

The journey of transforming lives

GrameenKoota®
financial services

ANNUAL REPORT 2018-19



Ms Syeda Mudasira
Chennapattna, Karnataka

Syeda Mudasira, from Chennapattna, Karnataka, like thousands of our stakeholder clients, is a woman with dreams and ambitions that had remained stifled by a feeble support system. She took a loan from us to open up a grocery shop; and through sheer dint of hard work and timely repayment, qualified for another. We in fact, discovered another talent that this enterprising lady possessed. The embroidery that you see on the cover page has been crafted by her, from a design we selected as our theme. It depicts a woman with hands folded in a symbolic "Namaste". The gesture is as much addressed to us on behalf of millions whose lives we have enriched; as it is our own humble feeling for the stakeholders who are making efforts to enhance the quality of life for our clients.



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Weaving dreams into livelihood solutions

At CreditAccess Grameen Ltd., transformation of lives and livelihood for those who possess the skills and the drive but lack access to formal financial eco-systems has indeed been our calling card. Syeda Mudasira's story is heartwarming and so are those of million others being serviced through our loans and services.

Who knew that our humble journey that started in 1996 with the mission to lend affordable credit to India's poor and low-income households, predominantly women dominated, would lead on to become a revolutionizing financial force in rural India. With the vision to enable economic and social change in poor and low-income households, we have grown exponentially on all parameters. The number of clients, the quantum of loans, and the health and robustness of our balance sheet.

With a mission to transform and uplift the poor through microfinance and other development services, we have watched numerous self-driven entrepreneurs blossom from economically backward bellies of the nation into leaders who changed the course of their destiny. By focusing on improving financial access for women, we indirectly ensured their participation in helping their respective families and communities move forward. Our journey has not just been about helping the under-served. Our journey has been about helping rural women become the backbone of development in rural India. It humbles us to see these women weave their dreams into powerful realities of financial freedom and development

As for Syada Mudasira, whenever she wishes to turn her amazing embroidering skills into an additional source of income, she knows whom to approach.



Foreword

India is well on track to becoming the world's largest economy in another decade based on World Bank and International Monetary Fund projections. The country, which is a $2.6 trillion economy and poised to overtake Germany to become the fifth largest economy in 2020, is also on track to be one of the world's largest in terms of population.

Despite all this, it is an irony that there are parts of India that are still marginalised. In terms of the GDP per capita, for example, our National Capital Region is roughly equal to that of a country like Indonesia. States like Bihar and Uttar Pradesh are among India's poorest.

It is thus imperative that in a country poised for such a dramatic growth, the paradoxes must be solved, especially at the financial grassroots level.

This is where Microfinance Institutions (MFI) have significantly contributed to this process by empowering the rural population with easy credit access in forms of loans. With these micro-financing options, the country's rural population is becoming more financially independent and is able to contribute to and grow with the economy. With microfinance, tens of thousands of individuals have transformed their lives. MFIs have a strong sense of social responsibility to work for people at the bottom of the pyramid by opening the doors of opportunities for them to lead a better life.

Here is an interesting story of a couple, Mrs Rajamani and her husband Mr Swami Nayak, who were able to change their lives with the help of CA Grameen, the microfinance institution striving to empower India's rural population.

After facing financial hardships due to constant ill health and medical expenses, Mrs Rajamani approached CA Grameen, introduced to her by her neighbours, for a small loan to start a provisions shop. It was a small amount, but this microfinance helped her family come out of poverty and start a new life, not once but twice. Now, Mrs Rajamani and her husband plan to expand their provisions store and enter into dairy farming.

"There is nothing that stops me from achieving my dreams. From a time of not owning anything to owning everything, facing setbacks to getting on my feet again, I owe all this to CA Grameen." - Mrs Rajamani

In another testimonial, another couple, Mrs Deepanjali and Mr Lokesh share their experience of how CA Grameen changed their lives. Working as a factory labourer, Deepanjali often fell sick and was unable to continue that work. It was then that she decided to start a teashop to run their household. It was later when she joined and liked the CA Grameen's microfinance group, she sought help for easy credit and individual loan to setup a provision store. In very little time, they saw growth in their business and were able to sustain a good quality life. Today, they are successfully running their store, and aiming to set up a small factory one day.

By uplifting the rural poor, microfinance institutions are spreading prosperity and providing opportunities to the unserved and underserved in India.

"CA Grameen proved to be life-changing for our household." - Mrs Deepanjali

Uplifting Rural India

Dear Shareholders,

The core philosophy of CreditAccess Grameen Limited (CA Grameen) lies in enriching and empowering low-income Asian households by providing tailor-made financial products and solutions. By adopting a customer-centric business model, we strive to balance economic growth with social responsibility to bring about a change that is sustainable and meaningful for those who face hardships and have little. In an effort to build the nation, we aim to open the doors of opportunity for the unserved and underserved and make them an integral part of the nation.

Nurtured as an NGO at its inception and transitioned into an NBFC in 2007-08, CA Grameen has attracted key investors and transformed itself into a mainstream NBFC-Microfinance Institution (MFI) today. With a strong sense of social responsibility to work for the people at the bottom of the pyramid, CA Grameen has 8,064 employees and 5,768 field officers working in 670 branches who handle over 71,593 million Gross AUM in 157 districts as on March 31, 2019.

The recent liquidity crisis, triggered by the collapse of Infrastructure Leasing and Financial Services (IL&FS) has put NBFCs and MFIs in the spotlight. The liquidity crunch has affected NBFC stocks, which have fallen by almost 30% . In order to provide liquidity, the Reserve Bank of India had to step in and injected about Rs 400,000 million into the system through the government securities to meet liquidity demand. Inspite of the liquidity crunch, CA Grameen's net profit in H1FY19 grew by 94% or Rs 1,456.84 million as against Rs 751.71 million for the year-earlier period.

CA Grameen also shifted its focus from creating social impact to being more socially responsible and ensuring the empowerment of the weaker sections of the society. On YoY basis loan disbursement increased by of 35% to Rs 82,212 million and Gross AUM increased by 43.9% to Rs 71,593 million for FY 18-19.

During FY 2018-19, NBFC-MFIs disbursed loans worth Rs 8,31,390 million which was YoY increase of 45% when compared to FY 17-18. Top 10 MFIs accounted for 76% of industry disbursements in FY18-19.

GLP of NBFC-MFI as on FY18-19 stood at Rs. 6,78,430 million which was YoY increase of 46% when compared to FY17-18. Top ten MFI in the country contributed to 74 of NBFC-MFI segment GLP. The Eastern and Northeastern region accounted for 38% of overall portfolio followed by the southern region with 24% . Central and the western regions at 9% and 15% respectively. The Northern region had portfolio share of 14%.

After a great run last year, CA Grameen is looking forward to another successful year. We, at CA Grameen, believe in lean and efficient credit operations and competitive pricing for our financial products and solutions. Acknowledging the growth, the management is shifting the focus from creating a social impact to creating financial products and solutions designed for social responsibility. By investing in the latest technologies and innovative ideas, CA Grameen strives to develop high-quality financial products that will complement our portfolio and financial deliveries.



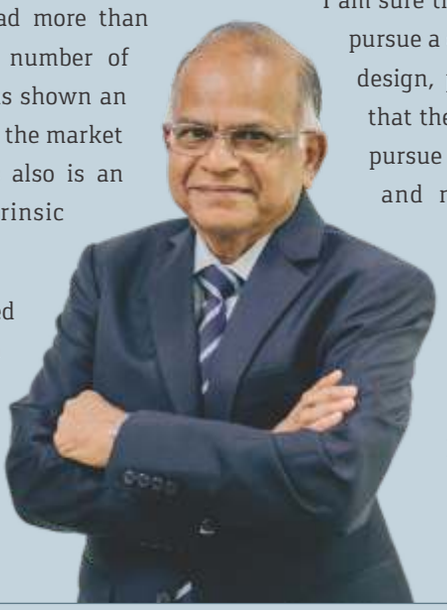
A Message from Our Chairman

Yet another year of impressive growth and accolades! Despite the lingering impact of de-monetisation, the havoc caused by the floods, and the NBFC liquidity crisis, CA Grameen has managed to achieve growth with profitability and quality at rates better than other players in the industry. No doubt, with many microfinance institutions (MFI) becoming small finance banks (SFB), the industry has fewer players today. Yet our performance was quite impressive given the difficult operating environment in the last fiscal year.

That the inherent strength of CA Grameen is well appreciated by banks and other financial institutions, both at the domestic and foreign level, is borne out by the fact that the Company has always had more than adequate liquidity at all times. The number of institutions supporting CA Grameen has shown an increasing trend. The smart recovery in the market price of the Company's equity shares also is an endorsement of the Company's intrinsic value.

During the year, the Company introduced several value products for customers in keeping with its customer-centric approach. To improve the quality of product/service delivery and to facilitate better risk management, several digital initiatives were introduced. The shift from creating a social impact to being socially responsible in an effort to develop the rural population continues to be our primary focus this year.

On other fronts, risk management has been further strengthened based on experiences of the past year during which the Company had to deal with the full impact of de-monetisation. Superior performance and recognition by important stakeholders has put greater responsibilities on the Company to protect and enhance its working culture and ethos, which enabled CA Grameen to achieve such a performance.



I am sure the CA Grameen team will continue to pursue a customer-centric approach in product design, pricing and delivery. I am also sure that the CA Grameen team will aggressively pursue digitization in operational aspects and management. The Board and the management will continue to focus on risk management and governance in the coming year.

I wish the CA Grameen team and all stakeholders greater glory in FY 2019-20.

M N Gopinath
Chairman

A Message from Our Group CEO

Many of us have been dreaming about a company that can deliver substantial value to all stakeholders from investors to customers. During FY 2018-19, CA Grameen went for a public listing and received investments from over one lakh retail and institutional investors from all over the world, extending the perimeter of its positive impact to the capital markets. At the same time, without diluting its customer-centric approach, which has been a distinguishing factor of the Company's operations since its inception the Company has been able to extend such a positive impact to the families and the communities of our customers.

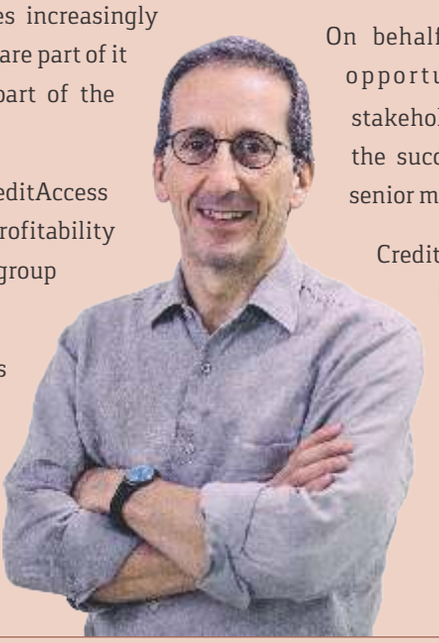
Sustainable development, the contribution of the economy to the well-being of the planet and communities, and low-carbon economies represent subjects, objectives and responsibilities increasingly relevant to all of us. We at CreditAccess are part of it and remain committed to doing our part of the task.

CA Grameen is the flagship of the CreditAccess group, not only in terms of size and profitability but because it truly inspires all our group companies to follow a positive path.

During FY 2018-19, CA Grameen has shown steady growth, increased profitability, and strong risk control, once again showing evidence of the enormous potential it has in the Indian market.

This is even more relevant considering that the non-bank-financial-companies (NBFC) in India have been under pressure during the year because of concerns about their Asset-Liabilities Management (ALM). This was 'the topic' that investors have been concerned about in the second half of the financial year, but with a positive spin for CA Grameen which has had a very solid and long-term-positive ALM structure.

Going forward, we expect the Indian microfinance sector to continue the current consolidation trend and CA Grameen, which is the largest non-bank microfinance institution (excluding Bharat financial which is in a merger process with Indusind Bank) to be among the top players in the country, continuing to enhance its stature in the microfinance market.



On behalf of CreditAccess Asia, I take the opportunity to thank once again all stakeholders for their immense contribution to the success of CA Grameen: board members, senior management, staff and customers.

CreditAccess Asia will go on contributing to the strategic governance of the Company and supporting its financial needs, and we remain positive about our role as promoter and major investor in such a great Company!

Paolo Brichetti
Group CEO

A Message from Our Managing Director & CEO

It gives me great pleasure to share with you the highlights of CA Grameen's journey in FY 2018-19, and present to you our first Annual Report as a publicly listed company.

This financial year, we continued to expand our operations and added 25 districts and 154 branches. Our borrower base saw an increase by 0.62 million. The Gross AUM has seen a growth of 44% percent year-over-year, a benchmark number for the microfinance industry. The challenges we faced during the year have strengthened us. We have stuck to our fundamentals, brought in more efficiency in all our operations, diversified our sources of funds, and funding strategy and have evolved our services around customer needs. We have ensured the wellbeing of our customers. With the support of all our stakeholders, we continue to grow and have a positive impact on the lives of rural poor and low-income households.

Our customer-centric business model remains at the core of CA Grameen and our retail finance (Individual lending) initiative is one of the many examples of how we have evolved around customer needs and convenience. Many of our customers who started tiny businesses with the support of our group lending products now aspire to becoming entrepreneurs. We continue to support them as they dream big with individual lending to expand their initiatives and working capital needs. Since November 2016, we have supported more than 40,000 Clients to expand their existing businesses. We are witness to many extraordinary stories of our women customers who aspire to dream big.

To complement our core business activities, we have also built many relevant social programmes, which I believe are essential to achieve the development goals of poor and low-income households. The WASH (Water-Sanitation-Hygiene) initiative is the perfect example of such an integrated strategy where the Company, through our CSR partner, has invested significantly to create awareness, impart training on various aspects of sanitation and provide access to affordable credit for toilet construction for customers in need. This financial year, we have also crossed a significant milestone of 1 million disbursals in water and sanitation loans since inception. This focus on the customer and community welfare has also earned CA Grameen enviable customer loyalty, which we believe helped us to withstand significant challenges in this area. We are enthusiastic and proud of the many accomplishments during the year and believe this would not have happened without the support and encouragement of all our stakeholders. We are grateful for your ongoing interest and faith in us. With the support of our Board of Directors, Investors and our ever-supportive 2.47 million women borrowers, team CA Grameen joins me in assuring our stakeholders of a progressive institution that provides sustainable value to all our stakeholders.



Udaya Kumar Hebbar
Managing Director & CEO

About CreditAccess Grameen

Formerly known as Grameen Koota Financial Services Pvt. Ltd., CreditAccess Grameen Limited was established to cater to the evolving financial needs of low-income households in India. Mrs Vinatha M Reddy first visualised the Company in December 1996, and she was herself inspired by Alex Counts' book 'Give Us Credit'. Alex Counts was the President and CEO of Grameen Foundation USA. The book detailed the inspiring stories of Bangladesh's poor who came out of poverty with micro-credit during the microfinance movement, spearheaded by Professor Muhammed Yunus, the 2006 Nobel Laureate.

CA Grameen was founded in May 1999 as a project under the T. Muniswamappa Trust (TMT), an NGO in South Bangalore. Grameen Trust, Bangladesh, provided seed capital funding to TMT to replicate the Grameen Bank Bangladesh microfinance model. Adapting the Grameen Bank's group lending methodology of microfinance to the Indian setting, CA Grameen began its operations in Avalahalli, on the outskirts of Bengaluru. The highlight was the collateral-free loans and other services to women from low-income households with the aim of creating equal opportunities for both the urban and rural poor.

With collateral-free loans, many households raised their standard of living and came out of poverty. In a few years, CA Grameen created a class of financially literate women entrepreneurs, and eventually, they began to outgrow the group-lending model. During the initial years, women entrepreneurs' wise and productive use of monetary resources was observed, and CA Grameen started focusing on giving credit to women as they are an integral part of the family, community and play a key role in building the country's socio-economic ecosystem.

That is why CA Grameen targets women. Women tend to use resources more productively, so improving financial access for women may increase their participation in the family and community development.

It was in 2007 that the microfinance activities of CA Grameen were transferred from an NGO to a well-regulated and registered Non-Banking Financial Company (NBFC). In 2013, the RBI reclassified CA Grameen into a regulated and governed Non-Banking Financial Company-Micro Finance Institutions (NBFC-MFI). Grameen Koota continues to be the operating brand name of CA Grameen.

At CA Grameen, offerings of financial and non-financial products and services were created to meet the financial needs of the weaker section of the society. CA Grameen products are subject to periodic modifications based on feedback from customers and staff input. The main mission of CA Grameen today has shifted from its primary focus of creating a social impact in the society to being socially responsible. It aims to be a preferred partner to 10 million low-income households that lack the access to credit, by 2025.



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- Our Financial Products
- Awards, Recognition and Accolades
- CA Grameen in the Spotlight
- What the Media Covered
- Our Board of Directors
- Our Social Responsibility





Empowering Asian Households

Our Group Vision

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



Our Mission

To be the preferred business 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.

Mission Explained

Primarily driven by a sense of social responsibility and rural empowerment, CA Grameen's philosophy is:

- To be a preferred and trusted financial partner for all the growing needs of Asian low-income households.
- To enable a widespread economic and social change with diverse need-based financial products and services.
- To create a benchmark of efficiencies in operation expenses, customer retentions and credit portfolio quality.
- To adopt relevant technology and innovative solutions develop and deliver convenient financial products.



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. We are proud to have been named the second largest Indian NBFC-MFI by Micrometer, a Microfinance Institutions Network (MFIN) publication.

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 -

Committed

We shall honour all our commitments. We are committed to our mission.

Reliable

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.

Accountable

We shall be accountable for all our deeds, actions and words.

Transparent

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.

Efficient

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.

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. CA Grameen's products and services have been designed keeping in mind the evolving needs of the low-income households - such as festival celebration assistance, healthcare, education, home improvement, water and sanitation.

The financial products of CA Grameen have come as a blessing for our customers who want to set up new businesses and require working capital to address cash flow gaps, family welfare loans and emergency loans.

GROUP LENDING

Income Generation Loans

The Income generation loan (IGL) is a type of loan to support business enterprises and income enhancement activities like purchasing fixed assets such as additional machinery. This loan also acts as additional working capital. Customers can avail up to Rs 80,000 and can get the first IGL at 21 percent per annum on a declining balance.

The second IGL loan can be availed at 19 percent per annum on declining balance and a supplementary income generation loan can be availed at 19 percent per annum on the declining balance. The tenure for IGL is a minimum of 52 weeks and a maximum of 104 weeks, depending on the loan amount.

Home Improvement Loans

CA Grameen offers home improvement loans to help customers with water connections, toilet construction, or for home extension projects such as repairs or replacement of roof, walls, floors, and monsoon waterproofing. Customers can avail loans ranging from Rs 5,000 up to Rs 50,000 at 18 percent per annum interest on a declining balance. The tenure for home improvement loans is a minimum of 52 weeks and a maximum of 208 weeks, depending on the loan amount.

Emergency Loans

Customers can benefit from short-term loans to address their emergencies and short-term cash flow constraints. Customers can avail up to Rs 1,000 to handle a crisis situation at 18 percent per annum interest on a declining balance. The tenure for emergency loans is a maximum of 3 months.

Family Welfare Loans

CA Grameen customers can avail loans ranging from Rs 1,000 up to Rs 15,000 under the category of family welfare loans, depending on the purpose for which it is required. They can get the loan at 18 percent per annum interest on the declining balance. The tenure for such loans is between 24 weeks and 52 weeks, depending on the loan amount.

RETAIL FINANCE

Grameen Udyog Loan

As the flagship product under retail finance, the Grameen Udyog loan is targeted at someone who requires a higher loan amount to meet their capital requirements, to expand their business or to purchase machinery or keep inventories. Customers can avail loan up to Rs 0.15 million at 22 percent per annum on reducing balance for a tenure of 24 months.

Grameen Savaari Loan

Grameen Savaari loan is offered to customers who wish to purchase a new vehicle (two-wheelers). Customers can avail up to Rs 0.06 million at 22 percent per annum on reducing balance for a tenure of 24 months.

Grameen Vikas Loan

As a higher ticket asset-backed loan, Grameen Vikas loan is offered to customers who have higher credit requirement for business expansion. Customers can avail up to Rs 0.5 million at 22 percent per annum on reducing balance for a minimum tenure of 24 months to maximum 60 months depending on the loan amount.

Grameen Suvidha Loan

As an intermediary loan, Grameen Suvidha is offered to customers to meet their additional needs such as upkeep of assets or business inventory. Customers can avail up to 15 percent of sanctioned Udyog or Savaari loan amount at 20 percent per annum on reducing balance for a tenure of 6 months.

Grameen Vaahan Loan

Grameen Vaahan loan is offered to customers for purchase of new/used small commercial vehicles. Customers can avail upto Rs 0.40 million at 20% per annum for purchase of new vehicle or 22% per annum for purchase of used vehicle on reducing balance for a minimum tenure of 24 months to maximum 48 months depending on the loan amount.

DISTRIBUTOR PRODUCTS

Life Insurance

CA Grameen has entered into a tie-up with Shriram Life Insurance Company Limited, Kotak Mahindra Life Insurance Company Limited, DHFLPramerica Life Insurance Company Limited, ICICI Prudential Life Insurance Company Limited and HDFC Life Insurance Company Limited to provide insurance coverage to members 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.

Awards, Recognition and Accolades

CA Grameen has implemented all the three events conducted by M-Cril that is certified by Smart Campaign team:

- First certified in January 2013 (one among the first 5 organisations in India to be certified)
- Certificate check-in conducted in November 2015
- Recertification in March 2019



SMART CAMPAIGN CLIENT PROTECTION CERTIFICATION (CPP - Client Protection Principles)

CA Grameen has been evaluated according to the standards of the Client Protection Certification Program and found to have taken adequate care to implement Client Protection Principles as promoted by the Smart Campaign. The Smart Campaign is the certifying body and the certification process was conducted by M-Cril.

Smart Campaign is a global effort to unite financial leaders around a common goal: to keep customers as the driving force of the industry.

Responsible financial inclusion protects clients, businesses, and the industry as a whole. It also encompasses core Client Protection Principles to help financial service providers practice good ethics and smart business. The Client Protection Principles are the minimum standards that clients should expect to receive when doing business with a financial service provider. These principles have been distilled from the path-breaking work done by providers, international networks, and national microfinance associations to develop pro-client codes of conduct and practices. From this has emerged a consensus within the financial inclusion industry that providers of financial services should adhere to the following core principles:

- Appropriate product design and delivery
- Prevention of over-indebtedness
- Transparency
- Responsible pricing
- Fair and respectful treatment of customers
- Privacy of customer data
- Mechanisms for complaint resolution

CA Grameen in the Spotlight















CA Grameen: Stories in focus

IPO Highlights



CA Grameen was born out of the need to provide timely and affordable credit to India's poor and economically marginalised households. Over two decades of our existence, the organisation has grown following a customer-centric business model. The noble tenets of service through inclusion crossed many milestones and one of those important events was the launch of the Initial Public Offering. The IPO of microfinance institution CA Grameen opened on August 8, 2018 and was subscribed 2.22 times.

The listing of CA Grameen took place on August 23, 2018. The listing function was attended by Mrs Vinatha M Reddy-Founder, Grameen Koota, Mr Suresh K Krishna, Co-founder-Grameen Koota, Mr M N Gopinath, Chairman, CA Grameen, Mr Paolo Brichetti, Promoter, CreditAccess Asia and Nominee Director in the Board, Mr Udaya Kumar Hebbar, MD & CEO, CA Grameen, Mr Diwakar BR, CFO, CA Grameen, Mr Ajay Saraf, ICICI Securities Ltd, Mr Subrajit Roy, Kotak Mahindra Capital Company Ltd, Mr Sumit Jalan, Credit Suisse, Mr Nipun Goyal, IIFL Holdings Limited and Mr Ashish Kumar Chauhan, MD & CEO, BSE Ltd.

Key people from the top management have also witnessed this occasion.

On this momentous occasion, Mr M N Gopinath recalled the inception of the organisation saying its customer centricity has helped it to gain the trust of the customer base, which has enabled it to be successful.

Mr Paolo Brichetti said, "Irrespective of the size, the spirit to serve the community will always be there."

MD & CEO of CA Grameen, Mr Udaya Kumar Hebbar said the organisation had 516 branches, over 6,000 employees, more than 2.2 million customers in 132 districts of eight states and 1 union territory, as of March 2018.

Mr Ashish Kumar Chauhan, MD & CEO of BSE praised the efforts of Mrs Vinatha Reddy, Founder of Grameen Koota. He stressed the importance of women empowerment. He also said that CA Grameen is one of the important additions to the BSE list of companies. The symbolic bell was rung at 10.00 am and CA Grameen was officially listed on the Indian stock exchanges.

CA Grameen carries out relief work in flood-hit districts of Karnataka

August 2018 saw the severe destruction of lives and land in the form of floods in Karnataka. Some of the worst affected districts were Coorg, Chikmagalur and Kodagu. This calamity has been described as one of worst natural disasters to hit the state in recent times. CA Grameen contributed Rs 1 million to the Chief Minister's Calamity Relief Fund for Karnataka. Apart from this, the organisation also carried out relief work in several districts including Virajpet, Kushalanagar and Kollegala by providing the flood-affected with blankets, clothes, food rations etc. Over 1,500 customers of CA Grameen whose lives were disrupted by the floods were benefitted.

Health Awareness and Well Being Camp organized at HO

CA Grameen has organised a free medical health check-up camp for head office employees on 26th & 27th December, 2018. The camp was organised in association with Medi-Assist. Employees were given a free physical examination. All the employees at the HO participated with great enthusiasm. The employees at the branches will be provided with the same health check-up facilities in the coming months so that they can also avail these benefits.

CRISIL assigns Top Industry Rating of 'M1C1' to CA Grameen

The credit rating agency, CRISIL, has assigned the industry's top MFI grading of 'M1C1'to CA Grameen. According to CRISIL, this signifies 'Highest-capacity' of the MFI to manage its operations in a sustainable manner and 'Excellent 'performance on the Code of Conduct dimensions. This is a comprehensive rating which combines Microfinance Capacity Assessment Grade and Code of Conduct Assessment Grade (COCA) for the evaluation. According to "Rating Rationale", mentioned in the report, the MFI (CA Grameen) has obtained "M1" as its performance grade which signifies "Highest" capacity to manage their microfinance operations in a sustainable manner. The organisation is an apex MFI with a strong market share. Its systems and processes remain strong in relation to its MFI peers. The MFI (CA Grameen) obtains "C1" as its Code of Conduct Assessment Grade, which signifies 'Excellent' performance on COCA dimensions. The organisation has been complying with stipulated regulatory guidelines and code of conduct (COC) principles. A board-approved fair practices code is in place.

Relief work in Gaja Cyclone-hit districts of Tamil Nadu

The Gaja cyclone hit Tamil Nadu on November 1, 2018 causing widespread destruction of property and disrupting lives. CA Grameen carried out relief work in the districts of Thanjavur, Tiruvarur and Pudukkottai by providing basic necessities to them. Blankets, food rations and clothes were given to more than 1300 customers of CA Grameen.

CA Grameen at Inclusive finance summit 2018

Mr Udaya Kumar Hebbar, MD & CEO, CA Grameen was a member of the panel for the Inclusive Finance summit held on December 12, 2018, at New Delhi. The panel discussion focused on "MFI 2.0: Is It Time to Reinvent and Push the Boundaries?" The discussion highlighted the importance of innovative methodologies in the context of low-income household customers' and their particular requirements.

Financial Inclusion: Importance beyond just bank accounts

Mr Udaya Kumar Hebbar, MD & CEO, CA Grameen inaugurated the fourth International Conference on 'Economic Growth and Sustainable Development: Emerging Trends' at SDM-IMD at Mysore, Karnataka in November 2018. He was the keynote speaker and stressed on the fact that "Financial Inclusion doesn't mean just having a bank account." He spoke about a plethora of services that constitute the larger horizon of financial inclusion in a country like India.

A day at IIM-A: Tracing CA Grameen's growth with the students

CA Grameen and its growth over the years has been an important case study for many B-schools. Our MD & CEO, Mr Udaya Kumar Hebbar was invited to the IIM-Ahmedabad to address the students of Microfinance Management course. He began by introducing the organisation and its growth and its transition into a full-fledged microfinance organization. He also dwelt upon aspects such as operations, risk mitigation strategies, HR policies and future outlook.

Our Board of Directors

Executive Director

Mr Udaya Kumar Hebbar
Managing Director & CEO

Non-Executive Nominee Directors

Mr Paolo Brichetti
Mr Massimo Vita
Mr Sumit Kumar

Non-Executive Independent Directors

Mr M N Gopinath
Mr Anal Kumar Jain
Mr Prabha Raveendranathan
Mr George Joseph
Ms Sucharita Mukherjee



Management Team



Udaya Kumar Hebbar
Managing Director & CEO



B R Diwakar
Chief Financial Officer



Venkatesh Prasad
Chief Operating Officer



Gururaj K S Rao
Head - Internal Audit & Risk Management



Gopal Reddy
Business Head - Group Lending



Arun Kumar B
Head - Information Technology



Anshul Sharan
Head - Strategy & Planning



Sundar Arumugam
Head - New Business & Innovation



Srivatsa H N
Business Head - Group Lending



Nagananda Kumar K N
Head - Centralized Operations



Vishwanath Bhat
Head - Retail Finance



Syam Kumar R
Company Secretary & Compliance Officer



Thrishuli B
Head - Human Resource

Our Social Responsibility

In pursuance of the provisions of Section 135 and schedule VII of the Companies Act, 2013, the Company has a CSR Committee of the Board which recommends:

(a) The policy on Corporate Social Responsibility (CSR) and

(b) Oversees implementation of the CSR Projects or Programmes to be undertaken by the Company as per the CSR Policy. Accordingly, the Company has contributed Rs 29.32 million in FY 2018-19, as part of its CSR contribution.

The Annual Report on CSR activities is in a separate section under Reports.

Apart from this statutory contribution, the Company has contributed Rs 8.36 million by way of donation for CSR activities for FY 2018-19.

The Company has chosen Navya Disha Trust to implement its CSR activities. Navya Disha Trust is registered as a non-profit organisation that has a tax exemption status under Sec 80G & 12A of the Income Tax Act. Since 2007, Navya Disha has successfully worked with the Company in implementing various non-financial activities in healthcare, special education to children, water, sanitation, indoor air pollution, training women on financial literacy, entrepreneurship and vocational training for rural youth across operational areas of the Company. Navya Disha has raised grants from various national and international donor agencies apart from receiving financial contributions from the Company.

The CSR Policy of the Company as approved and adopted by the Board is available on the website of the Company at *www.grameenkoota.org*

Composition of the CSR Committee

Name	Designation	Position in the Committee
Mr M N Gopinath	Chairman & Independent Director	Chairman
Mr Prabha Raveendranathan	Independent Director	Member
Mr Anal Kumar Jain	Independent Director	Member
Mr Massimo Vita	Nominee Director	Member
Mr Udaya Kumar Hebbar	Managing Director & CEO	Member

Reports





Social Performance Management Report



Social Performance Management Report

I. INTRODUCTION

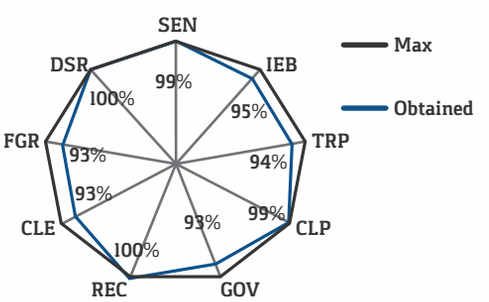
CA Grameen serves around 2.47 million women borrowers in 670 branches across eight states and one union territory, with 8,064 employees. Client Protection Principles, Responsible Financing, Social Values continue to reflect in CA Grameen's positioning in the industry with relevant products and processes.

II. SOCIAL PERFORMANCE MILESTONES

i. Standard comprehensive Grading (COCA + Company Grading)

The credit rating agency CRISIL has assigned the industry's top MFI grading of 'M1C1' to CA Grameen. According to CRISIL, this signifies 'Highest-capacity' of the MFI to manage its operations in a sustainable manner and 'Excellent 'performance on the Code of Conduct dimensions. This is a comprehensive rating that combines Microfinance Capacity Assessment Grade and Code of Conduct Assessment Grade (COCA) for the evaluation.

COCA Dimension Scrores



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

According to "Rating Rationale", as mentioned in the report, the MFI (CA Grameen obtains "M1" as its performance grade, which signifies "Highest" capacity to manage their microfinance operations in a sustainable manner. The organisation is an apex MFI with a significant marketshare. Its systems and processes remain robust in relation to its peers. The MFI (CA Grameen) obtains "C1" as its Code of Conduct. Assessment Grade, which signifies 'Excellent' performance on COCA dimensions. The organisation has complied with stipulated regulatory guidelines and Code of Conduct principles. A board-approved fair practices code is in place.

ii. Client Protection Certification by Smart Campaign

CA Grameen has been evaluated as per the standards of the Client Protection Certification Program and found to have taken adequate care to implement Client Protection Principles as promoted by Smart Campaign.

Smart Campaign is a global effort to unite financial leaders around a common goal: to keep customers as the driving force of the industry. Responsible financial inclusion protects clients, businesses, and industry as a whole. Responsible financial inclusion encompasses core Client Protection Principles to help financial service providers practice good ethics and smart business.

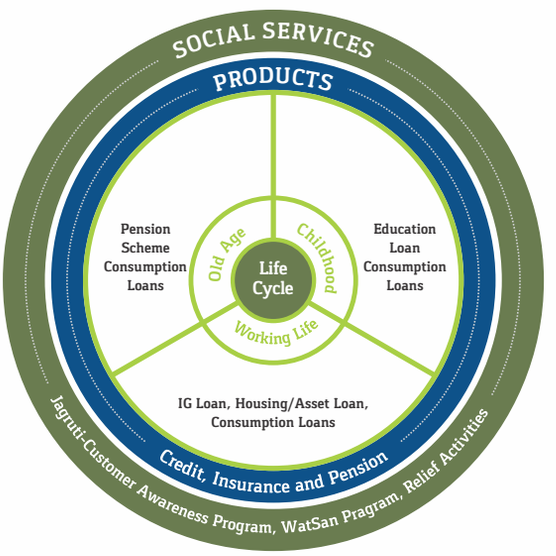
The Client Protection Principles are the minimum standards that clients should expect to receive when doing business with a financial services provider. These principles have been distilled from the path-breaking work by providers, international networks, and national microfinance associations to develop pro-client codes of conduct and practices. There is consensus within the financial inclusion industry that providers of financial services should adhere to these core principles:

I. Appropriate product design and delivery
II. Prevention of over-indebtedness
III. Transparency
IV. Responsible pricing
V. Fair and respectful treatment of clients
VI. Privacy of client data
VII. Mechanisms for complaint resolution

III. SOCIAL PERFORMANCE HIGHLIGHTS

A. Meeting Client Needs and Quality of Service

i. **Lifecycle Needs:** Products and process are designed by CA Grameen to cover all the lifecycle needs of our customers. Various loans are provided at different intervals to customers to enable them to have sustained growth in both life and business



activities. Income Generation Loans (IGL) are provided for primarily trading and animal husbandry. Other IGL purposes include service sector, production, transportation services and agriculture.

Non-IGL loans are given only to customers who have an active IGL loan. It is provided as an additional loan over and above IGL loans. In case IGL loan is completed, these loans may still be an outstanding loan.

Non-IGL products include Emergency Loans, Festival Loans, Medical Loans, LPG Loans, Water Loans, Sanitation Loans, Grameen Niwas Loans, and Griha Sudhaar Loans.

Customers are provided with financial support to start businesses. The Retail Finance division provides high-ticket loans. Grameen Udyog loan, Grameen Suvidha Loan, Grameen Savaari Loan, Grameen Udyog Vikas Loan and Grameen Vahaan Loan are a few loans provided to CA Grameen graduated customers.

Number of Loans Disbursed	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Income Generation	1,499,679	1,304,519	1,833,417	2,193,787
Family Welfare	610,594	641,970	586,307	606,043
Home Improvement	154,095	176,624	420,101	643,521
Emergency Loan	1,819,119	1,002,159	245,250	364,835
Individual Retail Finance	-	89	6,704	37,187
Total	**4,083,487**	**3,125,361**	**3,091,779**	**3,845,373**

ii. **Jagruti:** Jagruti is customer education programme conducted to spread awareness among our customers by narrating their experiences through personal stories read out by loan officers during weekly meetings. This is one of the unique programmes designed by CA Grameen. Topics related to Financial Literacy, Health issues, Sanitation, Personal and Home Hygiene, Disease Prevention and Women's Safety are discussed on a weekly basis.

As of March 31, 2019, the Jagruti programme has touched the lives of 2.43 million borrowers. Over 400 topics were discussed.

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

a) Level of Awareness:

Customers are contacted by Grievance department of the Company through a tele-calling team to understand the levels of awareness on various areas. This survey is conducted on a regular basis to understand their awareness levels. Around 1% of customers were contacted. Below is given the status of awareness calls made:

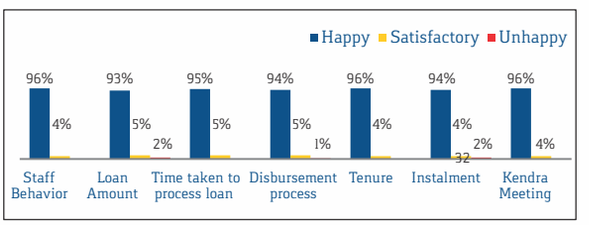
Total awareness calls made - 22,660

Categories	Awareness %
Insurance details	99
Loan products	97
Branch address and contact numbers	97
Loan passbook	98
Bank accounts	96
Credit bureau	96
Interest and Fees	94
Complaint box	87
Toll free Redressals	88

b) Feedback on products and services:

Customers are contacted by Grievance department tele-calling team to obtain feedback from customers. Feedback from customers is taken to understand satisfaction levels with regard to our products and services, and in staff interactions. Around 1% of customers have been contacted by this team and awareness levels ascertained. Below is the status of awareness calls made.

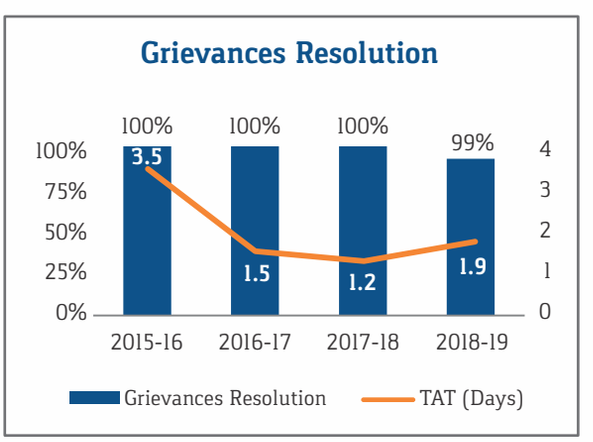
Total feedback calls - 18,988



Over 96% 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.

Timely Grievance Resolution:

The primary activity of Grievance Redressal Cell is to report and resolve customer grievances by working in coordination with various other departments. The grievances have been categorised as queries and requests from the customers, besides complaints.



The Grievance Redressal cell also handles grievances from the staff. A total of 4,031 customer grievances were received in FY 2018-19 (including grievances received through the branches and unidentified calls) and 4,028 customer grievances were resolved as on March 31, 2019. Out of 4,031 the break-up is as follows: 2,708 were queries, 429 were requests and 894 were complaints.

Among the complaints received, 281 were related to insurance and 613 were general grievances. The Company was able to resolve 95% of general grievances with a turnaround time of less than 7 days.

Type / Year	Number of Grievances			
	Mar'16	Mar'17	Mar'18	Mar'19
Grievances Received	690	1,271	1,243	613
Grievances Received - As % of overall borrowers	0.06%	0.09%	0.07%	0.02%
Insurance-related Grievances	263	241	423	281
Insurance-related Grievances - As % of overall claims	3.2%	1.2%	2.3%	4.7%

C. Responsibility to Staff

Being in the business of financial inclusion, we also believe it is our responsibility to groom and nurture youngsters and enable them to be gainfully employed with us.

As an organisation, our first preference is to recruit fresh talent from among relatives of our customers. Once we shortlist them with our pre-training programme, we train them to take up existing opportunities with us. There are elaborate post-hiring training programmes too that help candidates develop skills and understand the business. These talents will get priority in internal promotions thereby providing them with career-growth opportunities. We believe this will create synergy with the customer and employees, and facilitate smooth business transactions too. This has been reflected in the fact that our attrition rate is comparably lower than the industry standard.

Considering that our business has a vast geographic reach and employees move from branch to branch as part of their career and growth, we are one of the few organisations in the NBFC-MFI industry, that provide staff accommodation and boarding for branch-level staff which helps them have better net earnings, and stay focused on contributing to the business and customers.

We are an equal opportunity employer. However, we also look at the interests and needs of employees to provide with suitable opportunities. Though not many women employees prefer field jobs, we encourage them to take up supporting roles apart

from trying to motivate them to take up field assignments.

Apart from the above, benefits provided include a five-day work week, extended break from work for women with infants, life insurance cover and insurance benefits which we believe makes us an organisation that cares and takes responsibility for its staff.

Free Health Check-up camp for CA Grameen employees

A free Health Check Up Camp was organised for all CA Grameen HO employees on 26th and 27th of December 2018 in association with Medi-Assist. This medical check-up is a new initiative taken up by the Company as part of its employee benefit measures.

Facilities provided were:

- Blood tests
- Cholesterol tests
- Urine tests
- Sugar tests
- ECG

The same health facility has been provided across all CA Grameen branches (221) covering 2,563 employees in Karnataka. For other States, the facility will be extended over the next few months.

The main objective for conducting these health check-ups is to help employees stay healthy.

The tests may capture potentially serious health issues early on, and employees can then receive treatment. The Company believes that healthy employees can make effective contributions to the Company's objectives and growth.

D





. **Change in customer Lives**

With its products and services, CA Grameen has impacted the lives of customers and their families. The table below provides the details of the outreach of CA Grameen products and services since inception.

Non-financial Services	Year of Introduction of program	Beneficiaries as on March 31, 2019
Borrowers awareness through Jagruti	2011	2,430,103
Number of children of customers supported with education loans	2012	1,610,774
Customers supported with sanitation loans	2010	855,081
Customers supported for safe water connections	2010	271,557
Customers supported for home renovation	2013	556,797

Directors' Report



Directors' Report

To
The Members
CreditAccess Grameen Limited
(formerly known as Grameen Koota Financial Services Private Limited)

The Directors have pleasure in presenting the 28th Board's Report of CreditAccess Grameen Limited (the "Company") together with the Audited Statements of Accounts for the year ended March 31, 2019.

1. PERFORMANCE HIGHLIGHTS

Financial Results

(Rs in million)

Particulars	2018-19*	2017-18
Total Income	12,833.16	8,715.32
Total Expenses	7,855.82	5,433.06
Profit Before Tax	4,977.44	3,282.17
Tax Expense	1,759.82	1,157.43
Profit After Tax	3,217.61	2,124.83
Other Comprehensive income	-99.26	-13.87
Total Comprehensive income	3,118.35	2,110.96
Basic Earnings Per Share (EPS) (in rupees)	23.37	20.91
Diluted Earnings Per Share (DPS) (in Rupees)	23.14	20.65

*The financials for FY 2018-19 were drawn as per Ind-AS as per the requirement of the law hence the previous year's numbers have been accordingly redrawn.

a) Business Growth

The Company witnessed all-round growth during the year, opened more branches, acquired significant numbers of customers and served them through 670 branches across 157 districts in eight States (Karnataka, Maharashtra, Tamil Nadu, Chhattisgarh, Madhya Pradesh, Odisha, Kerala and Goa) and one Union Territory (Puducherry). 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 of forming new lender relationships.

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

Your Company's organizational highlights for Financial Year ("FY") 2018-2019 are as follows:

Year Ended	2019	2018
Branches	670	516
States/Union Territories	9	9
Districts	157	132
Kendras	172,173	130,608
Borrowers	2,469,837	1,851,324
Loans Disbursed (Rs in million)	82,211.63	60,817.22
Gross AUM (Rs in million)	71,593.30	49,746.61

b) Profitability

The total income of the Company increased from Rs 8,715.32 million to Rs 12,833.16 million in FY 2018-19. The total expenditure for the FY 2018-19 increased from Rs 5,433.06 million to Rs 7,855.82 million. The Company achieved an all-time high profit after tax (PAT) of Rs 3,217.61 million for FY 2018-19 while the same was Rs 2,124.83 million in FY 2017-18.

c) Other material events during the year:

i. Initial Public Offer (IPO)

The Initial Public Offer (IPO) of the Company for subscription opened from August 8, 2018 to August 10, 2018. The IPO of 26,805,394 equity shares of the Company at the issue price of Rs 422/- per share (consisting of 14,928,909 fresh issue of equity shares and 11,876,485 equity shares under offer for sale) was subscribed 2.2 times by the Public. Consequently, the paid-up share capital of the Company increased to 143,356,246 equity shares of Rs 10/- each. The equity shares have been listed on the National Stock Exchange of India Limited and BSE Limited on August 23, 2018. The Company has fully utilised the IPO proceeds, in line with the objectives mentioned in the Prospectus.

ii. Direct Assignment and Securitisation

The Company has completed 7 (seven)

Securitization and 4 (four) Direct Assignment transactions totaling Rs. 16670.5 million during the year under review.

2. DIVIDEND

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

3. AMOUNT PROPOSED TO BE CARRIED TO RESERVES

The Company has transferred Rs 643.52 million to reserves out of the net profit of financial year 2018-19 and an amount of Rs 5448.47 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, 2019 stood at Rs 1435.52 million. During the year under review, the Company has issued 196,015 shares to the employees who exercised their stock options granted under GKFSPL Employee Stock Option Plan - 2011. As on March 31, 2019, except as mentioned below, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

As on March 31, 2019, 455,000 stock options are held by Mr Udaya Kumar Hebbar, MD & CEO and which are convertible into equity shares upon exercise of the same.

5. DIRECTORS

As on March 31, 2019, the Board of your Company consists of nine Directors. Their details are as follows:

Category	Name of Directors
Executive Director	Mr Udaya Kumar Hebbar, Managing Director & CEO
Non-Executive Nominee Directors	Mr Paolo Brichetti
	Mr Massimo Vita
	Mr Sumit Kumar
Non - Executive Independent Directors	Mr M N Gopinath
	Mr Prabha Raveendranathan
	Mr Anal Kumar Jain
	Mr George Joseph
	Ms Sucharita Mukherjee

The composition of the Board is in line with the requirements of the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015"). 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 the Board of directors identified by the Board as required in the context of business of the Company is mentioned in the Corporate Governance Report.

On June 14, 2019, Mr B R Diwakar, CFO was appointed as Director - Finance & CEO. The appointment was for a period of 3 years from June 14, 2019, which is subject to shareholders approval. The Board recommends his appointment.

a. Changes in Directors and Key Managerial Personnel (KMP) during the FY 2018-2019

During the year under review, there were no changes in the Directors and KMP.

Mr Udaya Kumar Hebbar, Managing Director & CEO, Mr B R Diwakar, Chief Financial Officer and Mr Syam Kumar R, Company Secretary are the KMPs of the Company, as on March 31, 2019.

b. Woman Director

In terms of the provisions of Section 149 of the Companies Act, 2013, and Regulation 17(1)(a) of the SEBI (LODR) Regulations 2015, the Company shall have at least one Woman Director on the Board. The Company has Ms. Sucharita Mukherjee, as Independent Woman Director on the Board.

c. Director retiring by Rotation

Mr Sumit Kumar, Nominee Director (DIN: 07415525) is liable to retire by rotation in terms of provisions of the Companies Act, 2013 at the ensuing Annual General Meeting of the Company and being eligible offers himself for reappointment. The Board recommends his reappointment.

As stipulated under Reg 36 (3) of the SEBI (LODR) Regulations 2015, a brief resume of Mr. Sumit Kumar proposed to be reappointed will be given in the notice of the 28th AGM of the Company.

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

The Company has five Independent Directors on the Board. The Company has received declaration from each Independent Director of the Company under section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013, and subsequently the same was placed at the Board Meeting held on May 08, 2019.

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

There is no change in the Independent Directors nor has the Company reappointed any Independent Director during the year under review.

e. Policy on Board Diversity

The Policy on Board Diversity approved and adopted by the Company is as follows:

a) Diversity is ensured through consideration of a number of factors, including but not limited to skills, industry experience, background and other qualities.

b) The Company takes into account factors based on its own business model and specific needs from time to time.

c) The Nomination & Remuneration Committee leads the process of identifying and nominating candidates for appointment as Directors on the Board.

d) 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.

e) 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

The Policy on Nomination and Remuneration sets out the criteria for determining qualifications, positive attributes and independence of Directors. It also lays down criteria for determining qualifications, positive attributes of KMPs and senior management and other matters provided under Section 178 (3) of the Companies Act, 2013 and Regulation 19 of LODR.

The Policy on Nomination and Remuneration of the Company as approved and adopted by the Board is available on the website of the Company at *www.grameenkoota.org*

g. Formal Annual Evaluation of Board and its Committees

The Board has carried out an annual evaluation of its own performance, its Committees and Independent Directors.

A note on the annual Board evaluation process undertaken in compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 is given in the Report on Corporate Governance, which forms a part of this Report.

h. Meetings of the Board

The Board met 10 (ten) times during the financial year. Details of the meetings of the Board during FY 2018-2019 is provided in the Report on Corporate Governance which forms a part of this Report.

i. Committees of the Board

The details of the Committees of the Board namely the Audit Committee, CSR Committee, Risk Management Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, ALM Committee and IT Strategy Committee, their composition, terms of reference and the activities during the year under review are elaborated in the Report on Corporate Governance which forms a part of this Report.

Further, there are no instances where the Board has not accepted recommendations of Audit Committee.

6. AUDIT & AUDITORS

a. Statutory Auditors

M/s S. R. Batliboi & Co LLP (FRN: 301003E/E300005) 14th Floor, The Ruby, 29, Senapati Bapat Marg Dadar (West), Mumbai - 400028 were appointed as the Statutory Auditors of the

Company at the AGM held on June 29, 2016, for four financial years, 2017 to 2020.

The Board has duly examined the Statutory Auditors' Report to the Annual Accounts 2018-2019, which is self-explanatory. Clarifications, wherever necessary, have been included in the Notes to the Accounts. Further, the Directors confirm that there are no qualifications, reservations adverse remarks or disclaimers in the Independent Auditor's Report provided by Statutory Auditors for the FY 2018-2019.

b. Secretarial Auditors

The Board had appointed CS C Dwarakanath, Company Secretary in practice (FCS 7723 and CP 4847), as Secretarial Auditor to conduct the Secretarial Audit for the year ended March 31, 2019 in compliance with the provisions of Section 204 of the Companies Act, 2013.

The Secretarial Audit Report in form MR-3, submitted by the Secretarial Auditors for the FY 2018 - 2019 is enclosed to this report as **Annexure II.** The Directors of the Company confirm that there are no qualifications, reservations or adverse remarks or disclaimers in Secretarial Audit Report for the year under review.

c. Cost Auditors

The provisions of Section 148 of the Companies Act, 2013 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. SUBSIDIARIES/JOINT VENTURE/ASSOCIATE COMPANY

The Company has no subsidiary/joint venture/ associate company and hence consolidation and the provisions relating to the same under the Companies Act, 2013 and Rules made thereunder are not applicable to the Company.

8. 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. Further, the Company, on March 15, 2019 has obtained registration from Insurance Regulatory and Development Authority of India (IRDAI) to act as Insurance Corporate Agent (Composite).

9. CREDIT RATING

The Credit Rating of different instruments of the Company as on March 31, 2019, is as given below:

Credit Rating Agency	Instrument	Rating as on March 31, 2019	Migration during the FY 2018-19
ICRA	Bank Facilities	[ICRA]A+ (Stable)	Revised from [ICRA]A (Positive)
ICRA	Non-Convertible Debentures	[ICRA]A+ (Stable)	Revised from [ICRA]A (Positive)
ICRA	Subordinated Debt	[ICRA]A+ (Stable)	Revised from [ICRA]A (Positive)
ICRA	Commercial Papers	[ICRA]A1+	Revised from [ICRA]A1

Highest rating issued by ICRA for long-term credit facilities is [ICRA] AAA and for short-term facilities is [ICRA]A1+

Comprehensive Microfinance Grading by CRISIL as on March 31, 2019 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.

10. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

The Directors confirm that there were no significant and material orders passed by the regulators, courts, or tribunals that impacted the going concern status and the Company's operations in future.

11. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company maintains appropriate systems of internal financial controls, including monitoring procedures. Company policies, guidelines and procedures are well documented and provide for

adequate checks and balances and are meant to ensure that all transactions are authorised, recorded and reported correctly. An independent internal audit system is in place to conduct audits of all branches, regional offices as well as the HO. The internal audit department reviews the effectiveness and efficiency of these systems and procedures to ensure that the financial and operational information is accurate and complete in all respects. The Audit Committee reviews and approves audit plans for the year. Audits are conducted on an ongoing basis and significant deviations are brought to the notice of the Audit Committee. The Audit Committee of the Board is updated on significant internal audit observations, compliance with statutes and effectiveness of working of the control systems every quarter.

12. RISK MANAGEMENT POLICY

The Company has integrated risk management practices into governance and operations and has developed a strong risk culture within the organisation. Appropriate systems and tools are in place for identification, measurement, reporting and managing risks. The Board comprises of professional directors with relevant experience and who are well placed to understand 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. All the 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. The Annual Risk Management Plan covers the major risks that identified by management as needing particular focus and close monitoring. The Risk Management Plan forms the basis for implementation of risk management practices in detail. The risk assessments are carried out regularly at all levels of the organisation to ensure appropriate management actions in a timely fashion. Risk reviews addresses credit, operational, IT, financial, political, regulatory and reputational risks.

13. CORPORATE SOCIAL RESPONSIBILTY POLICY

In pursuance of the provisions of Section 135 and schedule VII of the Companies Act, 2013, the Company has a CSR Committee of the Board which recommends (a) the policy on Corporate Social Responsibility (CSR) and (b) Oversees implementation of the CSR Projects or Programmes to be undertaken by the Company as per CSR Policy. Accordingly, the Company has contributed Rs 29.32 million during FY 2018-19, as part of its CSR contribution.

The Annual Report on CSR activities is enclosed herewith as **Annexure- III**.

Apart from this statutory contribution, the Company has additionally contributed Rs 8.36 million by way of a donation for CSR activities in FY 2018-2019.

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@grameenkoota.org. Employees are also encouraged to report any unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy or illegal activity occurring in the organisation. 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@grameenkoota.org '. The cases reported will be investigated and resolved within strict timelines. The identity of the whistleblower will be kept confidential and protection from retaliatory actions is also provided for in the policy. Quarterly reports in this regard are reviewed by the Audit Committee.

15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not made any investments in other companies beyond two layers of Investment companies as stipulated under section 186(1) of the Companies Act, 2013. The Company being an NBFC-MFI, registered with RBI and predominantly in to lending by way of micro finance loans and hence the other provisions of Section 186 of the Companies Act, 2013 are not applicable to the Company.

16. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year under review.

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

17. HUMAN RESOURCE MANAGEMENT & EMPLOYEE RELATIONS

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

Policies relating to Human Resources are employee friendly and support an environment of accomplishment and satisfaction. The Company aims to provide the best of training inputs and seamless growth opportunities ensuring that the culture of the organisation 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 achievement targets.

18. PARTICULARS OF EMPLOYEES

The ratio of the remuneration of the MD & CEO to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, have been annexed herewith as **Annexure -IV** to the Directors' Report

The details of employee remuneration as required under provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) and 5 (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and second proviso to Sec 136 of the Companies Act 2013 are available for inspection at the Registered Office of the Company during working hours, 21 days before the Annual General Meeting and shall be made available to any shareholder on request. None of these employees is a relative of any Director of the Company.

Further, the Independent Directors were paid commission aggregating to Rs 3.95 million for FY 2017-18 based on the Shareholders' approval by way of a special resolution dated November 21, 2018. Apart from the above, none of the directors including the Managing Director & CEO is in receipt of any commission from either the Company or its Holding Company during the year under review.

19. MATERIAL CHANGES AND COMMITMENTS, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

20. IPO FUND UTILISATION

The Company has utilised the net proceeds from the issue towards augmenting its capital base to meet the capital requirements of the Company. Details of IPO fund utilisation is given in the table below:

Particulars	Proposed utilisation of funds as stated in prospectus (Rs in million)	Actual utilisation of funds as on March 31, 2019 (Rs in Million)	Balance amount available
Augmentation of Capital	6,300	6,300	NIL

21. CORPORATE GOVERNANCE REPORT

The Company has taken adequate steps to adhere to all the stipulations laid down in Regulation 27 read with Part E of Schedule II and Schedule V of the SEBI (LODR) Regulations, 2015 on Corporate Governance. The detailed Report on Corporate Governance along with certificate on Corporate Governance from CS C Dwarakanath, Practicing Company Secretary forms a part of this Report.

22. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review is included as a separate section and forms a part of this Report.

23. BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the year under review has been annexed as **Annexure - V** to the Directors' Report.

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

The Company has 611 women employees in various cadres as on March 31, 2019. The Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace and an Internal Complaint 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 FY 2018 - 2019, the Company received one complaint of sexual harassment. The matter was referred to Prevention of Sexual Harassment Committee and based on the review and decision of the Committee, and the case has been disposed. There are no complaints pending for redressal as on March 31, 2019.

25. 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.grameenkoota.org.*

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

26. 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.

27. EXTRACT OF ANNUAL RETURN

Pursuant to sub-section (3)(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return as at March 31, 2019 is available at *www.grameenkoota.org*

28. 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**	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.
	(i) the steps taken or impact on conservation of energy;	
	(ii) the steps taken for utilising alternate sources of energy;	
	(iii) the capital investment on energy conservation equipments;	
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 inflow was NIL and outflow was equivalent to Rs 97.59 million towards term loan interest payments and procurement of a software licence.

29. 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.

30. EMPLOYEE STOCK OPTION PLAN (ESOP)

At present, stock options have been granted or shares have been issued under GKFSPL Employee Stock Option Plan - 2011. During the financial year, 1,96,015 options were exercised by employees. The Company accordingly made an allotment of 1,96,015 equity shares. No options were granted during the year under review.

Total outstanding options as on March 31, 2019 is 18,28,535.

31. OTHER DISCLOSURES

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

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

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

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

e. The Company has not issued Sweat Equity shares during the year under review.

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

33. ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

M N Gopinath
Chairman
DIN: 00396196

Place: Bengaluru
Date: June 14, 2019

Annexure I

DECLARATION REGARDING RECEIPT OF CERTIFICATE OF INDEPENDENCE FROM ALL INDEPENDENT DIRECTORS

I hereby confirm that the Company has received from all the Independent Directors namely Mr M N Gopinath, Mr Anal Kumar Jain, Mr Prabha Raveendranathan, Mr George Joseph and Ms Sucharita Mukherjee, 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 II

Form MR-3

Secretarial Audit Report

For the financial year ended 31st March 2019

[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),
Bengaluru - 560071.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CA Grameen** ("Company"). Secretarial Audit was conducted in a manner that provided me with 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 authorised 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 2019 ("**Audit Period**"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanisms 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 - ***Not Applicable;***

(iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder ("**FEMA**") to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings [The Company has not raised any External Commercial Borrowings during the Audit Period];

(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. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

b. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

c. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

d. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

e. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

f. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - ***Not Applicable during the audit period;***

g. 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. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - ***Not Applicable during the audit period;***

i. 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-I** 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 Bombay Stock Exchange Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to listing of Non-Convertible debt securities.

I further report that during the Audit period, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, etc., mentioned above, subject to the following observation:

- During the audit period, the Company had filed forms and returns within the due date except for very few instances where they have filed beyond the due date, with additional fees.

I further report that:

- The Board of Directors of the Company is duly constituted with a 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.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (and by complying with prescribed procedure where the meetings are called with less than seven days' notice), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- 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 statutory financial audit 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 during the Audit period did not have any material unlisted subsidiaries incorporated in India and therefore there is no requirement to undertake Secretarial Audit.

I further report that:

- During the Audit Period, the Company has successfully concluded Initial Public offer (IPO) of 2,68,05,394 equity shares of face value of Rs 10 each for cash at a price of Rs 422 per equity share (comprising a fresh issue of 14,928,909 equity shares and an offer for sale of 1,18,76,485 equity shares). The issue opened on August 8, 2018 and closed on August 10, 2018. The equity shares were allotted on August 18, 2018. The equity shares were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on August 23, 2018.
- A compounding application was *suo motu* filed by the Company on January 18, 2018 before the Chief General Manager, Foreign Exchange Department, RBI, for compounding offenses under Paragraph 9(1)(A) of Schedule 1 of

FEMA 20/ 2000 and Paragraph 9(1)(B) of Schedule I of FEMA 20/ 2000 for reporting of foreign inward remittance beyond the prescribed period and reporting of allotment of shares to non-resident investors beyond the prescribed period. The compounding order for the same was received during the period under review on June 01, 2018.

Sd/-
C Dwarakanath
Company Secretary in Practice
FCS No: 7723; CP No: 4847

Place: Bengaluru
Date: June 14, 2019

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

Annexure-I

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;
4. Goods & Services 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

1. Reserve Bank of India Act, 1934;
2. Foreign Trade Policy 2015-2020;
3. Service Export from India Scheme.

F. Miscellaneous laws

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

Sd/-
C Dwarakanath
Company Secretary in Practice
FCS No: 7723; CP No: 4847

Place: Bengaluru
Date: June 14, 2019

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),
Bengaluru - 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 a 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 a 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.

Sd/-
C Dwarakanath
Company Secretary in Practice
FCS No: 7723; CP No: 4847

Place: Bengaluru
Date: June 14, 2019

Annexure III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief Outline of the Company's CSR Policy:

The Company has chosen Navya Disha Trust to implement its CSR activities. Navya Disha Trust is registered as a non-profit organisation having a tax exemption status under Sec 80G & 12A of Income Tax Act. Since 2007, Navya Dishahas been successfully been working with the Company in implementing various non-financial activities in the areas of healthcare, special education for children, water, sanitation, indoor air pollution, financial literacy training for women, entrepreneurship, vocational training for rural youth etc., across operational areas of the Company. Navya Disha has raised grants from various national and international donor agencies apart from receiving financial contributions from the Company.

The CSR Policy of the Company as approved and adopted by the Board is available on the website of the Company at www.grameenkoota.org

2. The Composition of the CSR Committee

Name	Designation	Position in the Committee
Mr M N Gopinath	Chairman and Independent Director	Chairman
Mr Prabha Raveendranathan	Independent Director	Member
Mr Anal Kumar Jain	Independent Director	Member
Mr Massimo Vita	Nominee Director	Member
Mr Udaya Kumar Hebbar	Managing Director & CEO	Member

(Rs in Million)

3.	**Average net profit of the Company for the last three financial years**	**1,466.02**
4.	**Prescribed CSR Expenditure (2% of the above)**	
	Approved Budget for the FY 2018-2019	29.32
	Amount bought forward from FY 2017-2018 including cash with Implementing Agency	0
	Total amount available for the CSR Activity for the FY 2018-2019	29.32
5.	**Details of CSR spend for the financial year**	
	a. Total amount spent for the financial year	29.32
	b. Amount unspent	0

Over and above this, the Company has donated Rs 8.36 million to Navya Disha as donation to carry out CSR activities in the segment of Water, Sanitation and Hygiene (WASH), Sushikashana (career guidance and financial literacy training for school students) and Sugrama (making villages open- defecation free) in FY 2018-2019.

c. Manner in which the amount spent:

(Rs in Million)

S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs-Specify the state/Union Territory where the project/ Program was undertaken	Projects or programmes-specify the district where projects or programmes where undertaken	Amount outlay (Budget) Project or Programs (in Rs.)	Amount spent on the projects or programs (in Rs.)	Expenditure on Administrative overheads
1	WASH	Safe Water, Sanitation, Hygiene	Karnataka, Maharashtra, Tamil Nadu, Madhya Pradesh	Bagalkot, Belgaum, Bellary, Bidar, Bijapur, Gulbarga, Raichur, Chamarajanagara, Bangalore Rural, Yadgir, Chikkaballapura, Davanagere, Hassan, Kolar, Mandya, Mysore, Tumkur, Chitradurga, Dharmapuri, Dindigul, Erode, Krishnagiri, Salem, Tiruppur, Tiruvannamalai, Vellore, Viluppuram, Ahmednagar, Akola, Aurangabad, Beed, Buldana, Dhule, Gadchiroli, Hingoli, Jalgaon, Jalna, Latur, Nanded, Nandurbar, Nashik, Osmanabad, Solapur, Yavatmal, Barvani, Damoh, Dindori, Katni, Panna, Umaria, Balaghat, Betul, Chindwara, Dewas, Dhar, East Nimar, Harda, Jabalpur, Mandla, Sehore, Seoni, Shajapur, West Nimar	24.63	24.88	0.00
2	Sushikshana	Children's education	Karnataka, Maharashtra, Tamil Nadu, Madhya Pradesh		0.50	0.55	0.00
3	Sugrama	Education, Health, Environment	Karnataka	Belgavi, Tumkur	1.19	1.19	0.00
5	New Initiatives	Health, Financial Literacy, Sanitation	Karnataka	Ramnagara, Tumkur	1.00	0.56	0.00
6	Administrative Expenses				1.09		1.06
7	Capital Expenditure				0.92		1.08
	Total				**29.32**	**27.18**	**2.14**

6. Reasons for not spending the prescribed 2 percent amount: Not applicable

DECLARATION

The implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

M N Gopinath
Chairman, CSR Committee
DIN: 00396196

Annexure IV

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 FY 2018-2019: 56.39 times

(ii) The percentage of increase in remuneration of Managing Director, Chief Financial Officer and Company Secretary during the FY 2018-2019:

(Rs in Million)

Sl No	Name of Director/KMP	Designation	Gross Salary including performance bonus during FY 2018-2019	Perquisites on account ESOP exercise	% increase in Remuneration during FY 2018-2019
1	Mr Udaya Kumar Hebbar	Managing Director & CEO	14.50	31.06	24.75%
2	Mr B R Diwakar	Chief Financial Officer	9.53	19.09	27.94%
3	Mr Syam Kumar R	Company Secretary	3.10	0	10.00%

(iii) **The percentage increase in the median remuneration of the employees in the FY 2018 - 2019:** There has been an increase of 19.84% in the median remuneration of the employees of the Company in FY 2018-2019 as compared to FY 2017-2018.

(iv) **The number of permanent employees on the rolls of the Company as on March 31, 2019:** There were 8,064 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 FY 2018-2019 was 19.57%, and the average increase in the remuneration of KMPs was 20.89%.

Justification for Increase: The increase is in line with industry standards and salary benchmarking exercise with the external market, 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 V

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L51216KA1991PLC053425
2	Name of the Company	CA Grameen
3	Registered address	New No. 49 (Old No725), 46th Cross, 8th Block, Jayanagar, (Next to Rajalakshmi Kalayana Mantap) Bengaluru KA-560071
4	Website	www.grameenkoota.org
5	E-mail id	info@grameenkoota.org
6	Financial Year reported	2018-19
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Financial Services (Microfinance)
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Microfinance Services i.e., providing loans for income generation activities to economically weaker sections.
9	Total number of **locations** where business activity is undertaken by the Company	
	i. Number of International Locations (Provide details of major 5)	Nil
	ii. Number of National Locations	Branches: 670 Registered Office: 01 Regional Offices: 04 Divisional Offices: 08
10	Markets served by the Company - Local/ State/ National/ International	National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (Rs in million)	1,435.52
2	Total Turnover (Rs in million)	12,813.32
3	Total profit after taxes (Rs in million)	3,217.61
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.00% of average PAT of last three years and 0.91% of the current year's PAT.
5	List of activities in which expenditure in 4 above has been incurred	Refer Report on CSR activities forming part of Directors' Report

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	The Company does not have any subsidiary

2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D: BR INFORMATION

1.	**Details of Director/Directors responsible for BR**	
a.	Details of the Director/Director responsible for implementation of the BR policy/policies	
	DIN Number	07235226
	Name	Udaya Kumar Hebbar
	Designation	Managing Director and CEO
b.	Details of the BR head	
	DIN Number	07235226
	Name	Udaya Kumar Hebbar
	Designation	Managing Director and CEO
	Telephone number	+91.80.22637300
	e-mail id	udaya@grameenkoota.org

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle.
P3	Businesses should promote the wellbeing of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
P5	Businesses should respect and promote human rights.
P6	Business should respect, protect, and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sl No	Questions	Business Ethics P 1	Product Responsibility P 2	Wellbeing of employees P 3	Stakeholders engagement P 4	Human rights P 5	Environment P 6	Public Policy P 7	CSR P 8	Customer Relations P 9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y	Y	Y	Y	N	N	N	Y	Y
	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.									
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online	www.grameenkoota.org								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have an in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have grievance redressal mechanisms related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Governance related to BR

1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	Quarterly
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	No. There is no separate BR or a Sustainability Report. However, the Business Plan constitutes the Company's Sustainability Report which is reflected in the Quarterly / Annual Report of the Company. It is available at www.grameenkoota.org

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs / Others?	Yes
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	Please refer to Report on Social Performance Management for details.

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	Microfinance Services i.e. providing loans for Income Generation activities to economically weaker section.
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): i. Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain? ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not applicable
3	Does the company have procedures in place for sustainable sourcing (including transportation)? i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so	Not applicable
4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Yes.

	If yes, what steps were taken to improve their capacity and capability of local and small vendors?	
5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.	Yes, wherever possible.

Principle 3 - Businesses should promote the well-being of all employees

1	Please indicate the Total number of employees	8064
2	Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.	0
3	Please indicate the Number of permanent women employees	611
4	Please indicate the Number of permanent employees with disabilities.	1
5	Do you have an employee association that is recognised by management?	No
6	What percentage of your permanent employees is members of this recognised employee association?	Not applicable

7 Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

S. No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child Labour/ forced labour/ involuntary labour	0	0
2	Sexual harassment	1	0
3	Discriminatory employment	0	0

8	What percentage of your undermentioned employees were given safety and skills upgradation training in the last year? - Permanent Employees - Permanent Women Employees - Casual/Temporary/Contractual Employees - Employees with Disabilities	Nil

Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1	Has the company mapped its internal and external stakeholders? Yes/ No	Yes
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders	Yes

3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.	The Company is engaged in providing financial services to low income households in rural India for their lifecycle needs. In addition, the Company conducts social awareness initiatives and Programmes to educate the customers.
Principle 5 - Businesses should respect and promote human rights		
1	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	The Company's policy on Codes of Conduct apply to staff, borrowers and vendors.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Please refer to Report on Social Performance Management for details.
Principle 6 - Business should respect, protect, and make efforts to restore the environment		
1	Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.	Not applicable
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Not applicable
3	Does the company identify and assess potential environmental risks? Y/N	Not applicable
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	Not applicable
5	Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Not applicable
6	Are the Emissions/ Waste generated by the company within the permissible limits given by CPCB/ SPCB for the financial year being reported?	Not applicable
7	Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as at the end of Financial Year.	Not applicable
Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner		
1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	The Company is a member of the following associations: 1. Microfinance Institutions Network (MFIN) 2. Sa-Dhan

2	Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	MFIN and Sa-Dhan do MFI industry advocacy and are part of policy making related to MFI Industry.

Principle 8 - Businesses should support inclusive growth and equitable development

1	Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.	The Company support slow-income households in rural areas to undertake economic activities through financial support. The company provides employment opportunity to the freshers from rural areas and family members of our customers.
2	Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organisation?	All CSR activities implemented in collaboration with Navya Disha, an NGO.
3	Have you done any impact assessment of your initiative?	Yes
4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	Please refer to Report on CSR Activities for details.
5	Have you taken steps to ensure that this community development initiative is successfully adopted? Please explain in 50 words, or so	Please refer to Report on CSR Activities for details.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

1	What percentage of customer complaints/ consumer cases are pending as at the end of financial year.	Please refer to Report on Social Performance for details.
2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)	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.
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so	During FY17, public interest litigation has been filed against State of Maharashtra & Others (six MFIs, including the Company) before the Hon'ble High Court at Bombay, alleging certain unfair trade practices followed by MFIs such as charging excessive rate of interest and adopting coercive recovery practice against the customers. The case is still pending before the Hon'ble High Court. The Company has been following the best client protection principles and conducting its business activities in compliance with the applicable regulations. The Company is not involved in any of

		the alleged unfair trade practices and has submitted its response to the Court.
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes. This is done periodically

For and on behalf of the Board of Directors

M N Gopinath
Chairman
DIN: 00396196

Place: Bengaluru
Date: June 14, 2019

Corporate Social Responsibility Report





Corporate Social Responsibility Report

Introduction

At CA Grameen, we have always aligned business priorities with 'Social Commitments' targeting need-based interventions for community welfare in select states of our operating geographies.

The Corporate Social Responsibility (CSR) interventions are focused on enhancing quality of life of the communities that are located in the vicinity of business locations by way of creating awareness and providing support.

CSR Framework

CA Grameen's CSR programme is based on the following framework:

1. Need-based understanding of selected topics in the area of Water, Sanitation, Hygiene, Health and Financial Literacy
2. Community focused participatory planning for identified programs
3. Monitoring of projects on regulatory basis
4. Evaluation and Social audit

CSR Execution for FY 2018-19

Navya Disha, an NGO is the executing partner of CA Grameen's CSR activities. The activities are conducted jointly by Navya Disha and CA Grameen staff at select branches. In FY2018-19, a total of 220 branches were chosenacross Karnataka, Maharashtra, Tamil Nadu and Madhya Pradesh for implementing CSR activities. We have conducted 20,667 activities under three main programmes reaching over a million people (customers and non-customers). Details of these programmes available in this report.

Increased access to clean water and improved sanitation are the key outcomes of any WASH activity. Keeping this in mind, a CSR impact assessment study was commissioned through an external research agency (M-Cril). At a macro level, progress in WASH (Water, Sanitation and Hygiene), Susikshana (special education to children) and Sugrama (community development programme) programmes in Karnataka and Maharashtra was studied. The sample selected covered 8 districts reaching 400 households who had constructed toilets within the last 3 years.

A few broad level findings from the study indicate that

- Over two thirds of the households saved time in toilet usage (earlier they about one hour per trip to go outside or use a shared toilet)
- People feel safer than before largely because of privacy and protection from harmful insects and animals

It was found that the most important hygiene-related behaviour is practiced nearly in all households. Most households clean their toilets on a weekly basis and everyone washes their hands with soap before eating. Based on a few of observations, the management team revisited some of the programmes mentioned below and this increased the effectiveness of these programmes implemented in FY 2018-19. The programmes were as follows:

- Workshop for Gram panchayat elected representatives that was redesigned to a cluster-level awareness programme
- Financial literacy app pilot programme in community development initiative
- Health Awareness campaign pilot programme in one branch at Ramanagara district, Karnataka, to meet the health needs of customers in non-communicable diseases

Flagship Programmes of 2018-19

The flagship programs of CA Grameen are as follows:

1. WASH : Water, Sanitation, Hygiene programme
2. Susikshana : Children education programme
3. Sugrama : Community development programme

1. WASH

To promote a hygienic environment through the prevention of open defecation, to reduce the incidence of water and soil borne diseases and to create awareness about safe drinking water are the primary objectives. Various innovative ways are used to reach out to customers and people in villages up to district level on ill effects of open defecation which pollutes soil, water and air. Given below are the activities conducted in FY 2018-19.

Activities under WASH

a. Branch staff training on WASH

The staff are made aware of the importance of

WASH in their day-to-day lives and its usefulness in educating and creating awareness for customers. The mindset of the community towards unhygienic conditions and open defecation needs a change. This will be possible through regular awareness on sanitation within the community. In case of any queries, staff will be equipped to provide responses on various topics related to WASH.

In FY 2018-19, 221 orientation activities were conducted creating awareness for 2,421 CA Grameen staff.

b. Customer Orientation on WASH

WASH awareness sessions are conducted during Kendra meetings to equip and educate customers. The orientation is imparted at the end of the Kendra meetings, covering aspects such as safe drinking water, good sanitation practices and benefits of a hygienic life. In FY 2018-19, 58,092 customers were reached through 4,637 orientation activities.

c. Wall Painting

The objective behind painting walls with a variety of pictorial depictions is to ensure that the correct information on constructing toilets, usage and maintenance is provided to all people in a select village. The content shown in pictorial form are realistic and provide the cost of various items required to construct toilets. This information ensures that customers and their relatives are not cheated by local masons. Public spaces such as walls of panchayat schools, offices or other prominent places were chosen for these pictorial displays.

In FY 2018-19, 845 wall paintings were done (one painting per village)

d. Street Plays

Street plays can communicate several messages to the masses very effectively in an entertaining manner. The impact of delivering a message such as WASH which is a part of one's daily lives may go unnoticed, if not delivered effectively. Folklore, traditional narratives and dramatisation have been used to deliver these messages.

In FY 2018-19, the total number of street plays enacted were 4,402 reaching out to 321,147 people.

e. Flyer Distribution

Flyers containing messages on WASH have been distributed to customers and their relatives during various awareness campaigns. These flyers are a medium of information to educate these customers. In FY 2018-19, 152,646 flyers were distributed at 220 social awareness events.

f. Social Awareness Campaigns (SAC)

Social Awareness Campaigns (SAC) are a common platform provided to the CA Grameen customers to interact with the district officials across block, taluk and panchayat levels. This forum gives customers an opportunity to speak with various administrative officials regarding WASH and government schemes.

The objective of this programme is to find constructive solutions to the issues that customers face and get solutions. The initiative includes getting to know sessions with the the audience through a live demonstration of hygiene techniques followed by video display, guest talks, and Q&A sessions between members of the community and the guest speaker. Customers are encouraged to provide their feedback on the effectiveness of the programme.

In FY 2018-19, 220 SAC programmes were conducted reaching out to 70,714 customers.

g. New Initiatives under WASH, FY 2018-19

Cluster Level Awareness Programme

A group of 100-150 customers' area addressed on the importance of WASH and other various hygiene issues. The activity includes mock triggering, Q&A sessions, videos on the harmful effect of open defecation and display of flowcharts.

In the FY 2018-19, 1,772 Cluster Level Awareness Programmes were conducted for 79,420 customers.

2. Susikshana

Learning that empowers: Government and aided schools in select CSR villages are selected and children who are studying in 8th, 9th and 10th standard were provided with guidance on overall personality development. The activities included team games, flow charts and live demos. Activities conducted have been listed below

a. WASH for 8th standard students

b. Financial literacy for 9th standard students

c. Career guidance for 10th standard students

Activities	Outreach	Description
WASH training for 8th standard students	**115,254 Trained**	• Demos on the correct way of hand washing • Session on the importance of toilet usage • Session on effective water usage • Display of videos

Financial literacy for 9th standard students	**126,054 Trained**	• Practical exposure to students through a finance management game called 'Play Paisa'. Objective of this game is to educates student on:
		  • Basics of saving
		  • Making your money grow
		  • Building an emergency fund
		  • Saving in a wise manner

Career guidance for 10th standard students	**120,681 Trained**	• Self-Introspection sessions • Presentations on family values and responsibilities • Pictorial booklet on well-known personalities who have been recognised for their achievements • Demos on various higher education options available for the science, arts and commerce education.

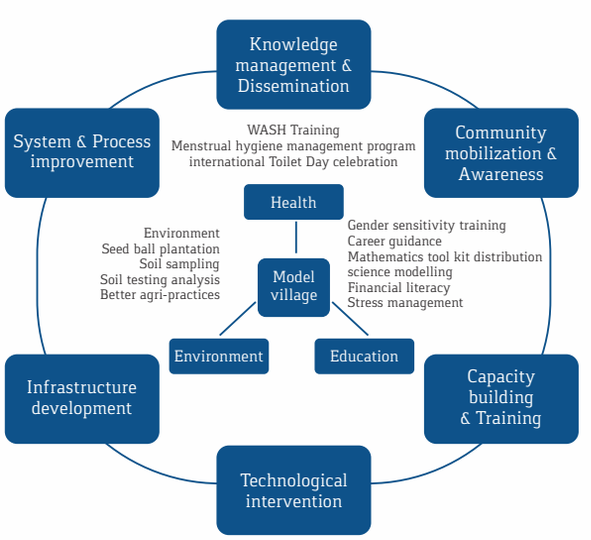
3. Sugrama

Sugrama is a village adoption programme aimed at improving the lives of rural communities through sustainable integrated community development activities. Themes such as sanitation, preventive health, water management and infrastructure in partnership with communities (local government and NGOs) has been the primary focus.

The programme is implemented by adopting two gram panchayats covering 25 villages. The details of gram panchayats are provided below:

- Hosa Vantamuri in Belgavi district (9 villages)
- Urdigere in Tumkur district (16 villages)

Picture source: Rural community development model for model village



Key Activities in Sugrama

a. Education and self-management

Learning that empowers: Education leads to human resource development at all stages of life including imparting softskills that are needed for a better quality of life. Education should be inclusive for all as it leads to gender transformative behaviour and acknowledges safe spaces for children. We have conducted gender sensitivity activities, career guidance sessions, fun learning sessions and various other demonstrations. Details are provided below:

i. Gender Sensitivity Training for Trainers (TOT)

To train young adults, we need good trainers who can educate them on gender sensitivity. We identify and support trainers who are interested to getting this kind of training. Various resource persons are usually to speak at such events.

In the FY 2018-19, we supported 6 trainers.

ii. Gender Sensitivity training for high school boys

The objective of this activity is to create awareness among young adults about basic issues of gender sensitivity and mutual respect. Sessions are held on various aspects of the stereotyping of people by the society, both at an institutional level and an individual level. This includes role plays, videos display, group discussions and Q&A sessions. Equal Community Foundation, an NGO, designed the modules.

In FY 2018-19, 124 students were trained from 4 schools in Karnataka.

iii. Career Guidance sessions for 10 standard students

This activity provides 10th standard students with appropriate guidance and direction to pursue higher studies by making the right career

decisions. The sessions include information on career options and the medium of information is via videos and pictorial booklet. A few examples of famous personalities and their successful careers is explained in order to inspire the students.

In FY 2018-19, 115 10th standard students were given three career guidance sessions at 3 schools

iv. Distribution of innovative mathtool kits for primary school children

It is important to inculcate the habit of fun learning in children at an early age. Innovative maths tool kits help teachers to understand the various mathematical concepts. Students further use these tools to practice and learn by themselves.

In FY 2018-19, 22 primary schools were given such math tool kits benefitting 1,443 students.

v. Science-related demonstrations for high school students

The aim of this programme is to encourage and enable students to develop enquiring minds about science and natural world. It effectively communicates scientific ideas, arguments and practical experiences. Students are given the opportunity to visit science museums to gain practical practical knowledge.

In FY 2018-19, 4 schools were supported in which 518 students participated.

b. Health

Health and Wellbeing: Equitable and universal access to health for all including prevention of communicable and non-communicable diseases, malnutrition, (maternal) child and reproductive health, healthy habit formation are the primary objectives of this activity in Sugrama

i. WASH Training

WASH training provided to school students on importance of health and hygiene. Sessions like demo triggering, flip chart display, and hand wash training, video display on importance of constructing toilets, pictorial display of various issues and ill effects of open defecation is conducted.

In FY2018-19, 27 training sessions were conducted on WASH across 20 schools reaching 1,550 students.

ii. Menstrual Hygiene Management Program

The objective of the programme is to create awareness among adolescent girls on menstrual hygiene.

In FY 2018-19, 38 sessions were conducted and this benefitted 1,190 women

International toilet day was celebrated along with community and the message of sanitation made possible by community-level participation was explained to participants.

c. Environment

Way of life: Access to clean air, water, energy, soil, flora, fauna, terrestrial ecosystem conservation, environmentally responsible practices at all levels, combating desertification, deforestation, land degradation, biodiversity loss, pollution and promoting use of renewable resources are the primary objectives planned as part of this activity. Various activities conducted have been listed below:

i. Seed ball plantation

ii. Soil sampling programme for farmers

iii. Soil testing analysis report

iv. Better agri practices training for farmers

v. Rapid study on soil, water and crops

d. New Initiatives under Sugrama in FY 2018-19

i. Financial Literacy App

This App was introduced as a pilot activity for CA Grameen customers It helped customers to gain knowledge about saving money and utilising resources meaningfully to secure their futures. The App contains videos and case studies that explain the benefits of money management. 53 CA Grameen customers were trained through the literacy App. Customers said they were happy using the App and would use it if they were provided with it.

4. New Initiative undertaken in the FY2018-19

Health Awareness Campaign at Channapatna branch

As a result of the continuous increase in non-communicable diseases, cancer screening has become a high priority component of women's health. Since CA Grameen customers are all women, we wanted to support them with a comprehensive health check package. In the process, we collaborated with Niramai who voluntarily offered a free cancer

screening to 123 customers through a non-invasive risk assessment software (AI-artificial intelligence) that detects breast cancer in the early stages.

This one-day 'Comprehensive Health Checkup Camp' was conducted at the Channapatna branch. The objective of this campaign was to create awareness about non-communicable diseases. Customers usually are not aware about these diseases and the practice of visiting a doctor and getting themselves checked on regular basis remains a taboo. Customers were invited to take a free check-up on breast cancer screening and other non-communicable diseases. Niramai and Narayana Health offered free thermal breast screening and health checkups for 123 CA Grameen customers.

The entire process of screening takes about 20 minutes. A basic risk assessment study containing 12 questions was used for a basic profiling of the customer. This enabled the Niramai team to classify the chances of customers getting exposed to cancer as high, medium or low based on family histories with cancer diseases, lifestyles and general health status (related to pregnancy and menstrual health).

Customers who were recognised with high and medium risk underwent scanning using artificial intelligence technology. Customers in the low risk category were given a physical examination by a trained professional.

Our research team interacted with a few customers who went through the entire process of check-up in order get feedback and identify areas that needed improvement. The findings clearly showed that all customers were delighted with the service offered by CA Grameen and wanted to attend such health campaigns in future.

Management Discussion & Analysis





Management Discussion and Analysis

I. MICROFINANCE INDUSTRY: A BROAD PERSPECTIVE

A. Industry Overview:

The Indian microfinance industry consists of Non-Banking Financial Companies - Micro Finance Institutions (NBFC-MFIs) (members of 'Microfinance Institutions Network' - MFIN) and other lenders under the category of Banks, Small Finance Banks (SFBs), NBFCs, non-profit MFIs and Self-Help Groups (SHGs). As of March 31, 2019, the industry's total gross loan portfolio (i.e. loan amount outstanding) was Rs 1,873,860 million. The NBFC-MFI segment accounts for 36.8% of the microfinance lending, with Banks at 32.6% and SFBs at 18.5%.

B. NBFC- MFI

As of March 31, 2019, NBFC-MFI segment served 31.4 million customers. The customer base has increased by 31% over the previous financial year. Gross loan portfolio (GLP) of NBFC-MFI segment was Rs 678,430 million, an increase of 46% from the previous year. Customers received disbursements of Rs 831,390 million through 32.5 million loans representing a growth of 45% over the previous year.

The NBFC-MFI segment has 12,202 branches across the country, which provided employment to 104,032 persons.

The NBFC-MFI segment is governed by two self-regulatory organisations (MFIN and Sa-Dhan). According to MFIN, NBFC-MFI segment has 53 companies operating in this space. These companies have been classified as Large, Medium and Small based on their individual GLP. Companies having GLP more than Rs 5,000 million are classified as Large entities. Companies having GLP between Rs 1,000 million to Rs 5,000 million are classified as Medium entities and companies having GLP less than Rs 1,000 million are classified as Small entities. As per the classification, there are 23 Large, 16 Medium and 14 Small entities. Large entities account for 92.4% of the NBFC-MFI segment.

A profile of NBFC-MFIs is given below:

- Top Ten Large MFIs' GLP constituted 74% of the GLP of the NBFC-MFI segment. As of March 31, 2019, rural portfolio contribution stood at 74%.
- Loans for Agri-Allied activities (mainly for animal husbandry) account for 57% of the GLP. Trade/services and manufacturing loans account for 40% and household finance loans account for 3% of GLP.
- Region-wise distribution of portfolio is as follows;
    - South : 24%
    - West : 15%
    - North : 14%
    - Central : 09%
    - East and North East : 38%
- Karnataka, Bihar, Odisha, Maharashtra and Uttar Pradesh account for 52% of GLP. The top 10 States account for 84% of the total industry loan amount outstanding.

The SFB segment, with 9 entities, has a total loan outstanding of Rs 346,790 million with 17.4 million loan accounts. Compared to previous year, the growth in loan outstanding of SFBs increased by 25%.

II. COMPETITIVE STRENGTHS AND STRATEGIES

A. Higher rural penetration

As of March 31,2019, borrowers serviced by CreditAccess Grameen Limited (The Company) in rural areas was 82%. Each branch has been planned to cover 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 in last five years. Details of the same has been provided in the below table,

Borrowers	As of Mar'15	As of Mar'16	As of Mar'17	As of Mar'18	As of Mar'19
Rural	68%	74%	78%	81%	82%
Urban	32%	26%	22%	19%	18%

B. Market Position

As of March 31, 2019, the Company was ranked in the 2nd position among the 23 large MFIs (3rd Position during FY 2017-18). The Company held 11% share of total GLP of the NBFC-MFI segment (10 as of March 31, 2018).

C. Customer Interaction

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

D. Product Design - Customer centric and Sustainable

The Company has adopted a 'Life Cycle Approach' for the design of products and services. These products cater to all customer needs during their life cycle. Customer centricity is the basic tenet in design of products and processes. For instance, customers can choose their repayments frequency; weekly, bi-weekly or four-weekly, based on their cashflow while contracting the loan. This is a unique customer centric feature of CreditAccess Grameen Limited (The Company) products, and is designed to give flexibility to the customers to match their repayment obligations with their cash inflow pattern.

The Company continues to be scalable and financially sustainable with high level of customer satisfaction, lower operating costs, lower credit risk and lower customer attrition primarily due to the customer loyalty generated through customer centric approach.

The Company has steadily groomed a class of financially literate women entrepreneurs who have outgrown the group lending model and who have higher loan requirements, for such borrowers we have started Retail Finance (RF) vertical.

Loans offered under RF range upto Rs. 0.5 million and are given for meeting working capital requirement, purchase of vehicles to support income generation activity and loans for business expansion.

E. Employee Friendly Organisation

Employees are largely recruited from among the rural unemployed youth to service the rural focused business of The Company. For over 90 percent of staff, The Company is their first employer. Several welfare schemes have been implemented to make the Company an employee friendly organization. The Company is one among the few MFIs that has a 5-day week.

F. Efficient and Stable Management Team

The Company has well qualified people who are very experienced in the Management team. The team has always been approachable and innovative in its decision-making process. Since 2012-13, there has been no significant attrition in the management team. This has enabled The Company's growth by the way of quick decision-making and effective implementation of strategies.

III. OPPORTUNITIES AND THREATS

A. Opportunities

The broader macro-economic growth drives upward economic mobility of our customer segment households as well. This in addition to increasing financial and social awareness would create increased need and demand for credit and non-credit offerings. With our distribution network and high touch customer engagement model, the Company is well positioned to serve these evolving needs of our customer households.

Digital ecosystem development pushed by the government as well as regulators and other market participants offer opportunities for us to innovate new delivery methods, provide better customer experience and become more efficient.

With the increase in usage of smartphone across various geographies and continuous growth towards data connectivity adoption, the Company foresees a big opportunity to understand customers better and offer more personalized services and offerings in a cost-efficient way.

B. Threats

The Company foresees a couple of market developments that could pose a threat to the business in the future. A few key points have been noted below:

- Large mobile first digital native players such as large mobile wallet companies or new age telecommunications companies targeting our customer segment by offering cheaper and deep discounted products
- Deep pocketed and disruptive / top line focused players entering the micro credit business with deep discounted products and services without tight processes discipline spoiling the credit discipline and group discipline model, thereby affecting all players in the segment

IV. NEW INITIATIVES

A. New Product Introduction

Based on the feedback received from the customers from various touch points, the Company wanted to cater to customer needs by offering the relevant products. In order to offer support for the betterment of existing income generation activity, the Company introduced the 'Grameen Vaahan Loan'. The main focus of this product is to help the customers to effectively manage the logistical challenges that may arise in meeting the aspirational needs of the business. Customers are being offered financial support to buy light commercial vehicles. These loans are being offered to customers in their individual capacity.

B. Opening of new RPC Offices

Three new Regional Processing Centers have been setup at Jabalpur (Madhya Pradesh), Raipur (Chhattisgarh) and Thiruvannamalai (Tamil Nadu) to support the branches in the respective regions in Key processes like customer enrolment, data updation, awareness and feedback assessment etc. These Centers have assisted the branches in processing over 0.13 million new customers in this Financial Year.

V. THE COMPANY'S OPERATIONS PERSPECTIVE

A. Customers Profile:

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

Borrowers' Age	FY 15	FY16	FY 17	FY18	FY19
18-25 years	9%	9%	7%	7%	6%
26-30 years	16%	16%	16%	15%	15%
31-35 years	19%	19%	19%	19%	18%
36-40 years	17%	17%	17%	18%	18%
41-50 years	29%	29%	30%	30%	30%
>50 years	9%	10%	11%	11%	12%

Borrower Vintage with the Company	FY15	FY16	FY17	FY18	FY19
Less than 1 year	46%	37%	27%	32%	33%
1-3 years	30%	42%	49%	37%	34%
3-6 years	15%	10%	15%	23%	25%
6 years and above	9%	10%	9%	8%	8%

B. Profitability

For the year ended March 31, 2019, the Company's profit after tax stood at Rs 3,217.61 million against Rs 2,124.83 million the previous year, an increase of 51 percent.

Total revenue from operations for the year ended March 31, 2019, was Rs 12,813.3 million as against Rs 8,705.8 million in the previous year, a growth of 47.18%. Total expenses stood at Rs 7,855.82 million as compared to Rs 5,433.06. million in previous year, an increase of 44.59%.

C. Financial Performance

As of March 31, 2019, the portfolio yield was 20.14% as against 20.43% in the previous financial year. Cost to income ratio as of March 31, 2019 was 33.92% as against 39.21% in the previous financial year representing a significant improvement.

D. Funding Trends

The changes in the outstanding borrowings from different sources during FY 2018-19 in comparison to last year can be seen in the table below:

(Rs. in Millions)

	O/s as on Mar-15	O/s as on Mar-16	O/s as on Mar-17	O/s as on Mar-18	O/s as on Mar-19
Public Sector Banks	3,116.40	3,948.01	2,481.66	3,354.74	1,217.06
Private Banks	5,713.09	9,633.61	8,450.48	18,812.51	25,460.44
Securitization/Buyouts	1,074.98	734.55	-	-	7,073.30
NCDs/Foreign sources	2,959.00	4,649.00	5,499.00	7,886.50	7,082.00
NBFCs and Other FIs	1,116.85	4,102.53	8,251.21	5,974.87	13,086.25
CCD	-	-	2,000.00	-	-
Total	**13,980.32**	**23,067.70**	**26,682.35**	**36,028.62**	**53,919.05**

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 disbursements, debt repayment, payments to vendors, employees for salaries and investment of surplus funds, if any.

Ratios

(Rs. in Millions)

Interest Coverage Ratio	Mar-19	Mar-18
PBT	497.74	328.22
Interest expense	416.75	353.65
EBIT	**914.49**	**681.87**
Finance cost	416.75	353.65
Interest coverage ratio	2.19	1.93

Debt Equity Ratio	Mar-19	Mar-18
Debt	4,866.57	3,623.47
Equity	2,365.06	1,437.48
Ratio	**2.06**	**2.52**
Operating Profit Margin		
Interest income	1,218.32	859.69
Finance cost	416.75	353.65
Operating Profit	**801.57**	**506.04**
Total Revenue from operations	1,281.33	870.58
Operating profit margin	62.56	58.13
Profit after tax	321.76	212.48
Net Profit margin	**25.11**	**24.41**
Current ratio (Taken from ALM)		
Current assets	5,174.95	3,569.95
Current liabilities	2,727.28	2,187.92
Current ratio	**1.90**	**1.63**
Return on Equity (PAT / Average Total Equity)	**16.92%**	**20.73%**
Return on Equity (PAT / Total Equity)	**13.60%**	**14.78%**

F. Operational Trends

Particulars	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	CAGR* (%)
Branches	238	298	393	516	670	30%
Districts	64	74	96	132	157	25%
Borrowers	844,585	1,196,389	1,450,298	1,851,324	2,469,837	31%
Loans disbursed (INR Millions)	18,939	33,488	34,026	60,817	82,212	44%
Gross AUM (INR Millions)	14,471	25,388	30,754	49,747	71,593	49%
Field Officers	1,968	2,736	3,668	4,544	5,768	31%
Total Staff	2,658	3,835	4,952	6,306	8,064	32%
Repayment Rate	99.96%	99.94%	96.54%	96.62%	98.81%	N/A
PAR (INR Millions)	9	26	4,520	631	579	N/A
Funds availed during the year (INR Millions)	11,807	19,270	16,812	26,900	50,931	44%

**CAGR is calculated for the change during the last 4 years*

The Company has consistently maintained borrower retention rate of above 80% for the past 5 years. The retention rate has never reduced to less than 80% since March 31, 2015. 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.

	FY15	FY16	FY17	FY18	FY19
Borrower Retention Rate	86%	86%	86%	84%	87%

G. Gross AUM and Borrower Distribution:

The Company has operational presence in Karnataka, Maharashtra, Tamil Nadu, Chhattisgarh, Madhya Pradesh, Kerala, Odisha, Goa and Puducherry. The Company has adopted a contiguous district expansion strategy to expand the operations in new geographies. Below table gives us the details of district wise Gross AUM and borrower penetration for past 5 years.

State wise Gross AUM Distribution

State	FY15		FY16		FY17		FY18		FY19	
	Gross AUM (Rs Millions)	% age	Gross AUM (Rs Millions)	% age	Gross AUM (Rs Millions)	% age	Gross AUM (Rs Millions)	% age	Gross AUM (Rs Millions)	% age
KA	10,067	69.6%	16,073	63.3%	18,303	59.5%	28,892	58.1%	37,624	52.6%
MH	4,008	27.7%	7,540	29.7%	8,760	28.5%	13,296	26.7%	18,451	25.8%
TN	395	2.7%	925	3.6%	1,924	6.3%	3,389	6.8%	7,465	10.4%
MP			740	2.9%	1,401	4.6%	3,165	6.4%	5,470	7.6%
CG			109	0.4%	366	1.2%	1,005	2.0%	2,044	2.9%
GA									11	0.0%
OD									371	0.5%
PY									53	0.1%
KL									105	0.1%
	14,471		**25,388**		**30,754**		**49,747**		**71,593**	

State wise Borrowers Distribution

State	FY15		FY16		FY17		FY18		FY19	
	No. of Borrowers	% age	No. of Borrowers	% age	No. of Borrowers	% age	No. of Borrowers	% age	No. of Borrowers	% age
KA	569,902	67.5%	719,627	60.1%	810,306	55.9%	944,262	51.0%	1,135,440	46.0%
MH	251,671	29.8%	371,713	31.1%	435,821	30.1%	524,315	28.3%	691,999	28.0%
TN	23,012	2.7%	46,685	3.9%	90,416	6.2%	162,168	8.8%	274,521	11.1%
MP		0.0%	51,539	4.3%	91,716	6.3%	168,450	9.1%	256,141	10.4%
CG		0.0%	6,825	0.6%	22,039	1.5%	52,129	2.8%	91,129	3.7%
GA		0.0%		0.0%		0.0%		0.0%	382	0.0%
OD		0.0%		0.0%		0.0%		0.0%	14,652	0.6%
PY		0.0%		0.0%		0.0%		0.0%	2,024	0.1%
KL		0.0%		0.0%		0.0%		0.0%	3,549	0.1%
	844,585		**1,196,389**		**1,450,298**		**1,851,324**		**2,469,837**	

Product wise split of Gross AUM

Products	FY15		FY16		FY17		FY18		FY19	
	Gross AUM (Rs Millions)	% age	Gross AUM (Rs Millions)	% age	Gross AUM (Rs Millions)	% age	Gross AUM (Rs Millions)	% age	Gross AUM (Rs Millions)	% age
Income Generation Loans	12,565	86.8%	22,430	88.3%	26,971	87.7%	42,841	86.1%	60,878	85.0%
Family Welfare Loans	316	2.2%	664	2.6%	1,190	3.9%	1,172	2.4%	928	1.3%
Home Improvement Loans	1,376	9.5%	2,119	8.3%	2,471	8.0%	5,198	10.4%	6,433	9.0%
Emergency Loans	215	1.5%	176	0.7%	116	0.4%	22	0.05%	99	0.1%
Retail Finance	-	-	-	-	6	0.02%	513	1.0%	3,255	4.5%
Total	**14,471**		**25,388**		**30,754**		**49,747**		**71,593**	

% of Overall Gross AUM Distribution FY 14-15

	KA	MH	TN	MP	CG	OD	KL	GA	PY	Grand Total
<0.5%	4	9	2	6	2					23
0.5-1%	4	3	2							9
1-3%	11	7	1							19
3-5%	6	2								8
>5%	4	1								5

% of Overall Borrowers Distribution FY 14-15

	KA	MH	TN	MP	CG	OD	KL	GA	PY	Grand Total
<0.5%	4	6	2	6	2					20
0.5-1%	2	5	2							9
1-3%	14	9	1							24
3-5%	5	1								6
>5%	4	1								5

% of Overall Gross AUM Distribution FY 15-16

	KA	MH	TN	MP	CG	OD	KL	GA	PY	Grand Total
<0.5%	3	6	6	10	3					28
0.5-1%	6	4	1							11
1-3%	15	12	1							28
3-5%	3	1								4
>5%	3									3

% of Overall Borrowers Distribution FY 15-16

	KA	MH	TN	MP	CG	OD	KL	GA	PY	Grand Total
<0.5%	3	5	6	5	3					22
0.5-1%	6	6	1	5						18
1-3%	15	10	1							26
3-5%	4	2								6
>5%	2									2

% of Overall Gross AUM Distribution FY 16-17

	KA	MH	TN	MP	CG	OD	KL	GA	PY	Grand Total
<0.5%	4	8	5	16	10					43
0.5-1%	5	5	5	3						18
1-3%	16	12	1							29
3-5%	3	1								4
>5%	2									2

% of Overall Borrowers Distribution FY 16-17

	KA	MH	TN	MP	CG	OD	KL	GA	PY	Grand Total
<0.5%	3	8	5	13	10					39
0.5-1%	5	4	4	6						19
1-3%	17	13	2							32
3-5%	5	1								6
>5%										0

% of Overall Gross AUM Distribution FY 17-18

	KA	MH	TN	MP	CG	OD	KL	GA	PY	Grand Total
<0.5%	2	14	19	20	12	5	3	2	1	78
0.5-1%	7	6	5	4						22
1-3%	16	9	1							26
3-5%	4	1								5
>5%	1									1

% of Overall Borrowers Distribution FY 17-18

	KA	MH	TN	MP	CG	OD	KL	GA	PY	Grand Total
<0.5%	2	14	18	14	11	5	3	2	1	70
0.5-1%	7	2	5	10	1					25
1-3%	17	14	2							33
3-5%	4									4
>5%										0

% of Overall Gross AUM Distribution FY 18-19

	KA	MH	TN	MP	CG	OD	KL	GA	PY	Grand Total
<0.5%	3	15	25	26	17	13	3	2	1	105
0.5-1%	6	6	3	4						19
1-3%	17	10	2							29
3-5%	3									3
>5%	1									1

% of Overall Borrowers Distribution FY 18-19

	KA	MH	TN	MP	CG	OD	KL	GA	PY	Grand Total
<0.5%	4	15	23	23	16	13	3	2	1	100
0.5-1%	5	5	7	7	1					25
1-3%	17	11								28
3-5%	4									4
>5%										0

H. Human Resources (HR)

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

HR Highlights

- 8,064 permanent employees as on March 31, 2019
- Employee attrition rate as of March 31, 2019 was 22.3%
- No pending concerns under labour compliances, sexual harassment and disciplinary issues

In-house Training

The in-house training team manages as well as provides the necessary training for freshers as well as people management trainings and leadership development trainings for mid-level managers. The training programs and talent development has enabled the Company to identify and nurture leaders who can take charge of the organization in the years to come. This is apart from our regular requirements for operational productivities.

Some of the training programs that has been provided to employees is 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

The above training programmes have been designed based on objectives, specific employee requirement, and skill sets required for field operations. Given below are details of the number of employees trained in the financial year with various types of training sessions provided:

Staff Training Programs	Duration	No. of staff trained
a. Field Officers Basic Training	1 Month	4939
b. Field Officers Basic Training - Individual Retail Lending	1 Week	598
c. Refresher (Both Group and Individual Retail Lending)	4 hours	12488
d. Process Workshops	1 to 2 days	3011
e. Orientation to Leadership (newly recruited and promoted employee)	3 days	189
f. Parivarthan (Motivational Training for new recruits in the field)	1 day	1379
g. New Technical Training	4 hours	8152
h. People Management Programme	1 to 2 days	94
i. Online training for Code of Conduct		5590
j. Online training for Client Protection Principles		5723

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 programmes to a larger audience.

I. Internal Controls and its adequacy

The Company believes in maintaining a strong internal control framework and sees such a framework as an essential prerequisite for the growth of business. The Company has well-documented policies, procedures and authorization guidelines in place. Additionally, an efficient independent internal audit system is in place to conduct audit of all branches, regional offices and the Head Office.

Internal Audit in the Company is an independent unit focused on improving and enhancing the operations of the organization. It assists the Company in accomplishing its objectives by bringing in a systematic and disciplined approach to evaluate and improve the effectiveness of Company's internal control, risk management and governance processes.

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

J. Risk Management

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

major risks are monitored by the Management Level Risk Committee and reported to the Risk Management Committee of the Board of Directors.

K. Information Technology

The Information Technology team in the Company has continually focused on implementing a centralized and consolidated Information System to enable smooth and swift flow of information and data across the system. This has enabled the Company to control the cost of operations and provide improved services to customers. The Company has focused its efforts towards embracing state of the art technology solutions to support the Company's growth and enhance the efficiencies of its operations.

Credit Bureau

The Company works with credit bureaus like Highmark, Equifax, Experion and CIBIL. Credit bureaus help to identify overlapping microfinance borrowers, their overall loan exposure and incidents of default. Every loan given by the Company undergoes a credit check with the credit bureaus. The credit bureau verification process has been integrated into the loan delivery processes and has helped minimize instances of borrower over-indebtedness. The entire process is automated and centralized which enabled high level of controls in this process.

Core Banking System (CBS)

T24 MCB is the CBS offered by Temenos, which is a leading provider of core banking solutions worldwide. T24 MCB has been customized for the Company's business operations. The higher levels of automation, controls and flexibility provided by the system enable the Company to achieve its vision of reaching out to a larger customer base.

Reporting

The Company generates various internal and external reports using the Jasper Reporting Server, which enables the reports to be auto extracted and emailed to various stakeholders with a high degree of accuracy and on a timely basis. The Company has also started using PowerBI for internal publishing of dashboards and reports to the management team.

IT Infrastructure Outsourcing

The Company has been working in partnership with IBM on outsourced infrastructure management services. The Data Centre and disaster recovery server infrastructure management is managed by the outsourced provider. The Company has also upgraded the IT infrastructure to ensure uninterrupted support for growth plans along with usage of cloud-based service providers. The Company has entered into partnerships with Bharti Airtel, Sify and Tata Teleservices for network connectivity in all critical locations.

Technology initiatives

The Company continually upgrades its technology architecture and applications to keep pace with a changing microfinance industry. With initiatives such as field force automation through use of tablets, robust internal communication and knowledge management systems, there are direct benefits in terms of greater cooperation between teams as well as more effective management of operations. The Company is now using technology capabilities such as cashless disbursements through instant payment mode (IMPS), instant credit eligibility checks, etc. to improve efficiency as well as enhance the quality of customer experience.

Corporate Governance Report





Corporate Governance Report

I. CORPORATE GOVERNANCE PHILOSOPHY

CreditAccess Grameen Limited ("the Company") follows the highest standards of governance principles, given the profile of customers that the Company works with. This approach has helped the Company to weather the turbulent times that the MF industry has faced from time to time. This approach has also demonstrated that the vulnerability to a financial crisis is reduced through the acceptance of the Company's approach and practices by other stakeholders in the eco-system 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 further strengthening this approach through the 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"). In addition to the above, corporate governance standards for Non-Banking Finance Companies 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 SEBI LODR 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 SEBI LODR 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 that at least fifty percent (50%) of the Board should consist of non-executive directors. It further stipulates that if the chairperson of the Board is a non-executive and non-promoter director then at least one-third of the board should comprise of Independent Directors.

As on March 31, 2019, the Company's Board comprised of nine (9) Directors, including five (5) Non-executive Independent Directors as mentioned in the table below. The Chairman of the Board is a Non-Executive and Independent Director.

Category	Name of Directors
Executive Director	Mr Udaya Kumar Hebbar, Managing Director & CEO
Non-Executive- Non-Independent Directors	Mr Paolo Brichetti Mr Massimo Vita Mr Sumit Kumar
Non - Executive -Independent Directors	Mr M N Gopinath, Chairman Mr George Joseph Mr Anal Kumar Jain Mr R Prabha Ms Sucharita Mukherjee

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:

a. Banking Operations

b. Audit & Financial Statements

c. Financing

d. Investment

e. Risk Management

f. Entrepreneurship

g. Micro Finance

h. Management

i. Information Technology

j. Human Resource Development

None of the Directors on the Board hold directorships in more than eight listed entities and none is a member of more than eight committees or Chairman of more than five committees across all the public companies in which he/she is a Director. All Directors have disclosed their interests 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 Companies Act, 2013 and the Listing Regulations.

Detailed profiles of the Directors are available at the website of the Company at www.grameenkoota.org

The number of directorships of Directors and committees in which a director is a member or chairperson is as follows:

Name of the Director	Designation	Number of Directorship in listed entities)[1]	Number of memberships in Audit/ Stakeholder Relationship Committee(s)[1]	Number of posts of Chairperson in Audit/ Stakeholder Relationship Committee held in listed entities[2]
Mr Paolo Brichetti	Nominee Director	1	1	0
Mr Massimo Vita	Nominee Director	1	1	0
Mr Sumit Kumar	Nominee Director	1	0	0
Mr R Prabha	Independent Director	1	0	2
Mr Anal Jain	Independent Director	1	0	0
Mr M N Gopinath	Chairman and Independent Director	1	1	0
Mr George Joseph*	Independent Director	3	4	1
Ms Sucharita Mukherjee	Independent Director	1	2	0
Mr Udaya Kumar Hebbar	Managing Director & CEO	1	1	0

1 Including Directorship/membership in committees in CreditAccess Grameen Limited

2 Including chairmanship in Board/Committees in CreditAccess Grameen Limited

* Mr Geroge Joseph is Managing Director in Wonderla Hoildays Limited and Independent Director in Muthoot Finance Limited which are listed Companies

Notes:

- There are no inter-se relationships between Board members.
- None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all the Companies in which he/she is a Director.

- None of the Independent Directors on the Board is an Independent director in more than seven listed Companies.
- All the directors have disclosed their interests 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 Companies Act, 2013 and the listing Regulations.

b. Board Meetings

The Board met ten times during the financial year - *30/04/2018, 28/07/2018, 13/08/2018, 18/08/2018, 30/08/2018, 16/10/2018, 30/10/2018, 31/01/2019, 13/03/2019 and 27/03/2019*. The time gap between any two of the said meetings had not exceeded one hundred and twenty days.

Attendance of each Director at Board Meetings and at the previous Annual General Meeting (AGM)

Name of the Director	Board Meeting Dates										Held during tenure (A)	(B) Attended	% of attendance (B/A)	Annual General Meeting Date 21/11/2018
	30/04/2018	28/07/2018	13/08/2018	18/08/2018	30/08/2018	16/10/2018	30/10/2018	31/01/2019	13/03/2019	27/03/2019				
Mr Paolo Brichetti	🎥	🎥	🎥	🎥	🎥	🎥	👤	👤	👤	🎥	10	10	100	
Mr Massimo Vita	🎥	🚫	🎥	🎥	👤	🎥	👤	👤	👤	🎥	10	9	90	
Mr Sumit Kumar	🎥	🎥	🎥	🎥	👤	🎥	👤	👤	👤	🎥	10	10	100	
Mr R Prabha	👤	👤	👤	🎥	👤	👤	👤	👤	👤	👤	10	10	100	👤
Mr Anal Jain	🚫	👤	👤	👤	👤	👤	👤	👤	👤	👤	10	10	90	👤
Mr M N Gopinath	👤	🎥	👤	👤	🚫	👤	👤	👤	🎥	🎥	10	9	90	👤
Mr George Joseph	👤	🎥	🎥	🎥	👤	🎥	👤	👤	👤	👤	10	10	100	
Ms Sucharita Mukherjee	🎥	🎥	🚫	🚫	🎥	🚫	👤	🚫	👤	🎥	10	6	60	
Mr Udaya Kumar Hebbar	👤	👤	👤	👤	👤	📞	👤	👤	👤	👤	10	10	100	👤

👤 Attended in person 🎥 Attended through video conference 🚫 Leave of absence 📞 Attended through Audio Call

Notes:

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

c. Change in Board/KMPs

There is no change in Board / KMPs during the year under review.

d. Appointment, criteria and tenure of Independent Directors

Pursuant to Sec 149, 150 and 152 of the Companies Act 2013, the Company has five Independent Directors on the Board. The Independent Directors were appointed at the EGM held on January 13, 2018 for a fixed tenure of five years from the date of their original appointment/reappointment. The terms and conditions of appointment of Independent Directors are available on the website of the Company at www.grameenkoota.org

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 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 opinions in the Board and decisions are taken after detailed deliberations.

f. Code of conduct for Directors and Senior Management Personnel

In compliance with Regulation 17(5) of SEBI LODR 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 SEBI LODR 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 Reg 34 read with clause D of Schedule V of SEBI LODR Regulations, confirming to the adherence to this Code is enclosed herewith as **ANNEXURE I**

g. 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.grameenkoota.org

h. No. of Shares and convertible instruments held by Non-Executive Director

Details of shares or convertible instruments of the Company held by Non-Executive Directors as on March 31, 2019 is given below:

Sl No	Director's name	No. of equity shares
1	Mr Paolo Brichetti	13
2	Mr George Joseph	1000

* Mr Paolo Brichetti holds 13 (thirteen) shares as nominee of CreditAccess Asia NV.

i. Remuneration Policy

Remuneration for the Managing Director & CEO and other senior management consists of fixed and variable components and other benefits as per the policies of the Company. The Nomination and Remuneration Committee conducts an annual appraisal of the performance of the Managing Director and CEO and other senior management personnel based on a performance-related matrix. The annual compensation of 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.

j. Remuneration paid to Mr. Udaya Kumar Hebbar, Managing Director & CEO

(Rs in Million)

Sl. No.	Name	Designation	Gross Salary	Commission	Perquisites on account ESOP exercise	Others	Total Amount
1	Mr Udaya Kumar Hebbar	Managing Director & CEO	14.50	-	31.06	0	45.56

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

a. Term of agreement: Period effective July 15, 2015 to June 25, 2020

b. Notice period: 60 days' written notice for good reason, otherwise 120 days' written notice.

c. Severance package:

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

k. Stock Option details:

Options granted	Options exercised, and shares allotted	Options outstanding
755,000	300,000	455,000

l. Remuneration to Non-Executive Directors including Independent Director

Except for non-executive independent directors, none of the directors were paid sitting fees and Commission during the period under review. Details of sitting fees/commissions paid is given below:

(Rs in Million)

Name of the Director	Sitting fees 2018-19	Commission 2017-18*
Mr M N Gopinath	0.50	0.85
Mr Anal Jain	0.46	0.90
Mr R Prabha	0.74	0.95
Mr George Joseph	0.68	0.70
Ms Sucharita Mukherjee	0.32	0.55
Total	**2.70**	**3.95**

*Commission paid for FY 2017-2018 in the FY 2018-19.

During FY 2018-2019, the Company has not advanced loans to any of its Directors.

m. Appointment/Re-appointment of Directors:

Mr. Sumit Kumar, who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013 and Article 58 of the Articles of Association and being eligible, offers himself for re-appointment as a Director of the Company. The Board recommends his reappointment.

On June 14, 2019, the Board of Directors had appointed Mr B R Diwakar, CFO as Director - Finance & CFO for a period of three years from the date of appointment, subject to the approval of shareholders in the ensuing Annual General Meeting. The Board recommends his appointment.

III. COMMITTEES OF THE BOARD - COMPOSITION AS ON MARCH 31, 2019

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

1) Audit Committee

2) Stakeholders' Relationship Committee

3) Nomination and Remuneration Committee
4) Corporate Social Responsibility Committee
5) Risk Management Committee
6) Asset Liability Management Committee
7) IT Strategy Committee

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 comprises of six (6) members including four (4) Independent Directors.

The composition of the Committee is given in Table A below.

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 6 (six) times 30/04/2018, 30/08/2018, 30/10/2018, 31/01/2019, 13/03/2019 and 27/03/2019. During the year of review, there were no instances where the Board of Directors of the Company did not accept the recommendation of the Audit Committee. The details of the attendance of the Directors at the Audit Committee meetings are given below.

Table A

Composition and attendance record of the Audit Committee

Name of the Director	Audit Committee Meeting Dates						Held during tenure (A)	Attended (B)	% of attendance (B/A)
	30/04/2018	30/08/2018	30/10/2018	31/01/2019	13/03/2019	27/03/2019			
Mr Paolo Brichetti	🎥	🎥	🧍	🧍	🧍	🎥	6	6	100
Mr Massimo Vita	🎥	🧍	🧍	🧍	🧍	🎥	6	6	100
Mr R Prabha	🧍	🧍	🧍	🧍	🧍	🧍	6	6	100
Mr M N Gopinath	🧍	🚪	🧍	🧍	🎥	🎥	6	5	83
Mr George Joseph	🧍	🧍	🧍	🧍	🧍	🧍	6	6	100
Ms Sucharita Mukherjee	🎥	🎥	🧍	🚪	🧍	🎥	6	5	83

🧍 Attended in person 🎥 Attended through video conference 🚪 Leave of absence

The Chief Financial Officer, who 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. Syam Kumar R, Company Secretary & Compliance Officer, acts as the Secretary to the Audit Committee.

All members of the Audit Committee have accounting and financial management expertise.

2. Stakeholders' Relationship Committee

The grievances of stakeholders and clients were reviewed by the Shareholders and Grievance Committee. During the period under review, the name of the said committee was changed to Stakeholders' Relationship Committee.

The Stakeholders' Relationship Committee ("SRC") comprises of four (4) members, including three (3) Independent Directors.

The composition of the Committee is given in Table B below.

The functions and powers of the SRC include review and resolution of grievances of shareholders, debenture holders and other security holders and clients of the Company; dealing with all aspects relating to the issue and allotment of shares, debentures and other securities, approve sub-division, consolidation, transfer and issue of duplicate share/ debenture certificate.

During the year under review, the SRC met 4 (four) times, 29/08/2018, 30/10/2018, 10/01/2019, 30/01/2019. Details of the attendance are given below:

Table B

Composition and attendance record of the SRC

Name of the Director	SRC Meeting Dates				Held during tenure (A)	Attended (B)	% of attendance (B/A)
	29/08/2018	30/10/2018	10/01/2019	30/01/2019			
Mr R Prabha	In person	In person	Video conference	In person	4	4	100
Mr George Joseph	In person	In person	Video conference	In person	4	4	100
Mr Udaya Kumar Hebbar	In person	In person	In person	In person	4	4	100
Ms Sucharita Mukherjee	Leave of absence	In person	Leave of absence	Leave of absence	4	1	25

In person — Attended in person; Video conference — Attended through video conference; Leave of absence — Leave of absence

Notes:

1. Mr. Syam Kumar R is the Company Secretary and Compliance Officer of the Company. Shareholders may reach out to him for any queries or grievances.
2. All the grievances received were resolved during the period under review. The Company had received 136 grievance from the Shareholders during FY 2018-19.

3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") currently comprises of five (5) members including four (4) Independent Directors.

The composition of the Committee is given in Table C below.

During the year under review, the NRC met 4 (four) times, 02/07/2018, 29/08/2018, 21/12/2018, 30/01/2019. The details of the attendance of the Directors at the NRC meetings are given below.

Table C

Composition and attendance record of the NRC Committee

Name of the Director	NRC Meeting Dates				Held during tenure (A)	Attended (B)	% of attendance (B/A)
	02/07/2018	29/08/2018	21/12/2018	30/01/2019			
Mr Paolo Brichetti					4	3	75
Mr R Prabha					4	3	75
Mr Anal Jain					4	4	100
Mr M N Gopinath					4	3	75
Ms Sucharita Mukherjee					4	2	50

Attended in person Attended through video conference Leave of absence Attended through Audio Call

Performance evaluation of Board Members

CA 2013 and SEBI LODR Regulations stipulates the performance evaluation of the Directors including Chairperson, Board and its Committees. The Company has devised a process and criteria for the performance evaluation, which has been recommended by the Nomination and Remuneration Committee (NRC) and approved by the Board.

The evaluations for the Directors and the Board are conducted through separate structured questionnaires, one each for Independent and Non-Executive Directors, Managing Director & CEO and the Board as a whole.

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 of the Managing Director & CEO was evaluated on additional parameters such as strategy formulation and execution; financial performance; leadership; knowledge of the product, etc. The performance evaluation of each Independent Director was carried out by the entire Board, excluding the Independent Director concerned. The performance evaluation of the Non-Executive Directors was carried out by the Independent Director.

4. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee ("CSR Committee") comprises of five (5) Members including three (3) Independent Directors.

The composition of the Committee is given in Table D below.

The functions of the CSR Committee include formulation and monitoring of CSR Policy, recommending CSR Projects and budgets thereof, review of CSR initiatives undertaken/ to be undertaken by the Company and to do such other things as directed by the Board, and in compliance with the applicable laws.

During the year under review, the CSR Committee met 2 (two) times August 29, 2018 and January 30, 2019. The details of the attendance of the Directors at the CSR Committee meetings are given below:

Table D

Composition and attendance record of the CSR Committee

Name of the Director	CSR Meeting Dates		Held during tenure (A)	Attended (B)	% of attendance (B/A)
	29/08/2018	30/01/2019			
Mr M N Gopinath	Leave of absence	Attended in person	2	1	50
Mr R Prabha	Attended in person	Attended in person	2	2	100
Mr Anal Jain	Attended in person	Attended in person	2	2	100
Mr Udaya Kumar Hebbar	Attended in person	Attended in person	2	2	100
Mr Massimo Vita	Attended in person	Attended in person	2	2	100

Attended in person Attended through video conference Leave of absence

5. Risk Management Committee

The Company follows well-established and detailed risk assessment and minimisation procedures. The Company especially focuses on improving its sensitivity to the assessment of risks and improving methods of computation of risk weights. The risk assessment and mitigation procedures are reviewed by the Board periodically. The Company's risk management framework is discussed in detail in the chapter on Management Discussion and Analysis.

The Risk Management Committee ("RMC") comprises of five (5) members including one (1) Independent Director.

The composition of the Committee is given in Table E below.

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 risk associated with the business.

During the year under review, the RMC met 2 (two) times, August 29, 2018 and January 31, 2019. The details of the attendance of the Directors at the RMC meetings are given below:

Table E

Composition and attendance record of the RMC

Name of the Director	RMC Meeting Dates		Held during tenure (A)	Attended (B)	% of attendance (B/A)
	29/08/2018	31/01/2019			
Mr George Joseph	Attended in person	Attended in person	2	2	100
Mr Massimo Vita	Attended in person	Attended in person	2	2	100
Mr Paolo Brichetti	Attended through video conference	Attended in person	2	2	100
Mr Udaya Kumar Hebbar	Attended in person	Attended in person	2	2	100
Mr Sumit Kumar	Attended in person	Leave of absence	2	1	50

Attended in person Attended through video conference Leave of absence

6. Asset and Liability Management Committee

The Asset Liability Management Committee ("ALM Committee") comprises of four (4) Members including one (1) Independent Director

The composition of the Committee is given in Table F below.

The functions of the ALM Committee include addressing concerns regarding asset liability mismatches, interest rate

risk exposure, and achieving optimal return on capital employed while maintaining acceptable levels of risk including and relating to liquidity, market and operational aspects and adhering to the relevant policies and regulation.

During the year under review, the ALM Committee met 3 (three) times, 29/08/2018, 30/10/2018, 31/01/2019. The details of the attendance of the Directors at the ALM Committee meetings are given below:

Table F

Composition and attendance record of the ALM Committee

Name of the Director	ALM Committee Meeting Dates			Held during tenure (A)	Attended (B)	% of attendance (B/A)
	29/08/2018	30/10/2018	31/01/2019			
Mr George Joseph				3	3	100
Mr Paolo Brichetti				3	2	67
Mr Udaya Kumar Hebbar				3	3	100
Mr Sumit Kumar				3	3	100

Attended in person Attended through video conference Leave of absence

7. IT Strategy Committee

The IT Committee comprises of five (5) members, two (2) of whom are Independent Directors. The composition of the IT Committee is given in the Table G

The functions of the IT Committee include approval of IT strategies and policy documents to ascertain whether the company's management has implemented processes / practices which ensure that IT delivers value to business, that the budgets allocated vis-à-vis IT investments are commensurate, monitor methods adopted to ascertain the IT resources needed to achieve strategic goals of the Company and to provide high-level directions for the sourcing and use of IT resources.

During the year under review, the committee met 2 (two) times, August 29, 2018 and January 30, 2019 Details of the attendance are given below:

Table G

Composition and attendance record of the IT Committee

Name of the Director	IT Committee Meeting Dates		Held during tenure (A)	Attended (B)	% of attendance (B/A)
	29/08/2018	30/01/2019			
Mr Massimo Vita			2	2	100
Mr Sumit Kumar			2	1	50
Mr Anal Jain			2	2	100
Mr M N Gopinath			2	1	50
Mr Udaya Kumar Hebbar			2	2	100

Attended in person Attended through video conference Leave of absence

IV. INDEPENDENT DIRECTORS' MEETING

In compliance with Schedule IV to the CA 2013, the Independent Directors held their separate meeting on January 30, 2019 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 as a whole

b. review the performance of the Chairperson of the Company, 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 Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties'

V. 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
2017-2018	AGM	The Capitol, "Senate", #3, Rajbhavan Road, Bangalore- 560001	21/11/2018	10.00 am	6
2016-2017	AGM	Registered Office of the Company	28/06/2017	11.00 am	4
2015-2016	AGM	Registered Office of the Company	29/06/2016	02.00 pm	8

Details of location and time, where Extra-Ordinary General Meetings for last three years were held are given below:

Financial Year	Category	Location of the Meeting	Date	Time	Number of Special Resolutions passed
2017-2018	EGM	Registered Office of the Company	27/11/2017 30/10/2017 28/12/2017 02/01/2018 13/01/2018 05/03/2018	04.00 pm 04.00 pm 11.00 am 11.00 am 11.00 am 11.00 am	2 3 3 1 9 1
2016-2017	EGM	Registered Office of the Company	16/06/2016 23/06/2016 25/03/2017	02.00 pm 03.00 pm 05.30 pm	1 1 2
2015-2016	EGM	Registered Office of the Company	23/03/2016	02.00 pm	2

Postal Ballot

Postal ballot provisions are applicable to the Company as the shares of the Company are listed on both the BSE Ltd and NSE Ltd during the period under review.

Whistle-blower mechanism

The Company has adopted the whistleblower Policy pursuant to which employees of the Company can raise their concerns relating to malpractices, inappropriate use of funds or any other activity or event, which is against the interest of the Company. Further, the mechanism adopted by the Company encourages the employees to report genuine concerns or grievances and provides for adequate safeguards against victimisation 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.

VI. REDRESSAL OF INVESTOR GRIEVANCES THROUGH SEBI COMPLAINTS REDRESSAL SYSTEM (SCORES)

SCORES is a centralised 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 until 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 are scanned and o uploaded in SCORES for due processing.

VII. MEANS OF COMMUNICATIONS

Financial Results and Notices:

The quarterly and the annual unaudited / audited results of the Company are announced within 45 days of the end of respective quarter. The results are published in one English newspaper and one Kannada newspaper and are displayed on the Company's website.

The Company publishes notice of Board Meeting and Annual General Meeting in one English Newspaper and one Kannada Newspaper. It also publishes record date and book closure dates in the said newspapers circulating in the city.

Web Site:

The Company's website provides a separate section for investors where relevant shareholders information is available. The Annual Reports of the Company are available on the website. They are user-friendly and can be downloaded.

Annual Report:

The Annual Report is circulated to 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 patterns, Corporate Governance Report, intimation of Board Meeting/general meeting and its proceedings.

Investor Service:

The Company has appointed Karvy Fintech Private Limited as Registrar and Transfer Agent and have been authorised to take care of investors' complaints. The secretarial department also assists in resolving various investor complaints. The Company has created a separate e-mail id csinvestors@grameenkoota.org exclusively for the investors to communicate their grievances to the Company.

VIII. GENERAL SHAREHOLDER INFORMATION:

i. **Annual General Meeting:**
Date: August 1, 2019
Time: 10.30 a.m
Venue: Pai Vista Convention Hall, II floor, GSB Bhavan, # 34, Patalamma Temple Road, Near South End Circle, Basavanagudi, Bangalore-560004

ii. **Financial Calendar:** April 1 to March 31

iii. **Book Closure Date:** July 27, 2019 to August 1, 2019

iv. **Unpaid/Unclaimed Dividend:**

The Company has not declared dividend in last 7 years and hence the provisions of section 124 of the Companies Act, 2013, is not applicable to the Company.

v. **Registrar & Share Transfer Agent**

The Company has appointed Karvy Fintech Private Limited (Karvy) as its Registrar and Transfer Agent. All share transfers and related operations are conducted by Karvy, which is registered with the SEBI

Karvy Fintech Private Limited
(Unit: CreditAccess Grameen Limited)
Karvy Selenium Tower B, Plot 31-32,
Gachibowli Financial District,
Nanakramguda, Hyderabad 500 032
Email: einward.ris@karvy.com
Phone No: 040-67162222;
Fax No: 040-23001115

vi. Share transfer system

The shareholders are free to hold the Company's shares either in physical form or in dematerialised form. However, SEBI vide Notification dated June 8, 2018 had restricted the transfer of shares in physical form with effect from December 5, 2018.

vii. Plant Locations:

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

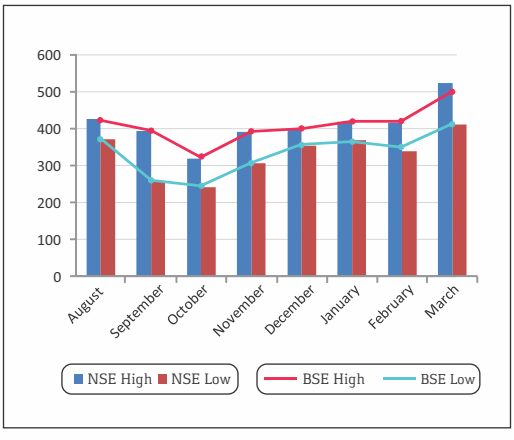
viii. Address for correspondence:

Shareholders/ Investors may write to the Company Secretary at the following address

The Company Secretary
CreditAccess Grameen Limited
New No. 49 (Old No725), 46th Cross, 8th Block, Jayanagar,
(Next to Rajalakshmi Kalayana Mantap)
Bengaluru - 560071
Email: csinvestors@grameenkoota.org
Phone no: +91.80.22637300
Fax: +91.80.26643433

ix. Stock Market Data from August 23, 2018 to March 31, 2019

Month	National Stock Exchange		BSE Limited	
	High Price	Low Price	High Price	Low Price
August, 2018	426.90	373.10	423.30	374.05
September, 2018	395.00	258.65	394.50	259.80
October, 2018	320.40	242.05	323.00	245.75
November, 2018	392.45	306.55	393.00	307.25
December, 2018	399.80	356.05	399.00	357.00
January, 2019	419.45	370.00	419.00	366.45
February, 2019	418.30	341.05	419.80	350.10
March, 2019	525.00	412.00	499.00	413.00



x. Distribution of shareholding as on March 31, 2019

Category	No. of Shares	Percentage
Promoter & Promoter Group	115109028	80.19
Mutual Fund	4539232	3.16
Alternative Investment und	3404154	2.37
Foreign Portfolio Investors	10877798	7.58
Financial Institution/Banks/NBFC	12372	0.01
Public	5038904	3.51
Others	4570773	3.18
TOTAL	143552261	100.00

xi. Registration details:

The Company is registered in the state of Karnataka. The CIN of the Company is L51216KA1991PLC053425. 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).

xii. Listing information:

The Company is listed on both the BSE and NSE. It is hereby confirmed that the Company has paid the listing fee as stipulated by the respective stock exchanges.

Name of the Stock Exchanges	Scrip Code
BSE Limited Floor 25, P J Towers, Dalal Street, Mumbai - 400 001	541770
National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051	CREDITACC

The ISIN Number of the Company's Equity share is INE741K01010

IX. OTHER DISCLOSURES

a. Related Party Transactions

The Company has entered into related party transactions. Related party transactions were approved by the Audit Committee and the Board. The Company has a policy on materiality and on dealing with related party transactions which has been uploaded on our website at www.grameenkoota.org

b. Policy for determining material subsidiaries

As the Company has no subsidiary as on date, the requirement of formulating a specific policy on dealing with material subsidiaries does not arise.

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 2018-19.

d. Details of non-compliance by the Company

There have been no instances of non-compliance by the Company on any matters related to Labour Law, RBI, MCA, Income Tax and GST, and other applicable Acts.

e. Adoption of non-mandatory requirement

Although it is not mandatory, the Board has appointed separate persons for the post of Chairman of the Board [Non-Executive (Independent) Director] and Managing Director & CEO; and the Internal Auditor reports directly to the Audit Committee.

ANNEXURE I

CEO Certification on Code of Conduct

I, Udaya Kumar Hebbar, Managing Director & CEO of CreditAccess Grameen Limited, hereby certify that all the Board Members and Senior Managerial Personnel (Core Management Team) have affirmed compliance with the Code of Conduct of the Company as laid down by the Board of Directors, for the year ended March 31, 2019.

Udaya Kumar Hebbar
Managing Director & CEO
DIN: 07235226

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 March 31, 2019, 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 LODR Regulations, 2015.

MANAGEMENT'S RESPONSIBILITY

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

AUDITORS' RESPONSIBILITY

3. My responsibility is limited to examining the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. I have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on compliance with Corporate Governance requirements by the Company.

OPINION

5. Based on my examination of the relevant records and according to the information and explanations provided to me and the representations provided by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of the Listing Regulations during the year ended 31 March 2019.
6. I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Sd/-

C Dwarakanath

Company Secretary in Practice

C.P: 4847; FCS: 7723

Place: Bengaluru

Dated: June 14, 2019

CEO / CFO CERTIFICATION

To,

The Board of Directors

CreditAccess Grameen Limited

Subject: Compliance Certificate as required under Regulation 17(8) of SEBI LODR Regulations, 2015.

We hereby certify that:

A. We have reviewed financial statements and the cash flow statement for the financial year 2017-18 and that to the best of our knowledge and belief:

   1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2) These statements together present a true and fair view of the Company's affairs and comply 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 that 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 has 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.

	Sd/-	Sd/-
	Udaya Kumar Hebbar	B R Diwakar
Date: June 14, 2019	Managing Director & CEO	Chief Financial Officer
Place: Bengaluru	DIN: **07235226**	

Financial Reports





INDEPENDENT AUDITOR'S REPORT

To the Members of CreditAccess Grameen Limited (formerly known as Grameen Koota Financial Services Private Limited)

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of CreditAccess Grameen Limited (formerly known as Grameen Koota Financial Services Private Limited) ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (Sas), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
(a) Transition to Ind AS accounting framework *(as described in note 40 of the Ind AS financial statements)*	
In accordance with the roadmap for implementation of Ind AS for non-banking financial companies, as announced by the Ministry of Corporate Affairs, the Company has adopted Ind AS from April 1, 2018 with an effective date of April 1, 2017 for such transition. For periods up to and including the year ended March 31, 2018, the Company had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). In order to give effect of the transition to Ind AS these financial statements for the year ended March 31, 2019, together with the comparative financial information for the previous year ended March 31, 2018 and the transition date balance sheet as at April 1, 2017 have been prepared under Ind AS. The transition has involved significant changes in the Company's financial reporting processes, including generation of reliable and supportable financial information. The transition has also required the management to exercise judgement in determining the impact of Ind AS on specific disclosure requirements prescribed under extant Reserve Bank of India (RBI) directions. In view of the complexities in implementing Ind AS discussed above, we have focused on this area in our audit.	• Considered the Ind AS impact assessment performed by management to identify areas to be impacted on account of Ind AS transition. Also considered the changes made to the accounting policies in light of the requirements of the new framework. • Understood the financial statement closure process and the additional controls (including IT controls) established by the Company for transition to Ind AS. • Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS. • Assessed the judgement applied by the management in reporting of areas where the accounting treatment prescribed under Ind AS was different from the extant RBI directions and the impact of such differences on specific regulatory disclosures such as capital to risk-weighted assets ratio (CRAR) and net interest margin (NIM). • Compared the disclosures included in the Ind AS financial statements,in respect of the previous periods presented,with the requirements of Ind AS 101.
(b) Impairment of financial instruments (expected credit losses) *(as described in note 6 of the Ind AS financial statements)*	
Ind AS 109 requires the Company to provide for impairment of its financial instruments using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances. In the process, a significant degree of judgement has been applied by the management in respect of following matters:	• Our audit procedures included considering the Company's accounting policies for impairment of financial instruments and assessing compliance with the policies in terms of Ind AS 109. • Engaged our specialists to review management's approach for calculating the impairment provision and assess the key assumptions i.e., Probability of Default (PD) and Loss Given Default (LGD) used to determine the impairment provision.

a) Defining thresholds for 'significant increase in credit risk' and 'default'. b) Grouping of the loan portfolio under homogenous pools in order to determine probability of default on a collective basis. c) Determining effect of less frequent past events on future probability of default. d) Estimation of management overlay for macro-economic factors which could impact the credit quality of the loans. Given the complexity and judgement involved in the estimation of expected credit losses, we have considered this area as a key audit matter.	• Tested the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets for determining the PD and LGD rates. • Tested the operating effectiveness of the controls for staging of loans based on their past-due status.Tested a sample of performing (stage 1) loans to assess whether any loss indicators were present requiring them to be classified under stage 2 or 3. • Tested the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company in spreadsheets. • Tested assumptions used for management overlay in accordance with the governance framework approved by the Board of Directors. • Compared the disclosures included in the Ind AS financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109.
(a) IT systems and controls	
We identified IT systems and controls over financial reporting as a key audit matter for the Company because its financial accounting and reporting systems are fundamentally reliant on IT systems and IT controls to process significant transaction volumes. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure accurate financial reporting.	For testing the IT general controls, we included specialized IT auditors as part of our audit team. The specialized team also assisted in testing the information produced by the Company's IT systems. We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. We tested the Company's periodic review of access rights. We inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application controls identified as key to our audit. In addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting. Where deficiencies were identified, we tested compensating controls or performed alternate procedures.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the annual report, but does not include the Ind AS financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read such other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and to comply with the relevant applicable requirements of the standard on auditing for auditor's responsibility in relation to other information in documents containing audited financial statements.

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

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

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

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

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

per Shrawan Jalan
Partner
Membership Number: 102102

Mumbai
May 8, 2019

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: CA Grameen

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

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under clause 3(i)(c) of the Order are not applicable to the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the services of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other statutory dues have been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax,cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales-tax,service tax, customs duty, excise duty, value added tax, goods and service tax and cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank or dues to debenture holders.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilised the monies raised by way of initial public offer in the nature of equity shares for the purposes for which they were raised.

Further, monies raised by the Company by way of term loans were applied for the purpose for which those were raised, though idle/surplus funds which were not required for immediate utilization were gainfully invested in liquid assets payable on demand.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with directors as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

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

per Shrawan Jalan
Partner
Membership Number: 102102

Mumbai
May 8, 2019

Annexure 2 referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date

Report on Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of CreditAccess Grameen Limited (the "Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Shrawan Jalan
Partner
Membership Number: 102102

Mumbai
May 8, 2019

Balance sheet as at March 31, 2019

₹ in crores

Sr. No.	Particulars	Notes	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
	ASSETS				
(1)	**Financial assets**				
(a)	Cash and cash equivalents	4	573.73	130.03	332.28
(b)	Bank balance other than cash and cash equivalents	5	41.82	13.03	44.67
(c)	Other receivables		0.29	5.46	-
(d)	Loans	6	6,602.84	4,895.53	2,840.07
(e)	Investments	7	0.20	0.20	0.20
(f)	Other financial assets	8(A)	46.70	12.56	7.88
(2)	**Non-financial assets**				
(a)	Current tax assets (net)	26	13.23	4.84	1.07
(b)	Deferred tax assets (net)	26	43.14	30.00	89.71
(c)	Property, plant and equipment	9	18.73	9.48	5.98
(d)	Capital work in progress		-	-	0.70
(e)	Intangible assets under development		2.36	1.06	2.33
(f)	Intangible assets	9	6.01	6.68	6.28
(g)	Other non-financial assets	8(B)	8.31	4.70	6.89
	Total assets		**7,357.36**	**5,113.57**	**3,338.06**
	LIABILITIES AND EQUITY				
(1)	**Financial liabilities**				
(a)	Payables				
	(I) Trade payables				
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		8.29	4.05	3.50
	(II) Other payables				
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		95.64	31.03	15.30
(b)	Borrowings				
	- Debt securities	10	715.00	786.41	738.83
	- Borrowings (other than debt securities)	11	4,114.50	2,754.46	1,858.04
	- Subordinated liabilities	12	37.07	82.59	88.29
(2)	**Non-financial liabilities**				
(a)	Current tax liabilities (net)	26	-	-	10.15
(b)	Provisions	14	11.88	6.53	4.84
(c)	Other non-financial liabilities	13	9.92	11.02	6.09
(3)	**Equity**				
(a)	Equity share capital	15	143.55	128.43	85.68
(b)	Other equity	16	2,221.51	1,309.05	527.34
	Total liabilities and equity		**7,357.36**	**5,113.57**	**3,338.06**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S R BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm's Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No. 102102

Place: Mumbai
Date: May 08, 2019

For and on behalf of Board of Directors of
"CreditAccess Grameen Limited"
(Formerly known as Grameen Koota Financial Services Private Limited)

Udaya Kumar Hebbar
Managing Director & CEO
Place: Bangalore
Date: May 08, 2019

M N Gopinath
Chairman
Place: Mumbai
Date: May 08, 2019

Diwakar B R
Chief Financial Officer
Place: Atlanta, Georgia, USA
Date: May 08, 2019

Syam Kumar R
Company Secretary
Place: Bangalore
Date: May 08, 2019

Statement of profit and loss for the year ended March 31, 2019

₹ in crores

Sr. No.	Particulars	Notes	For the year ended	
			March 31, 2019	March 31, 2018
I	**Revenue from operations**			
(a)	Interest income	17	1,218.32	859.69
(b)	Fees and commission	18	0.41	0.00
(c)	Dividend income		-	0.17
(d)	Net gain on fair value changes	19	56.55	4.11
(e)	Others	20	6.05	6.61
	Total revenue from operations (I)		**1,281.33**	**870.58**
II	**Other income**	21	1.99	0.95
III	**Total income (I+II)**		**1,283.32**	**871.53**
IV	**Expenses**			
(a)	Finance costs	22	416.75	353.65
(b)	Impairment of financial instruments	23	74.86	(13.42)
(c)	Employee benefits expenses	24	186.05	130.44
(d)	Depreciation, amortisation and impairment	9	7.79	5.17
(e)	Other expenses	25	100.13	67.47
	Total expenses (IV)		**785.58**	**543.31**
V	**Profit before tax (III-IV)**		**497.74**	**328.22**
VI	**Tax expense**	26		
	(1) Current tax		176.35	54.80
	(2) Deferred tax		(0.37)	60.90
	(3) Tax of earlier period		-	0.04
	Total tax expense (VI)		**175.98**	**115.74**
VII	**Profit / (loss) for the year (V-VI)**		**321.76**	**212.48**
VIII	**Other comprehensive income**			
(a)	(1) Items that will not be reclassified to profit or loss			
	- Remeasurement (losses) and gains on defined benefit obligations (net)		(1.91)	1.35
	(2) Income tax relating to items that will not be reclassified to profit or loss		0.67	(0.47)
	Subtotal (a)		**(1.24)**	**0.88**

₹ in crores

Sr. No.	Particulars	Notes	For the year ended	
			March 31, 2019	March 31, 2018
(b)	(1) Items that will be reclassified to profit or loss - Net change in fair value of loans measured at fair value through other comprehensive income		(13.36)	(3.47)
	(2) Income tax relating to items that will be reclassified to profit or loss		4.67	1.20
	Subtotal (b)		**(8.69)**	**(2.27)**
	Other comprehensive income (VIII = a+b)		**(9.93)**	**(1.39)**
IX	**Total comprehensive income (VII+VIII) (comprising profit / (loss) and other comprehensive income for the year)**		**311.83**	**211.09**
X	**Earnings per equity share (face value of ₹10.00 each)**			
	Basic		23.37	20.91
	Diluted		23.14	20.65

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S R BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm's Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No. 102102

Place: Mumbai
Date: May 08, 2019

For and on behalf of Board of Directors of "CreditAccess Grameen Limited" (Formerly known as Grameen Koota Financial Services Private Limited)

Udaya Kumar Hebbar
Managing Director & CEO
Place: Bangalore
Date: May 08, 2019

M N Gopinath
Chairman
Place: Mumbai
Date: May 08, 2019

Diwakar B R
Chief Financial Officer
Place: Atlanta, Georgia, USA
Date: May 08, 2019

Syam Kumar R
Company Secretary
Place: Bangalore
Date: May 08, 2019

Statement of changes in equity for the year ended March 31, 2019

Equity share capital

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

Particulars	No of shares	₹ in crores
At April 1, 2017	8,56,81,343	85.68
Changes in equity share capital during the year	4,27,45,994	42.75
At March 31, 2018	12,84,27,337	128.43
Changes in equity share capital during the year	1,51,24,924	15.12
At March 31, 2019	14,35,52,261	143.55

Other Equity

₹ in crores

Particulars	Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	Capital reserve	Securities premium	Stock option outstanding	Related earnings	Other items of comprehensive income (fair valuation on loan portfolio)	Total
As at April 1, 2017	**48.17**	**-**	**365.98**	**2.50**	**108.43**	**2.26**	**527.34**
Profit for the year	-	-	-	-	212.48	-	212.48
Other comprehensive income	-	-	-	-	0.88	(2.27)	(1.39)
Premium on shares issued during the year	-	-	513.16	-	-	-	513.16
Expenses incurred towards issue of share capital	-	-	-	-	(0.95)	-	(0.95)
Premium on exercise of stock options	-	-	3.94	(1.40)	-	-	2.54
Adjustment pursuant to the Scheme (refer Note 37)	0.47	49.95	-	-	1.47	-	51.89
Transferred to statutory reserves	24.93	-	-	-	(24.93)	-	-
Employee stock option compensation for the year	-	-	-	3.98	-	-	3.98
As at March 31, 2018	**73.57**	**49.95**	**883.08**	**5.08**	**297.38**	**(0.01)**	**1,309.05**
Profit for the year	-	-	-	-	321.76	-	321.76
Other comprehensive income	-	-	-	-	(1.24)	(8.69)	(9.93)
Premium on equity shares issued during the year	-	-	615.07	-	-	-	615.07
Premium on exercise of stock options	-	-	1.59	(0.81)	-	-	0.78
Transferred to statutory reserves	64.35	-	-	-	(64.35)	-	-
Expenses incurred towards initial public offering of equity shares (net of tax)	-	-	(19.74)	-	-	-	(19.74)
Employee stock option compensation for the year	-	-	-	4.52	-	-	4.52
As at March 31, 2019	**137.92**	**49.95**	**1,480.00**	**8.79**	**553.55**	**(8.70)**	**2,221.51**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S R BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm's Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No. 102102

Place: Mumbai
Date: May 08, 2019

For and on behalf of Board of Directors of
"CreditAccess Grameen Limited"
(Formerly known as Grameen Koota Financial Services Private Limited)

Udaya Kumar Hebbar
Managing Director & CEO
Place: Bangalore
Date: May 08, 2019

M N Gopinath
Chairman
Place: Mumbai
Date: May 08, 2019

Diwakar B R
Chief Financial Officer
Place: Atlanta, Georgia, USA
Date: May 08, 2019

Syam Kumar R
Company Secretary
Place: Bangalore
Date: May 08, 2019

Statement of cash flows for the year ended March 31, 2019

₹ in crores

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Cash flow from operating activities:		
Profit before tax	497.74	328.22
Adjustments to reconcile profit before tax to net cash flows:		
Interest income	(1,210.00)	(842.82)
Depreciation and amortisations	7.79	5.17
Interest expense	412.37	351.54
Impairment on financial instruments	73.52	(23.75)
Net loss on disposal of property, plant and equipment	0.07	0.00
Net gain on financial instruments at fair value through profit or loss	(10.55)	(4.08)
Dividend Income	-	(0.17)
Share based payments to employees	4.53	3.98
	(722.27)	(510.13)
Operational cash flows from interest:		
Interest received on loans	1,216.74	868.59
Interest paid on borrowings	(397.15)	(332.92)
Working capital changes:		
Increase in loans	(1,800.94)	(2,060.95)
(Increase) / decrease in bank balance other than cash and cash equivalents	(28.78)	32.53
Decrease in trade receivables	-	0.58
(Increase) / decrease in other receivables	5.17	(5.46)
Increase in other financial assets	(34.15)	(4.68)
(Increase) / decrease in other non-financial assets	(3.61)	2.19
Increase in trade and other payables	68.86	16.21
Increase in provisions	3.45	3.04
(Decrease) / increase in other non-financial liabilities	(1.10)	4.67
	(1,791.10)	**(2,011.87)**
Income tax paid	(182.05)	(67.48)
Net cash flows used in operating activities	**(1,378.09)**	**(1,725.59)**
Investing activities		
Purchase of property, plant and equipment	(14.69)	(5.92)
Proceeds from sale of property, plant and equipment	0.03	0.10
Purchase of Intangible assets	(3.03)	(1.19)
Purchase of investments at fair value through profit and loss	(7,056.42)	(3,350.45)
Sale of investments at fair value through profit and loss	7,066.97	3,357.91
Cash and cash equivalents acquired pursuant to the Scheme of Arrangement (refer Note 36)	-	53.19
Net cash flows (used in) / from investing activities	**(7.14)**	**53.64**

Financing activities		
Debt securities (repaid) / issued (net)	(64.33)	238.13
Borrowings other than debt securities issued (net)	1,339.61	888.04
Subordinated liabilities repaid (net)	(47.46)	(8.77)
Proceeds from issuance of equity share capital including securities premium	630.97	353.25
Expenses incurred towards issuance of equity shares	(29.86)	(0.95)
Net Cash flows from financing activities	**1,828.93**	**1,469.70**
Net increase / (decrease) in cash and cash equivalents	**443.70**	**(202.24)**
Cash and cash equivalents as at the beginning of the year	**130.03**	**332.28**
Cash and cash equivalents as at the end of the year	**573.73**	**130.03**

As per our report of even date

For S R BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm's Registration Number: 301003E/E300005

per Shrawan Jalan
Partner
Membership No. 102102

Place: Mumbai
Date: May 08, 2019

For and on behalf of Board of Directors of
"CreditAccess Grameen Limited"
(Formerly known as Grameen Koota Financial Services Private Limited)

Udaya Kumar Hebbar
Managing Director & CEO
Place: Bangalore
Date: May 08, 2019

M N Gopinath
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Place: Mumbai
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Diwakar B R
Chief Financial Officer
Place: Atlanta, Georgia, USA
Date: May 08, 2019

Syam Kumar R
Company Secretary
Place: Bangalore
Date: May 08, 2019

Notes to the financial statements for the year ended March 31, 2019

1. Corporate Information

CreditAccess Grameen Limited (Formerly known as Grameen Koota Financial Services Private Limited) ('the Company') is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is registered as a non-deposit accepting Non-Banking Financial Company ('NBFC-ND') with the Reserve Bank of India ('RBI') and has got classified as a Non-Banking Financial Company - Micro Finance Institution ('NBFC-MFI') with effect from September 5, 2013. The Company's shares are listed on two recognised stock exchanges in India.

The Company is engaged primarily in providing micro finance services to women who are enrolled as members and organized as Joint Liability Groups ('JLG'). In addition to the core business of providing micro-credit, the Company uses its distribution channel to provide certain other financial products and services to the members.

2. Basis Of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and notified under Section 133 of the Companies Act, 2013 (""the Act"").The financial statements have been prepared on a going concern basis.

For all periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP) notified under section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 and the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI.

The financial statements for the year ended March 31, 2019 are the first, the Company has prepared in accordance with Ind AS. The Company has applied Ind AS 101 - First time adoption of Indian Accounting Standards, for transition from previous GAAP to Ind AS. An explanation of how transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note No. 40.

The financial statements have been prepared on a historical cost basis, except for fair value through other comprehensive income (FVOCI) instruments, financial assets held for trading and financial assets and liabilities designated at fair value through profit or loss (FVTPL), all of which have been measured at fair value. The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crores, except when otherwise indicated.

2.1. Presentation of financial statements

The Company presents its balance sheet in order of liquidity.

The Company generally reports financial assets and financial liabilities on a gross basis in the balance sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically.

2.2. Critical accounting estimates and judgements

"The preparation of the Company's financial statements requires Management to make use of estimates and judgements. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management's estimates are based. Accounting estimates and judgements are used in various line items in the financial statements for e.g.:

- Business model assessment (Refer Note no. 3.14)
- Fair value of financial instruments (Refer Note no. 3.17)
- Effective interest rate (EIR) (Refer Note no. 3.1.1)

- Impairment of financial assets (Refer Note no. 3.15)
- Provisions (Refer Note no. 3.8)
- Contingent liabilities and assets (Refer Note no.3.9)
- Provision for tax expenses (Refer note no. 3.11)
- Residual value and useful life of property, plant and equipment (Refer Note no. 3.6.1)

3. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Revenue recognition

3.1.1 Interest income

Interest income for all financial instruments measured either at amortised cost or at fair value through other comprehensive income, is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable and are an integral part of the EIR, but not future credit losses.

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

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

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

3.1.4 The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

3.2 Finance cost

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

3.3 Cash and cash equivalents

Cash and cash equivalents, comprise cash in hand, cash at bank and short-term investments with an original maturity of three months or less, that are readily convertible to insignificant risk of changes in value.

3.4 Property, plant and equipment ('PPE')

Initial Recognition and measurement:

PPE are stated at cost (including incidental expenses directly attributable to bringing the asset to its working condition for its intended use) less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

3.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

3.6 Depreciation and amortization

3.6.1 Depreciation

Depreciation on property, plant and equipment is measured using the straight line method as per the useful lives of the assets estimated by the management. The useful life estimated by the management is as under:

Category of Asset	Usefull Life (Years)
Furniture and fittings	10
Office equipments	05
Vehicles	08
Buildings	30
Electrical equipment	10
Computers (including Servers)	03

Leasehold improvement is amortised on a straight line basis over the primary period of lease.

The management has estimated, supported by independent assessment by professionals, the useful life of servers and two-wheeler vehicles as 3 years and 8 years respectively, which are lower than those prescribed under Schedule II to the Act.

3.6.2 Amortisation

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The managemnet has determined its estimate of useful economic life as five years. The useful lives of intangible assets are reviewed at each financial year and adjusted.

3.7 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

3.8 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.9 Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable.

3.10 Retirement and other employee benefits

3.10.1 Defined contribution plan

Retirement benefits in the form of provident fund and superannuation are defined contribution schemes. The

Company has no obligation, other than the contribution payable to the respective funds. The Company recognises contribution payable to the respective funds as expenditure, when an employee renders the related service.

3.10.2 Defined benefit plan

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each year. Gains or losses through remeasurements of net benefit liabilities/ assets are recognised with corresponding charge/credit to the retained earnings through other comprehensive income in the period in which they occur.

3.10.3 Other employee benefits

The Company treats accumulated leave expected to be carried forward beyond twelve months as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

3.11 Taxes

3.11.1 Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with Income tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside the statement profit or loss is recognised outside the statement profit or loss (either in other comprehensive income or in equity).

3.11.2 Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement profit or loss is recognised outside the statement profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.12 Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.13 Share based payments

Equity-settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based payments transactions are set out in Note 34.

The cost of equity-settled transactions is measured using the fair value method and recognised, together with a corresponding increase in the "Stock options outstanding account" in reserves. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the statement of profit and loss for the year represents the movement in cumulative expense recognised as at the beginning and end of that year and is recognised in employee benefits expense.

3.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.14.1 Financial Assets

3.14.1.1 Initial recognition and measurement

Financial assets are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

3.14.1.2 Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Loans at amortised cost
- Loans at fair value through other comprehensive income (FVTOCI)
- Investments in debt instruments and equity instruments at fair value through profit or loss (FVTPL)

3.14.1.3 Loans at amortised costs

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

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

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment. Amortised cost is calculated by taking into account fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

3.14.1.4 Loans at fair value through other comprehensive income (FVTOCI)

Loans are classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Loans included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is recognised as interest income using the EIR method.



3.14.1.5 Investment in debt instruments and equity instruments at fair value through profit or loss (FVTPL)

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

3.14.2 Financial Liabilities

3.14.2.1 Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is designated as on initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments, which are measured at amortised cost.

3.14.2.2 Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. The EIR amortisation is included as finance costs in the statement of profit and loss.

3.14.3 Reclassification of financial assets and liabilities

The company doesn't reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

3.14.4 De-recognition of financial assets and liabilities

3.14.4.1 De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when the rights to receive cash flows from the financial asset have expired. The Company also de-recognises the financial asset if it has transferred the financial asset and the transfer qualifies for de-recognition.

The Company has transferred the financial asset if, and only if, either:

- It has transferred its contractual rights to receive cash flows from the financial asset

  Or

- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay.

In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients. A transfer only qualifies for de-recognition if either:

- The Company has transferred substantially all the risks and rewards of the asset

  or

- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between: (a) the carrying amount (measured at the date of derecognition) and (b) the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit or loss account.

3.14.4.2 De-recognition of financial liabilities

Financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the re-cognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

3.15 Impairment of financial assets

3.15.1 Overview of the Expected Credit Loss (ECL) allowance principles

The Company is recording the allowance for expected credit losses for all loans at amortised cost and FVOCI and other debt financial assets not held at FVTPL.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in Note 3.16.2). The Company's policies for determining if there has been a significant increase in credit risk are set out in Note 39.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on a collective basis for identified homogenous pool of loans. The Company's policy for grouping financial assets measured on a collective basis is explained in Note 39.

Accordingly, the Company groups its loans into Stage 1, Stage 2, Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12mECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 or Stage 3.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the company records an allowance for the LTECLs.

Stage 3: Loans considered credit-impaired (as outlined in Note 39). The Company records an allowance for the LTECLs.

For financial assets for which the company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) de-recognition of the financial asset.

3.15.2 The calculation of ECL

The Company calculates ECLs based on a probability-weighted scenarios and historical data to measure the expected cash shortfalls. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

ECL consists of three key components: Probability of Default (PD), Exposure at Default (EAD) and Loss given default (LGD). ECL is calculated by multiplying them. Refer Note 38 for explanation of the relevant terms.

The maximum period for which the credit losses are determined is the expected life of a financial instrument.

The mechanics of the ECL method are summarised below:

Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an EAD and multiplied by the expected LGD.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument.

Stage 3: For loans considered credit-impaired, the Company recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

3.16 Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to the statement profit and loss account.

3.17 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date using valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:- In the principal market for the asset or liability, or- In the absence of a principal market, in the most advantageous market for the asset or liability.The principal or the most advantegeous market must be accessible by the Company.The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.All assets and liabilities for which fair value is measured are categorised with fair value hierachy into Level I, Level II and Level III based on level of input.

3.18 Segment information

The Company operates in a single business segment i.e. lending to members, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Company operates in a single geographical segment i.e. domestic.

3.19 Business combinations involving common control

In accordance with Ind AS 103, business combinations of entities under common control are accounted using the pooling of interest method. Refer Note 37.

3.20 Foreign currency

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

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

3.20.3 Exchange differences arising on the settlement of monetary items or on the restatement of Company's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise.

3.21 Leases (where the Company is the lessee)

Leases where the lessor effectively retains, substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss account on a straight-line basis over the lease term.

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under

Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from 1 April2019. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its financial statements.

Notes to accounts for the year ended March 31, 2019

4 Cash and cash equivalents

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Cash in hand	12.34	10.89	8.36
Balances with Banks in current accounts	276.24	117.14	73.75
Bank deposit with maturity of less than 3 months	285.15	2.00	250.17
Total	**573.73**	**130.03**	**332.28**

5 Bank balance other than cash and cash equivalents

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Fixed deposit with bank not considered as cash and cash equivalents*	41.82	13.03	44.67
Total	**41.82**	**13.03**	**44.67**

*Balances with banks to the extent held as margin money or security against the borrowings.

5(B) Other receivables

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Other receivables			
Unsecured, considered good	0.29	5.46	-
Unsecured, considered doubtful	-	-	-
Less: Provision for doubtful receivables	-	-	-
Total	**0.29**	**5.46**	**-**

6 Loans

₹ in crores

Particulars	March 31, 2019			March 31, 2018			April 1, 2017		
	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total
(A) Term loans:									
Joint liability loans	789.15	5,565.61	6,354.76	698.13	4,209.01	4,907.14	783.44	2,293.82	3,077.26
Individual loans	325.04	-	325.04	51.14	-	51.14	0.61	-	0.61
Total - Gross	**1,114.19**	**5,565.61**	**6,679.80**	**749.27**	**4,209.01**	**4,958.28**	**784.05**	**2,293.82**	**3,077.87**
Less: Impairment loss allowance	13.01	63.95	76.96	5.83	56.92	62.75	18.56	219.24	237.80
Total - Net*	**1,101.18**	**5,501.66**	**6,602.84**	**743.44**	**4,152.09**	**4,895.53**	**765.49**	**2,074.58**	**2,840.07**
(B) (a) Secured	2.22	-	2.22	1.26	-	1.26	-	-	-
(b) Unsecured	1,111.97	5,565.61	6,677.58	748.01	4,209.01	4,957.02	784.05	2,293.82	3,077.87
Total - Gross	**1,114.19**	**5,565.61**	**6,679.80**	**749.27**	**4,209.01**	**4,958.28**	**784.05**	**2,293.82**	**3,077.87**
Less: Impairment loss allowance	13.01	63.95	76.96	5.83	56.92	62.75	18.56	219.24	237.80
Total - Net*	**1,101.18**	**5,501.66**	**6,602.84**	**743.44**	**4,152.09**	**4,895.53**	**765.49**	**2,074.58**	**2,840.07**
(C) (I) Loans in India									
(a) Public sector	-	-	-	-	-	-	-	-	-
(b) Others	1,114.19	5,565.61	6,679.80	749.27	4,209.01	4,958.28	784.05	2,293.82	3,077.87
Total - Gross	**1,114.19**	**5,565.61**	**6,679.80**	**749.27**	**4,209.01**	**4,958.28**	**784.05**	**2,293.82**	**3,077.87**
Less: Impairment loss allowance	13.01	63.95	76.96	5.83	56.92	62.75	18.56	219.24	237.80
Total - Net*	**1,101.18**	**5,501.66**	**6,602.84**	**743.43**	**4,152.09**	**4,895.53**	**765.48**	**2,074.58**	**2,840.07**
(C) (II) Loans outside India	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-
Total - Net*	-	-	-	-	-	-	-	-	-

6(A) Group lending loans

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

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2018	4,857.09	12.60	37.45	4,907.14
New assets originated during the year, netted off for repayments and derecognised portfolio	1,512.00	0.34	(4.06)	1,508.28
Assets written off during the year	-	-	(60.66)	(60.66)
Movement between stages				
Transfer from Stage 1	(70.04)	10.20	59.84	-
Transfer from Stage 2	0.08	(0.55)	0.47	-
Transfer from Stage 3	0.01	0.00	(0.01)	-
Gross carrying value of assets as at 31st March 2019	**6,299.14**	**22.59**	**33.03**	**6,354.76**

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2018	23.18	3.08	35.83	62.09
New assets originated during the year, netted off for repayments and derecognised portfolio	7.09	0.08	(3.89)	3.28
Assets written off during the year	-	-	(60.64)	(60.64)
Movement between stages				
Transfer from Stage 1	(0.33)	0.05	0.28	-
Transfer from Stage 2	0.02	(0.13)	0.11	-
Transfer from Stage 3	0.01	0.01	(0.02)	-
Impact on ECL on account of movement between stages / updates to the ECL model	8.48	1.18	55.98	65.64
ECL allowance as at 31st March 2019	**38.45**	**4.27**	**27.65**	**70.37**

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 1st April 2017	**2,706.16**	**123.07**	**248.03**	**3,077.26**
New assets originated during the year, netted off for repayments and derecognised portfolio	2,194.21	(87.28)	(115.42)	1,991.51
Assets written off during the year	-	-	(161.63)	(161.63)
Movement between stages				
Transfer from Stage 1	(45.59)	11.82	33.77	-
Transfer from Stage 2	1.76	(35.08)	33.32	-
Transfer from Stage 3	0.55	0.07	(0.62)	-
Gross carrying value of assets as at 31st March 2018	**4,857.09**	**12.60**	**37.45**	**4,907.14**

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1st April 2017	**0.54**	**18.34**	**218.87**	**237.75**
New assets originated during the year, netted off for repayments and derecognised portfolio	0.44	(12.95)	(102.24)	(114.75)
Assets written off during the year	-	-	(161.62)	(161.62)
Movement between stages				
Transfer from Stage 1	(0.01)	0.00	0.01	-
Transfer from Stage 2	0.26	(5.21)	4.95	-
Transfer from Stage 3	0.49	0.07	(0.56)	-
Impact on ECL on account of movement between stages / updates to the ECL model	21.46	2.83	76.42	100.71
ECL allowance as at 31st March 2018	**23.18**	**3.08**	**35.83**	**62.09**

6(B) **Individual lending**

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

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 31st March 2018	**51.11**	**0.01**	**0.02**	**51.14**
New assets originated during the year netted off for repayments	273.84	0.02	0.04	273.90
Assets written off during the year	-	-	-	-
Transfer from Stage 1	(1.01)	0.59	0.42	-
Transfer from Stage 2	-	(0.01)	0.01	-
Transfer from Stage 3	-	-	-	-
Gross carrying value of assets as at 31st March 2019	**323.94**	**0.61**	**0.49**	**325.04**

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 31st March 2018	**0.67**	**0.00**	**0.00**	**0.67**
New assets originated during the year netted off for repayments	5.89	0.00	0.04	5.93
Assets written off during the year				-
Transfer from Stage 1	(0.43)	0.01	0.42	-
Transfer from Stage 2	-	(0.01)	0.01	-
Transfer from Stage 3	-	-	-	-
ECL allowance as at 31st March 2019	**6.13**	**0.00**	**0.47**	**6.60**

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
Gross carrying value of assets as at 1st April 2017	**0.61**	**-**	**-**	**0.61**
New assets originated during the year netted off for repayments	50.53	(0.00)	(0.00)	50.53
Assets written off during the year				-
Transfer from Stage 1	(0.03)	0.01	0.02	-
Transfer from Stage 2	-	-	-	-
Transfer from Stage 3	-	-	-	-
Gross carrying value of assets as at 31st March 2018	**51.11**	**0.01**	**0.02**	**51.14**

₹ in crores

Particulars	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1st April 2017	**0.05**	**-**	**-**	**0.05**
New assets originated during the year netted off for repayments	0.62	(0.00)	(0.00)	0.62
Assets written off during the year				-
Transfer from Stage 1	-0.00	0.00	0.00	-
Transfer from Stage 2	-	-	-	-
Transfer from Stage 3	-	-	-	-
ECL allowance as at 31st March 2018	**0.67**	**0.00**	**0.00**	**0.67**

7 Investments (fair value through profit and loss account)

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Investments			
A) In India			
Equity instruments	0.20	0.20	0.20
B) Outside India	-	-	-
Total	**0.20**	**0.20**	**0.20**

8(A) Other financial assets (at amortised cost)

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Retained interest on assets assigned	30.12	-	-
Security deposits (unsecured, considered good)	10.10	5.65	4.26
Loans and advances to employees (unsecured, considered good)	5.41	4.53	1.23
Fixed deposit with financial institution	1.07	2.38	2.39
Others	-	-	-
Total	**46.70**	**12.56**	**7.88**

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

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Prepaid expenses (unsecured, considered good)	4.76	2.01	2.15
Other advances			
Unsecured, considered good	3.55	2.69	4.74
Unsecured, considered doubtful	1.53	1.17	1.75
Less: Provision for doubtful advances	(1.53)	(1.17)	(1.75)
Total	**8.31**	**4.70**	**6.89**

9

₹ in crores

Particulars	Property, plant and equipment							Intangible assets	
	Computer	Electrical Equipment	Furniture & Fixture	Leasehold Improvement	Office equipment	Vehicles	Total	Computer software	Total
Cost:									
At April 1, 2017	4.62	0.27	3.26	2.45	2.26	0.62	**13.48**	9.88	9.88
Additions	1.58	0.10	1.10	1.85	2.00	-	**6.63**	2.46	2.46
Disposals	(0.00)	-	(0.01)	-	(0.10)	-	**(0.11)**	-	-
At March 31, 2018	**6.20**	**0.37**	**4.35**	**4.30**	**4.16**	**0.62**	**20.00**	**12.34**	**12.34**
Additions	2.26	0.18	1.48	2.50	8.27	-	**14.69**	1.73	1.73
Disposals	(0.35)	(0.01)	(0.05)	-	(0.38)	-	**(0.79)**	-	-
At March 31, 2019	**8.11**	**0.54**	**5.78**	**6.80**	**12.05**	**0.62**	**33.90**	**14.07**	**14.07**
Depreciation:									
At April 1, 2017	3.04	0.24	2.15	0.75	1.16	0.16	**7.50**	3.60	3.60
Depreciation charge for the year	1.10	0.10	0.75	0.57	0.51	0.08	**3.11**	2.06	2.06
Disposals	(0.00)	-	(0.01)	-	(0.08)	-	**(0.08)**	-	-
At March 31, 2018	**4.14**	**0.34**	**2.89**	**1.32**	**1.59**	**0.24**	**10.52**	**5.66**	**5.66**
Depreciation charge for the year	1.50	0.18	1.04	1.08	1.45	0.08	**5.33**	2.40	2.40
Disposals	(0.32)	(0.01)	(0.04)	-	(0.32)	-	**(0.69)**	-	-
At March 31, 2019	**5.32**	**0.51**	**3.89**	**2.40**	**2.72**	**0.32**	**15.16**	**8.06**	**8.06**
Net book value:									
At April 1, 2017	**1.58**	**0.03**	**1.11**	**1.70**	**1.10**	**0.46**	**5.98**	**6.28**	**6.28**
At March 31, 2018	**2.06**	**0.03**	**1.46**	**2.98**	**2.57**	**0.38**	**9.48**	**6.68**	**6.68**
At March 31, 2019	**2.79**	**0.03**	**1.89**	**4.40**	**9.33**	**0.30**	**18.73**	**6.01**	**6.01**

10 Debt securities (at amortised cost)

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Debentures (secured)	556.16	786.41	538.51
Compulsorily Convertible Debentures (unsecured)	-	-	200.32
Borrowings under securitisation arrangement			
- Banks	158.84	-	-
Total	**715.00**	**786.41**	**738.83**
Debt securities in India	158.84	-	-
Debt securities outside India	556.16	786.41	738.83
Total	**715.00**	**786.41**	**738.83**

Nature of security
The above debentures are secured by the way of first and exclusive charge over eligible book debts of the Company.

11 Debentures (secured) (at amortised cost)

Terms of debentures	Number of debentures			Face Value	Amount in crores		
	March 31, 2019	March 31, 2018	April 1, 2017		March 31, 2019	March 31, 2018	April 1, 2017
12.24% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. November 25, 2013. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	250	250	250	10,00,000	25.53	25.29	24.85
12.33% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. November 25, 2013. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	250	250	250	10,00,000	25.53	25.29	24.83

11.53% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 28, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	195	195	-	10,00,000	19.45	19.42	-
11.47% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 28, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	195	195	-	10,00,000	19.46	19.43	-
12.10% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. February 26, 2014. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	300	300	300	10,00,000	30.16	29.73	28.96
11.80% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. July 25, 2014. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	300	300	300	10,00,000	30.21	29.77	30.88

13.15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. October 29, 2015. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	1,000	1,000	10,00,000	-	104.90	104.66
12.30% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. September 15, 2016. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	1,000	1,000	1,000	10,00,000	100.23	100.19	100.12
11.60% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. July 31, 2017. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	1,000	1,000	-	10,00,000	101.44	101.40	-
14.16% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable on May 13, 2018 (25%) and November 13, 2018 (75%) (subject to exercise of option on December 24, 2017 by the lender for redemption on May 13, 2019 (25%) and November 13, 2019 (75%)	-	580	580	10,00,000	-	60.82	60.44

14.50% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable at par at the end of six years (subject to exercise of put option by the lender at the end of forty six months) from the date of allotment i.e. March 31, 2015. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	300	300	300	10,00,000	29.23	29.94	30.04
11.21% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after six years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. June 30, 2015. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	-	630	630	10,00,000	-	65.03	64.88
10.58% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after four years (subject to exercise of put option by the lender at the end of three years) from the date of allotment i.e. August 19, 2015. Redeemable on maturity if option not excercised or communication for roll-over received from lender.	370	370	370	10,00,000	36.60	37.34	36.96
10.34% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each redeemable after five years from the date of allotment i.e. May 31, 2017.	1,350	1,350	-	10,00,000	138.32	137.86	-
15% Secured Redeemable Non-convertible Debentures of face value of Rs.1,000,000 each, Rs.150,000,000 is redeemable after 2 years and balance at the end of three years from the date of allotment i.e. October 22, 2014.	-	-	300	10,00,000	-	-	31.89
Total	**5,510**	**7,720**	**5,280**		**556.16**	**786.41**	**538.51**

Compulsorily Convertible Debentures (unsecured)

13.50% (net of withholding tax as applicable) Unsecured Compulsorily Convertible Debentures of face value of Rs.10,000,000 each convertible into equity shares with an option to exercise at Rs.140, Rs.158, Rs.180 and Rs.204 per equity share at the end of financial years 2017-18, 2018-19, 2019-20 and 2020-21 respectively issued to a related party (Refer Note 33)	-	-	2,000	10,00,000	-	-	200.32

Other borrowings
Represents securities issued by the Special Purpose Vehicles (SPVs) to the investors pursuant to the securitisation arrangement carrying a rate of interest in the rate of 7% - 9%. Since such arrangements do not fulfil the derecognition criteria under Ind AS 109, the Company has recognised the associated liabilities.

11 Borrowings other than debt securities (at amortised cost)

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Term loans (secured)			
Banks	2,667.44	2,214.85	1,089.06
Financials institutions	1,112.69	486.36	622.57
Non-banking financial companies	186.40	30.06	113.23
External commercial borrowings	147.97	16.94	16.96
Term loans (unsecured)			
Non-banking financial companies	-	6.25	16.22
Total	4,114.50	2,754.46	1,858.04
Borrowings in India	3,966.53	2,737.52	1,841.08
Borrowings outside India	147.97	16.94	16.96
Total	**4,114.50**	**2,754.46**	**1,858.04**

12 Subordinated liabilities (at amortised cost)

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Sub debt (unsecured)	37.07	82.59	88.29
Total	**37.07**	**82.59**	**88.29**
Borrowings in India	24.99	64.94	65.09
Borrowings outside India	12.08	17.65	23.20
Total	**37.07**	**82.59**	**88.29**

Terms of repayment of borrowings as on March 31, 2019

Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
		No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Monthly														
1-3 years	8.5% -9%	67.00	92.87	12.00	8.70	1.00	0.73	-	-	-	-	-	-	102.30
	9% -9.5%	219.00	673.14	97.00	351.04	3.00	2.50	-	-	-	-	-	-	1,026.68
	9.5% -10%	224.00	432.71	30.00	90.32	-	-	-	-	-	-	-	-	523.03
	10% -10.5%	72.00	134.07	8.00	22.98	-	-	-	-	-	-	-	-	157.05
	10.5% -11%	43.00	62.20	3.00	3.12	-	-	-	-	-	-	-	-	65.32
	11.5% -12%	3.00	3.12	-	-	-	-	-	-	-	-	-	-	3.12
Above 3 years	9.5% -10%	24.00	16.36	9.00	5.45	-	-	-	-	-	-	-	-	21.81
	10% -10.5%	12.00	5.16	12.00	5.16	-	-	-	-	-	-	-	-	10.32
	10.5% -11%	2.00	0.01	-	-	-	-	-	-	-	-	-	-	0.01
Quarterly														
1-3 years	8.5%-9%	11.00	66.88	-	-	-	-	-	-	-	-	-	-	66.88
	9%-9.5%	23.00	233.21	15.00	187.05	-	-	-	-	-	-	-	-	420.26
	9.5%-10%	29.00	133.56	4.00	24.62	-	-	-	-	-	-	-	-	158.18
	10%-10.5%	5.00	24.29	-	-	-	-	-	-	-	-	-	-	24.29
Half Yearly														
Above 3 years	10.5%-11%	8.00	112.50	8.00	28.00	8.00	15.00	5.00	9.50	-	-	-	-	165.00
	11.5%-12%	9.00	123.33	8.00	90.00	8.00	160.00	8.00	205.00	8.00	270.00	3.00	60.00	908.33
Annually														
1-3 years	9%-9.5%	1.00	12.50	-	-	-	-	-	-	-	-	-	-	12.50
Above 3 years	10%-10.5%	-	-	1.00	44.55	1.00	44.55	1.00	45.90	-	-	-	-	135.00
Bullet														
1-3 years	8%-8.5%	-	-	2.00	120.00	-	-	-	-	-	-	-	-	120.00
	9%-9.5%	6.00	213.00	3.00	112.50	-	-	-	-	-	-	-	-	325.50
	10.5%-11%	-	-	-	-	1.00	95.00	-	-	-	-	-	-	95.00
	11.00%-11.5%	-	-	1.00	19.50	-	-	-	-	-	-	-	-	19.50
	11.5%-12%	-	-	2.00	119.50	-	-	-	-	-	-	-	-	119.50
	12%-12.5%	1.00	100.00	-	-	-	-	-	-	-	-	-	-	100.00
Above 3 years	10%-10.5%	1.00	17.00	-	-	1.00	33.80	-	-	-	-	-	-	50.80
	10.5%-11%	2.00	37.00	-	-	-	-	-	-	-	-	-	-	37.00
	11.5%-12%	-	-	1.00	30.00	-	-	-	-	-	-	-	-	30.00
	12%-12.5%	3.00	80.00	-	-	-	-	-	-	-	-	-	-	80.00
	14.5%-15%	-	-	1.00	30.00	1.00	25.00	-	-	-	-	-	-	55.00
	16.5%-17%	1.00	11.40	-	-	-	-	-	-	-	-	-	-	11.40
Grand Total		**766.00**	**2,584.31**	**217.00**	**1,292.49**	**24.00**	**376.58**	**14.00**	**260.40**	**8.00**	**270.00**	**3.00**	**60.00**	**4,843.78**

This pertains to the principal outstanding only.

Terms of repayment of borrowings as on March 31, 2018

Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
		No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Monthly														
1-3 years	7.5%-8.0%	12.00	10.00	12.00	10.00	-	-	-	-	-	-	-	-	20.00
	8%-8.5%	12.00	8.50	11.00	7.79	-	-	-	-	-	-	-	-	16.29
	8.5%-9%	71.00	159.17	55.00	109.17	-	-	-	-	-	-	-	-	268.34
	9%-9.5%	138.00	305.68	125.00	241.87	3.00	4.91	-	-	-	-	-	-	552.46
	9.5%-10%	171.00	224.44	103.00	111.25	3.00	1.46	-	-	-	-	-	-	337.15
	10%-10.5%	157.00	180.67	33.00	57.89	5.00	14.20	-	-	-	-	-	-	252.76
	10.5%-11%	68.00	116.58	21.00	43.83	-	-	-	-	-	-	-	-	160.41
	11%-11.5%	22.00	15.11	-	-	-	-	-	-	-	-	-	-	15.11
	11.5%-12%	18.00	23.27	-	-	-	-	-	-	-	-	-	-	23.27
	12%-12.5%	17.00	11.32	-	-	-	-	-	-	-	-	-	-	11.32
	13%-13.5%	8.00	6.78	-	-	-	-	-	-	-	-	-	-	6.78
	13.5%-14%	3.00	0.91	-	-	-	-	-	-	-	-	-	-	0.91
	14%-14.5%	5.00	4.58	-	-	-	-	-	-	-	-	-	-	4.58
Above 3 years	9%-9.5%	12.00	7.27	12.00	7.27	9.00	5.45	-	-	-	-	-	-	19.99
	10%-10.5%	34.00	21.83	24.00	14.25	12.00	5.16	-	-	-	-	-	-	41.24
	12%-12.5%	12.00	4.02	-	-	-	-	-	-	-	-	-	-	4.02
	13.5%-14%	1.00	0.08	-	-	-	-	-	-	-	-	-	-	0.08
	14%-14.5%	2.00	1.67	-	-	-	-	-	-	-	-	-	-	1.67
Quarterly														
1-3 years	8%-8.5%	4.00	39.00	-	-	-	-	-	-	-	-	-	-	39.00
	8.5%-9%	12.00	42.50	9.00	33.13	-	-	-	-	-	-	-	-	75.63
	9%-9.5%	9.00	24.43	12.00	32.57	-	-	-	-	-	-	-	-	57.00
	9.5%-10%	8.00	38.66	2.00	8.57	-	-	-	-	-	-	-	-	47.23
	10%-10.5%	1.00	7.50	-	-	-	-	-	-	-	-	-	-	7.50
	11%-11.5%	3.00	7.50	-	-	-	-	-	-	-	-	-	-	7.50
	12%-12.5%	1.00	3.13	-	-	-	-	-	-	-	-	-	-	3.13
Half Yearly														
1-3 years	11%-11.5%	1.00	16.67	-	-	-	-	-	-	-	-	-	-	16.67
	11.5%-12%	2.00	16.67	-	-	-	-	-	-	-	-	-	-	16.67
Above 3 years	10.5%-11%	8.00	112.50	8.00	112.50	8.00	28.00	8.00	15.00	5.00	9.50	-	-	277.50
	11.5%-12%	2.00	66.67	1.00	33.33	-	-	-	-	-	-	-	-	100.00
	14%-14.5%	2.00	58.00	-	-	-	-	-	-	-	-	-	-	58.00
	16.5%-17%	2.00	5.25	-	-	-	-	-	-	-	-	-	-	5.25
Annually														
1-3 years	8.5%-9%	1.00	12.50	1.00	12.50	-	-	-	-	-	-	-	-	25.00
Bullet														
1-3 years	8%-8.5%	8.00	192.50	-	-	-	-	-	-	-	-	-	-	192.50
	8.5%-9%	3.00	55.00	-	-	-	-	-	-	-	-	-	-	55.00
	9%-9.5%	1.00	25.00	-	-	-	-	-	-	-	-	-	-	25.00
	9.5%-10%	2.00	32.50	-	-	-	-	-	-	-	-	-	-	32.50
	10%-10.5%	1.00	18.00	-	-	-	-	-	-	-	-	-	-	18.00
	11.5%-12%	-	-	-	-	3.00	139.00	-	-	-	-	-	-	139.00
	12%-12.5%	-	-	1.00	100.00	-	-	-	-	-	-	-	-	100.00
	13%-13.5%	1.00	100.00	-	-	-	-	-	-	-	-	-	-	100.00
	14.5%-15%	1.00	63.00	-	-	-	-	-	-	-	-	-	-	63.00
Above 3 years	10%-10.5%	1.00	17.00	-	-	1.00	44.55	1.00	44.55	1.00	45.90	-	-	152.00
	11.5%-12%	-	-	-	-	1.00	30.00	-	-	-	-	-	-	30.00
	12%-12.5%	-	-	3.00	80.00	-	-	-	-	-	-	-	-	80.00
	14%-14.5%	1.00	37.00	-	-	-	-	-	-	-	-	-	-	37.00
	14.5%-15%	1.00	30.00	-	-	-	-	1.00	25.00	-	-	-	-	55.00
	15.5%-16%	-	-	-	-	-	-	1.00	40.00	-	-	-	-	40.00
	16.5%-17%	-	-	1.00	11.40	-	-	-	-	-	-	-	-	11.40
Grand Total		**839.00**	**2,122.86**	**434.00**	**1,027.32**	**45.00**	**272.73**	**11.00**	**124.55**	**6.00**	**55.40**	**-**	**-**	**3,602.86**

This pertains to the principal outstanding only.

Terms of repayment of borrowings as on April 1, 2017

Original maturity of loan	Interest rate	Due within 1 year		Due between 1 to 2 Years		Due between 2 to 3 Years		Due between 3 to 4 Years		Due between 4 to 5 Years		Due between 5 to 6 Years		Total
		No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	No. of installments	Amount (in Rupees)	
Monthly														
1-3 years	10%-10.5%	3.00	53.41	-	-	-	-	-	-	-	-	-	-	53.41
	11%-11.5%	3.00	68.00	-	-	-	-	-	-	-	-	-	-	68.00
	11.5%-12%	8.00	93.30	-	-	-	-	-	-	-	-	-	-	93.30
	12%-12.5%	8.00	69.79	-	-	-	-	-	-	-	-	-	-	69.79
	12.5%-13%	6.00	19.35	-	-	-	-	-	-	-	-	-	-	19.35
	13%-13.5%	6.00	19.99	-	-	-	-	-	-	-	-	-	-	19.99
	14%-14.5%	1.00	4.17	-	-	-	-	-	-	-	-	-	-	4.17
	9.0%-10%	1.00	14.29	-	-	-	-	-	-	-	-	-	-	14.29
Above 3 years	10%-10.5%	14.00	107.15	14.00	51.12	14.00	3.90	14.00	1.25	-	-	-	-	163.42
	10.5%-11%	5.00	50.71	5.00	20.83	-	-	-	-	-	-	-	-	71.54
	11%-11.5%	7.00	64.59	7.00	27.31	-	-	-	-	-	-	-	-	91.90
	11.5%-12%	3.00	26.09	3.00	4.94	-	-	-	-	-	-	-	-	31.03
	12%-12.5%	11.00	136.92	11.00	63.75	-	-	-	-	-	-	-	-	200.67
	12.5%-13%	1.00	6.56	1.00	5.47	-	-	-	-	-	-	-	-	12.03
	13%-13.5%	5.00	29.76	5.00	7.76	-	-	-	-	-	-	-	-	37.52
	14%-14.5%	3.00	10.00	3.00	6.25	-	-	-	-	-	-	-	-	16.25
	9.0%-10%	3.00	46.52	3.00	17.06	3.00	0.92	-	-	-	-	-	-	64.50
Quarterly														
1-3 years	10%-10.5%	3.00	23.57	-	-	-	-	-	-	-	-	-	-	23.57
	11.5%-12%	1.00	3.75	-	-	-	-	-	-	-	-	-	-	3.75
	12.5%-13%	2.00	1.67	-	-	-	-	-	-	-	-	-	-	1.67
Above 3 years	10%-10.5%	1.00	30.00	1.00	7.50	-	-	-	-	-	-	-	-	37.50
	10.5%-11%	1.00	15.43	1.00	4.71	-	-	-	-	-	-	-	-	20.14
	11.5%-12%	1.00	10.00	1.00	7.50	-	-	-	-	-	-	-	-	17.50
	12%-12.5%	1.00	12.50	1.00	3.13	-	-	-	-	-	-	-	-	15.63
Half Yearly														
Above 3 years	10.5%-11%	3.00	82.50	3.00	82.50	3.00	82.50	3.00	11.00	3.00	11.00	3.00	5.50	275.00
	11%-11.5%	1.00	33.33	1.00	16.67	-	-	-	-	-	-	-	-	50.00
	11.5%-12%	4.00	100.00	4.00	83.33	4.00	33.33	-	-	-	-	-	-	216.66
	16.5%-17%	1.00	5.25	1.00	5.25	-	-	-	-	-	-	-	-	10.50
Annually														
1-3 years	15%-15.5%	1.00	30.00	-	-	-	-	-	-	-	-	-	-	30.00
Bullet														
1-3 years	10%-10.5%	2.00	31.25	2.00	-	-	-	-	-	-	-	-	-	31.25
	10.5%-11%	2.00	23.25		-	-	-	-	-	-	-	-	-	23.25
	11%-11.5%	2.00	21.25		-	-	-	-	-	-	-	-	-	21.25
	11.5%-12%	1.00	18.00		-	-	-	-	-	-	-	-	-	18.00
	14%-14.5%	-	-		-	1.00	58.00	-	-	-	-	-	-	58.00
	14.5%-15%	1.00	30.00		-	-	-	-	-	-	-	-	-	30.00
Above 3 years	10%-10.5%	-	-	1.00	17.00	-	-	-	-	-	-	-	-	17.00
	12%-12.5%	-	-	-	-	2.00	130.00	-	-	-	-	-	-	130.00
	13%-13.5%	-	-	1.00	100.00	-	-	-	-	-	-	-	-	100.00
	14%-14.5%	-	-	2.00	37.00	2.00	50.00	-	-	-	-	-	-	87.00
	14.5%-15%	-	-	3.00	93.00	-	-	-	-	3.00	25.00	-	-	118.00
	15%-15.5%	1.00	200.00	-	-	-	-			-	-	-	-	200.00
	15.5%-16%	-	-	-	-	-	-	-	-	1.00	40.00	-	-	40.00
	16.5%-17%	-	-	-	-	1.00	11.40	-	-	-	-	-	-	11.40
	9.0%-10%	-	-	2.00	50.00	-	-	-	-	-	-	-	-	50.00
Grand Total		**117.00**	**1,495.35**	**76.00**	**712.08**	**30.00**	**370.05**	**17.00**	**12.25**	**7.00**	**76.00**	**3.00**	**5.50**	**2,668.23**

This pertains to the principal outstanding only.

13 Other non-financial liabilities (at amortised cost)

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Statutory dues payable	5.91	5.78	3.39
Others	4.01	5.24	2.70
Total	**9.92**	**11.02**	**6.09**

14 Provisions

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Provision for employee benefits:			
Gratuity	4.14	1.77	1.44
Leave encashment and availment	7.74	4.76	3.40
Total	**11.88**	**6.53**	**4.84**

15 Issued capital

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Authorised			
Equity shares of INR 10 each	160.00	160.00	91.00
	160.00	160.00	91.00
	March 31, 2019	**March 31, 2018**	**April 1, 2017**
Issued, subscibed and fully paid up 143,552,261 (March 31, 2018: 128,427,337) equity shares of Rs.10 each fully paid	143.55	128.43	85.68

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

Equity shares	31-03-2019		31-03-2018		31-03-2017	
	No. of Shares	Amount (₹ in crores)	No. of Shares	Amount (₹ in crores)	No. of Shares	Amount (₹ in crores)
At the beginning of the year	12,84,27,337	128.43	8,56,81,343	85.68	7,29,53,433	72.95
Add: Issued during the year on account of Initial Public Offer	1,49,28,909	14.92	-	-	-	-
Add: Issued during the year on fresh capital infusion from holding company	-	-	4,17,32,244	41.74	1,27,27,910	12.73
Add: Issued during the year- Employee Stock Option Plan	1,96,015	0.20	10,13,750	1.01	-	-
Outstanding at the end of the year	**14,35,52,261**	**143.55**	**12,84,27,337**	**128.43**	**8,56,81,343**	**85.68**

During the year, the Company had completed the Initial Public Offer (IPO) comprising a fresh issue of 14,928,909 equity shares having a face value of Rs.10 each at an offer price of Rs.422 each aggregating Rs.630 crores by the Company and an offer for sale of 11,876,485 equity shares by the promoters, CreditAccess Asia N.V aggregating Rs.501.18 crores. Pursuant to the IPO, the equity shares of the Company have got listed on BSE Limited and NSE India Limited on August 23, 2018.

(b) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. Any dividends proposed by the Board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	March 31, 2019		March 31, 2018		April 1, 2017	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
Equity shares of INR 10 each fully paid						
CreditAccess Asia NV	11,51,09,028	80.19	12,84,27,337	99.04	8,52,03,532	99.44

(d) For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company refer Note 34.

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

Particulars	31-Mar-19 (No. of equity shares)	31-Mar-18 (No. of equity shares)	31-Mar-17 (No. of equity shares)
Equity shares alloted to Equity Share holders and Compulsorily Convertible Debentureholders of MV Microfin Private Limited as a purchase consideration for amalgamation of business with the Company	-	48,90,140	-
Equity shares alloted to CreditAccess Asia N.V in lieu of conversion of compulsorily convertible debentures	-	1,29,87,012	-
Total	**-**	**1,78,77,152**	**-**

16 Other equity*

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)	137.92	73.57	48.17
Capital reserve	49.95	49.95	-
Securities premium	1,480.00	883.08	365.98
Stock option outstanding	8.79	5.08	2.50
Retained earnings	553.55	297.38	108.43
Other comprehensive income	(8.70)	(0.01)	2.26
Total	**2,221.51**	**1,309.05**	**527.34**

* For detailed movement of reserves refer Statement of Changes in Equity for the year ended March 31, 2019

Nature and purpose of reserve

16.1 Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

16.2 Capital reserve

During the year ended 2018, the Company pursuant to the scheme of amalgamation acquired MV Microfin Private Limited with effect from April 1, 2017, per the accounting treatment of the scheme of amalgamation approved by the Honourable High Court of Karnataka the differential amount between the carrying value of investments and net assets acquired from the transferor companies has been accounted as Capital reserve (refer note 33).

16.3 Statutory reserve (As required by Sec 45-IC of Reserve Bank of India Act, 1934)

Statutory reserve represents the accumulation of amount transferred from surplus year on year based on the fixed percentage of profit for the year, as per section 451C of Reserve Bank of India Act 1934.

16.4 Stock option outstanding

The stock option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.

16.5 Other comprehensive income

Re-measurement of the net defined benefit liability/(asset) comprises actuarial gain and losses and return on plan assets (excluding interest income). And net fair valuation gain/(loss) on financial assets measured at fair value through other comprehensive income.

₹ in crores

Movement of other comprehensive income for the year	March 31, 2019	March 31, 2018
Opening balance	(0.01)	2.26
(+) Fair value change during the year	(16.01)	128.24
(-) Impairment allowance transferred to statement of profit and loss	7.32	(130.51)
Closing balance	(8.70)	(0.01)

17 Interest income

₹ in crores

Particulars	For the year ended March 31, 2019			For the year ended March 31, 2018		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total
Interest on loans	975.80	235.53	1,211.33	756.17	96.98	853.15
Interest on deposits with banks and financial institutions	-	6.99	6.99	-	6.54	6.54
Total	**975.80**	**242.52**	**1,218.32**	**756.17**	**103.52**	**859.69**

18 Fees and commission

₹ in crores

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Loan portfolio servicing fees	0.41	0.002

19 Net gain / (loss) on fair value changes *

₹ in crores

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(A) Net gain / (loss) on fair value instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	10.55	4.08
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others		
(i) Gain on derecognition of loans designated at FVTOCI	46.00	0.03
Total Net gain / (loss) on fairvalue changes (c)	**56.55**	**4.11**
Fair Value changes:		
- Realised	56.55	4.11
- Unrealised	-	
Total Net gain / (loss) on fair value changes (D) to tally with (c)	**56.55**	**4.11**

20 Others

₹ in crores

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Bad debt recovery	6.05	6.61

21 Others income

₹ in crores

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net gain / (loss) on derecognition of property, plant and equipment	(0.07)	(0.00)
Net gain / (loss) on foreign currency transaction and translation (other than considered as finance cost)	(0.05)	(0.03)
Others	2.11	0.98
Total	**1.99**	**0.95**

22 Financial costs

₹ in crores

Particulars	For the year ended March 31, 2019 On financial assets measured at amortised cost	For the year ended March 31, 2018 On financial assets measured at amortised cost
Interest on debt securities	97.88	110.66
Interest on borrowings other than debt securities	305.71	227.93
Interest on subordinated liabilities	8.78	12.94
Other finance costs	4.38	2.12
Total	**416.75**	**353.65**

23 Impairment of financial instruments

₹ in crores

Particulars	For the year ended March 31, 2019			For the year ended March 31, 2018		
	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total	On financial assets measured at FVTOCI	On financial assets measured at amortised cost	Total
Joint liability loans	7.32	61.62	68.94	(130.51)	116.45	(14.06)
Individual loans	-	5.92	5.92	-	0.64	0.64
Total	**7.32**	**67.54**	**74.86**	**(130.51)**	**117.09**	**(13.42)**

24 Employee benefit expenses

₹ in crores

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Salaries and wages	159.52	109.42
Contribution to provident and other funds	11.90	9.66
Gratuity	2.22	3.12
Leave encashment and availment	4.90	2.42
Share based payments to employees	4.53	3.98
Staff welfare expenses	2.98	1.84
Total	**186.05**	**130.44**

25 Other expenses

₹ in crores

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Rental charges payable under operating leases (Refer Note 32)	12.68	8.85
Bank charges	0.47	0.74
Rates and taxes	4.17	2.04
Insurance	0.31	0.25
Repairs and maintenance	4.79	4.42
Electricity	1.96	1.43
Travelling and conveyance	36.88	23.73
Postage and telecommunication	10.24	5.47
Printing and stationery	4.75	3.50
Professional and consultancy charges	5.79	3.76
Remuneration to directors	1.06	0.24
Auditors remuneration (refer Note below)		
Audit fees	0.76	0.59
Out of pocket fees	0.07	0.03
Training expenses	4.72	3.04
Donations	0.84	4.08
Corporate Social Responsibility expenses	2.93	2.15
Miscellaneous expenses	6.99	3.15
Provision for other assets	0.72	0.00
Total	**100.13**	**67.47**

Auditors remuneration

₹ in crores

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
As auditor		
Audit fee	0.42	0.29
Limited review	0.16	0.15
Others	0.17	0.10
In other capacity		
Certification services	-	0.04
Taxation matter	-	-
Reimbursement of expenses	0.07	0.03
Total	**0.82**	**0.61**

Details of CSR expenditure

₹ in crores

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
a) Gross amount required to be spent by the Company during the year	2.93	2.15
b) Amount spent during the year (in cash)		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	2.93	2.15

26 Income tax

₹ in crores

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Current tax	176.35	54.80
Adjustment in respect of current income tax of earlier years	-	0.04
Deferred tax	(0.37)	60.90
Total tax charge	**175.98**	**115.74**

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

₹ in crores

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Profit before tax	**497.74**	**328.22**
At India's statutory income tax rate of 34.94% (2018: 34.61%)	173.93	113.60
(a) Non deductible expenses	2.37	2.50
(b) Change in tax rate	-	(0.10)
(c) Additional allowance of certain expenditure	(0.32)	(0.32)
(d) Income not subject to tax	-	0.06
Income tax expense reported in statement of profit and loss (a)+(b)+(c)+(d)	**175.98**	**115.74**

26(B) Movement in deferred tax balances for the year ended March 31, 2019

₹ in crores

Particulars	Net balance April 1, 2018	(Charge)/ credit in Profit and Loss	Recognised in OCI	Recognised in other equity	Net balance March 31, 2019	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Impact of difference between tax depreciation/ amortisation	0.92	0.84	-	-	1.76	1.76	-
Remeasurement gain / (loss) on defined benefit plan	1.69	1.05	-	-	2.74	2.74	-
Provision for donation	0.92	(0.22)	-	-	0.70	0.70	-
Impairment allowance for loans	19.90	4.50	-	-	24.40	24.40	-
Expenses incurred on Initial Public Offering	-	-	-	8.10	8.10	8.10	-
Other items	6.58	(5.80)	4.67	-	5.44	5.44	-
Net Deferred tax assets / (liabilities)	**30.00**	**0.37**	**4.67**	**8.10**	**43.14**	**43.14**	**-**

Movement in deferred tax balances for the year ended March 31, 2018

₹ in crores

Particulars	Net balance April 1, 2017	(Charge)/ credit in Profit and Loss	Recognised in OCI	Recognised in other equity	Net balance March 31, 2019	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)							
Impact of difference between tax depreciation/ amortisation	0.48	0.44	-	-	0.92	0.92	-
Remeasurement gain / (loss) on defined benefit plan	1.18	0.51	-	-	1.69	1.69	-
Provision for donation	0.48	0.44	-	-	0.92	0.92	-
Impairment allowance for loans	86.83	(66.93)	-	-	19.90	19.90	-
Expenses incurred on Initial Public Offering	-	-	-	-	-	-	-
Other items	0.74	4.64	1.20	-	6.58	6.58	-
Net Deferred tax assets / (liabilities)	**89.71**	**(60.90)**	**1.20**	**-**	**30.00**	**30.00**	**-**

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

Current tax assets (net)

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Income tax assets	328.54	146.49	32.33
Income tax liabilities	315.31	141.65	31.26
Total	**13.23**	**4.84**	**1.07**

Current tax liabilities (net)

₹ in crores

Particulars	March 31, 2019	March 31, 2018	April 1, 2017
Income tax assets	-	-	73.00
Income tax liabilities	-	-	83.15
Total	**-**	**-**	**10.15**

27 Transfer of financial assets

27.1 Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for de-recognition, together with the associated liabilities:

₹ in crores

Particulars	March 31, 2019	March 31, 2018
Securitisations		
Carrying amount of transferred assets measured at fair value through other comprehensive income	160.55	-
Carrying amount of associated liabilities (debt securities - measured at amortised cost)	158.84	-
Fair value of assets	160.55	-
Fair value of associated liabilities	159.48	-
Net position at fair value	**1.08**	**-**

28 Defined benefit plan

28.1 Reconciliation of net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability/assets and its components:

₹ in crores

Particulars	March 31, 2019	March 31, 2018
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	6.37	4.45
Current service cost	2.61	1.56
Interest cost	0.48	0.31
Past service cost	-	1.51
Benefits settled	(0.26)	(0.15)
Actuarial (gains)/ losses recognised in other comprehensive income		
- Changes in experience adjustments	0.78	(1.45)
- Changes in demographic assumptions	0.71	(0.29)
- Changes in financial assumptions	(0.34)	0.43
Obligation at the end of the year	**10.35**	**6.37**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	4.60	3.01
Interest income on plan assets	0.41	0.26
Re-measurement- actuarial gain	(0.31)	0.04
Return on plan assets recognised in other comprehensive income	-	-
Contributions	1.77	1.44
Benefits settled	(0.26)	(0.15)
Plan assets at the end of the year, at fair value	**6.21**	**4.6**
Net defined benefit liability	**4.14**	**1.77**

28.2 Expense recognised in profit or loss

₹ in crores

Particulars	March 31, 2019	March 31, 2018
Current service cost	2.61	3.07
Interest cost	0.07	0.05
Past service cost	-	-
Interest income	-	-
Net gratuity cost	**2.68**	**3.12**

28.3 Re-measurement recognised in other comprehensive income

Particulars	March 31, 2019	March 31, 2018
Re-measurement of the net defined benefit liability		
- Changes in experience adjustments	1.80	(1.45)
- Changes in demographic assumptions	0.43	(0.29)
- Changes in financial assumptions	(0.59)	0.43
Re-measurement of the net defined benefit asset		
Return on plan assets (greater)/ less than discount rate	0.27	(0.04)
Total Actuarial (gain)/ loss included in OCI	**1.91**	**(1.35)**

28.4 Plan assets

Particulars	March 31, 2019	March 31, 2018
Funds managed by insurer	**100%**	**100%**

28.5 Defined benefit obligation - Actuarial assumptions

Particulars	March 31, 2019	March 31, 2018
Discount rate	7.62%	7.19%
Future salary growth	10.00%	10.00%
Attrition rate	22.38%	21.11%
Average term of liabilty (in years)	11.65	4.21

28.6 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	March 31, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.80)	0.94	(0.32)	0.35
Future salary growth (1% movement)	0.80	(0.70)	0.29	(0.27)
Attrition rate (1% movement)	(0.24)	0.27	(0.10)	0.11

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

₹ in crores

Sl. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	573.73	-	**573.73**
(b)	Bank balance other than cash and cash equivalents	38.93	2.89	**41.82**
(c)	Other receivables	0.29	-	**0.29**
(d)	Loans	4,521.58	2,081.26	**6,602.84**
(e)	Investments	-	0.20	**0.20**
(f)	Other financial assets	34.74	11.96	**46.70**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	13.23	**13.23**
(b)	Deferred tax assets (net)	-	43.14	**43.14**
(c)	Property, plant and equipment	-	18.73	**18.73**
(d)	Intangible assets under development	2.36	-	**2.36**
(e)	Intangible assets	-	6.01	**6.01**
(f)	Other non-financial assets	3.31	5.00	**8.31**
	Total assets	**5,174.95**	**2,182.42**	**7,357.36**
	LIABILITIES AND EQUITY			
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade payables			
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	8.00	0.29	**8.29**
	(II) Other payables			
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	95.60	0.04	**95.64**
(b)	Borrowings			
	- Debt securities	381.00	334.00	**715.00**
	- Borrowings (other than debt securities)	2,214.02	1,900.47	**4,114.50**
	- Subordinated liabilities	12.07	25.00	**37.07**
(2)	**Non-financial liabilities**			
(a)	Provisions	6.66	5.22	**11.88**
(b)	Other non-financial liabilities	9.92	-	**9.92**
(3)	**Equity**			
(a)	Equity share capital	-	143.55	**143.55**
(b)	Other equity	-	2,221.51	**2,221.51**
	Total liabilities and equity	**2,727.28**	**4,630.09**	**7,357.36**

29 Maturity analysis of assets and liabilities as at March 31, 2018

₹ in crores

Sl. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	**Financial assets**			
(a)	Cash and cash equivalents	130.03	-	**130.03**
(b)	Bank balance other than cash and cash equivalents	9.03	4.01	**13.03**
(c)	Other receivables	5.46	-	**5.46**
(d)	Loans	3,417.79	1,477.74	**4,895.53**
(e)	Investments	-	0.20	**0.20**
(f)	Other financial assets	3.88	8.68	**12.56**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	4.84	**4.84**
(b)	Deferred tax assets (net)	-	30.00	**30.00**
(c)	Property, plant and equipment	-	9.48	**9.48**
(d)	Intangible assets under development	1.06	-	**1.06**
(e)	Intangible assets	-	6.68	**6.68**
(f)	Other non-financial assets	2.69	2.01	**4.70**
	Total assets	**3,569.95**	**1,543.63**	**5,113.57**
	LIABILITIES AND EQUITY			
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade payables			
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	4.05	-	**4.05**
	(II) Other payables			
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	30.08	0.95	**31.03**
(b)	Borrowings			
	- Debt securities	302.41	484.00	**786.41**
	- Borrowings (other than debt securities)	1,830.70	923.77	**2,754.46**
	- Subordinated liabilities	6.19	76.40	**82.59**
(2)	**Non-financial liabilities**			
(a)	Provisions	3.48	3.05	**6.53**
(b)	Other non-financial liabilities	11.02	-	**11.02**
(3)	**Equity**			
(a)	Equity share capital	-	128.43	**128.43**
(b)	Other equity	-	1,309.05	**1,309.05**
	Total liabilities and equity	**2,187.92**	**2,925.65**	**5,113.57**

29 Maturity analysis of assets and liabilities as at April 1, 2017

₹ in crores

Sl. No.	Particulars	Within 12 months	After 12 months	Total
	ASSETS			
(1)	Financial assets			
(a)	Cash and cash equivalents	332.28	-	**332.28**
(b)	Bank balance other than cash and cash equivalents	35.30	9.37	**44.67**
(c)	Loans	2,265.09	574.99	**2,840.07**
(d)	Investments	-	0.20	**0.20**
(e)	Other financial assets	0.90	6.98	**7.88**
(2)	**Non-financial assets**			
(a)	Current tax assets (net)	-	1.07	**1.07**
(b)	Deferred tax assets (net)	-	89.71	**89.71**
(c)	Property, plant and equipment	-	5.98	**5.98**
(d)	Capital work in progress	0.70	-	**0.70**
(e)	Intangible assets under development	2.33	-	**2.33**
(f)	Intangible assets	-	6.28	**6.28**
(g)	Other non-financial assets	4.72	2.15	**6.89**
	Total assets	**2,641.32**	**696.72**	**3,338.06**
	LIABILITIES AND EQUITY			
(1)	**Financial liabilities**			
(a)	Payables			
	(I) Trade Payables			
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	3.50	-	**3.50**
	(II) Other Payables			
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	15.30	-	**15.30**
(b)	Borrowings			
	- Debt securities	70.83	668.00	**738.83**
	- Borrowings (other than debt securities)	1,231.80	626.23	**1,858.03**
	- Subordinated liabilities	6.64	81.65	**88.29**
(2)	**Non-financial liabilities**			
(a)	Current tax liabilities (net)	10.15	-	**10.15**
(b)	Provisions	2.51	2.33	**4.84**
(c)	Other non-financial liabilities	6.09	-	**6.09**
(3)	**Equity**			
(a)	Equity share capital	-	85.68	**85.68**
(b)	Other equity	-	527.34	**527.34**
	Total liabilities and equity	**1,346.81**	**1,991.23**	**3,338.06**

30 Contingent liabilities

₹ in crores

Particulars	March 31, 2019	March 31, 2018	March 31, 2017
Performance security provided by the Company pursuant to service provider agreement	0.16	0.23	0.25

The Supreme Court has recently, delivered its ruling on the composition of basic wages for the purposes of deduction and contribution to the Employees Provident and Pension funds. The company, in the interest of its employees, awaits clarity on the complexities revolving around the application of the said order, the ambiguity reflected by the divergent views of legal experts and the response/direction from the authorities, including on representations made by an industry association in this regard.

31 Capital commitments

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

₹ in crores

Particulars	March 31, 2019	March 31, 2018	March 31, 2017
For purchase / development of computer software	0.89	0.31	0.22

32 Leases

Operating Lease

Head office and branch office premises are acquired on operating lease. The branch office premises are generally rented on cancellable term for period of eleven to sixty months with no escalation clause and renewable at the option of the Company.

There are no restrictions imposed by lease arrangements. There are no subleases. Lease payments during the year are charged to statement of profit and loss. Future minimum rentals payable under non-cancellable operating leases are as follows:

₹ in crores

Particulars	March 31, 2019	March 31, 2018
Minimum lease obligations		
Not later than one year	2.99	2.07
Later than 1 year but not later than 5 years	2.27	3.06
Later than 5 years	-	-

33 Related party transactions

Names of the related parties *(as per IndAS - 24)*

Key management personnel	Mr Udaya Kumar Hebbar, Managing Director & CEO
Holding Company	CreditAccess Asia NV
Independent Director	Mr R Prabha
Independent Director	Mr Anal Kumar Jain
Independent Director	Mr M N Gopinath
Independent Director	Ms Sucharita Mukherjee (w.e.f. Sept. 11, 2017)
Independent Director	Mr George Joseph
Nominee Director	Mr Paolo Brichetti
Nominee Director	Mr Sumit Kumar
Nominee Director	Mr Massimo Vita (w.e.f. July 25, 2017)
Director	Mr Suresh Krishna (upto May 19, 2017)
Chairman	Ms Vinatha M Reddy (upto June 1, 2017)

₹ in crores

Particulars	Key management personnel	
	March 31, 2019	March 31, 2018
Transactions during the year		
Mr Udaya Kumar Hebbar		
Salary and perquisites	1.45	1.22
ESOPs exercised	0.31	0.57
	Other related parties	
Sitting fees	**March 31, 2019**	**March 31, 2018**
Mr R Prabha	0.07	0.05
Mr Anal Kumar Jain	0.05	0.04
Mr M N Gopinath	0.05	0.04
Ms Sucharita Mukherjee	0.03	0.03
Mr George Joseph	0.07	0.04
Mr Paolo Brichetti	-	0.02
Mr Massimo Vita	-	0.02
Mr Suresh Krishna	-	0.01
Ms Vinatha M Reddy	-	0.01

₹ in crores

Commission	March 31, 2019	March 31, 2018
Mr R Prabha	0.17	-
Mr Anal Kumar Jain	0.19	-
Mr M N Gopinath	0.18	-
Ms Sucharita Mukherjee	0.12	-
Mr George Joseph	0.15	-

Provisions for gratuity and leave benefits are made for the Company as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.

₹ in crores

Particulars	Holding Company	
	March 31, 2019	March 31, 2018
Transactions during the year		
CreditAccess Asia NV		
Issue of equity shares on conversion of compulsorily convertible debentures for consideration other than cash	-	200.00
Issue of share capital on amalgamation of MV Microfin Private Limited for consideration other than cash	-	4.89
Issue of compulsorily convertible debentures	-	-
Issue of share capital	-	350.00
Interest expense on compulsorily convertible debentures	-	22.36
Reimbursment of expenditure incurred from related party	21.43	-

₹ in crores

Particulars	Holding Company	
	March 31, 2019	March 31, 2018
Balances at the end of the year		
	Other related parties	
Sitting fees payable	March 31, 2019	March 31, 2018
Mr R Prabha	0.005	0.005
Mr Anal Kumar Jain	0.002	-
Mr M N Gopinath	0.003	-
Ms Sucharita Mukherjee	0.003	-
Mr George Joseph	0.004	0.004

Commission payable	March 31, 2019	March 31, 2018
Mr R Prabha	0.08	-
Mr Anal Kumar Jain	0.10	-
Mr M N Gopinath	0.09	-
Ms Sucharita Mukherjee	0.06	-
Mr George Joseph	0.08	-

34 Employee stock options

Stock options: The Company has provided share based payments to its employees under the 'Grameen Koota Financial Services Private Limited - Employees Stock Option Plan 2011'. The various Tranches I, II, III, IV, V and VI represent different grants made under the plan. During year ended March 31, 2018, the following stock option grant were in operation:

Particulars	Tranche I	Tranche II	Tranche III	Tranche IV	Tranche V	Tranche VI
Date of grant	Apr 1, 2012	Oct 1, 2013	Jun 1, 2014	Jul 1, 2016	Jan 1, 2017	Jan 1, 2018
Date of Board / Compensation Committee approval	Oct 15, 2011	Aug 22, 2012	Jul 30, 2014	Jun 29, 2016	May 17, 2017	Jan 24, 2018
Number of Options granted	716,676	631,339	443,000	431,000	521,000	971,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Graded vesting period:						
Day following the expiry of 12 months from grant	25%	25%	25%	25%	25%	25%
Day following the expiry of 24 months from grant	25%	25%	25%	25%	25%	25%
Day following the expiry of 36 months from grant	25%	25%	25%	25%	25%	25%
Day following the expiry of 48 months from grant	25%	25%	25%	25%	25%	25%
Exercise period	48 months from date of vesting					
Vesting conditions	Employee to be in service at the time of vesting					
Weighted average remaining contractual life (years)						
-I	-	-	0.17	2.25	2.76	3.76
-II	-	0.50	1.17	3.25	3.76	4.76
-III	0.00	1.51	2.17	4.25	4.76	5.76
-IV	1.01	2.51	3.17	5.26	5.76	6.76
Weighted average exercise price per option (₹)	27.00	27.00	39.86	63.90	84.47	120.87
Weighted average fair value of options (₹)	-	18.73	38.31	75.31	61.52	84.71

Reconciliation of options:

Particulars	March 31, 2019	March 31, 2018
Tranche I		
Options outstanding at the beginning of the year	4,250	348,000
Granted during the year	-	-
Forfeited during the year	-	14,000
Exercised during the year	-	328,750
Expired during the year	2,000	1,000
Outstanding at the end of the year	2,250	4,250
Exercisable at the end of the year	2,250	4,250

Reconciliation of options:

₹ in crores

Particulars	March 31, 2019	March 31, 2018
Tranche II		
Options outstanding at the beginning of the year	49,000	442,500
Granted during the year	-	-
Forfeited during the year	-	8,500
Exercised during the year	37,500	383,000
Expired during the year	-	2,000
Outstanding at the end of the year	11,500	49,000
Exercisable at the end of the year	11,500	49,000
Tranche III		
Options outstanding at the beginning of the year	235,500	425,000
Granted during the year	-	-
Forfeited during the year	-	10,000
Exercised during the year	95,750	177,500
Expired during the year	2,000	2,000
Outstanding at the end of the year	137,750	235,500
Exercisable at the end of the year	137,750	134,750
Tranche IV		
Options outstanding at the beginning of the year	371,500	-
Granted during the year	-	431,000
Forfeited during the year	-	-
Exercised during the year	34,750	59,500
Expired during the year	-	-
Outstanding at the end of the year	336,750	371,500
Exercisable at the end of the year	120,000	48,250
Tranche V		
Options outstanding at the beginning of the year	456,000	-
Granted during the year	-	521,000
Forfeited during the year	-	-
Exercised during the year	19,450	65,000
Expired during the year	-	-
Outstanding at the end of the year	436,550	456,000
Exercisable at the end of the year	166,050	65,250
Tranche VI		
Options outstanding at the beginning of the year	971,000	-
Granted during the year	-	971,000
Forfeited during the year	-	-
Exercised during the year	8,565	-
Expired during the year	58,700	-
Outstanding at the end of the year	903,735	971,000
Exercisable at the end of the year	197,453	-

35 RBI Disclosures

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

₹ in crores

Particulars	March 31, 2019	March 31, 2018
CRAR (%)	35.26%	29.62%
CRAR-Tier I Capital (%)	34.38%	28.24%
CRAR-Tier II Capital (%)	0.88%	1.38%
Amount of subordinated debt raised as Tier II capital	-	-
Amount raised by issue of perpetual debt instruments	-	-

Notes:

1. Impairment allowance on Stage 1 and Stage 2 loans has been considered as 'contingent provision for standard asset' for the purpose of determining Tier II capital;
2. Other comprehensive income towards fair valuation of loans has been considered for determining Tier I capital;
3. Loans transferred through securitisation not fulfilling the derecognition criteria under Ind AS 109 are considered as on-balance sheet exposure.

b. Investments

₹ in crores

Particulars	March 31, 2019	March 31, 2018
1. Value of Investments		
(i) Gross value of investments		
(a) in India	0.20	0.20
(b) outside India	-	-
(ii) Provisions for depreciation		
(a) in India	-	-
(b) outside India	-	-
(iii) Net value of investments		
(a) in India	0.20	0.20
(b) outside India	-	-
2. Movement of provision held towards depreciation		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less: Write-off / write-back of excess provision	-	-
(iv) Closing balance	-	-

c. Derivatives

The Company has no transactions / exposure in derivatives in the current and previous year.

The Company has no unhedged foreign currency exposure as on March 31, 2019 (March 31, 2018: Nil).

d. Disclosure related to securitization

During the year the Company has transferred loans through securitization.

₹ in crores

Particulars	March 31, 2019	March 31, 2018
No of SPVs sponsored by the NBFC for securitization transactions	7	-
Amount of securitized assets as per books of SPV sponsored by NBFC	861.69	-
Amount of exposures retained by NBFC to comply with MRR as on the date of balance sheet	92.92	-
a. Off-balance sheet exposure		
- First loss	-	-
- Others	-	-
b. On-balance sheet exposure		
- First loss - cash collateral	39.39	-
- Others	-	-
Amount of exposures other than MRR		
a. Off-balance sheet exposure		
i. Exposure to own securitizations		
- First loss	-	-
- Loss	-	-
ii. Exposure to third party transactions		
- First loss	-	-
- Others	-	-
b. On-balance sheet exposure		
i. Exposure to own securitizations		
- Others	-	-
ii. Exposure to third party transactions		
- First loss	-	-
- Others	-	-

e. Details of financial assets sold to securitization / reconstruction company for asset reconstruction:

The Company has not sold any financial asset to securitization / reconstruction company for asset reconstruction in the current and previous year.

f. Details of assignment transactions:

The Company has undertaken four assignment transactions during the current year (March 31, 2018: Nil)

₹ in crores

Particulars	As at March 31, 2019	As at March 31, 2018
Number of loans assigned	451,830	-
Aggregate value (net of provisions) of accounts sold	715.90	-
Aggregate consideration	715.90	-
Income recognised in statement of profit and loss	19.43	-

* this represents principal amount outstanding as at the date of transaction adjusted for any specific provisions.

g. Details of non-performing financial asset purchased / sold:

The Company has not purchased / sold any non-performing financial assets in the current and previous year.

h. Asset liability management:

Maturity pattern of assets and liabilities as on March 31, 2019:

₹ in crores

Particulars	Upto 30/ 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings	307.37	178.20	176.58	760.20	1,184.74	1,669.08	530.40	60.00	**4,866.57**
Advances*	523.90	492.52	410.65	1,232.09	1,901.48	2,092.28	0.57	4.77	**6,658.26**
Investments	-	-	-	-	-	-	-	0.20	**0.20**
Foreign currency assets	-	-	-	-	-	-	-	-	**-**
Foreign currency liabilities	-	-	-	-	-	-	-	-	**-**

Maturity pattern of assets and liabilities as on March 31, 2018:

₹ in crores

Particulars	Upto 30/ 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings	108.09	139.34	227.69	555.20	1,120.38	1,292.82	179.95	-	**3,623.47**
Advances*	374.07	359.76	312.34	888.87	1,494.98	1,486.18	0.05	2.01	**4,918.26**
Investments	-	-	-	-	-	-	-	0.20	**0.20**
Foreign currency assets	-	-	-	-	-	-	-	-	**-**
Foreign currency liabilities	-	-	-	-	-	-	-	-	**-**

The above maturity pattern of assets and liabilities as on March 31, has been prepared with reference to the carrying values of assets and liabilities.

i. Exposures:

The Company has no exposure to the real estate sector and capital market directly or indirectly in the current and previous year.

j. Unsecured advances: Refer Note 6.

k. 'Registration obtained from other financial regulators:

The Company is not registered with any other financial sector regulators.

l. Disclosure of penalties imposed by RBI and other regulators:

No penalties were imposed by RBI and other regulators during current and previous year.

m. Ratings assigned by credit rating agencies and migration of ratings:

Particulars	Name of rating agency	Date of rating	Rating / (Previous year rating)	Borrowing limit / conditions imposed by rating agency (₹ in crore)	Valid up to
Long-term debt	ICRA	4-Sep-18	[ICRA]A+(Stable); Revised from [ICRA]A (Positive)	2,500.00	31-May-19
Non-convertible debentures	ICRA	4-Sep-18	[ICRA]A+(Stable); Revised from [ICRA]A (Positive)	887.00	31-May-19
Subordinated debt	ICRA	4-Sep-18	[ICRA]A+(Stable); Revised from [ICRA]A (Positive)	22.00	31-May-19
Commercial paper	ICRA	27-Apr-18	[ICRA]A1+ / Revised from [ICRA]A1	200.00	31-May-19
Organization grading	CRISIL*	1-Oct-18	M1C1 / mfR1	NA	30-Sep-19
Securitisation	ICRA	30-Jul-18	[ICRA]A(SO)	68.00	7-Aug-19
Securitisation	ICRA	16-Aug-18	[ICRA]A(SO)	80.73	7-Sep-19
Securitisation	India Ratings and Research	31-Aug-18	IND A (S))	221.03	7-Sep-19
Securitisation	ICRA	28-Dec-18	[ICRA]A(SO)	100.01	20-Jun-20
Securitisation	ICRA	29-Mar-19	[ICRA]A+(SO)	83.98	22-Apr-20

n. Provisions and contingencies (shown under the head expenditure in statement of profit and loss):

₹ in crores

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Impairment of financial instruments	74.86	(13.42)
Provision for income tax	176.35	55.31
Provision for gratuity	4.13	1.76
Provision for leave encashment and availment	7.74	2.42
Provision fraud and misappropriation (net of recoveries)	1.01	0.001
Provision for other assets (net)	0.72	0.001
Total	**264.81**	**46.08**

o. Drawdown from reserves:

There has been no draw down from reserves during the year ended March 31, 2019 (previous year: Nil).

p. Concentration of advances, exposures and NPAs

₹ in crores

Particulars	March 31, 2019	March 31, 2018
Concentration of advances		
Total advances to twenty largest borrowers	0.83	0.33
(%) of advances to twenty largest borrowers to total advances	0.01%	0.01%
Concentration of exposures		
Total exposure to twenty largest borrowers / customers	0.83	0.33
(%) of exposures to twenty largest borrowers / customers to total exposure	0.01%	0.01%
Concentration of NPAs		
Total Exposure to top four NPA accounts	0.04	0.03

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

q. Sector-wise NPAs

Particulars	Percentage of NPAs to Total Advances in that sector as at March 31, 2019	Percentage of NPAs to Total Advances in that sector as at March 31, 2018
Agriculture and allied activities	0.54%	0.97%
MSME	-	-
Corporate borrowers	-	-
Services	0.30%	0.85%
Unsecured personal loans	0.71%	0.42%
Auto loans	0.13%	-
Other personal loans	-	-

r. Movement of NPAs

₹ in crores

Particulars	March 31, 2019	March 31, 2018
(I) Net NPAs to Net Advances (%)		
(ii) Movement of NPAs (Gross):*		
Opening balance	37.41	247.10
Additions during the year	61.77	(48.07)
Reductions during the year (loans written off)	60.64	161.62
Closing balance	**38.54**	**37.41**
(iii) Movement of Net NPAs		
Opening balance	1.62	28.24
Additions during the year	11.85	(8.15)
Reductions during the year	2.58	18.47
Closing balance	**10.88**	**1.62**
(iv) Movement of provisions for NPAs		
Opening balance	35.80	218.86
Provisions made during the year	49.91	(39.91)
Write-off / write-back of excess provisions	58.06	143.15
Closing balance	**27.65**	**35.80**

** Represents principal outstanding.*

s. Disclosure of customer complaints

Particulars	No. of complaints
a. No. of complaints pending at the beginning of the year	1
b. No. of complaints received during the year	894
c. No. of complaints redressed during the year	892
d. No. of complaints pending at the end of the year	3

t. Information on instances of fraud

Instances of fraud reported during the year ended March 31, 2019:

₹ in crores

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount provided
Cash Embezzlement	3	0.32	0.00	0.32

Instances of fraud reported during the year ended March 31, 2018:

₹ in crores

Nature of fraud	No. of cases	Amount of fraud	Recovery	Amount provided
Cash Embezzlement	2	0.03	0.02	0.01

u. The net interest margin (NIM)

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Average interest (a)	20.16%	21.49%
Average effective cost of borrowing (b)*	10.73%	11.92%
Net interest margin (a-b)	9.43%	9.58%

Note:

1. Above computation is in accordance with the method accepted by RBI vide its letter no DNBS.PD.NO.4906/03.10.038/2012-13 dated April 4, 2013 to Micro-finance Institutions Network (the "MFIN format") read with the FAQs issued by RBI on October 14, 2016.
2. Securitised loans qualifying for de-recognition as per RBI's "true sale" criteria and related interest income have not been considered for computation of "average interest charged" in accordance with the MFIN format. Accordingly, the purchase consideration received towards such securitisations and related finance costs have not been considered for computation of "average effective cost of borrowings". As per Ind AS 109, such loans and borrowings continue to be recognized on the balance sheet in the Ind AS financial statements.
3. Interest income considered for computation of "average interest charged" excludes loan processing fee collected from customers in accordance with para 54 (vi) of the RBI Master Directions. As per Ind AS 109, such loan processing fee forms part of interest income in the Ind AS financial statements.
4. Average loan outstanding considered for computation of "average interest charged" is gross of the impairment allowance. As per Ind AS 109, such allowance is adjusted from the loan balance in the Ind AS financial statements.

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

36 Financial instruments - Fair values

36.1 Accounting classification and fair values:

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

₹ in crores

Financial assets (assets measured at fair value)	March 31, 2019					March 31, 2018					April 1, 2017				
	Carrying amount		Fair value			Carrying amount		Fair value			Carrying amount		Fair value		
	FVTPL	FVTOCI	Level 1	Level 2	Level 3	FVTPL	FVTOCI	Level 1	Level 2	Level 3	FVTPL	FVTOCI	Level 1	Level 2	Level 3
Loans (measured at FVOCI)	-	5,501.66	-	5,501.66	-	-	4,152.09	-	4,152.09	-	-	2,074.58	-	-	-
Investments	0.20	-	-	0.20	-	0.20	-	-	0.20	-	0.20	-	-	0.20	-
Total	**0.20**	**5,501.66**	**-**	**5,501.86**	**-**	**0.20**	**4,152.09**	**-**	**4,152.29**	**-**	**0.20**	**2,074.58**	**-**	**0.20**	**-**

₹ in crores

Fair value of financial liabilities measured at amortised cost	March 31, 2019				March 31, 2018				April 1, 2017			
	Amortised cost	Fair value			Amortised cost	Fair value			Amortised cost	Fair value		
	FVTPL	Level 1	Level 2	Level 3	FVTPL	Level 1	Level 2	Level 3	FVTPL	Level 1	Level 2	Level 3
Debt securities	715.00	-	792.07		786.41		913.85	-	738.83	-	610.01	-
Borrowings other than debt securities	4,114.50	-	4,149.83		2,754.46		2,791.01	-	1,858.04	-	1,886.35	-
Subordinated liabilities	37.07	-	40.23		82.59		88.10	-	88.29	-	88.15	-
Total	**4,866.57**	**-**	**4,982.13**	**-**	**3,623.47**	**-**	**3,792.96**	**-**	**2,685.15**	**-**	**2,584.51**	**-**

The carrying amounts of cash and cash equivalents, bank balances other than cash and cash equivalents, other receivables, loans measured at Amortised cost, other financial assets / liabilities, other non-financial assets / liabilities, payables and provisions are considered to be the same as their fair values, due to their short-term nature.

37 Business combination (common control transaction) with MV Microfin Private Limited

The National Company Law Tribunal (NCLT), Bengaluru Bench approved a Scheme of Arrangement on November 22, 2017 (hereinafter referred as 'the Scheme') for amalgamating the business from MV Microfin Private Limited with the Company ('the Amalgamation'). By virtue of the Scheme, the business operations of MV Microfin Private Limited shall stand transferred, merged and vested with the Company with effect from April 01, 2017 ('the Appointed Date'). MV Microfin Private Limited was registered as an NBFC with RBI. Also, the said amalgamation being in the nature of merger, the accounting thereof has been carried out as per the pooling of interest method specified in Ind AS - 103.

The Scheme inter alia provides for issue of 13 equity shares of the Company with a face value of Rs.10 each for every 10 equity shares held in the MV Microfin Private Limited at par and issue of 852,188 equity shares of the Company with a face value of Rs.10 each for every 1 Compulsorily Convertible Debenture (CCD) held in MV Microfin Private Limited at par as a purchase consideration for the Amalgamation.

As per the Scheme, the Company shall adjust the book value of assets and liabilities on the appointed date in its books of account as follows:

₹ in crores

Particulars	Amount
Total assets (A)	59.67
Total Liabilities (including reserves and surplus) (B)	4.83
Net assets (A)-(B)= (C)	**54.84**
Purchase consideration (4,890,140 equity shares of Rs.10 each at par)	4.89
Capital Reserve	**49.95**

38 During the year ended March 31, 2019, the Company had completed the Initial Public Offer (IPO) comprising a fresh issue of 14,928,909 equity shares having a face value of Rs.10 each at an offer price of Rs.422 each aggregating Rs.630 crores by the Company and an offer for sale of 11,876,485 equity shares by our promoters CreditAccess Asia N.V aggregating Rs.501.18 crores. Pursuant to the IPO, the equity shares of the Company have got listed on BSE Limited and NSE India Limited on August 23, 2018.

39 Risk Management

39.1 Introduction and risk profile

CreditAccess Grameen Limited ("Company") is one of the leading microfinance institutions in India focused on providing financial support to women from low income households engaged in economic activity with limited access to financial services. The Company predominantly offers collateral free loans to women from low income households, willing to borrow in a group and agreeable to take joint liability. The wide range of lending products address the critical needs of customers throughout their lifecycle and include income generation, home improvement, children's education, sanitation and personal emergency loans. With a view to diversifying the product profile, the company has introduced individual loans for matured group lending customers. These loans are offered to customers having requirement of larger loans to expand an existing business in their individual capacity.

The common risks for the company are operational, business environment, political, regulatory, concentration, expansion and liquidity. As a matter of policy, these risks are assessed and steps as appropriate, are taken to mitigate the same.

39.1.a Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Risk Management framework approved by the Board has laid down the governance structure supporting the identification, assessment, monitoring, reporting and mitigation of risk throughout the company. The objective of the risk management platform is to make a conscious effort in developing risk culture within the organisation and having appropriate systems and tools for timely identification, measurement and reporting of risks for managing them.

The Board has a Risk Management committee which is responsible for monitoring the overall risk process within the Company and reports to the Board of Directors.

The Risk Management guidelines will be implemented through the established organization structure of Risk Department. The overall monitoring of the Risks is done by the Head-Risk Management with the support from all the department heads of the Company. The Board will reviews the status and progress of the risk and risk management system, on quarterly basis through the Audit Committee and Risk Management Committee. The individual departments are responsible for ensuring implementation of the risk management framework and policies, systems and methodologies as approved by the Board. Assignment of responsibilities in relation to risk management is prerogative of the Heads of Departments, in coordination with Head-Risk.While each department focuses on its specific area of activity, the Risk Management Unit operates in coordination with all other departments, utilising all significant information sourced to ensure effective management of risks in accordance with the guidelines approved by the Board. The unit works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework.

Heads of Departments is accountable to a Management-Level Risk Committee (MLRC) comprising of MD&CEO, CFO and Head-Risk. The departmental heads will report for the implementation of above mentioned guideline within their respective areas of responsibility. The department heads are also accountable to the MLRC for identification, assessment, aggregation, reporting and monitoring of the risk related to their respective domain.

The Company's policy is that risk management processes throughout the Company are audited quarterly by the Internal Audit function, which examines both the adequacy of the procedures and the Company's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Audit Committee.

39.1.b Risk mitigation and risk culture

Risk assessments are conducted for all business activities. The assessments are to address potential risks and to comply with relevant legal and regulatory requirements. Risk assessments are performed by competent personnel from individual departments and risk management department including, where appropriate, expertise from outside the Company. Procedures are established to update risk assessments at appropriate intervals and to review these assessments regularly. Based on the Risk Control and Self Assessment (RCSA), the Company formulates its Risk Management Strategy / Risk Management plan on annual basis. The strategy will broadly entail choosing among the various options for risk mitigation for each identified risk. The risk mitigation is planned using the following key strategies:

Risk Avoidance: By not performing an activity that could carry risk. Avoidance may seem the answer to all risks, but avoiding risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed.

Risk Transfer: Mitigation by having another party to accept the risk, either partial or total, typically by contract or by hedging.

Risk Reduction: Employing methods/solutions that reduce the severity of the loss.

Risk Retention: Accepting the loss when it occurs. Risk retention is a viable strategy for small risks where the cost of insuring against the risk would be greater over time than the total losses sustained. All risks that are not avoided or transferred are retained by default. This includes risks that are so large or catastrophic that they either cannot be insured against or the premiums would be infeasible.

39.1.c Risk measurement and reporting systems

The heads of all the departments in association with risk management department are responsible for coordinating the systems for identifying risks within their own department or business activity through RCSA exercise to be conducted at regular intervals. Based on a cost / benefit assessment of a risk, as is undertaken, some risks may be judged as having to be accepted because it is believed mitigation is not possible or warranted. As the risk exposure of any business may undergo change from time to time due to continuously changing environment, the updation of the Risk Register will be done on a regular basis. All the strategies with respect to managing these major risks shall be monitored by the Head-Risk and MLRC. The Management Level Risk Committee meetings are held as necessary or at least once a month. The Management Level Risk Committee would monitor the management of major risks specifically and other risks of the Company in general. The Committee takes an integrated view of the risks facing the entity and monitor implementation of the directives received from Risk Management Committee and actionable items drawn from the risk management framework.

Accordingly, the Management Level Risk Committee reviews the following aspects of business specifically from a risk indicator perspective and suitably record the deliberations during the monthly meeting.

- Review of business growth and portfolio quality.
- Discuss and review the reported details of PAR, Key Risk Threshold breaches (KRI's), consequent responses and review of operational loss events, if any.
- Review of process compliances including audit performance across organisation.
- Review of HR management, training and employee attrition.
- Review of new initiatives and product/policy/process changes.
- Discuss and review performance of IT systems.
- Review the status of strategic projects initiated.
- Review, where necessary, policies that have a bearing on the operational risk management and recommend amendments.
- Discuss and recommend suitable controls/mitigations for managing operational risk and assure that adequate resources are being assigned to mitigate the risks.
- Review analysis of frauds, potential losses, non-compliance, breaches etc. and determine corrective measures to prevent their recurrences.
- Understand changes and threats, concur on areas of high priority and possible actions for managing / mitigating the same.

39.1.d Risk Management Strategies

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location.

The following management strategies and policies are adopted by the Company to manage the various key risks.

Political Risk mitigation measures:

- Low cost operations and low pricing for customers.
- Customer centric approach, high customer retention.
- Rural focus.
- Systematic customer awareness activities.
- High social focused activities.
- Adherence to client protection guidelines.
- Robust grievance redressal mechanism.
- Adherence to regulatory guidelines in letter and spirit.

Concentration risk mitigation measures:

- District centric approach.
- District exposure cap.
- Restriction on growth in urban locations.
- Maximum disbursement cap per loan account.
- Maximum loan exposure cap per customer.
- Diversified funding resources.

Operational & HR Risk mitigation measures:

- Stringent customer enrolment process.
- Multiple products.
- Proper recruitment policy and appraisal system.
- Adequately trained field force.
- Weekly & fortnightly collections - higher customer touch, lower amount instalments.
- Multilevel monitoring framework.
- Strong, Independent and fully automated Internal Audit function.
- Strong IT system with access to real time client and loan data.

Liquidity risk mitigation measures:

- Diversified funding resources.
- Asset liability management.
- Effective fund management.
- Maximum cash holding cap.

Expansion risk mitigation measures:

- Contiguous growth.
- District centric approach.
- Rural focus.
- Branch selection based on census data & credit bureau data.
- Three level survey of the location selected.

39.2 Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the summary of significant accounting policies.

39.2.a Definition of default, significant increase in credit risk and stage assessment

For the measurement of ECL, Ind AS 109 distinguishes between three impairment stages. All loans need to be allocated to one of these stages, depending on the increase in credit risk since initial recognition (i.e. disbursement date):

Stage 1: includes loans for which the credit risk at the reporting date is in line with the credit risk at the initial recognition (i.e. disbursement date).

Stage 2: includes loans for which the credit risk at reporting date is significantly higher than at the risk at the initial recognition (Significant Increase in Credit Risk).

Stage 3: includes default loans. A loan is considered default at the earlier of (i) the Company considers that the obligor is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realizing collateral (if held); or (ii) the obligor is past due more than 90 days on any material credit obligation to the company.

Unlike banks which have more of monthly repayments, the Company offers products with weekly repayment frequency, whereby 15 and above Days past due ('DPD') means already 2 missed instalments from the borrower, and accordingly, the Company has identified the following stage classification to be the most appropriate for its Loans:

Stage 1: 0 to 15 DPD.
Stage 2: 16 to 60 DPD (SICR).
Stage 3: above 60 DPD (Default).

39.2.b Probability of Default ('PD')

PD describes the probability of a loan to eventually falling into Stage 3. PD %age is calculated for each loan account separately and is determined by using available historical observations.

PD for stage 1: is derived as %age of all loans in stage 1 moving into stage 3 in 12-months' time.

PD for stage 2: is derived as %age of all loans in stage 2 moving into stage 3 in the maximum lifetime of the loans under observation.

PD for stage 3: is derived as 100% considering that the default occurs as soon as the loan becomes overdue for 60 days which matches the definition of stage 3.

39.2.c Exposure at default (EAD)

Exposure at default (EAD) is the sum of outstanding principal and the interest amount accrued but not received on each loan as at reporting date.

39.2.d Loss given default (LGD)

LGD is the opposite of recovery rate. LGD = 1 - (Recovery rate). LGD is calculated based on past observations of Stage 3 loans.

LGD is computed as below:

1. All Loans which are above 60 DPD as on 31 March 2013, are taken and the difference in the principal outstanding as on 31st March 2013 and 31st March 2019 is considered as recovery.

2. Likewise the same is done for all the loans (excluding the loans which are already considered in previous years) which are above 60 DPD as on 31 March 2014, 31 March 2015, 31 March 2016, 31 March 2017 and recovery rate is computed for each year.

3. LGD = 1- Recovery rate which is computed for each period of observation.

There are Liquidity Risk mitigation measures put in place which helps in maintaining the following:

Diversified funding resources:

The Company's treasury department secures funds from multiple sources, including banks, financial institutions and capital markets and is responsible for diversifying our capital sources, managing interest rate risks and maintaining strong relationships with banks, financial institutions, mutual funds, insurance companies, other domestic and foreign financial institutions and rating agencies. The Company continuously seek to diversify its sources of funding to facilitate flexibility in meeting our funding requirements. Due to the composition of our loan portfolio, which also qualifies for priority sector lending, it also engages in securitization and assignment transactions.

Asset Liability Management (ALM) can be termed as a risk management technique designed to earn an adequate return while maintaining a comfortable surplus of assets over liabilities. ALM, among other functions, is also concerned with risk management and provides a comprehensive as well as dynamic framework for measuring, monitoring and managing liquidity and interest rate risks. ALM is an integral part of the financial management process of CAGL. It is concerned with strategic balance sheet management, involving risks caused by changes in the interest rates and the liquidity position of CAGL. It involves assessment of various types of risks and altering the asset-liability portfolio in a dynamic way in order to manage risks.

ALM committee constitutes of Board of Directors who would review the tolerance limits for liquidity/ interest rate risks and would recommend to Board of Directors for its approval from time to time. As per the directions of the Board, the ALM statements would be reported to the ALM committee on quarterly basis for necessary guidance.

The scope of ALM function can be described as follows:

i. Funding and Capital Management,

ii. Liquidity risk management ,

iii. Interest Rate risk management ,

iv. Forecasting and analyzing 'What if scenario' and preparation of contingency plans.

Capital guidelines ensure the maintenance and independent management of prudent capital levels for CAGL to preserve the safety and soundness of the company, to support desired balance sheet growth and the realization of new business; and to provide a cushion against unexpected losses. Refer Note 35(a) with respect to regulatory capital of the Company as at the reporting dates.

39.2.e Grouping financial assets measured on a collective basis

The Company believes that the Joint Liability Group (JLG) loans have shared risk characteristics (i.e. homogeneous) and Individual loans (IL) have not shared risk characteristics. Therefore, JLG and IL are treated as two separate groups for the purpose of determining impairment allowance.

39.2.f Analysis of inputs to the ECL model under multiple economic scenarios

Adjusting the ECL to reflect the expected changes (if any) in the economic environment for forward looking information in the form of management overlay.

Based on the historical loss experience, adjustments need to be made on the average PD computed to give effect of the current conditions which is done through management overlay by assigning probability weightages to different scenarios.

The methodology and assumptions used for estimating future cash flows should be reviewed regularly so that there is minimum difference between expected loss and the actual loss expenses.

39.3 Interest Rate Risk (IRR)

RBI has allowed NBFCs to price most of their assets and liabilities. Interest rate risk is the risk where changes in market interest rates might adversely affect CAGL's financial condition and the changes in interest rates affect CAGL in a larger way. The immediate impact of changes in interest rates is on earnings (i.e. reported profits) by changing its Net Interest Margin (NIM). The risk from the earnings perspective can be measured as changes in Net Interest Margin (NIM). In line with RBI guidelines, the traditional GAP analysis is considered as a suitable method to measure the Interest Rate Risk for CAGL.

CAGL shall also adhere to these prudential limits and the tolerance/prudential limits for structural liquidity under different time bucket.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible charge in interest rates (all other variables being constant) of the Company's profit and loss statement.

₹ in crores

Particulars	Basis points	Effect on profit / loss and equity for the year 2018-19	Effect on profit / loss and equity for the year 2017-18
Borrowings			
Increase in basis points	+ 25	(4.61)	(2.83)
Decrease in basis points	- 25	4.61	2.83

39.4 Liquidity risk and funding management

Liquidity risk arises due to the unavailability of adequate amount of funds at an appropriate cost and tenure. The Company may face an asset-liability mismatch caused by a difference in the maturity profile of our assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. We monitor liquidity risk through our Asset Liability Management Committee. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term. We actively monitor our liquidity position to ensure that we can meet all borrower and lender-related funding requirements.

Liquidity assessment as on March 31, 2019

₹ in crores

Particulars	Upto 30/ 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings									
Debt securities	0.56	-	8.71	59.22	109.21	262.27	271.82	-	**711.79**
Borrowings (other than debt securities)	162.04	190.13	203.80	714.08	1,236.54	1,587.86	571.39	63.42	**4,729.26**
Subordinated liabilities	0.30	12.65	0.30	0.93	1.85	31.16	-	-	**47.20**
	162.90	**202.78**	**212.81**	**774.23**	**1,347.60**	**1,881.29**	**843.21**	**63.42**	**5,488.24**

Liquidity assessment as on March 31, 2018

₹ in crores

Particulars	Upto 30/ 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings									
Debt securities	7.86	18.57	74.47	24.97	84.58	393.19	354.70	105.75	**1,064.09**
Borrowings (other than debt securities)	113.22	139.18	189.94	570.62	989.90	966.36	27.32	-	**2,996.54**
Subordinated liabilities	0.83	4.84	0.83	2.49	8.71	32.14	69.55	-	**119.39**
	121.91	**162.59**	**265.24**	**598.08**	**1,083.20**	**1,391.69**	**451.57**	**105.75**	**4,180.03**

Liquidity assessment as on April 1, 2017

₹ in crores

Particulars	Upto 30/ 31 days	1 to 2 months	2 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Borrowings									
Debt securities	8.85	3.81	5.84	14.98	287.85	339.09	217.77	106.20	**984.39**
Borrowings (other than debt securities)	88.26	90.13	127.64	467.32	622.76	671.14	27.46	5.79	**2,100.49**
Subordinated liabilities	0.83	5.26	0.83	2.49	9.16	39.94	79.44	-	**137.95**
	97.94	**99.20**	**134.32**	**484.79**	**919.77**	**1,050.17**	**324.66**	**111.99**	**3,222.84**

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

40.1 Overall principle:

The Company has prepared the opening balance sheet as per Ind AS as of 1st April, 2017 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below:

Mandatory exceptions and optional exemption

Classification of debt instruments:

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

Determining whether an arrangement contains a lease:

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

Classification and measurement of financial assets:

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Impairment of financial assets:

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Share based payments:

Ind AS 102 share based payment has not been applied to equity instruments in share-based payment transactions that vested before April 1, 2017.

Estimates:

The estimates at April 1, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Previous GAAP did not require estimation:

- FVPTL / FVOCI - equity and debt instrument.
- Impairment of financial assets based on expected credit loss model.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2017, the date of transition to Ind AS and as of March 31, 2018.

40.2 Reconciliation of equity as at March 31, 2019 ₹ in crores

Sr. No.	Particulars	Refer Notes below	As at March 31, 2018			As at April 1, 2017		
			Previous GAAP	IndAS adjustments	IndAS	Previous GAAP	IndAS adjustments	IndAS
(1)	**Financial assets**							
(a)	Cash and cash equivalents		130.03	0.00	130.03	332.11	0.17	332.28
(b)	Bank balance other than (a) above		13.14	(0.11)	13.03	44.97	(0.29)	44.67
(c)	Other receivables		5.46	-	5.46	-	-	-
(d)	Loans	1 and 2	4,894.48	1.05	4,895.53	2,973.43	(133.36)	2,840.07
(e)	Investments		0.20	-	0.20	0.20	-	0.20
(f)	Other financial assets		12.45	0.11	12.56	7.76	0.12	7.88
(2)	**Non-financial assets**							
(a)	Current tax assets (net)		4.84	-	4.84	1.07	-	1.07
(b)	Deferred tax assets (net)	6	35.58	(5.58)	30.00	48.49	41.21	89.71
(c)	Property, plant and equipment		9.48	-	9.48	5.98	-	5.98
(d)	Capital work in progress		-	-	-	0.70	-	0.70
(e)	Intangible assets under development		1.06	-	1.06	2.33	-	2.33
(f)	Intangible assets		6.68	-	6.68	6.28	-	6.28
(g)	Other non-financial assets		5.50	(0.80)	4.70	7.28	(0.39)	6.89
	Total assets		**5,118.90**	**(5.33)**	**5,113.57**	**3,430.60**	**(92.54)**	**3,338.06**
(1)	**Financial liabilities**							
(a)	Payables							
	(I) Trade payables							
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		4.05	-	4.05	3.50	0.00	3.50
	(II) Other payables							
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		31.03	-	31.03	15.30	-	15.30
(b)	Borrowings	1						
	- Debt securities		793.05	(6.64)	786.41	743.68	(4.85)	738.83
	- Borrowings (other than debt securities)		2,762.30	(7.83)	2,754.46	1,867.63	(9.59)	1,858.04
	- Subordinated liabilities		83.04	(0.45)	82.59	88.59	(0.30)	88.29

₹ in crores

Sr. No.	Particulars	Refer Notes below	As at March 31, 2018			As at April 1, 2017		
			Previous GAAP	IndAS adjustments	IndAS	Previous GAAP	IndAS adjustments	IndAS
(2)	**Non-financial liabilities**							
(a)	Current tax liabilities (net)		-	-	-	10.15	-	10.15
(b)	Provisions	3	6.53	-	6.53	4.84	-	4.84
(c)	Other non-financial liabilities		11.02	-	11.02	6.09	-	6.09
(3)	**Equity**							
(a)	Equity share capital		128.43	-	128.43	85.68	-	85.68
(b)	Other equity		1,299.45	9.58	1,309.05	605.14	(77.80)	527.34
	Total liabilities and equity		**5,118.90**	**(5.33)**	**5,113.57**	**3,430.60**	**(92.54)**	**3,338.06**

40.3 Reconciliation of total comprehensive income for the year ended March 31, 2018

₹ in crores

Sr. No.	Particulars	Refer Notes below	For the year ended March 31, 2018		
			Previous GAAP	IndAS adjustments	IndAS
I	**Revenue from operations**				
(a)	Interest income	1	863.34	(3.65)	859.69
(b)	Dividend income		0.17	-	0.17
(c)	Net gain on fair value changes		4.11	-	4.11
(d)	Recovery against loans written offs		6.61	-	6.61
	Total revenue from operations (I)		**874.23**	**(3.65)**	**870.58**
II	**Other income**		0.95	-	0.95
III	**Total income (I+II)**		**875.18**	**(3.65)**	**871.53**
IV	**Expenses**				
(a)	Finance costs		353.83	(0.18)	353.65
(b)	Impairment of financial instruments	2	128.12	(141.54)	(13.42)
(c)	Employee benefits expenses	4	127.21	3.23	130.44
(d)	Depreciation, amortisation and impairment		5.17	-	5.17
(e)	Other expenses		67.99	(0.52)	67.47
	Total expenses (IV)		**682.32**	**(139.01)**	**543.31**
V	**Profit before tax (III-IV)**		**192.86**	**135.36**	**328.22**
VI	**Tax expense**				
	(1) Current tax		55.27	(0.47)	54.80
	(2) Deferred tax	6	12.91	47.99	60.90
	(3) Tax of earlier period		0.04	-	0.04
	Total tax expense (VI)		**68.22**	**47.52**	**115.74**
VII	**Profit / (loss) for the period (V-VI)**		**124.64**	**87.84**	**212.48**
VIII	**Other comprehensive income**	5	**-**	**(1.39)**	**(1.39)**
IX	**Total comprehensive income**		**124.64**	**86.45**	**211.09**

Notes:

1. **EIR on loans and borrowings:**

"Under Previous GAAP, loan processing fees received in connection with loans portfolios recognized upfront and credited to profit or loss for the period. Under Ind AS, loan processing fee is credited to profit and loss using the effective interest rate method. The unamortized portion of loan processing fee is adjusted from the loan portfolio.

For Borrowings under Previous GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under IndAS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

2 **Expected credit losses on loans:**

Under the Ind AS, allowance is provided on the loans given to customers on the basis of percentage obtained by evaluating the loss of the previous years. Under Previous GAAP, the Company has created provision for loans and advances based on the provisioning norms prescribed in NBFC Master Directions. Under Ind AS, impairment allowance has veen determined based on Expected Loss model (ECL). Due to ECL model, the Company impaired its loans and advances. In addition, ECL on off balance sheet has also been determined as per Ind AS. The differential impact has been adjusted in Retained earning/ Profit and loss during the year. Under Previous GAAP, contingent provision against standard assets and provision for non-performing assets were presented under provisions. However, under Ind AS financial assets measured at amortised cost and FVOCI are presented net of provision for expected credit losses.

3 **Defined benefit obligations:**

Both under Previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

4 **Share based payments:**

Under Previous GAAP, the Company recognised only the intrinsic value for the share based payments plans as an expense. Ind AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period.

5 **Other comprehensive income**

Under Previous GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Previous GAAP profit or loss to profit or profit or loss as per Ind AS. Further, Previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

6 **Deferred tax**

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Previous GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

41 Earnings per share (EPS)

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

Particulars	March 31, 2019	March 31, 2018
Net profit/ (loss) after tax as per statement of profit and loss (₹ in crores)	321.76	212.48
Net profit/ (loss) as above for calculation of basic EPS and diluted EPS (₹ in crores)	321.76	212.48
Add: Interest on debentures convertible into equity shares (net of tax) (₹ in crores)	-	-
Net profit/ (loss) for calculation of diluted EPS (₹ in crores)	321.76	212.48
Weighted average number of equity shares in calculating basic EPS	137,706,065	101,638,978
Stock options granted under ESOP	1,312,700	1,265,720
Weighted average number of equity shares in calculating dilutive EPS	139,018,765	102,904,698
Earnings per share	23.37	20.91
Dilutive earnings per share[#]	23.14	20.65
Nominal value per share	10.00	10.00

 # Since the impact of conversion potential equity shares is anti-dilutive in nature, the same has not been taken in the calculation of diluted EPS.

As per our report of even date

For S R BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm's Registration Number:
301003E/E300005

For and on behalf of Board of Directors of
CreditAccess Grameen Limited
(Formerly known as Grameen Koota Financial Services Private Limited)

per Shrawan Jalan
Partner
Membership No. 102102

Udaya Kumar Hebbar
Managing Director & CEO
Place: Bangalore
Date: May 08, 2019

M N Gopinath
Chairman
Place: Mumbai
Date: May 08, 2019

Diwakar B R
Chief Financial Officer
Place: Atlanta, Georgia, USA
Date: May 08, 2019

Syam Kumar R
Company Secretary
Place: Bangalore
Date: May 08, 2019

Place: Mumbai
Date: May 08, 2019

Corporate Information





Corporate Information

Registered Office	AUDITOR Information
New No. 49 (Old No. 725), 46th Cross, 8th Block, Jayanagar, (Next to Rajalakshmi Kalayana Mantap) Bengaluru 560071, Karnataka, India	S. R. Batliboi & Co. LLP ICAI Firm Registration no.: 301003E/E300005 14th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar (West), Mumbai - 400 028 (India).

Branch and District Details

State	No. of Districts	Total No. of Branches/RF/Others
Chhattisgarh	18	38
Goa	2	3
Karnataka	30	237
Kerala	3	7
Madhya Pradesh	36	93
Maharashtra	34	198
Odisha	14	25
Puduchery	1	1
Tamil Nadu	31	116
TOTAL		**718**

Bankers and Lenders

S. No.	Lender	Address
I	**Term Loan From Banks**	
1	Abu Dhabi Commercial Bank	AbuDhabi Comercial Bank PJSC, Ground Floor, West Wing, Corniche Al Latheef, No. 25, Cunningham Road, Bengaluru -560001
2	Axis Bank	Axis Bank Ltd, Corporate Office, Rural Lending (RL&P), 6th Floor, Gigaplex Building No. 1, ID 5, MIDC, Airoli Knowledge Park, Airoli, Mumbai - 400708
3	Bank of America	Global Corporate and Investment Banking, Bank of America, N.A., 17th Floor, A Wing, One BKC, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051
4	Bank of Bahrain and Kuwait	Gr. Floor, Jolly Maker Chamber - II 225, Nariman Point, Mumbai- 400 021
5	Bank of Baroda	Corporate Branch, First Floor, "Nitesh Lexington Avenue" # 72, Brigade Road, Bangalore - 560025
6	BNP Paribas	BNP Paribas House, 1, North Avenue, Maxer Maxity, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051
7	Citi Bank	Citibank N.A, 3rd Floor, 2, Club House Road, Chennai - 600002
8	CTBC Bank	Birla Tower, Upper Ground Floor, 25, Barakhamba Road, New Delhi - 110001

S. No.	Lender	Address
9	DCB Bank	Agri and Inclusive Banking, # 128(31/1), Prestige Meridian Annexe, M G Road, Bangalore- 560 001
10	Dena Bank	J P Nagar Branch, 127/A, 8th Main Road, 3rd Phase, J P Nagar, Bengaluru - 560 078
11	HDFC Bank	Sustainable Livelihood Initiative, HDFC Bank, 5-4-94 to 97 La La Land mark, 3rd Floor, M. G Road, Secunderabad-500003
12	ICICI Bank	ICICI Bank Ltd, ICICI Bank Towers, Financial District, Plot No. 12, Tower 3, North Wing, 6th Floor, Gachibowli, Hyderabad -500032
13	Indian Bank	IND MSME Mid Corporation Division, No. 10 2nd Floor, K G Road, Bengaluru - 560009
14	IndusInd Bank	#1 -10-72, 4th Floor, Ashoka Janardhan Chambers, Begumpet, Hyderabad - 500016
15	Kotak Mahindra Bank	12 BKC, 5th Floor, Plot No. C - 27, G Block, Bandra Kurla Complex, Bandra East, Mumbai -400051
16	Oriental Bank of Commerce	Mid Corporate Branch, 21/15, Land Mark, MG Road, Bengaluru560001
17	RBL Bank	Agri and Financial Inclusion Group, One India Bull Centre, Tower 2, 06th Floor, 841, Senapati Bapat Marg, Lower parel (W), Elphinstone Road, Mumbai - 400 013
18	Standard Chartered Bank	Financial Institutions, Origination & Client Coverage, 19 Rajaji Salai, 4th Floor, Chennai 600001
19	Sumitomo Mitsui Banking Corporation	New Delhi Branch, 13th Floor, Hindustan Times House, 18-20 KG Marg, Connaught Place, New Delhi -110001
20	Syndicate Bank	69, Ground Floor, 9th Main, Jayanagar 3rd Block, Bengaluru - 560011
21	The Federal Bank Limited	Regional Office, Bangalore North Region, 3rd Floor, Halycon Complex, No.9, St Marks Road, Bengaluru -560001
22	The Hongkong and Shanghai Banking Corporation Limited	No. 7, 4th Floor, M G Road, Bengaluru -560001
23	The Lakshmi Vilas Bank Limited	Commercial Banking Branch, Global Tech Park Pvt. Ltd., #11, Ground floor, O Shaughnessy Road, Langford Town, Bengaluru 560025
24	The South Indian Bank Limited	Bangalore Corporate Branch, No. 74, Sumeru Towers, Near St. Joseph's College of Commerce, Brigade Road, Bengaluru-560025
25	Union Bank of India	SME Saral, Mahaveer Arcade, #97, First Floor, Sirsi Road, Chamrajpet, Bengaluru -560018
26	Vijaya Bank	Residency Road Branch, 2, Residency Road, Bengaluru-560025
27	Woori Bank	Woori Bank, Gurgaon, 1st Floor, A-Block, Salcon Platina Building, DLF Phase - 1, Sikanderpur, MG Road, Sec-28 Gurgaon, Haryana - 122001

S. No.	Lender	Address
28	Yes Bank	#4, 17th Cross, Ground Floor, MC Layout (Behind Maruthi Mandir), Vijayanagar, Bengaluru- 560040
II	**Term Loan From All India Financial Institutions**	
29	MUDRA	MUDRA- SME Development Centre, Plot No. C-11, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051
30	NABARD	Department of Refinance - Long Term & GSS, NABARD, Karnataka Regional OfficeBengaluru - 560009
III	**Term Loan From NBFCs**	
31	Bajaj Finance Ltd	The Capital, Plot No. C-70, G-Block, B-wing, 16th Floor, Opp:ICICI Bank, Bandra Kurla Complex, Mumbai 400051
32	Hero Fincorp Ltd	Vatika Business Centre, Divyashree Chambers, 2nd Floor, 11, O'Shaughnessy Road, Langford Gardens, Bengaluru-560025
33	Mahindra & Mahindra Financial Services Limited	Sadhana House, 2nd Floor, 570, P.B. Marg, Worli, Mumbai - 400018
IV	**ECB - Term Loan**	
34	Water Credit Investment Fund	B 8, Sea Face Park, 50, Bhulabhai Desai Road, Mumbai - 400026
35	International Finance Corporation	International Finance Corporation, Vibgyor Towers, 6th Floor, G Block, C-62,Bandra Kurla Complex, Bandra East, Mumbai - 400051
V	**Sub-Debt**	
36	IDFC FIRST Bank	Naman Chambers, C-32, G- Block, Bandra- Kurla Complex, Bandra (E), Mumbai 400051
37	Deutsche Bank -GCMC II	Sustainable Investments, Global Social Finance, Deutsche Asset Management, 345 Park Avenue, 26th Floor, New York, USA
VI	**N C D**	
38	Blue Orchard	7th Floor, #46, Mao Tsetoung Boulevard (245), Corner Str. 95 Than's building, Sangkat Beong Trabek, Khan Chamkarmorn, Phnom Penh, Cambodia
39	International Finance Corporation	International Finance Corporation, Vibgyor Towers, 6th Floor, G Block, C-62,Bandra Kurla Complex, Bandra East, Mumbai - 400051
40	MicroVest Funds	7315 Wisconsin Avenue, Suite 300W, Bethesda, MD 20814 USA
41	Triodos Investment Management BV	Triodos Investment Management BV, Arnhemse Bovenweg 140, PO Box 55, 3708 AH Zeist
42	responsAbility	responsAbility India, Business Adviors Pvt Ltd, Green Acre, 1st Floor,31, Union Park Road, #5 Khar (W), Mumbai - 400052

S. No.	Lender	Address
VII	**PTC/Direct Assignment**	
43	AU Small Finance Bank	Corporate Office: 5th Floor, E Wing, Kanakia Zillion, Junction of CST Road and L.B.S. Marg, Kurla West, Mumbai - 400 070
44	DCB Bank	Agri and Inclusive Banking, # 128(31/1), Prestige Meridian Annexe, M G Road, Bengaluru 560 001
45	Kotak Mahindra Bank	12 BKC, 5th Floor, Plot No. C - 27, G Block, Bandra Kurla Complex, Bandra East, Mumbai -400051
46	MUDRA	MUDRA- SME Development Centre, Plot No. C-11, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051
47	RBL Bank	Agri and Financial Inclusion Group, One India Bull Centre, Tower 2, 06th Floor, 841, Senapati Bapat Marg, Lower Parel (W), Elphinstone Road, Mumbai - 400 013
48	State Bank of India	SBI, Specialised Agri Commercial Branch, SBI Local Head Office Campus, #65, St. Mark's Road, Bengaluru - 560 001
49	The Lakshmi Vilas Bank Limited	Commercial Banking Branch, Global Tech Park Pvt. Ltd., #11, Ground floor, O Shaughnessy Road, Langford Town, Bengaluru 560025

Abbreviations used in Report

CA GRAMEEN - CreditAccess Grameen Limited
CEO - Chief Executive Officer
CTO - Chief Technology Officer
CFO - Chief Financial Officer
CSR - Corporate Social Responsibility
CAGR - Compound Annual Growth Rate
CRISIL - Credit Rating Information Services of India Limited
EPS - Earnings Per Share
FY - Fiscal Year
GLP - Gross Loan Portfolio
GKFSPL - Grameen Koota Financial Services PVT LTD (Former name of CreditAccess Grameen Limited)
GST - Goods and Services Tax
H1FY - First Half of Fiscal Year
IL&FS - Infrastructure Leasing and Financial Services
IT - Information Technology
IPO - Initial Public Offering
ICRA - Investment and Credit Rating Agency
ISN - Initial Sequence Numbers
JLG - Joint Liability Groups
Kms - Kilometers
LODR - Listing Obligations and Disclosure Requirements
LOA - Letter of Authorization
MFI - Microfinance Institutions
MD - Managing Director
MFIN - Microfinance Institutions Network
MSME - Micro, Small and Medium Enterprises
MCA - Ministry of Corporate Affairs
MCRIL - Micro-Credit Ratings International Limited
NGO - Non-Profit Organisation
NBFC - Non-Banking Financial Institution
NCD - Negotiable Certificate of Deposit
NPS - National Pension Scheme
PAT - Profit After Tax
P&L - Profit and Loss
RMC - Risk Management Committee
RBI - Reserve Bank of India
SFB - Small Finance Banks
SEBI - Securities and Exchange Board of India
SMERA - Small and Medium Enterprises Rating Agency
TOT -Training for Trainers
WASH - Water, Sanitation and Hygiene Program

Notes


Together we walk.
Together we grow.



GrameenKoota®
financial services

CREDITACCESS GRAMEEN LIMITED
(Formerly known as Grameen Koota Financial Services Pvt. Ltd.)
Regd. Off: New No. 49 (Old No. 725), 46th Cross, 8th Block, Jayanagar,
Next to Rajalakshmi Kalyan Mantap, Bangalore 560 071, Karnataka, India
Tel.: 080-22637300. Fax: 080-2664343
CIN: L51216KA1991PLC053425

www.grameenkoota.org
info@grameenkoota.org
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