expenses incurred towards Qualified institutional placement of equity shares	-	-	(13.53)	-	-	-	-	(13.53)	-	(13.53)
Employee stock option compensation for the year	-	-	-	1.96	-		-	1.96	-	1.96
Equity adjustment on account of subsequent acquisition in subsidiary	-	-	-	-	-	-	-	-	(1.49)	(1.49)
As at March 31, 2021	**294.09**	**49.95**	**2,263.13**	**8.52**	**924.22**	**(3.94)**	**-**	**3,535.97**	**104.83**	**3,640.80**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance As at April 1, 2021	**294.09**	**49.95**	**2,263.13**	**8.52**	**924.22**	**(3.94)**	**-**	**3,535.97**	**104.83**	**3,640.80**
Profit for the year	-	-	-	-	363.04	-	-	363.04	(5.94)	357.10
Other comprehensive income/(loss) (net of tax)	-	-	-	-	0.47	(86.28)	0.39	(85.42)	0.06	(85.36)
Premium on exercise of stock options	-	-	4.99	(2.25)	-	-	-	2.74	-	2.74
Transferred to statutory reserves	76.43	-	-	-	(76.43)	-	-	-	-	-
Expenses incurred towards Qualified institutional placement of equity shares	-	-	-	-	-	-	-	-	-	-
Employee stock option compensation for the year	-	-	-	5.45	-	-	-	5.45	-	5.45
Equity adjustment on account of subsequent acquisition in subsidiary	-	-	-	-	-	-	-	-	(0.55)	(0.55)
As at March 31, 2022	**370.52**	**49.95**	**2,268.12**	**11.72**	**1,211.30**	**(90.22)**	**0.39**	**3,821.78**	**98.40**	**3,920.18**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For
DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839

Place: Bengaluru
Date: May 12, 2022

For
PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm's Registration Number: 003990S/S200018

Seethalakshmi M
Partner
Membership No. 208545

Place: Bengaluru
Date: May 12, 2022

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

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Bengaluru
Date: May 12, 2022

Statement of consolidated cash flows for the year ended March 31, 2022

₹ in crore

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities:		
Profit before tax	480.79	180.40
Adjustments for:		
Interest income on loans	(2,533.54)	(2,264.41)
Interest on deposits with banks and financial institutions	(33.73)	(25.62)
Depreciation and amortisation expenses	47.23	44.07
Finance costs	984.14	928.72
Impairment on financial instruments	596.74	771.36
Net gain on financial instruments at fair value through profit or loss	(17.86)	(20.01)
Gain on derecognition of loans designated at FVTOCI	(69.98)	(112.89)
Dividend Income	(0.28)	-
Other Income	-	(9.68)
Share based payments to employees	5.45	1.96
Provision for other assets	1.59	0.20
	(1,020.24)	**(686.30)**
Operational cash flows from interest:		
Interest income on loans	2,551.96	2,235.18
Finance costs	(976.10)	(896.09)
Working capital changes:		
(Increase) in loans	(3,775.40)	(1,311.08)
Decrease in other receivables	-	0.22
Decrease in other financial assets	81.78	39.18
Decrease/ (Increase) in other non-financial assets	3.00	(2.98)
Increase in trade and other payables	57.31	94.17
Increase in other financial liabilities	(5.69)	2.31
(Decrease)/ Increase in provisions	6.43	5.39
Increase in other non-financial liabilities	2.14	0.15
	(3,630.43)	**(1,172.64)**
Income tax paid (net of refunds)	**(120.32)**	**(115.22)**
Net cash flows (used in) operating activities (A)	**(2,714.34)**	**(454.67)**
Cash flow from investing activities:		
Purchase of property, plant and equipment	(20.16)	(4.74)
Proceeds from sale of property, plant and equipment	0.13	0.46
Purchase of Intangible assets and expenditure on Intangible assets under development	(7.70)	(9.82)
Interest on deposits with banks and financial institutions	33.73	25.62
Decrease / (increase) in bank balance other than cash and cash equivalents	(56.55)	(51.52)
Purchase of investments	(7,348.70)	(8,206.90)
Sale of investments	7,366.56	8,271.92
Dividend Income	0.28	-
Investment in equity shares	(0.55)	(1.49)
Net cash flows from / (used in) investing activities (B)	**(32.96)**	**23.53**
Cash flow from financing activities:		
Debt securities issued/(repaid) (net)	(257.19)	853.42
Borrowings other than debt securities issued (net)	2,273.56	522.19
Subordinated liabilities repaid (net)	(25.00)	-
Payment of lease liability (net)	(26.64)	(18.33)
Proceeds from issuance of equity share capital including securities premium	-	799.99
Proceeds from the employee stock options	3.03	2.62
Expenses incurred towards issuance of equity shares	-	(13.53)
Net cash flows from financing activities (C)	**1,967.76**	**2,146.36**
Net (decrease)/ increase in cash and cash equivalents	**(779.54)**	**1,715.22**
Cash and cash equivalents as at the beginning of the year (Refer Note 4)	2,360.09	644.87
Cash and cash equivalents as at the end of the year (Refer Note 4)	**1,580.55**	**2,360.09**

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839
Place: Bengaluru
Date: May 12, 2022

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration No. 003990S/S200018

M Seethalakshmi
Partner
Membership No. 208545
Place: Bengaluru
Date: May 12, 2022

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

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Bengaluru
Date: May 12, 2022

CREDITACCESS GRAMEEN LIMITED
CONSOLIDATED FINANCIALS

Corporate information

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

   The Holding Company along with its subsidiaries (the "Group") is engaged primarily in providing micro finance services to women who are enrolled as members and organized as Joint Liability Groups ('JLG') or Self Help Groups ('SHG'). In addition to the core business of providing micro-credit, the Company uses its distribution channel to provide certain other financial products and services to the members. The financial statements of the Holding Company for the year ended March 31, 2022 were approved for issue in accordance with the resolution of the Board of Directors on May 12, 2022.

2. Basis of preparation

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

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crore, except when otherwise indicated. These consolidated financial statements have been prepared on a going concern basis.

2.1. Presentation of consolidated financial statements

The Group presents its balance sheet in order of liquidity.

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

Details of Companies Consolidated in these consolidated financial statements:

Name of the Company	Type	Country of Incorporation	Holding as at March 31, 2022	Holding as at March 31, 2021
CreditAccess Grameen Limited	Holding Company	India	Holding Company	Holding Company
CreditAccess India Foundation	Subsidiary Company	India	99.99%	-
Madura Micro Finance Limited	Subsidiary Company	India	76.32%	76.25%

2.2. Critical accounting estimates and judgements

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

- Business model assessment (Refer Note no. 3.14)
- Fair value of financial instruments (Refer Note no. 3.18)
- Effective interest rate (EIR) (Refer Note no. 3.1.1)
- Impairment of financial assets (Refer Note no. 3.15)
- Provisions (Refer Note no. 3.8)
- Contingent liabilities and assets (Refer Note no.3.9)
- Provision for tax expenses (Refer note no. 3.11)
- Residual value and useful life of property, plant and equipment (Refer Note no. 3.6.1)
- Hedge accounting (Refer Note no. 3.17)

2.3. Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Holding Company and its subsidiary, being the entity that it controls. Control is evidenced where the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns.

1. The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
2. Profits or losses resulting from intra-group transactions that are recognised in assets, such as Property, Plant and Equipment, are eliminated in full.
3. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.
4. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
5. The carrying amount of the parent's investment in subsidiary is offset (eliminated) against the parent's portion of equity in subsidiary.
6. Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet.

3. Summary of significant accounting policies

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

3.1 Revenue recognition

3.1.1 Interest income

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

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

3.1.3 The Group recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue From Contracts with Customers'. The Group identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

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

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

3.1.5 Income from assignment transactions
Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised.

3.1.6 Dividend Income

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

3.2 Finance cost

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

3.3 Cash and cash equivalents

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

3.4 Property, plant and equipment ('PPE')
Initial Recognition and measurement

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

3.5 Intangible assets

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

3.6 Depreciation and amortization

3.6.1 Depreciation

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

Category of asset	Useful life (Years)
Furniture and fittings	10
Office equipments	05
Vehicles	08
Buildings	30
Electrical equipment	10
Computers (including Servers)	03

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

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

Property, plant and equipment costing less then ₹5000 per unit are fully depreciated in the year of purchase.

3.6.2 Amortisation of intangible assets and Impairment of Goodwill

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The management has determined its estimate of useful economic life as five years. Customer relationship is amortised over the 10 years. The useful lives of intangible assets are reviewed at each financial year and adjusted.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

3.7 Impairment of non–financial assets

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

3.8 Provisions

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

3.9 Contingent liabilities and assets

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

Contingent assets are not recognised. A contingent asset is disclosed, where an inflow of economic benefits is probable.

3.10 Retirement and other employee benefits

3.10.1 Defined contribution plan

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

3.10.2 Defined benefit plan

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

3.10.3 Other employee benefits

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

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

3.11 Taxes

3.11.1 Current income tax

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

3.11.2 Deferred tax

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

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

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

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

3.12 Earning per share

"Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.13 Share based payments

Equity-settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based payments transactions are set out in Note 38.

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

3.14 Financial instruments

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

3.14.1 Financial Assets

3.14.1.1 Initial recognition and measurement

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

3.14.1.2 Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:
- Loans at amortised cost
- Loans at fair value through other comprehensive income (FVTOCI)
- Investments in debt instruments and equity instruments at fair value through profit or loss (FVTPL)

3.14.1.3 Loans at amortised costs

Loans are measured at the amortised cost if both the following conditions are met:
(a) Such loan is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

3.14.1.4 Loans at fair value through other comprehensive income (FVTOCI)

Loans are classified as at the FVTOCI if both of the following criteria are met:
- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Loans included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is recognised as interest income using the EIR method.

3.14.1.5 Investment in debt instruments and equity instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

3.14.2 Financial Liabilities

3.14.2.1 Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments, which are measured at amortised cost.

3.14.2.2 Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. The EIR amortisation is included as finance costs in the statement of profit and loss.

3.14.3 Reclassification of financial assets and liabilities

The Group doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

3.14.4 De-recognition of financial assets and liabilities

3.14.4.1 A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Group also de-recognises the financial asset if it has transferred the financial asset and the transfer qualifies for de-recognition.

The Group has transferred the financial asset if, and only if, either:
- It has transferred its contractual rights to receive cash flows from the financial asset

Or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:
- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients. A transfer only qualifies for de-recognition if either:
- The Group has transferred substantially all the risks and rewards of the asset

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

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset in its entirety, the difference between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit or loss account.

3.14.4.2 De-recognition of financial liabilities

Financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

3.15 Impairment of financial assets

3.15.1 Overview of the Expected Credit Loss (ECL) allowance principles

The Group is recording the allowance for expected credit losses for all loans at amortised cost and FVOCI and other debt financial assets not held at FVTPL.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in Note 3.15.2). The Group's policies for determining if there has been a significant increase in credit risk are set out in Note 41.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on a collective basis for identified homogenous pool of loans. The Group's policy for grouping financial assets measured on a collective basis is explained in Note 41.

Accordingly, the Group groups its loans into Stage 1, Stage 2, Stage 3, as described below:

Stage 1: When loans are first recognised, the Group recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs.

Stage 3: Loans considered credit-impaired (as outlined in Note 41). The Group records an allowance for the LTECLs.

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) de-recognition of the financial asset.

3.15.2 The calculation of ECL

The Group calculates ECLs based on a probability-weighted scenarios and historical data to measure the expected cash shortfalls. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

ECL consists of three key components: Probability of Default (PD), Exposure at Default (EAD) and Loss given default (LGD). ECL is calculated by multiplying them. Refer Note 41 for explanation of the relevant terms.

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The maximum period for which the credit losses are determined is the expected life of a financial instrument. The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Group recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

3.16 Write-offs

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to the statement profit and loss account.

3.17 Hedge accounting

The Group enters into swap contracts and other derivative financial instruments to hedge its exposure to foreign exchange and interest rates. The Group does not hold derivative financial instruments for speculative purpose. Hedges of foreign exchange risk on firm commitments are accounted as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect profit or loss.

Here, the effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity as 'hedging reserve'.

The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the Statement of Profit and Loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to the effective portion are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same head as the hedged item.

The effective portion of the hedge is determined at the lower of the cumulative gain or loss on the hedging instrument from inception of the hedge and the cumulative change in the fair value of the hedged item from the inception of the hedge and the remaining gain or loss on the hedging instrument is treated as ineffective portion.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised in profit or loss when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

3.18 Fair value measurement

The Group measures certain financial instruments at fair value at each balance sheet date using valuation techniques.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantegeous market must be accessible by the Group.
The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured are categorised with fair value hierachy into Level I, Level II and Level III based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are as follows:
• Level 1 - Quoted prices (unadjusted) in active mar`kets for identical assets or liabilities that the Group can access at the measurement date;
• Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
• Level 3 - Unobservable inputs for the asset or liability.

3.19 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.

3.20 Business combination

3.20.1 Business combinations under common control

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The Company accounts for business combinations under common control as per the pooling of interest method. The pooling of interest method involves the following:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.
(iii) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

3.20.2 Other business combinations

The Group uses the acquisition method of accounting to account for business combinations other than those under common control. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.
Control exists when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration. Any goodwill that arises on account of such business combination is tested annually for impairment. Any contingent consideration is measured at fair value at the date of acquisition. A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Transaction costs that the Group incurs in connection with a business combination, such as Stamp Duty for title transfer in the name of the Group, finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

3.21 Foreign currency

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

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

3.21.3 Exchange differences arising on the settlement of monetary items or on the restatement of Group's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise.

3.22 Leases (where the Group is the lessee)

Short term leases not covered under Ind AS 116 are classified as operating lease. Lease payments during the year are charged to statement of profit and loss. Future minimum rentals payable under non-cancellable operating leases.

The Group as a lessee

The Group's lease asset classes primarily consist of leases for office premises and servers. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:
(i) the contract involves the use of an identified asset; (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease; and (iii) the Group has the right to direct the use of the asset.At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

3.23 Investments

Investments in equity instruments are classified as FVTPL, unless the related instruments are not held for trading and the Group irrevocably elects on initial recognition of financial asset on an asset-by-asset basis to present subsequent changes in fair value in other comprehensive income (FVTOCI). All other investments are classified and measured as FVTPL only.

3.24.1 Key New and amended standards adopted by the Company

(a) Interest rate Benchment reform-Amendments to Ind AS 107 and Ind AS 109;

The Ministry of Corporate Affairs had earlier notified amendments to Ind AS 109, Financial Instruments and Ind AS 107, Financial Instruments: Disclosures which were effective from April 1, 2020 (the Phase 1 amendments). Those amendments provided temporary reliefs from applying specific hedge accounting requirements to relationships affected by IBOR reform.

The amendments to Ind AS 109, Financial Instruments and Ind AS 107, Financial Instruments: Disclosures which are effective from April 1, 2021 (the Phase 2 amendments) address the issues that arise during the reform of an interest rate benchmark rate, Including the replacement of one benchmark rate with an alternative one.

The key reliefs provided by the Phase 2 amendments are as follows:

* Changes to contractual cash flows

When changing the basis for determining contractual cash flows for financial asset and labilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in profit and loss.

*Hedge accounting

The hedge accounting reliefs will allow most Ind AS 109 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

(b) Covid-19- related rent concessions- Amendments to Ind AS 116;

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. Previously,an amendment to Ind AS 116, Leases provided lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied as well as the amount recognised in profit or loss arising from the rent concessions, The relief was originally limited to reduction in lease payments that were due on or before 30 June 2021 However, it was subsequently extended to 30 June 2022.

None of these amendments has any material effect on the Group's financial statements.

3.24.2 Key Amendements applicable from next Financial year

(a) Ind AS 16, Property Plant and Equipment; Proceeds before intended use of property, plant and equipment

The amendment clarifies that an entity shall not deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

(b) Ind AS 37, Provisions, contingent Liabilities and contingent Assets; Onerous contracts - Cost of fulfilling a contract

The amendment explains that the cost of fulfilling a contract comprises; the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

(c) Ind AS 109, Financial instruments; Fees Included in the 10% test for derecognition of financial Liabilities. The The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, Including fees paid or received by either the entity or the lender on the other's behalf.

The Group does not expect any of these amendments to have any material effect on the financial statements.

4 Cash and cash equivalents

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Cash in hand	7.58	8.24
Balances with Banks in current accounts	100.40	217.03
Bank deposit with maturity of less than 3 months	1,472.57	2,134.82
Total	**1,580.55**	**2,360.09**

5 Bank balance other than cash and cash equivalents

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Fixed deposit with bank not considered as cash and cash equivalents*	180.84	124.29
Total	**180.84**	**124.29**

*Balances with banks to the extent held as margin money or security against the borrowings.

6 Loans

₹ in crore

Particulars	March 31, 2022			March 31, 2021		
	Amor-tised cost	At fair value through OCI	Total	Amor-tised cost	At fair value through OCI	Total
(A) Term loans:						
Group lending **	3,547.06	11,555.32	15,102.38	2,650.95	9,275.37	11,926.32
Individual loans	196.81	-	196.81	416.79	-	416.79
Total - Gross	**3,743.87**	**11,555.32**	**15,299.19**	**3,067.74**	**9,275.37**	**12,343.11**
Less: Impairment loss allowance	224.60	309.26	533.86	240.59	382.04	622.63
Total - Net*	**3,519.27**	**11,246.06**	**14,765.33**	**2,827.15**	**8,893.33**	**11,720.48**
(B) (a) Secured by tangible assets	9.24	-	9.24	6.34	-	6.34
(b) Unsecured	3,734.63	11,555.32	15,289.95	3,061.40	9,275.37	12,336.77
Total - Gross	**3,743.87**	**11,555.32**	**15,299.19**	**3,067.74**	**9,275.37**	**12,343.11**
Less: Impairment loss allowance	224.60	309.26	533.86	240.59	382.04	622.63
Total - Net*	**3,519.27**	**11,246.06**	**14,765.33**	**2,827.15**	**8,893.33**	**11,720.48**
(C) (I) Loans in India						
(a) Public sector	-	-	-	-	-	-
(b) Others	3,743.87	11,555.32	15,299.19	3,067.74	9,275.37	12,343.11
Total - Gross	**3,743.87**	**11,555.32**	**15,299.19**	**3,067.74**	**9,275.37**	**12,343.11**
Less: Impairment loss allowance	224.60	309.26	533.86	240.59	382.04	622.63
Total - Net*	**3,519.27**	**11,246.06**	**14,765.33**	**2,827.15**	**8,893.33**	**11,720.48**
(D) (II) Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total - Net*	-	-	-	-	-	-

*Includes fair value of loans designated at FVOCI.

** Group Lending includes both Joint Liability Loans and Self Help Group Loans

6 (A) Group lending loans

An analysis of changes in the gross carrying amount and the corresponding ECL allowances (including loans measured at FVTOCI) in relation to Group lending loans:

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2021	**11,200.06**	**210.24**	**516.02**	**11,926.32**
(a) New assets originated or purchased	15,399.29	-	-	15,399.29
(b) Asset derecognised or repaid (Excluding write offs) #	(10,573.38)	(574.38)	(424.64)	(11,572.40)
Assets written off during the year	-	-	(650.83)	(650.83)
Movement between stages				
Transfer from Stage 1	(2,153.68)	1,474.02	679.66	-
Transfer from Stage 2	468.10	(1,003.41)	535.31	-
Transfer from Stage 3	62.35	74.20	(136.55)	-
Gross carrying value of assets as at 31st March 2021	**14,402.74**	**180.67**	**518.97**	**15,102.38**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2021	**182.03**	**41.92**	**347.54**	**571.49**
(a) New assets originated or purchased	110.80	-	-	110.80
(b) Asset derecognised or repaid (Excluding write offs) #	(127.63)	(139.93)	(287.71)	(555.27)
Assets written off during the year	-	-	(650.83)	(650.83)
Movement between stages				
Transfer from Stage 1	(15.28)	10.15	5.13	-
Transfer from Stage 2	200.07	(411.00)	210.93	-
Transfer from Stage 3	46.76	55.66	(102.42)	-
Impact on ECL on account of movement between stages	(283.15)	496.59	801.91	1,015.35
ECL allowance as at 31st March 2021 *	**113.60**	**53.39**	**324.55**	**491.54**

Represents balancing figure.

* Includes ECL allowance created on loan assets measured through other comprehensive income of ₹309.26 crores

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2020	**10,681.17**	**59.77**	**164.04**	**10,904.98**
(a) New assets originated or purchased	9,659.05	-	-	9,659.05
(b) Asset derecognised or repaid (Excluding write offs) #	(7,715.11)	(339.09)	(149.74)	(8,203.94)
Assets written off during the year	-	-	(433.77)	(433.77)
Movement between stages				
Transfer from Stage 1	(1,527.79)	1,195.07	332.72	-
Transfer from Stage 2	91.34	(709.75)	618.41	-
Transfer from Stage 3	11.40	4.24	(15.64)	-
Gross carrying value of assets as at 31st March 2021	**11,200.06**	**210.24**	**516.02**	**11,926.32**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2020	**162.08**	**17.48**	**118.13**	**297.69**
(a) New assets originated or purchased	66.10	-	-	66.10
(b) Asset derecognised or repaid (Excluding write offs) #	(52.25)	(143.28)	(111.00)	(306.53)
Assets written off during the year	-	-	(433.77)	(433.77)
Movement between stages				
Transfer from Stage 1	(11.37)	8.44	2.93	-
Transfer from Stage 2	39.13	(298.97)	259.84	-
Transfer from Stage 3	8.54	3.17	(11.71)	-
Impact on ECL on account of movement between stages	(30.20)	455.08	523.12	948.00
ECL allowance as at 31st March 2021*	**182.03**	**41.92**	**347.54**	**571.49**

Represents balancing figure.
* Includes ECL allowance created on loan assets measured through other comprehensive income of ₹382.04 crores.

6 (B) Individual lending

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

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2021	**371.50**	**12.63**	**32.67**	**416.79**
(a) New assets originated or purchased	72.81	-	-	72.81
(b) Asset derecognised or repaid (Excluding write offs) #	(228.63)	(19.22)	(10.24)	(258.09)
Assets written off during the year	-	-	(34.71)	(34.71)
Movement between stages				
Transfer from Stage 1	(84.58)	77.88	6.70	-
Transfer from Stage 2	20.34	(75.98)	55.64	-
Transfer from Stage 3	0.55	9.83	(10.38)	-
Gross carrying value of assets as at 31st March 2022	**151.99**	**5.14**	**39.68**	**196.81**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2021	**12.41**	**6.17**	**32.57**	**51.15**
(a) New assets originated or purchased	1.47	-	-	1.47
(b) Asset derecognised or repaid (Excluding write offs) #	(6.14)	(9.34)	(9.59)	(25.07)
Assets written off during the year			(34.70)	(34.70)
Movement between stages				
Transfer from Stage 1	(1.67)	1.53	0.14	-
Transfer from Stage 2	10.16	(37.42)	27.26	-
Transfer from Stage 3	0.56	9.83	(10.39)	-
Impact on ECL on account of movement between stages	(13.75)	31.76	31.46	49.47
ECL allowance as at 31st March 2022	**3.04**	**2.53**	**36.75**	**42.32**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2020	**490.89**	**5.66**	**9.76**	**506.31**
(a) New assets originated or purchased	192.83	-	-	192.83
(b) Asset derecognised or repaid (Excluding write offs) #	(243.90)	(6.12)	(5.02)	(255.04)
Assets written off during the year	-	-	(27.30)	(27.30)
Movement between stages				
Transfer from Stage 1	(69.87)	35.37	34.50	-
Transfer from Stage 2	1.39	(22.36)	20.97	-
Transfer from Stage 3	0.16	0.08	(0.24)	-
Gross carrying value of assets as at 31st March 2021	**371.50**	**12.63**	**32.67**	**416.79**

Represents balancing figure.

₹ in crore

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2020	**1.86**	**2.97**	**9.86**	**14.69**
(a) New assets originated or purchased	3.86	-	-	3.86
(b) Asset derecognised or repaid (Excluding write offs) #	(4.83)	(3.08)	(4.98)	(12.89)
Assets written off during the year	-	-	(27.30)	(27.30)
Movement between stages				
Transfer from Stage 1	(1.86)	0.70	1.16	-
Transfer from Stage 2	0.69	(11.19)	10.50	-
Transfer from Stage 3	0.16	0.08	(0.24)	-
Impact on ECL on account of movement between stages	12.53	16.69	43.57	72.79
ECL allowance as at 31st March 2021	**12.41**	**6.17**	**32.57**	**51.15**

Represents balancing figure.

7 Investments*

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Investments in fully paid equity shares		
A) unquoted		
At fair value through profit and loss		
(a) Alpha Microfinance Consultants Private Ltd	0.54	0.54
Total	**0.54**	**45.56**

* All Investment in Note 7 above are within India.

8 Other financial assets

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Receivable from assignment of portfolio (unsecured, considered good)	78.67	105.47
Security deposits (unsecured, considered good)*	12.95	11.73
Loans and advances to employees (unsecured, considered good)	15.20	8.02
Other financial assets		
Unsecured, considered good	11.93	7.23
Unsecured, considered doubtful	1.53	0.39
Less: Provision for doubtful advances	(1.53)	(0.39)
Others	-	-
Total	**118.75**	**132.45**

* Includes an amount of ₹0.06 crore (Previous year ₹0.06 crore) paid under protest towards PF Notice (Refer Note.34)

9 Other non-financial assets

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Prepaid expenses	7.41	5.46
Advances to employees	0.23	0.15
Capital Advance	-	1.17
Other advances		
Unsecured, considered good	2.50	6.29
Unsecured, considered doubtful	1.21	0.98
Less: Provision for doubtful advances	(1.21)	(0.98)
Total	**10.14**	**13.07**

10(A)

₹ in crore

Particulars	Property, plant and equipment									Right of use assets			Intangible assets		
	Computer	Electrical Equipment	Furniture & Fixtures	Leasehold Improvement	Office equipment	Vehicles	Freehold land	Buildings	Total	Buildings	Computer	Total	Computer software	Customer relationship	Total
Cost:															
At March 31, 2020	15.85	0.93	10.64	9.30	17.45	0.62	0.17	0.21	**55.17**	24.23	37.85	**62.08**	21.94	162.82	**184.76**
Additions	2.15	0.03	0.13	0.10	1.17	0.01	-	-	**3.59**	0.31	24.88	**25.19**	12.02	-	**12.02**
Disposals	(0.56)	(0.05)	(0.20)	(0.16)	(0.63)	-	-	-	**(1.60)**	(0.11)	-	**(0.11)**	(0.24)	-	**(0.24)**
At March 31, 2021	**17.44**	**0.91**	**10.57**	**9.24**	**17.99**	**0.63**	**0.17**	**0.21**	**57.16**	**24.43**	**62.73**	**87.16**	**33.72**	**162.82**	**196.54**
Additions	4.48	0.19	3.19	0.68	5.75	0.25	5.64	-	**20.18**	0.88	19.06	**19.94**	5.25	-	**5.25**
Disposals	(0.66)	(0.02)	(0.06)	-	(0.54)	-	-	-	**(1.28)**	(1.06)	-	**(1.06)**	-	-	**-**
At March 31, 2022	**21.26**	**1.08**	**13.70**	**9.92**	**23.20**	**0.88**	**5.81**	**0.21**	**76.06**	**24.25**	**81.79**	**106.04**	**38.97**	**162.82**	**201.79**
Depreciation/Amortisation:															
At March 31, 2020	7.27	0.71	5.61	3.91	5.58	0.40	0.00	-	**23.48**	3.82	3.66	**7.48**	11.55	0.58	**12.13**
Depreciation/Amortisation charge for the year	4.68	0.05	0.69	1.51	3.68	0.07	-	0.01	**10.69**	4.43	7.83	**12.26**	4.75	16.37	**21.12**
Disposals	(0.30)	(0.05)	(0.19)	(0.16)	(0.46)	-	-	-	**(1.16)**	(0.08)	-	**(0.08)**	(0.25)	-	**(0.25)**
At March 31, 2021	**11.65**	**0.71**	**6.11**	**5.26**	**8.80**	**0.47**	**0.00**	**0.01**	**33.01**	**8.17**	**11.49**	**19.66**	**16.05**	**16.95**	**33.00**
Depreciation/Amortisation charge for the year	4.40	0.20	2.02	1.42	4.28	0.08	-	0.01	**12.41**	4.78	7.90	**12.68**	5.77	16.37	**22.14**
Disposals	(0.65)	(0.01)	(0.05)	-	(0.45)	-	-	-	**(1.16)**	(1.06)	-	**(1.06)**	-	-	**-**
At March 31, 2022	**15.40**	**0.90**	**8.08**	**6.68**	**12.63**	**0.55**	**0.00**	**0.02**	**44.26**	**11.89**	**19.39**	**31.28**	**21.82**	**33.32**	**55.14**
Net book value:															
At March 31, 2020	**8.58**	**0.21**	**5.02**	**5.39**	**11.87**	**0.23**	**0.17**	**0.21**	**31.69**	**20.41**	**34.19**	**54.60**	**10.39**	**162.24**	**172.63**
At March 31, 2021	**5.79**	**0.20**	**4.46**	**3.98**	**9.19**	**0.16**	**0.17**	**0.20**	**24.15**	**16.26**	**51.24**	**67.50**	**17.67**	**145.87**	**163.54**
At March 31, 2022	**5.86**	**0.18**	**5.62**	**3.24**	**10.57**	**0.33**	**5.81**	**0.19**	**31.80**	**12.36**	**62.40**	**74.76**	**17.15**	**129.50**	**146.65**

10(B)

(a) Intangible assets under development

Particulars	March 31, 2022	March 31, 2021
Opening	0.62	2.84
Additions during the year	3.84	2.00
Less: Capitalised during the year	(1.39)	(4.22)
Closing	**3.07**	**0.62**

₹ in crore

(b) (i) Intangible assets under development aging schedule as at 31 March 2022*

Particulars	Amount in Intangible assets under development for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	2.64	0.43	-	-

*There were no Project which is temporarily suspended as at March 31, 2022.

(b) (ii) Intangible assets under development aging schedule as at 31 March 2021*

Particulars	Amount in Intangible assets under development for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	0.62	-	-	-

*There were no Project which is temporarily suspended as at March 31, 2021.

11 Derivative financial instruments

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Part I (i) Cross currency interest rate swap derivatives: # Fair value liability	-	-
Cross currency interest rate swaps	1.66	-
Total	**1.66**	**-**
Part II Included in above (Part I) are derivatives held for hedging and risk management purposes as follows: (i) Cash flow hedging: Fair value liability		
Cross currency interest rate swaps	1.66	-
Total	**1.66**	**-**

Notional amounts of Cross currency interest rate swaps of ₹111.75 crore.

12 Payables

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises (refer Note below)	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	40.46	42.65
Total	**40.46**	**42.65**
Other payables		
(i) Total outstanding dues of micro enterprises and small enterprises (refer Note below)	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	218.56	159.04
Total	**218.56**	**159.04**
Total Payable	**259.02**	**201.69**

(A) Dues to micro enterprises and small enterprises:

Particulars	March 31, 2022	March 31, 2021
(i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	-	-
(ii) the amount of interest paid by the Company in terms of section 16 of MSMEDAct, 2006, along with the amounts of the payment made to the suppliers beyond the appointed day during the year;	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Note: The management has identified micro and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) on the basis of information made available by the supplier or vendors of the Company. Based on the information available with the Company, as at the year end, there are no dues to micro and small Enterprises that are reportable under the MSMED Act, 2006.

(B) Trade Payables aging schedule*

(i) As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	40.42	0.04	-	-	**40.46**

*There were no Disputed payable as at March 31, 2022.

(ii) As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	42.65	-	-	-	**42.65**

*There were no Disputed payable as at March 31, 2021.

13 Debt securities (at amortised cost)

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Debentures (secured)	1,418.10	1,659.94
Debentures (unsecured)	-	15.01
Total	**1,418.10**	**1,674.95**
Debt securities in India	1,418.10	1,674.95
Debt securities outside India	-	-
Total	**1,418.10**	**1,674.95**
Nature of security The above debentures are secured by the way of first and exclusive charge over eligible specified book debts of the Group		

Debentures (secured) (at amortised cost)

Terms of debentures	Number of debentures		Face value	₹ in crore	
	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021
11.68% Secured Redeemable Non-convertible Debentures of face value of ₹10,00,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 28, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	195	195	10,00,000	19.50	19.48
11.47% Secured Redeemable Non-convertible Debentures of face value of ₹10,00,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 28, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	195	195	10,00,000	19.49	19.47
11.11% Secured Redeemable Non-convertible Debentures of face value of ₹10,00,000 each redeemable after Three years from the date of allotment i.e. February 27, 2020.	800	800	10,00,000	80.52	80.33
11.60% Secured Redeemable Non-convertible Debentures of face value of ₹10,00,000 each redeemable after Five years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. July 31, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	1,000	1,000	10,00,000	100.94	100.95
10.34% Secured Redeemable Non-convertible Debentures of face value of ₹10,00,000 each redeemable after five years from the date of allotment i.e. May 31, 2017.	459	905	10,00,000	47.39	93.19
9.50% Secured Redeemable Non-convertible Debentures of face value of ₹10,00,000 each redeemable after Five years from the date of allotment i.e. November 8, 2019.	2,140	2,140	10,00,000	220.19	219.39
10.50% Secured Redeemable Non-convertible Debentures of face value of ₹10,00,000 each redeemable after Thirty Four months from the date of allotment i.e. June 29, 2020.	725	1,208	10,00,000	74.29	123.74

Terms of debentures	Number of debentures		Face value	₹ in crore	
	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021
9.81% Secured Redeemable Non-convertible Debentures of face value of ₹10,00,000 each redeemable after Thity Six Months from the date of allotment i.e. July 31, 2020.	167	250	10,00,000	16.89	25.31
10.00% Secured Redeemable Non-convertible Debentures of face value of ₹10,00,000 each redeemable after Three years from the date of allotment i.e. June 26, 2020.	500	500	10,00,000	53.62	53.52
10.05% Secured Redeemable Non-convertible Debentures of face value of ₹10,00,000 each redeemable after Three years from the date of allotment i.e. July 3, 2020.	300	300	10,00,000	32.15	32.10
9.95% Secured Redeemable Non-convertible Debentures of face value of ₹10,00,000 each redeemable after Thirty Four Months from the date of allotment i.e. July 27, 2020.	1,000	1,000	10,00,000	106.64	106.57
10.20% Secured Redeemable Non-convertible Debentures of face value of ₹10,00,000 each redeemable after Thirty Seven months from the date of allotment i.e. March 13, 2020.	170	170	10,00,000	16.90	16.94
9.25% Secured Redeemable Non-convertible Debentures of face value of ₹10,00,000 each redeemable after Eighteen months from the date of allotment i.e. August 14, 2020.	-	500	10,00,000	-	52.84
9.25% Secured Redeemable Non-convertible Debentures of face value of ₹10,00,000 each redeemable after Eighteen months from the date of allotment i.e. August 14, 2020.	-	360	10,00,000	-	37.98
9.15% Secured Redeemable Non-convertible Debentures of face value of ₹10,00,000 each redeemable after Eighteen months from the date of allotment i.e. September 23, 2020.	-	500	10,00,000	-	49.93
9.15% Secured Redeemable Non-convertible Debentures of face value of ₹10,00,000 each redeemable after Eighteen months from the date of allotment i.e. September 23, 2020.	-	500	10,00,000	-	49.97
9.15% Secured Redeemable Non-convertible Debentures of face value of ₹10,00,000 each redeemable after Eighteen months from the date of allotment i.e. October 20, 2020.	1,000	1,000	10,00,000	104.04	103.73
9.15% Secured Redeemable Non-convertible Debentures of face value of ₹10,00,000 each redeemable after Eighteen months from the date of allotment i.e. November 11, 2020.	250	250	10,00,000	25.88	25.80
9.15% Secured Redeemable Non-convertible Debentures of face value of ₹10,00,000 each redeemable after Eighteen months from the date of allotment i.e. December 10, 2020.	250	1,000	10,00,000	25.12	100.35
9.00% Secured Redeemable Market Linked Non-convertible Debentures of face value of ₹10,00,000 each redeemable after Two years from the date of allotment i.e. March 25, 2021.	500	500	10,00,000	54.13	49.55
10.42% Secured Redeemable Non-convertible Debentures of face value of ₹10,00,000 each redeemable after Three years from the date of allotment i.e. March 31, 2021.	1,450	1,450	10,00,000	144.93	144.90
8.56% Secured Redeemable Market Linked Non-convertible Debentures of face value of ₹10,00,000 each redeemable after Two years and Five days from the date of allotment i.e. August 31, 2021.	1,000	-	10,00,000	104.11	-
9.90% Secured Redeemable Non-convertible Debentures of face value of ₹10,00,000 each redeemable after Three years and Fifteen days from the date of allotment i.e. April 30, 2021.	710	-	10,00,000	70.92	-

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Terms of debentures	Number of debentures		Face value	₹ in crore	
	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021
9.70% Secured Redeemable Non-convertible Debentures of face value of ₹10,00,000 each redeemable after Three years from the date of allotment i.e. March 11, 2022.	552	-	10,00,000	55.09	-
10.11% Non-convertible Debentures - Privately placed, Listed. Secured by hypothecation of loans granted to Self Help Groups. The maturity date of the Debentures is 30-Jun-2022, redeemable in four equal installments on 04-Oct-2021, 31-Dec-2021, 31-Mar-2022 and balance to be redeemed on 30-Jun-2022	250	250	10,00,000	6.25	25.00
10.50% Non-convertible Debentures - Privately placed, Listed Secured by exclusive charge on loans created out of the proceeds of the debentures. The NCD is redeemable in one bullet payment redeemed on 17-Feb-2022	-	500	10,00,000	-	53.26
11.00% Non-Convertible Debentures - Privately placed, unlisted Secured by exclusive charge on the loans created out of the proceeds of the debentures and immovable properties. 99.99% of the principal amount of the NCD is redeemable on 13-May-2021 and balance on 13-May-2023 **	-	360	10,00,000	-	37.46
9.80% Non-convertible Debentures - Privately placed, Unlisted. Secured by hypothecation of loans granted to Self Help Groups. The maturity date of the Debentures is 23-Apr-2024, with 99.99% redeemable on 22-Apr-2022 and balance to be redeemed on 23-Apr-2024.	3,750	3,750	1,00,000	38.57	38.12
Total *	**17,363**	**19,583**		**1,417.63**	**1,659.88**

* The above excludes the impact of fair valuation of debt securities on acquisition.
** The balance 0.01% was prepaid on January 31, 2022

Debentures (unsecured) at amortised cost

Terms of debentures	Number of debentures		Face value	₹ in crore	
	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021
13.00% Non-Convertible Debentures - Privately placed, listed, unsecured .The NCD is redeemable on 16-Aug-2021.	-	150	10,00,000	-	15.01

Note: The rates mentioned above are the original coupons rates as per the individual contracts.

14 Borrowings other than debt securities (at amortised cost)

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Term loans (secured)		
Banks	8,697.44	6,256.24
Financials institutions	2,043.43	2,132.53
Non-banking financial companies	457.46	368.67
External commercial borrowings	93.74	225.51
Term loans (unsecured)		
External commercial borrowings	116.08	-
Non banking financial companies	16.70	171.56
Collateralised borrowings from Banks	**-**	**9.17**
(arising on account of securitisation)		
Total	**11,424.85**	**9,163.68**
Borrowings in India	11,215.03	8,938.17
Borrowings outside India	209.82	225.51
Total	**11,424.85**	**9,163.68**

N o t e :

(1) The term loans are covered by unsecured microfinance loans to the extent of minimum 100% of outstanding. Further in respect of borrowings (including Debentures) drawn during quarter 4 of FY 2021-22 aggregating to ₹1019.7 crore (Quarter 4 of Previous year ₹622.35 crore), the Group will assign the book debts in due course as per the sanction terms. The borrowings have not been guaranteed by directors or others.

(2) Term loans availed during the year were applied for the purposes for which the loans were obtained, other than temporary deployment pending application.

14.1

Delay in repayment

There were no delay in repayment of borrowings as at March 31, 2022 and March 31, 2021.

15 Subordinated liabilities (at amortised cost)

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Term Loan	25.57	50.26
Debentures	52.17	52.44
Total	**77.74**	**102.70**
Subordinated Liabilities in India	77.74	102.70
Subordinated Liabilities outside India	-	-
Total	**77.74**	**102.70**

Terms of repayment of borrowings as on March 31, 2022

₹ in crore

Type of instrument / institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
				No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Debentures	Monthly	Above 3 years	9.50%-10%	1	37.50	-	-	-	-	-	-	-	-	-	-	37.50
	Quarterly	1-3 years	9%-9.5%	1	25.00	-	-	-	-	-	-	-	-	-	-	25.00
			10%-10.5%	1	6.25	-	-	-	-	-	-	-	-	-	-	6.25
	Half Yearly	1-3 years	10.5%-11%	2	48.33	1	24.17	-	-	-	-	-	-	-	-	72.50
		Above 3 years	9.5%-10%	-	-	2	107.00	2	107.00	-	-	-	-	-	-	214.00
	Bullet	1-3 years	8.5%-9%	-	-	1	100.00	-	-	-	-	-	-	-	-	100.00
			9%-9.5%	3	175.00	-	-	-	-	-	-	-	-	-	-	175.00
			9.5%-10%	1	8.33	2	108.34	-	-	-	-	-	-	-	-	116.67
			10%-10.5%	-	-	2	80.00	-	-	-	-	-	-	-	-	80.00
		Above 3 years	9.5%-10%	-	-	-	-	2	126.20	-	-	-	-	-	-	126.20
			10%-10.5%	1	17.00	1	145.00	-	-	-	-	-	-	-	-	162.00
			11%-11.5%	1	80.00	1	19.50	-	-	-	-	-	-	-	-	99.50
			11.5%-12%	1	100.00	1	19.50	-	-	-	-	-	-	-	-	119.50
			14%-14.5%	-	-	1	50.00	-	-	-	-	-	-	-	-	50.00
	Annually	Above 3 years	10%-10.5%	1	45.90	-	-	-	-	-	-	-	-	-	-	45.90
Term loan banks	Monthly	1-3 years	5.5%-6.0%	9	16.88	-	-	-	-	-	-	-	-	-	-	16.88
			6.5%-7.0%	24	27.27	9	10.45	-	-	-	-	-	-	-	-	37.73
			7%-7.5%	56	183.42	46	138.86	11	26.47	-	-	-	-	-	-	348.75
			7.5%-8.0%	591	1,720.29	299	959.59	20	180.00	-	-	-	-	-	-	2,859.87
			8%-8.5%	285	713.72	197	554.13	62	175.10	-	-	-	-	-	-	1,442.96
			8.5%-9%	412	954.95	250	398.92	4	10.38	-	-	-	-	-	-	1,364.24
			9%-9.5%	212	472.63	107	245.00	7	11.88	-	-	-	-	-	-	729.51
			9.5%-10%	21	19.24	12	8.53	-	-	-	-	-	-	-	-	27.77
			10%-10.5%	26	46.75	-	-	-	-	-	-	-	-	-	-	46.75
			11%-11.5%	19	30.33	-	-	-	-	-	-	-	-	-	-	30.33
		Above 3 years	7%-7.5%	36	66.67	36	66.67	26	52.78	-	-	-	-	-	-	186.12
			7.5%-8.0%	24	33.33	24	33.33	16	22.22	-	-	-	-	-	-	88.89
			8%-8.5%	105	259.70	77	96.44	52	43.91	-	-	-	-	-	-	400.05
			8.5%- 9%	15	5.90	5	1.42	-	-	-	-	-	-	-	-	7.33
			9%-9.5%	24	4.45	18	3.13	12	1.25	12	1.37	5	0.63	-	-	10.84
			9.5%- 10%	12	18.22	-	-	-	-	-	-	-	-	-	-	18.22
			10%-10.5%	35	30.28	7	9.69	-	-	-	-	-	-	-	-	39.97
			10.5%-11%	15	34.57	-	-	-	-	-	-	-	-	-	-	34.57
	Quarterly	1-3 years	7.5%-7.75%	3	60.00	4	80.00	3	60.00	-	-	-	-	-	-	200.00
			8%-8.5%	4	50.00	3	37.50	-	-	-	-	-	-	-	-	87.50
			8.5%-9%	8	71.43	4	36.36	5	45.45	-	-	-	-	-	-	153.25
			9%-9.5%	12	27.05	8	14.55	3	5.45	-	-	-	-	-	-	47.05
		Above 3 years	6.5%-7.0%	4	20.00	4	20.00	4	20.00	-	-	-	-	-	-	60.00
			8.5%-9%	3	6.82	4	9.09	4	9.09	-	-	-	-	-	-	25.00
			9%-9.5%	6	54.55	8	72.73	8	72.73	-	-	-	-	-	-	200.00
	Half Yearly	1-3 years	9.5%-10%	2	20.00	2	20.00	-	-	-	-	-	-	-	-	40.00
	Bullet	1-3 years	7.5%-8.0%	3	82.50	1	27.50	-	-	-	-	-	-	-	-	110.00
			8.5%-9%	4	90.00	-	-	-	-	-	-	-	-	-	-	90.00

Terms of repayment of borrowings as on March 31, 2022

₹ in crore

Type of instrument / institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
				No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Term loan from financial institutions	Monthly	1-3 years	6%-6.5%	24	108.50	-	-	-	-	-	-	-	-	-	-	108.50
			9.5%-10%	18	33.33	24	40.00	18	26.67	-	-	-	-	-	-	100.00
	Quarterly	Above 3 years	9%-9.5%	4	28.00	4	28.00	4	8.00	4	8.00	-	-	-	-	72.00
			9.5%-10%	8	140.80	8	117.20	8	91.00	8	47.20	5	32.60	-	-	428.80
			11.5%-12%	4	12.25	4	2.50	3	1.50	-	-	-	-	-	-	16.25
	Half Yearly	1-3 years	7%-7.5%	3	216.00	-	-	-	-	-	-	-	-	-	-	216.00
			10.5%-11%	2	82.49	-	-	-	-	-	-	-	-	-	-	82.49
		Above 3 years	10.5%-11%	8	12.30	-	-	-	-	-	-	-	-	-	-	12.30
			11.5%-12%	18	331.90	16	409.15	6	180.00	-	-	-	-	-	-	921.05
	Bullet	1-3 years	7%-7.5%	2	65.00	-	-	-	-	-	-	-	-	-	-	65.00
Term loan from non-banking financial companies	Monthly	1-3 years	8.5%-9%	32	76.96	16	42.06	12	37.71	-	-	-	-	-	-	156.74
			9%-9.5%	36	29.09	20	15.76	1	0.76	-	-	-	-	-	-	45.61
			9.5%-10%	16	25.82	4	15.33	-	-	-	-	-	-	-	-	41.16
			10%-10.5%	46	65.93	-	-	-	-	-	-	-	-	-	-	65.93
			11%-11.5%	3	4.21	-	-	-	-	-	-	-	-	-	-	4.21
		Above 3 years	9%-9.5%	36	42.56	36	44.05	26	27.85	-	-	-	-	-	-	114.45
	Quarterly	1-3 years	9%-9.5%	4	8.33	4	8.33	4	8.33	-	-	-	-	-	-	25.00
			10%-10.5%	4	8.33	4	8.33	-	-	-	-	-	-	-	-	16.67
			11.5%-12%	3	4.07	-	-	-	-	-	-	-	-	-	-	4.07
External commercial borrowings	Half Yearly	Above 3 years	10%-10.5%	-	-	-	-	2	44.70	2	44.70	1	22.35	-	-	111.75
	Bullet	1-3 years	11%-11.5%	1	93.44	-	-	-	-	-	-	-	-	-	-	93.44
Sub-debt	Bullet	Above 3 years	14.5%-15%	-	-	-	-	-	-	-	-	1	12.50	1	12.50	25.00
Grand Total				**2,254.00**	**7,016.10**	**1,277.00**	**4,228.11**	**325.00**	**1,396.43**	**26.00**	**101.27**	**12.00**	**68.08**	**1.00**	**12.50**	**12,860.00**

Note: The above amount pertains to the principal outstanding only.

Terms of repayment of borrowings as on March 31, 2021

₹ in crore

Type of instrument / institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
				No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Debentures	Quarterly	1-3 years	10% - 10.5%	3	18.75	1	6.25	-	-	-	-	-	-	-	-	25.00
			9%-9.5%	3	75.00	1	25.00	-	-	-	-	-	-	-	-	100.00
	Half-Yearly	1-3 years	10.5%-11%	2	48.33	2	48.33	1	24.17	-	-	-	-	-	-	120.83
		Above 3 years	9.5%-10%	-	-	-	-	2	107.00	2	107.00	-	-	-	-	214.00
	Bullet	1-3 years	9%-9.5%	4	186.00	3	175.00	-	-	-	-	-	-	-	-	361.00
			9.5%-10%	1	8.33	1	8.33	2	108.34	-	-	-	-	-	-	125.00
			10%-10.5%	1	50.00	-	-	2	80.00	-	-	-	-	-	-	130.00
			12.5% - 13%	1	15.00	-	-	-	-	-	-	-	-	-	-	15.00
		Above 3 years	9.5% - 10%	1	50.00	-	-	-	-	-	-	-	-	-	-	50.00
			10%-10.5%	-	-	1	17.00	1	145.00	-	-	-	-	-	-	162.00
			10.5% - 11%	2	36.00	-	-	-	-	-	-	-	-	-	-	36.00
			11%-11.5%	-	-	1	80.00	1	19.50	-	-	-	-	-	-	99.50
			11.5%-12%	-	-	1	100.00	1	19.50	-	-	-	-	-	-	119.50
	Annually	Above 3 years	10%-10.5%	1	44.55	1	45.90	-	-	-	-	-	-	-	-	90.45
Term loan banks	Monthly	1-3 years	7.5%-8.0%	292	1,061.25	179	532.48	-	-	-	-	-	-	-	-	1,593.73
			8%-8.5%	195	551.31	98	326.21	26	73.78	-	-	-	-	-	-	951.30
			8.5%-9%	162	480.03	58	119.19	-	-	-	-	-	-	-	-	599.22
			9%-9.5%	130	308.65	89	156.94	14	19.69	-	-	-	-	-	-	485.28
			9.5%-10%	13	7.27	12	5.00	12	5.00	-	-	-	-	-	-	17.27
			10% - 10.5%	52	87.02	23	43.18	-	-	-	-	-	-	-	-	130.20
			10.5% - 11%	62	67.58	3	3.57	-	-	-	-	-	-	-	-	71.15
			11% - 11.5%	52	74.62	19	30.33	-	-	-	-	-	-	-	-	104.95
		Above 3 years	8%-8.5%	24	116.67	24	116.67	6	29.16	-	-	-	-	-	-	262.50
			8.5%-9%	24	410.87	14	368.78	-	-	-	-	-	-	-	-	779.65
			9%-9.5%	22	11.00	24	12.51	17	10.33	-	-	-	-	-	-	33.84
			9.5%-10%	16	11.49	-	-	-	-	-	-	-	-	-	-	11.49
			10%-10.5%	66	49.57	48	42.27	11	10.80	-	-	-	-	-	-	102.64
			10.5% - 11%	36	20.42	11	9.57	-	-	-	-	-	-	-	-	29.99
			11% - 11.5%	19	6.17	-	-	-	-	-	-	-	-	-	-	6.17
			11.5% - 12%	24	56.52	14	34.36	-	-	-	-	-	-	-	-	90.88
	Quarterly	1-3 years	7.5%-8.0%	23	76.79	-	-	-	-	-	-	-	-	-	-	76.79
			8%-8.5%	14	59.00	-	-	-	-	-	-	-	-	-	-	59.00
			8.5%-9%	12	106.00	6	53.25	-	-	-	-	-	-	-	-	159.25
			9%-9.5%	2	16.25	-	-	-	-	-	-	-	-	-	-	16.25
			9.5% - 10%	4	12.50	-	-	-	-	-	-	-	-	-	-	12.50
			10% - 10.5%	2	12.50	-	-	-	-	-	-	-	-	-	-	12.50
			10.5% - 11%	3	28.57	-	-	-	-	-	-	-	-	-	-	28.57
		Above 3 years	10.5% - 11%	1	0.83	-	-	-	-	-	-	-	-	-	-	0.83
	Half-Yearly	1-3 years	7.5%-8.0%	4	70.00	-	-	-	-	-	-	-	-	-	-	70.00
			8%-8.5%	4	74.16	-	-	-	-	-	-	-	-	-	-	74.16
			9.5%-10%	1	10.00	2	20.00	2	20.00	-	-	-	-	-	-	50.00
	Bullet	1-3 years	7.5%-8.0%	12	250.00	-	-	-	-	-	-	-	-	-	-	250.00
			7%-7.5%	-	-	2	32.50	-	-	-	-	-	-	-	-	32.50
			6.5%-7%	1	17.50	-	-	-	-	-	-	-	-	-	-	17.50
			8.5% - 9%	2	60.00	-	-	-	-	-	-	-	-	-	-	60.00
			9.5% - 10%	2	80.00	-	-	-	-	-	-	-	-	-	-	80.00

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Terms of repayment of borrowings as on March 31, 2021

₹ in crore

Type of instrument / institution	Frequency of repayment	Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
				No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Term loan from financial institutions	Monthly	1-3 years	6%-6.5%	25	142.82	2	16.00	-	-	-	-	-	-	-	-	158.82
			6.5% - 7%	2	20.00	-	-	-	-	-	-	-	-	-	-	20.00
			7% - 7.5%	11	9.82	-	-	-	-	-	-	-	-	-	-	9.82
			11.5% - 12%	2	2.48	-	-	-	-	-	-	-	-	-	-	2.48
		Above 3 years	6.5% - 7%	6	7.33	-	-	-	-	-	-	-	-	-	-	7.33
			12.5% - 13%	12	40.00	-	-	-	-	-	-	-	-	-	-	40.00
	Quarterly	Above 3 years	9% - 9.5%	4	28.00	4	28.00	4	28.00	4	8.00	4	8.00	-	-	100.00
			11.5% - 12%	4	15.00	4	12.25	4	2.50	3	1.50	-	-	-	-	31.25
	Half-Yearly	1-3 years	7%-7.5%	3	269.00	2	123.50	-	-	-	-	-	-	-	-	392.50
			6.5% - 7%	2	50	1	25	-	-	-	-	-	-	-	-	74.99
		Above 3 years	10.5%-11%	14	20.60	8	12.30	-	-	-	-	-	-	-	-	32.90
			11% - 11.5%	1	1	-	-	-	-	-	-	-	-	-	-	0.63
			11.5%-12%	18	305.20	18	331.90	16	409.15	6	180.00	-	-	-	-	1,226.25
Term loan from non-banking financial companies	Monthly	1-3 years	8.5%-9%	17	52.17	9	29.35	-	-	-	-	-	-	-	-	81.52
			9%-9.5%	11	33.48	-	-	-	-	-	-	-	-	-	-	33.48
			9.5%-10%	23	22.22	14	13.82	2	3.34	-	-	-	-	-	-	39.38
			10% - 10.5%	80	150.61	46	65.93	-	-	-	-	-	-	-	-	216.54
			10.5% - 11%	12	13.19	3	4.21	-	-	-	-	-	-	-	-	17.40
			11% - 11.5%	20	10.23	-	-	-	-	-	-	-	-	-	-	10.23
			11.5% - 12%	3	50.00	-	-	-	-	-	-	-	-	-	-	50.00
		Above 3 years	9% - 9.5%	8	6.06	12	9.09	12	9.09	1.00	0.76	-	-	-	-	25.00
			10% - 10.5%	2	1.82	-	-	-	-	-	-	-	-	-	-	1.82
			11% - 11.5%	2	0.71	-	-	-	-	-	-	-	-	-	-	0.71
	Quarterly	1-3 years	10% - 10.5%	4	8.33	4	8.33	4	8.33	-	-	-	-	-	-	24.99
			11.5% - 12%	4	5.45	3	4.09	-	-	-	-	-	-	-	-	9.54
		Above 3 years	11.5% - 12%	7	6.50	-	-	-	-	-	-	-	-	-	-	6.50
	Half-Yearly	1-3 years	10% - 10.5%	2	25.00	-	-	-	-	-	-	-	-	-	-	25.00
External commercial borrowings	Bullet	1-3 years	11%-11.5%	-	-	1	93.44	-	-	-	-	-	-	-	-	93.44
		Above 3 years	10%-10.5%	1	33.80	-	-	-	-	-	-	-	-	-	-	33.80
			10.5%-11%	1	95.00	-	-	-	-	-	-	-	-	-	-	95.00
Sub Debt	Bullet	Above 3 years	14.5%-15%	1	25.00	-	-	-	-	-	-	-	-	-	-	25.00
Grand Total				**1,597.00**	**6,176.95**	**769**	**3,189.82**	**140**	**1,132.67**	**16**	**297.26**	**4.00**	**8.00**	**-**	**-**	**10,804.71**

Note: The above amount pertains to the principal outstanding only.

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16 Other financial liabilities

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Lease liabilities	85.00	75.34
Others	2.44	7.60
Total	**87.44**	**82.94**

17 Provisions

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Provision for employee benefits:		
Gratuity	8.50	7.56
Leave encashment and availment	22.75	17.97
Total	**31.25**	**25.53**

18 Other financial liabilities

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Statutory dues payable (Tax deducted at source, GST etc)	13.52	11.37
Total	**13.52**	**11.37**

19 Equity share capital

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Authorised		
Equity shares of ₹10 each	160.00	160.00
16,00,00,000 (March 31, 2021 : 16,00,00,000) Equity shares	**160.00**	**160.00**
	March 31, 2022	**March 31, 2021**
Issued, subscibed and fully paid up		
155,866,346 (March 31, 2021: 155,582,040) Equity shares of ₹10 each fully paid	155.87	155.58

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

Equity shares	31-Mar-22		31-Mar-21	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
At the beginning of the year	155,582,040	155.58	143,985,459	143.99
Add: Issued during the year				
- On account of Qualified Institutional Placement	-	-	11,315,323	11.31
- Employee Stock Option Plan	284,306	0.29	281,258	0.28
Outstanding at the end of the year	**155,866,346**	**155.87**	**155,582,040**	**155.58**

In the previous year, Pursuant to the approval accorded by the board of directors of the Holding Company (the "Board"), at its meeting held on September 3, 2020 and the special resolution passed by the members of the Holding Company at the Extraordinary General Meeting (EGM) held on September 26, 2020, the Capital Raising Committee of the Board (the "CRC Committee") has, at its meeting held on October 05, 2020 approved the Qualified institutions placement of equity shares of face value ₹10 each of the Holding Company.

Subsequently, the CRC Committee, at its meeting held on October 8, 2020, approved the allotment of 11,315,323 Equity Shares of face value ₹10 each to eligible qualified institutional buyers at the issue price of ₹707 per Equity Share (including a premium of ₹697 per Equity Share) aggregating to ₹799,99,33,361 (Rupees Seven Ninety Nine Crore Ninety Nine Lakh Thirty Three Thousand Three Hundred and Sixty One only).

(b) Terms/Rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Holding 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 Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	March 31, 2022		March 31, 2021	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity shares of INR 10 each fully paid				
CreditAccess India NV	115,109,028	73.85%	115,109,028	73.99%
Nippon Life India Trustee Limited	8,721,856	5.60%	6,105,884	3.92%

(d) Details of shareholders holding of Promoters

Particulars	March 31, 2022			March 31, 2021		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
1) CreditAccess India NV	115,109,028	73.85%	-0.14%	115,109,028	73.99%	-5.95%

(e) For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company refer Note 38.

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

Particulars	31-Mar-22 (No. of equity shares)	31-Mar-21 (No. of equity shares)	31-Mar-20 (No. of equity shares)	31-Mar-19 (No. of equity shares)	31-Mar-18 (No. of equity shares)	31-Mar-17 (No. of equity shares)
Equity shares alloted to Equity Share holders and Compulsorily Convertible Debentureholders of MV Microfin Private Limited as a purchase consideration for amalgamation of business with the Company	-	-	-	-	4,890,140	-
Equity shares alloted to CreditAccess India NV (Formerly known as CreditAccess Asia NV) in lieu of conversion of compulsorily convertible debentures	-	-	-	-	12,987,012	-
Total	**-**	**-**	**-**	**-**	**17,877,152**	**-**

20 Other equity*

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	370.52	294.09
Capital reserve	49.95	49.95
Securities premium	2,268.12	2,263.13
Share options outstanding account	11.72	8.52
Retained earnings	1,211.30	924.22
Effective portion of Cash Flow Hedge	0.39	-
Fair valuation of loans through other comprehensive income	(90.22)	(3.94)
Total	**3,821.78**	**3,535.97**

* For detailed movement of reserves refer statement of changes in equity for the year ended March 31, 2022.

Nature and purpose of reserve

20.1 Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

20.2 Capital reserve

During the year ended 2018, the Holding Company pursuant to the scheme of amalgamation acquired MV Microfin Private Limited with effect from April 1, 2017, per the accounting treatment of the scheme of amalgamation approved by the Honourable High Court of Karnataka the differential amount between the carrying value of investments and net assets acquired from the transferor companies has been accounted as Capital reserve.

20.3 Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)

Statutory reserve represents the accumulation of amount transferred from surplus year on year based on the fixed percentage of profit for the year, as per section 45-IC of Reserve Bank of India Act 1934.

20.4 Share option outstanding account

The share option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.

20.5 Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to statutory reserve, general reserve or any other such other appropraitions to specific reserves.

20.6 Other comprehensive income

(i) Effective portion of Cash Flow Hedge

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). When the hedged cash flow affects the statement of profit and loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the statement of profit and loss.

(ii) Fair valuation of loans through other comprehensive income (FVTOCI)

The Group has elected to recognize changes in the fair value of loans in other comprehensive income. These changes are accumu lated as reserve within equity. The Group transfers amount from this reserve to retained earnings when the relevant loans are derecognized.

₹ in crore

20.7 Movement of other comprehensive income for the year	March 31, 2022	March 31, 2021
Opening balance	(3.94)	(36.07)
(+) Fair value change during the year	(486.65)	(450.50)
(+) Effective portion of Cash Flow Hedge	0.39	-
(-) Impairment allowance transferred to statement of profit and loss	400.37	482.63
Total	**(89.83)**	**(3.94)**

20.8 The Group has not declared or paid any dividend during the year and has not proposed final dividend for the year.

21 Interest income

₹ in crore

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total
Interest on loans	1,914.94	618.03	2,532.97	1,615.45	636.00	2,251.45
Income from securitisation	-	0.56	0.56	-	12.96	12.96
Interest on deposits with banks and financial institutions	-	33.80	33.80	-	25.62	25.62
Total	**1,914.94**	**652.39**	**2,567.33**	**1,615.45**	**674.58**	**2,290.03**

22 Fees and commission income

₹ in crore

Fees and commission income	For the year ended	
	March 31, 2022	March 31, 2021
Service fees for management of assigned portfolio of loans	0.06	0.10
Service and administration charges	2.44	3.27
Distribution Income	10.72	5.39
Total	**13.22**	**8.76**

23 Net gain on fair value changes

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
(A) Net gain on fair value instruments at fair value through profit or loss		
(i) On Trading portfolio (realised)		
- Investments	17.85	20.01
(B) Others		
(i) Gain on derecognition of loans designated at FVTOCI	69.99	112.89
Total	**87.84**	**132.90**

24 Other Income

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Net gain / (loss) on foreign currency transaction and translation (other than considered as finance cost)	-	(0.01)
Miscellaneous income	7.31	5.08
Total	**7.31**	**5.07**

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25 Finance costs

₹ in crore

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	On financial assets measured at fair value through profit or loss	On financial assets measured at amortised cost	Total	On financial assets measured at fair value through profit or loss	On financial assets measured at amortised cost	Total
Interest on debt securities	-	163.04	163.04		127.95	127.95
Interest on borrowings other than debt securities	-	797.46	797.46		773.61	773.61
Interest on subordinated liabilities	-	13.67	13.67		14.44	14.44
Other interest expense						
-Interest on lease liabilities	-	8.08	8.08		6.56	6.56
-Others	-	1.73	1.73		1.93	1.93
On financial liability towards securitisation (re-recognised on balance sheet)	-	0.16	0.16		4.23	4.23
Total Finance costs	**-**	**984.14**	**984.14**	**-**	**928.72**	**928.72**

26 Impairment of Financial Instruments

₹ in crore

Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total
Group lending loans	400.37	171.78	**572.15**	**482.63**	225.32	**707.94**
Individual loans	-	24.59	**24.59**	**-**	63.42	**63.42**
Total	**400.37**	**196.37**	**596.74**	**482.63**	**288.73**	**771.36**

27 Employee benefit expenses

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Salaries and wages	388.20	341.24
Contribution to provident and other funds	40.26	34.34
Share based payments to employees	5.45	1.96
Staff welfare expenses	3.75	2.45
Total	**437.66**	**379.99**

28 Depreciation and amortization expenses

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
-On property, plant and equipment	12.41	10.69
-On intangible assets	22.14	21.12
-On right of use assets	12.68	12.26
Total	**47.23**	**44.07**

29 Other expenses

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Rental charges payable under operating leases (Refer Note 36)	23.29	19.28
Bank charges	3.28	4.60
Rates and taxes	9.86	7.62
Insurance	3.59	1.86
Repairs and maintenance	18.41	10.68
Electricity	4.23	3.47
Travelling and conveyance	74.91	49.79
Postage and telecommunication	9.79	13.40
Printing and stationery	6.20	6.30
Professional and consultancy charges	17.20	16.98
Remuneration to directors	1.36	1.15
Auditors remuneration (refer Note below)	1.65	1.53
Training expenses	6.86	1.86
Corporate Social Responsibility expenses (Refer Note below)	9.71	7.81
Provision for other assets	1.63	0.20
Miscellaneous expenses**	8.64	11.99
Total	**200.61**	**158.52**

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021#
As auditor		
Audit fee	0.87	0.86
Limited review	0.60	0.45
Others	0.02	0.10
In other capacity		
Certification services	0.15	0.10
Reimbursement of expenses	0.01	0.02
Total	**1.65**	**1.53**

Excludes payment amounting to ₹0.68 crore for services in relation to Qualified institutions placement of equity shares, which has been adjusted in securities premium.

Details of CSR expenditure

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
a) Gross amount required to be spent by the Group during the year	9.69	9.73
b) Amount spent during the year (in cash)		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	6.64	6.66
c) Shortfall at the end of the year, *	3.05	3.07
d) Total of previous years shortfall	-	-

* Previous year unspent balance of ₹3.07 Crores has been fully spent during the current year.

Note

1. The Group has deposited the unspent amount in relation to the CSR expenditure in dedicated bank account.

2. Reason for shortfall, are as below

a) Few of the projects like the Vaccination Drives, Support to physically/mentally challenged children and the self-learning center have been commenced in the last quarter of this year and the period of the project extends to the next Financial year with committed payments to be made during the next Financial Year.

b) Two ongoing projects namely Anganawadi Improvement Program and Rural development program had execution challenges due to the covid situations in certain geographies. Hence, even though the institutions were identified, and events planned, the execution got delayed and some of the event dates have been extended to next financial year.

3. For nature of CSR activities refer annual report on CSR activities in Directors report.

4. Contribution of ₹3.54 crore made to CreditAccess India Foundation (Section 8 Company which is subsidary of the Company).

5. The Group has entered into a Memorandum of Understanding with CreditAccess India Foundation for CSR Activities (COVID-19 pandemic support program, Community Development activity like education, health Care, livelihood and other support activity).

** The Group has reversed additional provision carried over and above requirements as per Section 135 Companies Act, 2013 to the extent of ₹4.96 Crore during the current year.

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30 Income tax

(A)

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Current tax		
(i) Current year	121.78	106.44
(ii) Earlier year	2.16	-
Deferred tax		
(i) Current year	1.30	(57.44)
(ii) Earlier year	(1.55)	-
Total	**123.69**	**49.00**

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

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Profit before tax	**480.79**	**180.40**
At India's statutory income tax rate of 25.17% (2020: 25.17%)	121.01	45.41
Non deductible expenses		
Interest	0.09	0.15
CSR	1.19	2.96
Employee stock option cost	1.37	0.49
Others	0.03	-
Income tax expense reported in statement of profit and loss	**123.69**	**49.00**

(C) Movement in deferred tax balances for the year ended March 31, 2022

₹ in crore

Particulars	Net balance April 1, 2021	(Charge)/ credit in profit and loss	Recognised in OCI	Recognised in other equity	Net balance March 31, 2022	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Impact of difference between tax depreciation/ amortisation	3.60	1.00	-	-	4.60	4.60	-
Remeasurement gain / (loss) on defined benefit plan	5.41	1.37	(0.09)	-	6.69	6.69	-
Impairment allowance for loans	148.51	(22.04)	-	-	126.47	126.47	-
Expenses incurred on Initial Public Offering	2.91	(1.46)	-	-	1.45	1.45	-
Receivable from assignment of portfolio	(26.55)	6.75			(19.80)	-	(19.80)
Other items	5.63	10.88	28.24	-	44.75	44.75	-
On account of acquisition of MMFL	(35.43)	3.75			(31.68)	-	(31.68)
Net Deferred tax assets / (liabilities)	**104.09**	**0.25**	**28.15**	**-**	**132.48**	**183.96**	**(51.48)**

(D) Movement in deferred tax balances for the year ended March 31, 2021

₹ in crore

Particulars	Net balance April 1, 2020	(Charge)/ credit in profit and loss	Recognised in OCI	Recognised in other equity	Net balance March 31, 2021	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Impact of difference between tax depreciation/ amortisation	2.86	0.74	-	-	3.60	3.60	-
Remeasurement gain / (loss) on defined benefit plan	4.22	1.18	0.01	-	5.41	5.41	-
Impairment allowance for loans	69.11	79.40	-	-	148.51	148.51	-
Expenses incurred on Initial Public Offering	4.37	(1.46)	-	-	2.91	2.91	-
Receivable from assignment of portfolio	(9.00)	(17.54)	-	-	(26.55)	-	(26.55)
Other items	24.95	(8.51)	(10.80)	-	5.63	5.63	-
On account of acquisition of MMFL	(39.06)	3.63	-		(35.43)	-	(35.43)
Net Deferred tax assets / (liabilities)	**57.44**	**57.44**	**(10.79)**	**-**	**104.09**	**166.07**	**(61.98)**

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

Current tax assets (net)

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Income tax assets	486.72	520.54
Less: Income Tax liabilities	454.46	488.71
Total	**32.26**	**31.83**

Current tax liabilities (net)

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Income tax liabilities	185.65	76.39
Less: Income tax assets	180.53	75.40
Total	**5.12**	**0.99**

31 Employee benefits

A. Defined benefit plan

The Group provides for the gratuity, a defined benefit retirement plan covering qualifying employees . Employees who are in continous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service. The gratuity is a funded plan for Holding Company and unfunded plan for Subsidiary Company and the Company makes contibutions to Gratuity scheme administered by the insurance company through its Gratuity fund.

B. Defined contribution plan

The Group makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of the basic salary to fund the benefits. The contributions payable to these plans by the Group are administered by the Government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation.The Group recognised ₹26.65 crore (March 31, 2021: ₹20.68) for Provident fund contributions and ₹6.09 crore (March 31, 2021: ₹5.88 crore) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss.

31.1 Reconciliation of net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability / assets and its components:

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	21.65	16.84
Current service cost	6.00	5.22
Interest cost	1.39	1.08
Past service cost	-	-
Benefits settled	(1.70)	(1.11)
Actuarial (gains)/ losses recognised in other comprehensive income	-	-
- Changes in experience adjustments	2.46	0.31
- Changes in demographic assumptions	(0.02)	0.48
- Changes in financial assumptions	(3.16)	(1.17)
Obligation at the end of the year	**26.62**	**21.65**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	14.08	10.57
Interest income on plan assets	1.09	0.82
Re-measurement- actuarial gain	(0.01)	(0.21)
Return on plan assets recognised in other comprehensive income	-	-
Contributions	4.20	3.69
Benefits settled	(1.24)	(0.78)
Plan assets at the end of the year, at fair value	**18.12**	**14.08**
Net defined benefit liability	**8.50**	**7.56**

31.2 Expenses recognised in statement of profit or loss

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Current service cost	6.00	5.22
Interest cost	0.30	0.26
Net gratuity cost	**6.30**	**5.48**

31.3 Re-measurement recognised in other comprehensive income

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Re-measurement of the net defined benefit liability		
- Changes in experience adjustments	2.46	0.31
- Changes in demographic assumptions	(0.02)	0.48
- Changes in financial assumptions	(3.16)	(1.17)
Re-measurement of the net defined benefit asset		
Return on plan assets (greater)/ less than discount rate	0.01	0.21
Total Actuarial (gains) / losses included in OCI	**(0.71)**	**(0.17)**

31.4 Plan assets

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Funds managed by insurer*	100%	100%

*only for holding compnay. There is no plan assets in Subsidary Companies.

31.5 Defined benefit obligation - Actuarial assumptions

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Discount rate	5.60% - 6.96%	4.85% - 6.79%
Future salary growth	8%-10%	10.00%
Attrition rate	23.01% - 30.00%	22.85% - 30.00%
Normal retirement age	60 years	60 years
Average term of liabilty (in years)	4.00 - 6.57 years	4.00 - 7.79 years

31.6 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

₹ in crore

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.44)	1.98	(1.32)	1.86
Future salary growth (1% movement)	1.72	(1.26)	1.61	(1.16)
Attrition rate (1% movement) (In case of MMFL 50% movement)	0.27	1.51	0.16	1.93
Mortality Rate (- / + 10% of mortality rates)	-	-	-	-

31.7

Expected contribution to the plan for the next annual reporting period is ₹ 7.55 crores (March 31, 2021 ₹ 5.74 crores).

The weighted average duration of the defined benefit obligation of Holding Company is 6.57 years & of Subsidiary Company is 4 years. [March 2021 - 7.79 years (Holding Company) and 4 years (Subsidiary Company)]. The expected maturity analysis of undiscounted gratuity is as follows:

₹ in crore

Particulars	Less than a year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	Between 5-10 years	Beyond 10 years	Total
31 March, 2022								
Gratuity	3.62	2.87	2.49	2.05	1.72	5.33	31.49	49.57
Total	**3.62**	**2.87**	**2.49**	**2.05**	**1.72**	**5.33**	**31.49**	**49.57**
31 March, 2021								
Gratuity	2.90	2.17	1.87	1.66	1.36	4.46	29.17	43.59
Total	**2.90**	**2.17**	**1.87**	**1.66**	**1.36**	**4.46**	**29.17**	**43.59**

31.8 Through its defined benefit plans the company is exposed to a number of risks, the most significant of which are detailed below:

Demographic risks

This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the defined benefit obligations depend upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward.

Change in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plan's investment in debt instruments

Inflation risk

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Life expectancy

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

C. Code on Social Security

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

32 Maturity analysis of assets and liabilities

(A) Maturity analysis of assets and liabilities as at March 31, 2022

₹ in crore

Sl. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	1,580.56	-	**1,580.55**
(b)	Bank balance other than cash and cash equivalents	170.24	10.60	**180.84**
(c)	Loans	8,827.43	5,937.90	**14,765.33**
(d)	Investments	-	0.54	**0.54**
(e)	Other financial assets	99.21	19.55	**118.75**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	32.26	**32.26**
(b)	Deferred tax assets (net)	-	132.48	**132.48**
(c)	Property, plant and equipment	-	31.80	**31.80**
(d)	Right of use assets	0.14	74.61	**74.76**
(e)	Goodwill on consolidation	-	317.58	**317.58**
(f)	Intangible assets	-	146.64	**146.65**
(g)	Intangible assets under development	-	3.07	**3.07**
(h)	Other non-financial assets	9.94	0.20	**10.14**
	Total assets	**10,687.52**	**6,707.23**	**17,394.75**
	LIABILITIES			
(1)	**Financial liabilities**			
(a)	Derivative financial instrument	1.66	-	**1.66**
(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	40.46	-	**40.46**
	(II) Other payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	218.43	0.13	**218.56**
(c)	Borrowings			
	- Debt securities	579.02	839.08	**1,418.10**
	- Borrowings (other than debt securities)	6,539.27	4,885.58	**11,424.85**
	- Subordinated liabilities	-	77.74	**77.74**
(d)	Other financial liabilities	13.98	73.46	**87.44**
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	1.56	3.56	**5.12**
(b)	Provisions	13.05	18.20	**31.25**
(c)	Other non-financial liabilities	13.45	0.07	**13.52**
	Total liabilities	**7,420.88**	**5,897.82**	**13,318.70**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.

(B) Maturity analysis of assets and liabilities as at March 31, 2021

₹ in crore

Sl. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	2,360.09	-	**2,360.09**
(b)	Bank balance other than cash and cash equivalents	46.17	78.12	**124.29**
(c)	Other receivables	-	-	**-**
(d)	Loans	7,466.68	4,253.80	**11,720.48**
(e)	Investments	-	0.54	**0.54**
(f)	Other financial assets	107.02	25.43	**132.45**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	31.83	**31.83**
(b)	Deferred tax assets (net)	-	104.09	**104.09**
(c)	Property, plant and equipment	-	24.15	**24.15**
(d)	Right of use assets	-	67.50	**67.50**
(e)	Goodwill on consolidation	-	317.58	**317.58**
(f)	Intangible assets	-	163.54	**163.54**
(g)	Intangible assets under development	-	0.62	**0.62**
(h)	Other non-financial assets	11.93	1.14	**13.07**
	Total assets	**9,991.89**	**5,068.34**	**15,060.23**
	LIABILITIES			
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade payables			
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-	**-**
	(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	42.65	-	**42.65**
	(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	159.04	-	**159.04**
(b)	Borrowings			
	- Debt securities	525.63	1,149.32	**1,674.95**
	- Borrowings (other than debt securities)	5,660.80	3,502.88	**9,163.68**
	- Subordinated liabilities	27.79	74.91	**102.70**
(c)	Other financial liabilities	15.99	66.95	**82.94**
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	-	0.99	**0.99**
(b)	Provisions	10.04	15.49	**25.53**
(c)	Other non-financial liabilities	11.31	0.06	**11.37**
	Total liabilities	**6,453.25**	**4,810.60**	**11,263.85**

33 Transfer of financial assets

(a) ***Transferred financial assets that are not derecognised in their entirety.***

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities.

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Securitisations		
Carrying amount of transferred assets	-	15.89
Carrying amount of associated liabilities (debt securities - measured at amortised cost)	-	9.15
Net position at amortised cost	**-**	**6.74**

(b) ***Transferred financial assets that are derecognised in their entirety.***

The Group has assigned loans (earlier measured at FVTOCI/amortised cost) by way of direct assignment. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the extent of 85%-95% of the assets transferred to the buyer, the assets have been de-recognised from the Group's Balance Sheet. The table below summarises the carrying amount of the derecognised financial assets measured at fair value and the gain/(loss) on derecognition during the year:

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Direct assignments		
Carrying amount of derecognised financial assets	1,120.30	1,329.36
Gain from derecognition	75.69	109.82

Since the Group transferred the above financial asset in a transfer that qualified for derecognition in its entirety, therefore the whole of the interest spread (over the expected life of the asset) is recognised on the date of derecognition itself as 'Receivable from assignment of portfolio' with a corresponding profit on derecognition of financial asset.

The Group has not transferred any assets that are derecognised in their entirety where the Group continues to have continuing involvement.

34 Contingent liabilities

(a) Contingent liabilities not provided for in respect of the below:

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Performance security provided by the Holding Company pursuant to service provider agreement	0.10	0.11
Demand under Employee Provident Fund Act, 1952	0.25	0.25

(b) **Pertaining to Assessment Year 2017-18 (Financial year 2016-17)**

The Assesing Officer, Income Tax, Bangalore, through an order dated 28th December 2019, has confirmed the demand of ₹2.62 crores (net demand after adjusting of payment made is ₹1.16 crore) from the Group. The Group has preferred an appeal before Commissioner of Income Tax against said assement order. The Group is of view that the said demand is not tenable and expects to succeed in its appeal.

(c) In addition, the Group is involved in other legal proceedings and claims, which have arisen in the ordinary course of business. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group financial position and result of operations.

35 Capital commitments

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

₹ in crore

Particulars	March 31, 2022	March 31, 2021
For purchase / development of computer software	3.91	0.87

36 Leases

Group as a lease

36.1 The Group's leased assets mainly comprise office building and servers taken on lease. Certain agreements provide for cancellation by either party or certain agreements contains clause for escalation and renewal of agreements. The term of property leases ranges from 1-10 years and server leases are ranging from 1-10 years. The Group has applied short term lease exemption for leasing arrangements where the period of lease is less than 12 months.

36.2 Total lease liabilities are analysed as follows:

₹ in crore

Lease liabilities	March 31, 2022	March 31, 2021
Current	11.29	8.72
Non-current	73.71	66.62
Total	**85.00**	**75.34**

36.3 Amounts recognised in the statement of profit and loss

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Depreciation charge of right-of-use assets		
Buildings	4.78	4.43
Servers	7.90	7.83
	12.68	**12.26**
Expense relating to variable lease payments		
Expense relating to short-term leases (included in other expenses)	23.28	19.28
Interest on lease liabilities (included in finance costs)	8.08	6.56

₹ in crore

36.4

Particulars	March 31, 2022	March 31, 2021
Total cash outflow for leases	41.57	34.21
Total commitments for short-term leases	10.48	7.77

36.5 The Group had committed to leases which had not commenced. The total future cash outflows for leases that had not yet commenced were as follows:

₹ in crore

Type of asset	March 31, 2022	March 31, 2021
Computers	-	7.59

36.6 The following are the undiscounted contractual cash flows of lease liabilities. The payment profile has been based on management's forecasts and could in reality be different from expectations:

₹ in crore

Maturity analysis	March 31, 2022	March 31, 2021
Less than 1 year	19.29	16.08
Between 1 and 2 years	17.72	15.02
Between 2 and 5 years	49.89	41.00
More than 5 years	31.19	37.87
Total	**118.09**	**109.97**

36.7 The following is the movement in lease liabilities during the year.

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Balance as at April 1, 2021	**75.34**	**61.90**
Additions during the period	19.94	25.21
Finance cost incurred during the period	8.08	6.56
Terminatiion of lease during the period	-	(0.05)
Payment of lease liabilities	(18.36)	(18.28)
Balance as of March 31, 2022	**85.00**	**75.34**

Note: Refer Note 11(A) for movement in right of use of assets.

37 Related party transactions

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

Holding Company	CreditAccess India NV
Managing Director & CEO (KMP)	Mr. Udaya Kumar Hebbar
Chairman & Lead Independent Director	Mr. George Joseph (Chairman from August 11,2021)
Chairman & Nominee Director In Holding Company and Non-Executive Director in MMFL	Mr. Paolo Brichetti (upto July 30,2021 in Holding company and up to August 03, 2021 in MMFL)
Key management personnel - Director-Finance (w.e.f June 14, 2020) & CFO and Additional Director (w.e.f. March 18, 2020) & Non-Executive Director at MMFL	Mr. Diwakar B R (Resigned on November 06, 2020 as Director Finance & CFO from Holding company)
Independent Director	Mr. R Prabha (Cessation of office on November 03, 2020)
Independent Director	Ms. Sucharita Mukherjee
Independent Director	Mr. Anal Kumar Jain (w.e.f. June 25, 2020)
Independent Director	Mr. Manoj Kumar
Nominee Director	Mr. Sumit Kumar
Nominee Director	Mr. Massimo Vita
Independent Director	Ms. Lilian Jessie Paul (w.e.f. September 16, 2020)
Key Management Personnel	Mr. Ganesh Narayanan, Deputy CEO (w.e.f. July 01, 2021)
Key Management Personnel	Mr. S Balakrishna Kamath, Chief Financial Officer (w.e.f. November 7, 2020)
Key Management Personnel	Mr. M J Mahadev Prakash, Company Secretary
Non-Executive Director	Mr. F. S. Mohan Eddy (Whole time Director- upto March 31, 2021 and Non-Executive Director - w.e.f April 1, 2021)
Independent Director	Mr. N. C. Sarabeswaran
Key Management Personnel	Mr. Ganesh Hegde, Company Secretary (w.e.f. February 21, 2021)
Non-Executive Director	Ms. Tara Thiagarajan (Managing Director- up to February 21,2021 and Non-Executive Director- w.e.f. February 22,2021.
CEO & CFO-Key Management Personnel	Mr. M. Narayanan (CEO- up to February 21, 2021 and CEO & CFO- w.e.f. February 22,2021.

₹ in crore

Particulars	Key management personnel	
	March 31, 2022	March 31, 2021
Transactions during the year		
Mr. Udaya Kumar Hebbar		
Salary and perquisites	2.85	2.21
Employee Stock Options exercised	0.59	0.11
Mr. Sadananda Balakrishna Kamath		
Salary and perquisites	1.10	0.33
Employee Stock Options exercised	0.15	-
Mr. M J Mahadev Prakash		
Salary and perquisites	0.58	0.45
Employee Stock Options exercised	-	-
Mr. Ganesh Narayanan		
Salary and perquisites	1.27	-
Employee Stock Options exercised	-	-
Mr. Diwakar B R		
Salary and perquisites	-	1.46
Employee Stock Options exercised	-	0.07
Ms Tara Thiagarajan		
Salary and perquisites	-	0.66
Mr F S Mohan Eddy		
Salary and perquisites	-	0.79
Mr M Narayanan		
Salary and perquisites	1.35	0.86
Mr. V. Balakrishnan		
Salary and perquisites	-	0.63
Mr. Sanin Panicker		
Salary and perquisites	-	0.01
Mr. Ganesh Hegde		
Salary and perquisites	0.11	0.01

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.

Sitting fees	March 31, 2022	March 31, 2021
Mr. R Prabha	-	0.06
Mr. Paolo Brichetti	0.01	0.08
Mr. Sumit Kumar	0.04	0.06
Mr. Massimo Vita	0.06	0.07
Mr. Anal Kumar Jain	-	0.02
Ms. Sucharita Mukherjee	0.05	0.04
Mr. George Joseph	0.18	0.17
Mr. Manoj Kumar	0.14	0.14
Ms. Lilian Jessie Paul	0.06	0.03
Mr. N C Sarabeswaran	0.07	0.06
Ms Tara Thiagarajan	0.03	-
Mr F S Mohan Eddy	0.04	-

Commission	Other related parties	
	March 31, 2022	March 31, 2021
Mr. R Prabha	0.01	0.07
Mr. Anal Kumar Jain	(0.04)	0.06
Ms. Lilian Jessie Paul	0.14	-
Ms. Sucharita Mukherjee	0.12	0.07
Mr. George Joseph	0.17	0.07
Mr. Manoj Kumar	0.17	0.06

Provisions for gratuity and leave benefits are made for the Group as a whole and the amounts pertaining to the key management Personnel are not specifically identified and hence are not included above.

Sitting fees payable	Other related parties	
	March 31, 2022	March 31, 2021
Mr. Paolo Brichetti	-	0.02
Mr. Massimo Vita	0.01	0.02
Mr. Sumit Kumar	-	0.01

Commission payable	Other related parties	
	March 31, 2022	March 31, 2021
Mr. R Prabha	-	0.07
Mr. Anal Kumar Jain	-	0.06
Ms. Lilian Jessie Paul	0.08	-
Ms. Sucharita Mukherjee	0.10	0.06
Mr. George Joseph	0.12	0.07
Mr. Manoj Kumar	0.10	0.03

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38 Employee stock options

Stock options: The Holding Company has provided share based payments to its employees under the 'CAGL Employees Stock Option Plan – 2011' (upto July 8, 2020 name was 'Grameen Koota Financial Services Private Limited – Employees Stock Option Plan 2011'). The various Tranches I, II, III, IV, V , VI, VII and VIII represent different grants made under the plan. During year ended March 31, 2022, the following stock option grant were in operation:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI	Tranche VII	Tranche VIII
Date of grant	Apr 1, 2012	Oct 1, 2013	Jun 1, 2014	Jul 1, 2016	Jan 1, 2017	Jan 1,2018	Jan 1,2021	Jan 1,2022
Date of Board / Compensation Committee approval	Oct 15, 2011	Aug 22, 2012	Jul 30, 2014	Jun 29, 2016	May 17, 2017	Jan 24, 2018	Jan 29, 2021	Mar 23, 2022
Number of Options granted	7,16,676	6,31,339	4,43,000	4,31,000	5,21,000	9,71,000	3,75,900	10,29,300
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Graded vesting period:								
Day following the expiry of 12 months from grant	25%	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 24 months from grant	25%	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 36 months from grant	25%	25%	25%	25%	25%	25%	25%	25%
Day following the expiry of 48 months from grant	25%	25%	25%	25%	25%	25%	25%	25%
Exercise period	48 months from date of vesting						36 months from date of vesting	
Vesting conditions	Employee to be in service at the time of vesting							
Weighted average remaining contractual life (years)								
-I	-	-	-	-	-	0.75	3.76	4.76
-II	-	-	-	0.25	0.75	1.75	4.76	5.76
-III	-	-	-	1.25	1.76	2.76	5.76	6.76
-IV	-	-	0.17	2.25	2.76	3.76	6.76	7.76
Weighted average exercise price per option (₹)	27.00	27.00	39.86	63.90	84.47	120.87	786.91	595.68
Weighted average fair value of options (₹)	-	18.73	38.46	75.78	61.95	86.27	224.32	167.40

Additional disclosures for Tranche VIII - granted during the current year and Tranche VII- in previous year :

Particulars	Tranche VIII	Tranche VII
Share price on the date of Grant (in ₹)	597.30	768.85
Expected volatility (%)		
I	44.44%	58.89%
II	43.38%	52.16%
III	51.03%	49.37%
IV	49.42%	49.82%
Risk free interest rate (%)		
I	5.10%	4.34%
II	5.65%	4.99%
III	6.12%	5.62%
IV	6.46%	6.03%
Fair value per option (in ₹)		
I	116.67	184.06
II	144.49	207.75
III	193.85	235.3
IV	214.58	270.19

Reconciliation of options:

Particulars	March 31, 2022	March 31, 2021
Tranche I		
Options outstanding at the beginning of the year	-	-
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	-	-
Exercisable at the end of the year	-	-
Tranche II		
Options outstanding at the beginning of the year	4,000	7,500
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	1,500	2,000
Expired during the year	2,500	1,500
Outstanding at the end of the year	-	4,000
Exercisable at the end of the year	-	4,000
Tranche III		
Options outstanding at the beginning of the year	7,500	38,500
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	1,500	29,500
Expired during the year	1,500	1,500
Outstanding at the end of the year	4,500	7,500
Exercisable at the end of the year	4,500	7,500
Tranche IV		
Options outstanding at the beginning of the year	1,83,250	2,52,250
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	26,500	69,000
Expired during the year	-	-
Outstanding at the end of the year	1,56,750	1,83,250
Exercisable at the end of the year	1,56,750	1,83,250
Tranche V		
Options outstanding at the beginning of the year	3,13,950	3,56,300
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	98,700	34,850
Expired during the year	-	7,500
Outstanding at the end of the year	2,15,250	3,13,950
Exercisable at the end of the year	2,15,250	3,13,950
Tranche VI		
Options outstanding at the beginning of the year	5,20,343	6,88,525
Granted during the year	-	-
Forfeited during the year	-	-
Exercised during the year	1,54,256	1,45,908
Expired during the year	11,826	22,274
Outstanding at the end of the year	3,54,261	5,20,343
Exercisable at the end of the year	3,54,261	3,16,591
Tranche VII		
Options outstanding at the beginning of the year	3,75,900	-
Granted during the year	-	3,75,900
Forfeited during the year	-	-
Exercised during the year	1,850	-
Expired during the year	41,925	-
Outstanding at the end of the year	3,32,125	3,75,900
Exercisable at the end of the year	82,150	-
Tranche VIII		
Options outstanding at the beginning of the year	-	-
Granted during the year	10,29,300	-
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	1,029,300	-
Exercisable at the end of the year	-	-

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39 Revenue from contracts with customers

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
(A) Type of services		
Service fees for management of assigned portfolio of loans	0.06	0.10
Service and administration charges	2.44	3.01
Distribution Income	10.72	5.39
Advertisement display income	4.72	2.24
Total	**17.94**	**10.74**

(B) Geographical markets

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
India	17.94	10.74
Outside India	-	-
Total	**17.94**	**10.74**

(C) Timing of revenue recognition

₹ in crore

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Services transferred at a point in time	17.94	10.74
Services transferred over time	-	-
Total	**17.94**	**10.74**

(D) Receivables

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Distribution income	4.02	1.07

40 Financial instruments – fair values

Accounting classification and fair values:
Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value hierarchy
Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

₹ in crore

Financial assets (assets measured at fair value)	March 31, 2022			March 31, 2021		
	Fair value			Fair value		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Loans (measured at FVOCI)	-	-	11,246.06	-	-	8,893.33
Investments	-	-	0.54	-	-	0.54
Total	**-**	**-**	**11,246.60**	**-**	**-**	**8,893.87**
Financial Liabilities						
Derivative financial instruments	-	1.66	-	-	-	-
Total	**-**	**1.66**	**-**	**-**	**-**	**-**

Fair values of Loans designated under FVOCI have been measured under level 3 at fair value based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest. The Significant Unobservable Input is the Discount rate, determined using the cost of lending of the Holding Company.

₹ in crore

Fair value of financial assets and liabilities measured at amortised cost	March 31, 2022				March 31, 2021			
	Amortised cost	Fair value			Amortised cost	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Loans	3,519.27	-	-	3,685.49	2,827.15	-	-	2,870.87
Total	**3,519.27**	**-**	**-**	**3,685.49**	**2,827.15**	**-**	**-**	**2,870.87**
Debt securities	1,418.10	-	-	1,437.35	1,674.95	-	-	1,710.68
Borrowings (other than debt securities)	11,424.85	-	-	11,489.41	9,163.68	-	-	9,229.93
Subordinated liabilities	77.74	-	-	84.82	102.70	-	-	113.61
Lease liabilities	85.00	-		89.12	75.34	-	-	75.72
Total	**13,005.69**	**-**	**-**	**13,100.70**	**11,016.67**	**-**	**-**	**11,129.94**

Note: The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, other receivables, other financial assets and payables are considered to be the same as their fair values, due to their short-term nature.
There was no transfer between Level 3 and Level 1 / Level 2 during the current year.

Fair values of Loans measured at amortised cost have been measured based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest. The significant unobservable input is the discount rate, determined using the cost of lending of the Group.

Valuation methodologies of financial instruments not measured at fair value
Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Group's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables.

Loans (measured at amortised cost)
Fair values of Loans measured at amortised cost have been measured based on a discounted cash flow model of the contractual cash flows of solely payment of principal and interest. The significant unobservable input is the discount rate, determined using the cost of lending of the Group.

Financial liabilities measured at amortised cost
The fair value of fixed rate borrowings is determined by discounting expected future contractual cash flows using current market interest rate being charged for new borrowings. The fair value of floating rate borrowing is deemed to equal its carrying value.

41 Risk Management

41.1 Introduction and risk profile

CreditAccess Grameen Limited ("Company") is one of the leading microfinance institutions in India focused on providing financial support to women from low income households engaged in economic activity with limited access to financial services. The Company predominantly offers collateral free loans to women from low income households, willing to borrow in a group and agreeable to take joint liability. The wide range of lending products address the critical needs of customers throughout their lifecycle and include income generation, home improvement, children's education, sanitation and personal emergency loans. With a view to diversifying the product profile, the company has introduced individual loans for matured group lending customers. These loans are offered to customers having requirement of larger loans to expand an existing business in their individual capacity.

The common risks for the company are operational, business environment, political, regulatory, concentration, expansion and liquidity. As a matter of policy, these risks are assessed and steps as appropriate, are taken to mitigate the same.

41.1.a Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Risk Management framework approved by the Board has laid down the governance structure supporting the identification, assessment, monitoring, reporting and mitigation of risk throughout the Group. The objective of the risk management platform is to make a conscious effort in developing risk culture within the organisation and having appropriate systems and tools for timely identification, measurement and reporting of risks for managing them.

The Board has a Risk Management committee which is responsible for monitoring the overall risk process within the Group and reports to the Board of Directors.

The Risk Management guidelines will be implemented through the established organization structure of Risk Department. The overall monitoring of the Risks is done by the Chief Risk Officer (CRO) with the support from all the department heads of the Company. The Board will reviews the status and progress of the risk and risk management system, on quarterly basis through the Audit Committee and Risk Management Committee. The individual departments are responsible for ensuring implementation of the risk management framework and policies, systems and methodologies as approved by the Board. Assignment of responsibilities in relation to risk management is prerogative of the Heads of Departments, in coordination with CRO.While each department focuses on its specific area of activity, the Risk Management Unit operates in coordination with all other departments, utilising all significant information sourced to ensure effective management of risks in accordance with the guidelines approved by the Board. The unit works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework.

Heads of Departments is accountable to a Risk Management committee comprising of MD & CEO, CFO, CAO, CBO and CRO. The departmental heads will report for the implementation of above mentioned guideline within their respective areas of responsibility. The department heads are also accountable to the MLRC for identification, assessment, aggregation, reporting and monitoring of the risk related to their respective domain.

The Group's policy is that risk management processes throughout the Group are audited quarterly by the Internal Audit function, which examines both the adequacy of the procedures and the Group's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Audit Committee.

41.1.b Risk mitigation and risk culture

Risk assessments are conducted for all business activities. The assessments are to address potential risks and to comply with relevant legal and regulatory requirements. Risk assessments are performed by competent personnel from individual departments and risk management department including, where appropriate, expertise from outside the Group. Procedures are established to update risk assessments at appropriate intervals and to review these assessments regularly. Based on the Risk Control and Self Assessment (RCSA), the Group formulates its Risk Management Strategy / Risk Management plan on annual basis. The strategy will broadly entail choosing among the various options for risk mitigation for each identified risk. The risk mitigation is planned using the following key strategies:

Risk Avoidance: By not performing an activity that could carry risk. Avoidance may seem the answer to all risks, but avoiding risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed.

Risk Transfer: Mitigation by having another party to accept the risk, either partial or total, typically by contract or by hedging.

Risk Reduction: Employing methods/solutions that reduce the severity of the loss.

Risk Retention: Accepting the loss when it occurs. Risk retention is a viable strategy for small risks where the cost of insuring against the risk would be greater over time than the total losses sustained. All risks that are not avoided or transferred are retained by default. This includes risks that are so large or catastrophic that they either cannot be insured against or the premiums would be infeasible.

41.1.c Risk measurement and reporting systems

The heads of all the departments in association with risk management department are responsible for coordinating the systems for identifying risks within their own department or business activity through RCSA exercise to be conducted at regular intervals.

Based on a cost / benefit assessment of a risk, as is undertaken, some risks may be judged as having to be accepted because it is believed mitigation is not possible or warranted.

As the risk exposure of any business may undergo change from time to time due to continuously changing environment, the updation of the Risk Register will be done on a regular basis.

All the strategies with respect to managing these major risks shall be monitored by the CRO and MLRC. The Management Level Risk Committee meetings are held as necessary or at least once a month. The Management Level Risk Committee would monitor the management of major risks specifically and other risks of the Group in general. The Committee takes an integrated view of the risks facing the entity and monitor implementation of the directives received from Risk Management Committee and actionable items drawn from the risk management framework.

Accordingly, the Management Level Risk Committee reviews the following aspects of business specifically from a risk indicator perspective and suitably record the deliberations during the monthly meeting.

- Review of business growth and portfolio quality.
- Discuss and review the reported details of Key Risk Threshold breaches (KRI's), consequent actions taken and review of operational loss events, if any.
- Review of process compliances including audit performance across organisation.
- Review of HR management, training and employee attrition.
- Review of new initiatives and product/policy/process changes.
- Discuss and review performance of IT systems.
- Review the status of strategic projects initiated.
- Review, where necessary, policies that have a bearing on the operational & credit risk management and recommend amendments.
- Discuss and recommend suitable controls/mitigations for managing operational & credit risk and assure that adequate resources are being assigned to mitigate the risks.
- Review analysis of frauds, potential losses, non-compliance, breaches etc. and determine corrective measures to prevent their recurrences.
- Understand changes and threats, concur on areas of high priority and possible actions for managing/mitigating the same.

41.1.d Risk Management Strategies
Excessive risk concentrations

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

The following management strategies and policies are adopted by the Group to manage the various key risks.

Political Risk mitigation measures:
• Low cost operations and low pricing for customers.
• Customer centric approach, high customer retention.
• Rural focus.
• Systematic customer awareness activities.
• High social focused activities.
• Adherence to client protection guidelines.
• Robust grievance redressal mechanism.
• Adherence to regulatory guidelines in letter and spirit.

Concentration risk mitigation measures:
• District centric approach.
• District exposure cap.
• Restriction on growth in urban locations.
• Maximum disbursement cap per loan account.
• Maximum loan exposure cap per customer.
• Diversified funding resources.

Operational & HR Risk mitigation measures:
• Stringent customer enrolment process.
• Multiple products.
• Proper recruitment policy and appraisal system.
• Adequately trained field force.
• Weekly & fortnightly collections – higher customer touch, lower amount instalments.
• Multilevel monitoring framework.
• Strong, Independent and fully automated Internal Audit function.
• Strong IT system with access to real time client and loan data.

Liquidity risk mitigation measures:
• Diversified funding resources.
• Asset liability management.
• Effective fund management.
• Maximum cash holding cap.

Expansion risk mitigation measures:
• Contiguous growth.
• District centric approach.
• Rural focus.
• Branch selection based on census data & credit bureau data.
• Three level survey of the location selected.

Credit risk
Credit risk is the risk of financial loss to the Group if the counterparty to a financial instrument, whether a customer or otherwise, fails to meet its contractual obligations towards the Group. Credit risk is the core business risk of the Group. The Group therefore has high appetite for this risk but low tolerance and the governance structures including the internal control systems are particularly designed to manage and mitigate this risk. The Group is mainly exposed to credit risk from loans to customers (including loans transferred to SPVs under securitization agreements, excluding loans sold under assignment presented as off-balance sheet assets).

The credit risk may arise due to, over borrowing by customers or over lending by other financial institutions competitors, gaps in joint-liability collateral and repayment issues due to external factors such as political, community influence, regulatory changes and natural disasters (storm, earthquakes, fires, floods) and intentional default by customers.

To address credit risk, the Group has stringent credit policies for customer selection. To ensure the credit worthiness of the customers, stringent underwriting policies such as credit investigation, both in-house and field credit verification, is in place. In addition, the group follows a systematic methodology in the selection of new geographies where to open branches considering factors such as the portfolio at risk and over indebtedness of the proposed area/region, potential for micro-lending and socio-economic risk evaluation (e.g., the risk of local riots or natural disasters). Loan sanction and rejections are carried out at the head office. A credit bureau rejections analysis is also regularly carried out in group.

Credit risk is being managed by continuously monitoring the borrower's performance if borrowers are paying on time based on their amortization dues. The group ensures stringent monitoring and quality operations through both field supervision (branch/area/region staff supervision, quality control team supervision) and management review. Management at each Group's head office closely monitors credit risk through system generated reports (e.g., PAR status and PAR movement, portfolio concentration analysis, vintage analysis, flow-rate analysis) and Key Risk Indicators (KRIs) which include proactive actionable thresholds limits (acceptable, watch and breach) developed by CRO, revised at the the MLRC and at the Risk Committee at the Board level.

Some of the main strategies to mitigate credit risk are:
1. Maintain stringent customer enrolment process,
2. Undertake systematic customer awareness activities/ programs,
3. Reduce geographical concentration of portfolio,
4. Maximum loan exposure to member as determined from time to time,
5. Modify product characteristics if needed (e.g., longer maturity for group clients in case the loan is above a certain threshold),

6. Carry out due diligence of new employees and adequate training at induction,
7. Decrease field staff turnover,
8. Supporting technologies: credit bureau checks, GPS, automated KYC checks and biometric.

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the country in which the customers are located, as these factors may have an influence on the credit risk.

41.2 Impairment assessment

The references below show where the Group's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the summary of significant accounting policies.

41.2.a Definition of default, significant increase in credit risk and stage assessment

For the measurement of ECL, Ind AS 109 distinguishes between three impairment stages. All loans need to be allocated to one of these stages, depending on the increase in credit risk since initial recognition (i.e. disbursement date):

Stage 1: includes loans for which the credit risk at the reporting date is in line with the credit risk at initial recognition (i.e. disbursement date).
Stage 2: includes loans for which the credit risk at reporting date is significantly higher than at the risk at the initial recognition (Significant Increase in Credit Risk i.e. SICR).
Stage 3: includes default loans. A loan is considered default at the earlier of (i) the Group considers that the obligor is unlikely to pay its credit obligations to the 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.
Further, the RBI on March 27, 2020, April 17, 2020 and May 23, 2020, announced 'COVID-19 Regulatory Package' on asset classification and provisioning. In terms of these RBI guidelines, the Group granted a moratorium on the repayment of all Installments and/or Interest, as applicable, due between March 1, 2020 and August 31, 2020 to all eligible borrowers. In respect of such accounts that were granted moratorium, the moratorium period has been excluded from determining overdue days.

The accounts which were restructured under the resolution Framework for Covid-19 related stress as per RBI circular dated August 6, 2020 (Resolution Framework 1.0) and May 05, 2021 (Resolution Framework 2.0) were initially classified under Stage-2.

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting date by considering the change in the risk of default occurring over the remaining life of the financial instrument.

i. Staging classification of Group Lending loans of Holding Company

Unlike banks which have more of monthly repayments, the Holding Company offers products with primarily weekly repayment frequency, whereby 15 and above Days past due ('DPD') means already 2 missed instalments from the borrower, and accordingly, the Holding Company has identified the following stage classification to be the most appropriate for such products :
Stage 1: 0 to 15 DPD.
Stage 2: 16 to 60 DPD (SICR).
Stage 3: above 60 DPD (Default).

ii. Staging classification of Subsidiary Company

Joint liability loans (JLG)

The Subsidiary Company has identified the following stage classification to be the most appropriate for its loans as these loans are mainly on monthly repayment basis:
Stage 1: 0 to 15 DPD.
Stage 2: 16 to 60 DPD (SICR).
Stage 3: Above 60 DPD (Default).

From Quarter 2 of Financial year 2021-22, MMFL has aligned its Stage III timeline to 60-days overdue as compared to 90 days overdue earlier period.

Self Help groups (SHG)

The Subsidiary Company has identified the following stage classification to be the most appropriate for its loans as these loans are mainly on monthly repayment basis:
Stage 1: 0 to 30 DPD.
Stage 2: 31 to 60 DPD (SICR).
Stage 3: Above 60 DPD (Default).

iii. Staging classification of Individual Loans of the Holding Company

For monthly repayment model, the Group has identified the following stage classification to be the most appropriate for these loans :
Stage 1: 0 to 30 DPD.
Stage 2: 31 to 90 DPD (SICR).
Stage 3: Above 90 DPD (Default).

41.2.b Probability of Default ('PD')

(i) Group lending

PD describes the probability of a loan to eventually falling into Stage 3. PD %age is calculated for each loan account separately and is determined by using available historical observations.

PD for stage 1: is derived as %age of all loans in stage 1 moving into stage 3 in 12-months' time.
PD for stage 2: is derived as %age of all loans in stage 2 moving into stage 3 in the maximum lifetime of the loans under observation.
PD for stage 3: is derived as 100% considering that the default occurs as soon as the loan becomes overdue for 60 days which matches the definition of stage 3.

(ii) Individual Loans

Individual loans is a relatively new portfolio that was started in November 2016. Performance history of matured vintage loan is not available in adequate number to build PD or LGD model. The ECL estimation for Individual loans portfolio is carried out using a which is based on management judgement.

41.2.c Exposure at default (EAD)

Exposure at default (EAD) is the sum of outstanding principal and the interest amount accrued but not received on each loan as at reporting date.

42.2.d Loss given default (LGD)

LGD is the opposite of recovery rate. LGD = 1 – (Recovery rate). LGD is calculated based on past observations of Stage 3 loans.

i. Group lending loans

LGD is computed as below:

The Group determines its expectation of lifetime loss by estimating recoveries towards its loan through analysis of historical information. The Group determines its recovery rates by analysing the recovery trends over different periods of time after a loan has defaulted. LGD is the difference between the exposure at default and its recovery rate.

In estimating LGD, the Group reviews macro-economic developments taking place in the economy. A select group of Stage 2 and Stage3 loans of the Holding Company exhibiting specific payment pattern has been applied an LGD which is lower than the regular LGD estimate.

ii. Individual loans

Individual loans is a relatively new portfolio that was started in November 2016. Performance history of matured vintage loan is not available in adequate number to build PD or LGD model. The ECL estimation for individual loans portfolio is carried out using a methodology which is based on management judgement.

41.2.e Grouping financial assets measured on a collective basis

The Group believes that the Group Lending loans (GL) have shared risk characteristics (i.e. homogeneous) and Individual loans (IL) have not shared risk characteristics. Therefore, GL and IL are treated as two separate groups for the purpose of determining impairment allowance.

41.2.f The Group's Loan book consists of a large number of customers spread over diverse geographical area, hence the Group is not exposed to concentration risk with respect to any particular customer.

41.2.g Analysis of inputs to the ECL model under multiple economic scenarios

Adjusting the ECL to reflect the expected changes (if any) in the economic environment for forward looking information in the form of management overlay.

Based on the historical loss experience, adjustments need to be made on the average PD/ LGD computed to give effect of the current conditions which is done through management overlay by assigning probability weightages to different scenarios. The methodology and assumptions used for estimating future cash flows is reviewed regularly so that there is minimum difference between expected loss and the actual loss expenses. Refer Note 43.

41.3 Capital

The Company actively manages its capital base to cover risks inherent to its business and meet the capital adequacy requirement of RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

Capital management

The Group's objectives when managing capital are to
• Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
• Maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities.

Planning

The Group's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks– which include credit, liquidity and interest rate.

The Group monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis through its Assets Liability Management Committee (ALCO).

The Group endeavours to maintain its CRAR higher than the mandated regulatory norm of 15%. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

41.4 Liquidity risk and funding management

Liquidity risk arises due to the unavailability of adequate amount of funds at an appropriate cost and tenure. The Group may face an asset-liability mismatch caused by a difference in the maturity profile of its assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. We monitor liquidity risk through our Asset Liability Management Committee. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term. We actively monitor our liquidity position to ensure that we can meet all borrower and lender-related funding requirements.

There are Liquidity Risk mitigation measures put in place which helps in maintaining the following:

Diversified funding resources:

The Group's treasury department secures funds from multiple sources, including banks, financial institutions and capital markets and is responsible for diversifying our capital sources, managing interest rate risks and maintaining strong relationships with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies. The Group continuously seek to diversify its sources of funding to facilitate flexibility in meeting our funding requirements. Due to the composition of the loan portfolio, which also qualifies for priority sector lending, it also engages in securitization and assignment transactions.

Asset Liability Management (ALM) can be termed as a risk management technique designed to earn an adequate return while maintaining a comfortable surplus of assets over liabilities. ALM, among other functions, is also concerned with risk management and provides a comprehensive as well as dynamic framework for measuring, monitoring and managing liquidity and interest rate risks. ALM is an integral part of the financial management process of the Group. It is concerned with strategic balance sheet management, involving risks caused by changes in the interest rates and the liquidity position of CAGrameen. It involves assessment of various types of risks and altering the asset-liability portfolio in a dynamic way in order to manage risks.

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ALM committee constitutes of Board of Directors who would review the tolerance limits for liquidity/ interest rate risks and would recommend to Board of Directors for its approval from time to time. As per the directions of the Board, the ALM statements would be reported to the ALM committee on quarterly basis for necessary guidance.

The scope of ALM function can be described as follows:
i. Funding and Capital Managementm,
ii. Liquidity risk management,
iii. Interest Rate risk management,
iv. Forecasting and analyzing 'What if scenario' and preparation of contingency plans.

Capital guidelines ensure the maintenance and independent management of prudent capital levels for CA Grameen. 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.

Liquidity assessment as on March 31, 2022 ₹ in crore

Particulars	Upto 30 / 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings*									
Debt securities	145.26	39.04	88.52	166.71	213.09	929.32	-	-	**1,581.94**
Borrowings (other than debt securities)	609.87	575.76	597.91	2,168.79	3,285.20	5,082.17	171.98	-	**12,491.67**
Subordinated liabilities	1.66	1.72	2.54	5.99	19.45	105.16	69.00	166.98	**372.50**
Total	**756.79**	**616.52**	**688.98**	**2,341.49**	**3,517.75**	**6,116.65**	**240.98**	**166.98**	**14,446.11**

* All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.

Liquidity assessment as on March 31, 2021 ₹ in crore

Particulars	Upto 30 / 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings*									
Debt securities	3.29	50.96	61.44	124.85	394.50	1,193.79	114.63	-	**1,943.46**
Borrowings (other than debt securities)	548.35	428.95	558.61	1,618.28	3,070.60	3,590.12	212.94	-	**10,027.85**
Subordinated liabilities	0.59	0.61	0.59	1.81	34.98	72.23	19.06	12.94	**142.81**
Total	**552.23**	**480.52**	**620.64**	**1,744.94**	**3,500.06**	**4,856.14**	**346.64**	**12.94**	**12,114.12**

*All borrowings are disclosed based on the contractual maturities since loan covenant breaches, if any have been waived off by the lenders.

40.5 Market Risk

40.5.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Group classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

40.5.2 Interest rate risk

Interest rate risk is the risk where changes in market interest rates might adversely affect the Group's financial condition. The immediate impact of changes in interest rates is on earnings (i.e. reported profits) by changing its Net Interest Margin (NIM). The risk from the earnings perspective can be measured as changes in Net Interest Margin (NIM). In line with RBI guidelines, the traditional Gap analysis is considered as a suitable method to measure the Interest Rate Risk for the Group.

In case of CA Grameen. it may be noted that portfolio loans are not rate sensitive as there is no re-pricing of existing loans are carried out. Only some of the liabilities in the form of borrowings are rate sensitive and considering the size of our business the quantum of impact of change of interest rate of borrowings on liquidity is not significant and can be managed with appropriate treasury action.

The following table demonstrates the sensitivity to a reasonably possible charge in interest rates (all other variables being constant) of the Group's profit and loss statement.

₹ in crore

Particulars	Basis points	Effect on profit / loss and equity for the year 2021-22	Effect on profit / loss and equity for the year 2020-21
Borrowings			
Increase in basis points	+ 25	(16.48)	(14.46)
Decrease in basis points	- 25	16.48	14.46

41.5.3 **Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings. The Group manages its foreign currency risk by entering in to cross currency swaps and forward contract.

₹ in crore

Particulars	March 31, 2022	March 31, 2021
	USD	USD
Liability – External Commercial Borrowings	1,50,00,000	-
Assets – Crorss Currency Interest rate Swap Contract	1,50,00,000	-

41.5.4 **Hedging Policy**

The Group's Hedging Policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationship where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and qualitative assessment of effectiveness is performed.

In respect of Interest rate swaps, there is an economic relationship between the hedged item and the hedging instrument as the terms of the Interest Rate swap contract match that of the foreign currency borrowing (notional amount, interest repayment date etc.). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swap are identical to the hedged risk components.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss, and is included in the '(Gain) / Loss in Fair Value of Derivatives' line item.

₹ in crore

Particulars	Notional amount	Carrying amoun of hedging instrument assets	Carrying amount of hedging instrument Liability
INR USD CCIRS	111.75	-	1.66

41.5.5 **Changes in liabilities arising from financing activities**

₹ in crore

Particulars	As at March 31,2021	Cash flows	Changes in fair value	Exchange difference	Others	As at March 31, 2022
Debt securities	1,674.95	(257.19)	-	-	0.34	1,418.10
Borrowings (other than debt securities)	9,163.68	2,273.56	-	-	(12.38)	11,424.85
Subordinated liabilities	102.70	(25.00)	-	-	0.04	77.74
Lease liabilities	75.34	(26.64)	-	-	36.31	85.00
Total liabilities from financing activities	**11,016.67**	**1,964.72**	**-**	**-**	**24.30**	**13,005.69**

Particulars	As at March 31,2020	Cash flows	Changes in fair value	Exchange difference	Others	As at March 31, 2021
Debt securities	792.37	853.43	-	-	29.16	1,674.95
Borrowings (other than debt securities)	8,560.12	522.19	-	-	81.35	9,163.68
Subordinated liabilities	99.89	-	-	-	2.80	102.70
Lease liabilities	61.90	(18.33)	-	-	31.76	75.34
Total liabilities from financing activities	**9,514.29**	**1,357.29**	**-**	**-**	**145.08**	**11,016.67**

42 **Operating segments**

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Group. The Group operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure. No revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue in year ended March 31, 2021 or March 31, 2020.

43 **Impact of COVID 19 on Expected Credit Losses**

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant volatility in the financial markets and slowdown in the economic activities. Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional restrictions continued to be implemented in areas as India witnessed two more waves of the Covid-19 pandemic during the year ended 31 March 2022.

Currently, the number of new Covid-19 cases have reduced significantly and the Government of India has withdrawn most of the Covid-19 related restrictions. As at March 31, 2022, the Group holds an aggregate provision of ₹533.86 crores against the advances which includes provision of ₹44.61 crores for the accounts restructured under the RBI resolution framework.

44 **Business combination**

On March 18, 2020, the Holding Company had completed the acquisition of a controlling stake (76.08%) in the paid-up equity share capital of Madura Micro Finance Limited (MMFL), an NBFC-MFI registered with the Reserve Bank of India (RBI). During FY21, the Company had further acquired 12,241 equity shares, representing 0.17% of the equity share capital of MMFL. Further, during the current year, the Company has acquired 4500 equity shares, representing 0.06% of the equity share capital of MMFL, taking the aggregate shareholding of the Company in MMFL as on March 31, 2022 to 76.31%.

The Board of Directors of the Company in its meeting held on November 27, 2019 has approved the scheme of amalgamation of MMFL with the Holding Company, subject to requisite approvals from various regulatory and statutory authorities, respective shareholders and creditors.

Based on the Order by the Hon'ble National Company Law Tribunal (NCLT), Bengaluru dated February 25, 2022, a Meeting of the equity shareholders of the Holding Company was convened on April 25, 2022 for obtaining the approval to the Scheme of Amalgamation. Further, based on the Order by the NCLT Chennai dated March 29, 2022, a meeting of the equity shareholders of MMFL was convened on May 04, 2022. The above Scheme has been approved by the equity shareholders of both the companies and is now subject to the subsequent approvals of the NCLT Bengaluru and Chennai.

45 **Additional disclosures to be inserted approporiately in the financials**

(i) No Benami Property are held by the Group and/or there are no proceedings that have been initiated or pendi ng against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
(ii) The Group has reviewed transactions to identify if there are any transactions with struck off companies. To the extent information is available on struck off companies, there are no transactions with struck off companies.
(iii) There is no charges or satisfaction in relation to any debt / borrowings yet to be registered with ROC beyond the statutory period.
(iv) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
(v) Other than the transactions that are carried out as part of Group normal lending business:
A) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall -
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
B) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vi) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year

(vii) There are no transactions which have not been recorded in the books of accounts and has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Also, there are no previously unrecorded income and related assets.

46 Material Partly-Owned Subsidiaries

Financial information of subsidiaries that have material non-controlling interest is provided below

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Proportion of interest held by Non-Controlling Entities as at #	23.68%	23.75%
Accumulated balances of material non-controlling interest	98.40	104.83
Summarised Financial information for the Consolidated Balance Sheet		
Financial assets	2,949.17	2,563.46
Non-financial assets	49.04	35.81
Financial liabilities	2,598.38	2,189.33
Non-financial liabilities	12.12	8.58
Dividend paid to Non-controlling Interest (including Corporate Dividend Tax)	-	-

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Profit/(Loss) allocated to Material Non-Controlling Interest:	(5.94)	(2.62)
Summarised Financial information for the Consolidated Statement of Profit and Loss		
Revenue from Operations	457.12	432.93
Profit/(loss) for the Year	(13.93)	(0.20)
Other Comprehensive Income/(Loss)	0.28	(0.04)
Total Comprehensive Income	(13.65)	(0.24)
Summarised Financial information for Consolidated Cash Flows		
Net Cash from Operating Activities	(741.04)	(84.66)
Net Cash used in Investing Activities	1.94	48.54
Net Cash used in Financing Activities	432.95	441.38
Net Cash outflow	(306.15)	405.27

During the year the Holding Company has acquired additional stake in Subsidary to the extent of 0.07% for consideration of ₹0.55 Crore (In Previous year 0.17% for consideration of ₹1.49 Crore) from Non-Controlling shareholders.

47 Additional Information as required under Schedule III of Companies Act, 2013, of enterprises consolidated as subsdiary.

Particulars	Net assets, i.e total assets minus total liabilities	
	As % of consolidated net assets	Amount (₹ in crores)
Holding Company		
CreditAccess Grameen Limited	96.66%	3,939.80
Subsidiary		
Madura Micro Finance Limited	9.51%	387.71
CreditAccess India Foundation	0.00%	-0.01
Consolidation adjustment	**-6.17%**	**-251.46**
Total	**100.00%**	**4,076.04**

Particulars	Share in profit or loss account		Share in total comprehensive income	
	As % of consolidated profit or loss	Amount (₹ in crores)	As % of consolidated other comprehensive Income/(loss)	Amount (₹ in crores)
Holding Company				
CreditAccess Grameen Limited	107.01%	382.14	100.32%	(85.64)
Subsidiary				
Madura Micro Finance Limited	-3.90%	(13.93)	-0.32%	0.28
CreditAccess India Foundation	0.00%	(0.02)	-	-
Consolidation adjustment	-3.11%	(11.09)	-	-
Total	**100.00%**	**357.10**	**100.00%**	**(85.36)**

48 Earnings per share (EPS)

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

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Net profit after tax as per statement of profit and loss (₹ in crores)	363.04	134.02
Net profit as above for calculation of basic EPS and diluted EPS (₹ in crores)	363.04	134.02
Weighted average number of equity shares in calculating basic EPS	15,57,23,606	14,95,40,013
Stock options granted under ESOP	6,22,097	10,03,028
Weighted average number of equity shares in calculating dilutive EPS	15,63,45,702	15,05,43,041
Earnings per share	23.31	8.96
Dilutive earnings per share	23.22	8.90
Nominal value per share	10.00	10.00

49 Previous year figures have been regrouped/rearranged, wherever considered necessary, to conform to the classification/disclosure adopted in the current year.

As per our report of even date

For DELOITTE HASKINS & SELLS
Chartered Accountants
ICAI Firm's Registration Number: 008072S

G K Subramaniam
Partner
Membership No. 109839
Place: Bengaluru
Date: May 12, 2022

For PKF Sridhar & Santhanam LLP
Chartered Accountants
ICAI Firm Registration No. 003990S/S200018

M Seethalakshmi
Partner
Membership No. 208545
Place: Bengaluru
Date: May 12, 2022

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

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

Manoj Kumar
Independent Director
DIN: 02924675

S Balakrishna Kamath
Chief Financial Officer

M J Mahadev Prakash
Head - Compliance, Legal & Company Secretary
Membership No. ACS-16350

Place: Bengaluru
Date: May 12, 2022

INDEPENDENT ASSURANCE REPORT

Deloitte Haskins & Sells LLP

Chartered Accountants
One International Centre
Tower 3, 27th-32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India

Tel: +91 22 6185 4000
Fax: +91 22 6185 4101

Independent Limited Assurance Statement on key performance indicator disclosures in the Integrated Report of CreditAccess Grameen Limited for the financial year ended March 31, 2022

The Board of Directors of CreditAccess Grameen Limited

We have been engaged by the Management of CreditAccess Grameen Limited ("the Company"), to provide a Limited Assurance Statement on key performance indicators ("KPIs") described below and presented in the Integrated Report ("the Report") of the Company for the year ended March 31, 2022.

Subject Matter

We are required to provide limited assurance on the following KPIs, presented in the Report, in accordance with management's basis of preparation, the audited financial statements, and the audited books of account for the year ended March 31, 2022.

The terms of management's basis of preparation comprise the criteria by which the Company's compliance is to be evaluated for purposes of our limited assurance engagement.

The subject matter includes the following:

Category	KPI	(Unit of measure)	Scope of coverage*
Human Capital	New employee hires #	Number	Consolidated
	Confirmed employees turnover #	%	Consolidated
	Employees availing parental leaves #	Number	Consolidated
	Average training hours per employee #	Number	Consolidated
	% of employees receiving regular performance and career development reviews #	%	Consolidated
	Number of employees @	Number	Consolidated
	% of young workforce (18-35 years) @	%	Consolidated
	% of women workforce @	%	Consolidated

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Category	KPI	(Unit of measure)	Scope of coverage*
	% of employees from local community @	%	Consolidated
	% of eligible field workforce receiving incentives during pandemic #	%	Consolidated
	State-wise breakup of employees @	Number	Consolidated
	% of employees under ESOP scheme @	%	Consolidated
	Employees trained on virtual platform #	Number	Consolidated
	Number of new members inducted under safety induction initiative #	Number	Consolidated
	Employee grievances #	Number	Standalone
	Employee breakup - gender wise @	Number	Consolidated
	Employee breakup - seniority wise @	%	Consolidated
	CTC Ratio Male vs. Female @	%	Consolidated
Intellectual Capital	Products per customer @	Number	Standalone
	Customer retention rate @	%	Standalone
	Branch audits performed #	Number	Standalone
Manufactured Capital	Number of branches @	Number	Consolidated
	Number of districts @	Number	Consolidated
	Presence in states and Union Territory @	Number	Consolidated
	Number of regional/divisional offices @	Number	Consolidated

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Category	KPI	(Unit of measure)	Scope of coverage*
Financial Capital	Gross AUM@	Rs. in Million	Consolidated
	Active Borrowers @	Number	Consolidated
	Cost-to-Income Ratio #	%	Consolidated
	Opex #/AUM @	%	Consolidated
	Debt/Equity @	%	Consolidated
	ROA @	%	Consolidated
	ROE @	%	Consolidated
	Asset Quality (% of Gross AUM) @	%	Standalone
	PAR 0+ %		
	PAR 60+ %		
	PAR 90+ %		
	Repayment Rate #	%	Consolidated
	Write-offs #	Rs. in Million	Consolidated
	Liability Mix - Source Wise @	%	Consolidated
	Liability Mix -Tenure Wise @	%	Consolidated
	Economic Value Generated/Distributed #	Rs. in Million	Consolidated
Social and Relationship Capital	Total institutions provided direct COVID support #	Number	Standalone
	Customer Grievances @	Number	Standalone
Natural Capital	Loans having positive environmental and social impact @	%	Consolidated
	Scope 1 GHG emissions #	in MTCO2	Standalone
	Scope 2 GHG emissions #	in MTCO2	Standalone
	Scope 3 GHG emissions #	in MTCO2	Standalone

*Standalone includes the Company, Consolidated includes the Company and its subsidiaries.
@ As at the year end, # For the year ended

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Responsibility of the Directors

The Company's management is responsible for the selection, preparation and presentation of the KPIs for the year ended March 31, 2022, in accordance with the criteria mentioned above. This responsibility includes the identification of KPIs, preparation in accordance with the management's basis of preparation, the identification of stakeholders and their requirements, material matters and for commitments with respect to sustainability performance. The management is also responsible for design, implementation and maintenance of adequate internal controls to facilitate collation, calculation, aggregation and validation of the data, relevant to the KPIs and preparation of the Report, that is free from material misstatement, whether due to fraud or error.

Our Independence, Ethical Requirements and Quality Control

We have complied with independence policies of Deloitte Haskins and Sells LLP, which address the requirements of the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants in the role as independent auditors. We have complied with the relevant applicable requirements of the International Standard on Quality Control (ISQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
We also confirm that we have maintained our independence in the Report and there were no events or prohibited services related to the Assurance Engagement which could impair our independence.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the KPIs, set out in the subject matter paragraph, as disclosed in the Report for the year ended March 31, 2022, based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance in accordance with International Standard on Assurance Engagement 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information (herein referred as "ISAE 3000") issued by the IFAC. This standard requires us to comply with ethical requirements and to plan and perform our limited assurance engagement to obtain sufficient appropriate evidence about whether the KPIs are free from material misstatement.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal controls, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgment and included inquiries, observation of process followed, inspection of documents, analytical procedures, evaluating appropriateness of quantification methods, agreeing or reconciling with underlying data, etc.

In performing the procedures listed above, we:

- Made inquiries with senior executives to understand the governance, risk assessment process and information systems during the reporting period, relevant to the KPIs set out in the subject matter paragraph;

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- Analysed and reviewed key processes and procedures relating to collation, aggregation, validation and reporting of the KPIs on sample basis; and
- Reviewed data, performed analytical procedures, reviewed records and relevant documents and agreed information with the audited financial statements submitted by the Company to support the relevant KPIs.

We have relied on the information, documents, records and explanations provided by the Company for the purpose of our review.

Our procedures do not include detailed testing of source data or the operating effectiveness of processes or internal controls or review of the Company's financial performance and any other KPIs for years prior to financial year 2021-22.

The procedures performed in a limited assurance engagement vary in nature, form, and are less in extent than fora reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the KPIs have been presented, in all material respects, in accordance with management's basis of preparation.

Further, a limited assurance engagement does not constitute an audit or review of any of the underlying information in accordance with International Standards on Auditing or International Standards on Review Engagements and accordingly, we do not express an audit opinion or review conclusion.

Our Conclusion

The procedures we have performed and the documents and records that were made available to us and the information and explanations provided to us by the Company in connection to the review of the KPIs, set out in the subject matter paragraph, as disclosed in the Report for the year ended March 31, 2022, provide an appropriate basis for our conclusion.

Based on the procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the KPIs set out in the subject matter paragraph for the year ended March 31, 2022, are not prepared, in all material respects, in accordance with the management's basis of preparation.

Other Matters

Our report does not extend to any disclosures or assertions relating to future performance plans and/or strategies disclosed in the Report. The maintenance and integrity of the Company's website is the responsibility of its management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information on the website, the reports or our independent assurance report that may have occurred since the initial date of presentation.

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Restriction on use and distribution

Our work has been undertaken to enable us to express a limited assurance conclusion on the KPI disclosures to the Board of directors of the Company in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than the entity, for our work, for this report, or for the conclusion we have reached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Pratiq Shah
Partner
(Membership No. 111850)
UDIN Number: 22111850AMAGFV2705

Place: Mumbai
Date: June 30, 2022

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General Disclosures

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GRI 305: Emissions 2016

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GRI 405: Diversity and Equal Opportunity 2016

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CORPORATE INFORMATION

Directors

Mr. George Joseph	Chairman & Lead Independent Director
Mr. Udaya Kumar Hebbar	Managing Director & Chief Executive Officer
Ms. Sucharita Mukherjee	Independent Director
Mr. Manoj Kumar	Independent Director
Mr. Sumit Kumar	Nominee Director
Mr. Massimo Vita	Nominee Director
Ms. Jessie Paul	Independent Director
Mr. Paolo Brichetti	Chairman and Nominee Director (up to July 30, 2021)

Dy. CEO & Chief Business Officer

Mr. Ganesh Narayanan

Chief Financial Officer

Mr. S. Balakrishna Kamath

Company Secretary & Compliance Officer

Mr. M. J. Mahadev Prakash

Board Committees

Audit Committee

Mr. George Joseph (Chairman)
Ms. Sucharita Mukherjee
Mr. Manoj Kumar
Mr. Massimo Vita

Stakeholders' Relationship Committee

Ms. Sucharita Mukherjee (Chairperson)
Mr. George Joseph
Mr. Udaya Kumar

Corporate Social Responsibility & ESG Committee

Mr. Udaya Kumar (Chairman)
Mr. Massimo Vita
Mr. Manoj Kumar
Ms. Jessie Paul

Nomination & Remuneration Committee

Mr. Manoj Kumar (Chairman)
Ms. Sucharita Mukherjee
Ms. Jessie Paul

Risk Management Committee

Mr. Massimo Vita (Chairman)
Mr. George Joseph
Mr. Sumit Kumar
Mr. Udaya Kumar

Asset - Liability Management Committee

Mr. Udaya Kumar (Chairman)
Mr. George Joseph
Mr. Sumit Kumar
Mr. Massimo Vita
Mr. S. Balakrishna Kamath

IT Strategy Committee

Mr. Manoj Kumar (Chairman)
Ms. Jessie Paul
Mr. Sumit Kumar
Mr. Udaya Kumar
Mr. Sudesh Puthran

Joint Statutory Auditors

Deloitte Haskins & Sells
Chartered Accountants

PKF Sridhar & Santhanam LLP
Chartered Accountants

Debenture Trustees

Beacon Trusteeship Limited
4C, Siddhivinayak Chambers, Kala
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Phone: 022-26558759
Email: Contact&beacontrustee.co.in

Catalyst Trusteeship Limited
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Email: dt@ctltrustee.com

SBICAP Trustee Company Limited
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Email: Helpdesk@sbicaptrustee.com

Axis Trustee Services Limited
Axis House, Bombay Dyeing Mills
Compound,
Pandhurang Budhkar
Marg Worli, Mumbai-400025
Phone: 022-62300451
Email: debenturetrustee@axistrustee.in

IDBI Trusteeship Services Limited
Asian Building, 17, R. Kamani Road
Ballard Estate, Fort Mumbai-400001
Phone: 022-40807000
Email: itsl@idbitrustee.com

Executive, Borrowings & Investment Committee

Mr. Udaya Kumar (Chairman)
Mr. Manoj Kumar
Mr. Balakrishna Kamath

Secretarial Auditor

Mr. C. Dwarakanath
Practising Company Secretary

Registrar and Transfer Agent

KFin Technologies Limited
Selenium Tower B, Plot 31-32 Gachibowli
Financial District Nanakramguda,
Hyderabad–500 032
Phone:(040) 67162222
Email: einward.ris@kfintech.com

Registered Office

No.49, 46th Cross, 8th Block, Jayanagar
Bangalore -560070

Corporate Identification Number (CIN):

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Website:

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