

August 01, 2020

BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400001
Scrip code: **541770**

National Stock Exchange of India Limited

The Exchange Plaza
Bandra Kurla Complex Bandra (East)
Mumbai 400051
Scrip code: **CREDITACC**

Dear Sir/Madam,

Subject: Outcome of Board Meeting of the Company held on August 01, 2020

In accordance with provisions of Regulation 30 (read with Part A of Schedule III) and Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we hereby inform that the Board of Directors of the Company has, at its meeting held today i.e. on Saturday, August 01, 2020, inter alia considered and unanimously:

1. Approved the Unaudited Financial Results (Standalone and Consolidated) of the Company, for the quarter ended June 30, 2020. A copy of the said standalone and consolidated financial results, limited review report for standalone and consolidated financial results are enclosed.
2. Authorized Executive, Borrowings and Investment Committee of the Board of Directors to evaluate proposals to raise funds up to INR 3000 crore by issuance of 'Securities', which includes bonds, debentures, Non-Convertible debt instruments, commercial papers or any other marketable instruments, either through private placement or through any other permissible mode or any combination thereof, as may be decided by the Board and subject to such statutory / regulatory approvals as may be necessary, including the approval of the Shareholders of the Company, wherever required
3. Approved the terms of issue of Commercial Papers (CPs) to be issued by the Company to State Bank of India on a private placement basis as per the terms mentioned hereunder

Facility	Commercial Paper
Size of the issue	INR 200 Crore
Listing	Proposed to be listed on the Wholesale Debt Market Segment (WDM) of BSE.
Tenure	90 days
Date of allotment (Deemed date)	1st week of August
Date of Maturity	Maturity is 90 days from the date of allotment

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coupon/interest offered, schedule of payment of coupon/interest and principal;	7.60% p.a.
charge/security, if any, created over the assets;	Unsecured
special right/interest/privileges attached to the instrument and changes thereof;	N.A.
Delay in payment of interest / principal amount for a period of more than three months from the due date or default in payment of interest / principal;	N.A.
Details of any letter or comments regarding payment/non-payment of interest, principal on due dates, or any other matter concerning the security and /or the assets along with its comments thereon, if any;	N.A.
details of redemption of preference shares indicating the manner of redemption (whether out of profits or out of fresh issue) and debentures	N.A.

The Board meeting commenced at 2.30 pm and concluded at 5.20 p.m.

You are requested to take the same on record

**Thanking you,
For CreditAccess Grameen Limited**

UDAYA
KUMAR
HEBBAR

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by UDAYA
KUMAR HEBBAR
Date: 2020.08.01
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**Udaya Kumar Hebbar
Managing Director & CEO**

Encl: as above

Our Financial Products



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

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

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

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

SHRAWAN KUMAR JALAN
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Date: 2020.08.01 15:54:19 +05'30'

per Shrawan Jalan
Partner
Membership No.: 102102

UDIN: 20102102AAACMH5902

Mumbai
August 1, 2020

CreditAccess Grameen Limited					
#49, 46th Cross, 8th Block, Jayanagar, Bangalore - 560071					
Statement of unaudited standalone financial results for the quarter ended June 30, 2020					
CIN: L51216KA1991PLC053425					
₹ in crores					
Sr. No.	Particulars	Quarter ended			Year ended
		30-Jun-20 (Unaudited)	31-Mar-20 (Audited) (Refer Note 8)	30-Jun-19 (Unaudited)	31-Mar-20 (Audited)
	Revenue from operations				
(a)	Interest income				
	- Interest on loans	487.79	451.40	352.54	1,588.80
	- Income on securitisation (re-recognised on balance sheet)	-	0.60	10.25	22.25
	- Interest on deposits with banks and financial institutions	1.28	2.38	1.43	6.14
(b)	Fees and commission	0.34	2.00	0.71	4.95
(c)	Net gain on fair value changes	20.55	3.16	10.01	56.15
(d)	Bad debt recovery	0.14	1.38	1.52	5.20
I	Total revenue from operations	510.10	460.92	376.46	1,683.49
II	Other income	0.58	0.12	0.24	0.87
		0.58	0.12	0.24	0.87
III	Total income (I+II)	510.68	461.04	376.70	1,684.36
	Expenses				
(a)	Finance costs				
	- On borrowings	185.10	166.27	120.07	563.89
	- On financial liability towards securitisation (re-recognised on balance sheet)	-	1.37	3.55	8.78
(b)	Impairment of financial instruments	138.97	140.68	15.47	238.98
(c)	Employee benefits expenses	76.71	68.17	58.64	259.64
(d)	Depreciation and amortisation expenses	5.48	5.07	3.27	19.64
(e)	Other expenses	18.88	49.64	27.57	142.54
IV	Total expenses (IV)	425.14	431.20	228.57	1,233.47
V	Profit before tax (III-IV)	85.54	29.84	148.13	450.89
	Tax expense				
	(1) Current tax	47.88	41.90	56.25	159.32
	(2) Deferred tax	(25.94)	(34.87)	(3.95)	(35.93)
VI	Total tax expense (VI)	21.94	7.03	52.30	123.39
VII	Profit for the period / year (V-VI)	63.60	22.81	95.83	327.50
VIII	Other comprehensive income				
(a)	(1) Items that will not be reclassified to profit or loss	(0.14)	(0.36)	0.26	0.05
	(2) Income tax relating to items that will not be reclassified to profit or loss	0.04	0.09	(0.09)	(0.01)
	Subtotal (a)	(0.10)	(0.27)	0.17	0.04
(b)	(1) Items that will be reclassified to profit or loss	11.64	(30.36)	(5.92)	(34.83)
	(2) Income tax relating to items that will be reclassified to profit or loss	(2.93)	7.64	2.07	7.46
	Subtotal (b)	8.71	(22.72)	(3.85)	(27.37)
	Other comprehensive income (VIII = a+b)	8.61	(22.99)	(3.68)	(27.33)
IX	Total comprehensive income (VII+VIII) (comprising profit and other comprehensive income for the period / year)	72.21	(0.18)	92.15	300.17
X	Earnings per equity share (face value of ₹ 10 each)				
	Basic (EPS) *	4.42	1.58	6.67	22.78
	Diluted (DPS) *	4.39	1.57	6.61	22.59
* The EPS and DPS for quarters ended June 30, 2020, March 31, 2020 and June 30, 2019 are not annualised.					

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

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

Notes:

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

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

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

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

- 4 Further, in view of the matters as mentioned in note 3 above, the Company has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. With the relaxation of lockdown rules, as well as resumption of commercial activities by borrowers in a majority of geographies in which the Company operates, management is confident that collections will continue, albeit likely at a lower level than earlier, as experienced during the month of June 2020. Further, the Company has considered its current liquidity position which includes cash and cash equivalents of ₹ 1,068.08 crores as at June 30, 2020 and the expected inflows from various sources of borrowings including various stimulus packages announced by the Government of India, and fresh sanctions from existing / prospective lenders as well as the incremental loan disbursements planned for the foreseeable future. Based on the foregoing and necessary stress tests considering various scenarios adjusted for actual loan collection trends observed during the quarter, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future.
- 5 During the previous year, the Company has completed the acquisition of a controlling stake (76.08%) in the paid-up equity share capital of Madura Micro Finance Limited (MMFL), an NBFC-MFI registered with the Reserve Bank of India (RBI) which will subsequently be followed by an amalgamation of MMFL's business with the Company, subject to obtaining necessary approvals from various regulatory authorities.
- 6 The Company operates in a single business segment i.e. lending to members, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Company operates in a single geographical segment i.e. domestic.
- 7 From the previous financial year, the Company has opted for reduced rate of 25.17% for computation of income tax as per newly inserted Section 115BAA of the Income Tax Act, 1961.
- 8 The figures for the quarter ended March 31, 2020 are the balancing figures between audited figures for the financial year ended March 31, 2020 and the unaudited published year to date figures upto December 31, 2019.
- 9 Previous year / periods figures have been regrouped / rearranged, wherever considered necessary, to conform with current period's classification.

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


Udaya Kumar Hebbar
Managing Director & CEO

Bangalore
 August 01, 2020



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

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

1. We have reviewed the accompanying statement of unaudited consolidated financial results of CreditAccess Grameen Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the quarter ended June 30, 2020 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:
 - (i) Madura Micro Finance Limited
 - (ii) Madura Micro Education Private Limited
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Ind AS 34 prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of matter

6. a) We draw attention to Note 3 to the Statement, which describes the economic and social disruption, as a result of COVID-19 pandemic, of the Group's business and financial metrics, including the Group's estimates of impairment of loans to customers and assumptions used in testing the impairment of the carrying value of goodwill, which are highly dependent on uncertain future developments. Our conclusion is not modified in respect of this matter.
- b) We draw attention to the following paragraphs in the review report on the unaudited consolidated financial results of Madura Micro Finance Limited ("MMFL"), a subsidiary of the Holding Company, issued by its auditor as follows:

- (i) "Pursuant to the Reserve Bank of India Circulars dated March 27, 2020 and May 23, 2020 allowing lending institutions to offer moratorium to borrowers on payment of Instalments falling due between March 1, 2020 and August 31, 2020 the Group has extended/will be extending moratorium to its borrowers in accordance with its Board approved Policy. As at Jun 30, 2020, for determination of Expected Credit Loss (ECL) provisioning, the ageing of these Loans and Advances and their Asset Classification will remain unchanged since March 1, 2020 as per the Regulatory package. Moreover, the estimates and assumptions made by management in determining the ECL provision required for its loans are subject to uncertainties that are associated with the outcome of the pandemic. Hence the actual results may vary from these estimates.
- (ii) The appointment and payment of remuneration to the Managing director for the period from October 2013 to September 2016 is subject to the approval of the Central government. A sum of Rs.1.33 crore (excluding gratuity) had been paid as remuneration to the Managing Director for this period subject to central government approval and charged to the Statement of Profit and Loss in the respective years.

Our conclusion is not modified in respect of the above matter."

Other matters

7. The accompanying Statement includes the unaudited interim financial results and other unaudited financial information in respect of one subsidiary whose unaudited interim financial results include total revenues of Rs.108.91 crore, net profit after tax of Rs.14.09 crore and total comprehensive income of Rs.14.11 crore for the quarter ended June 30, 2020, as considered in the Statement which have been reviewed by its independent auditor.

The independent auditor's report on the interim financial results of this entity has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of this subsidiary is based solely on the report of such auditor and procedures performed by us as stated in paragraph 3 above.

8. The accompanying Statement includes the unaudited interim financial results and other unaudited financial information in respect of one subsidiary whose unaudited interim financial results include nil revenue, net loss after tax of Rs.0.10 crore and total comprehensive loss of Rs.0.10 crore for the quarter ended June 30, 2020 as considered in the Statement whose interim financial results and other financial information have not been reviewed by its auditor.

These unaudited interim financial results and other unaudited financial information have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of this subsidiary is based solely on such unaudited interim financial results and other unaudited financial information. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

Our conclusion on the Statement in respect of matters stated in paragraph 7 and 8 above is not modified with respect to our reliance on the work done and the report of the other auditor and the financial results certified by the Management.

For **S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**SHRAWAN
KUMAR JALAN**

per **Shrawan Jalan**

Partner

Membership No.: 102102

UDIN: 20102102AAACMI5726

Mumbai

August 1, 2020

Digitally signed by SHRAWAN
KUMAR JALAN
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Date: 2020.08.01 15:53:38 +05'30'

CreditAccess Grameen Limited					
#49, 46th Cross, 8th Block, Jayanagar, Bangalore - 560071					
Statement of unaudited consolidated financial results for the quarter ended June 30, 2020					
CIN: L51216KA1991PLC053425					
₹ in crores					
Sr. No.	Particulars	Quarter ended			Year ended
		30-Jun-20 (Unaudited)	31-Mar-20 (Audited) (Refer Note 8)	30-Jun-19 (Unaudited) (Refer Note 5)	31-Mar-20 (Audited)
	Revenue from operations				
(a)	Interest income				
	- Interest on loans	589.22	466.54	352.54	1,603.94
	- Income on securitisation (re-recognised on balance sheet)	5.38	1.41	10.25	23.06
	- Interest on deposits with banks and financial institutions	2.49	2.57	1.43	6.34
	- Income from portfolio purchased under assignment	0.35	0.05	-	0.05
(b)	Fees and commission	0.35	2.05	0.71	5.00
(c)	Net gain on fair value changes	21.18	3.35	10.01	56.35
(d)	Bad Debts Recovery	0.32	1.55	1.52	5.38
(e)	Others	-	4.19	-	4.19
I	Total revenue from operations	619.29	481.71	376.46	1,704.31
II	Other income	0.58	0.41	0.24	1.17
		0.58	0.41	0.24	1.17
III	Total income (I+II)	619.87	482.12	376.70	1,705.48
	Expenses				
(a)	Finance costs				
	- On borrowings	231.05	173.27	120.07	570.89
	- On financial liability towards securitisation (re-recognised on balance sheet)	1.65	1.69	3.55	9.09
(b)	Impairment of financial instruments	155.10	138.96	15.47	237.27
(c)	Employee benefits expenses	97.22	70.57	58.64	262.05
(d)	Depreciation and amortisation expenses	10.66	5.80	3.27	20.37
(e)	Other expenses	23.73	51.31	27.57	144.21
IV	Total expenses (IV)	519.41	441.60	228.57	1,243.88
V	Profit before tax (III-IV)	100.46	40.52	148.13	461.60
	Tax expense				
(1)	Current tax	53.30	43.05	56.25	160.47
(2)	Deferred tax	(27.46)	(33.31)	(3.95)	(34.36)
VI	Total tax expense (VI)	25.84	9.74	52.30	126.11
VII	Profit for the period / year (V-VI)	74.62	30.78	95.83	335.49
VIII	Other comprehensive income				
(a)	(1) Items that will not be reclassified to profit or loss	(0.12)	(0.39)	0.26	0.02
	(2) Income tax relating to items that will not be reclassified to profit or loss	0.04	0.10	(0.09)	(0.01)
	Subtotal (a)	(0.08)	(0.29)	0.17	0.01
(b)	(1) Items that will be reclassified to profit or loss	11.64	(30.36)	(5.92)	(34.83)
	(2) Income tax relating to items that will be reclassified to profit or loss	(2.93)	7.64	2.07	7.46
	Subtotal (b)	8.71	(22.72)	(3.85)	(27.37)
	Other comprehensive income (VIII = a+b)	8.63	(23.01)	(3.68)	(27.36)
IX	Total comprehensive income (VII+VIII) (comprising profit and other comprehensive income for the period / year)	83.25	7.77	92.15	308.13
	Profit is attributable to:				
	Owners of the Company	72.00	28.84	95.83	333.55
	Non-controlling interest	2.62	1.94	-	1.94
	Other comprehensive Income is attributable to:				
	Owners of the Company	8.62	(23.00)	(3.68)	(27.35)
	Non-controlling interest	0.01	(0.01)	-	(0.01)
	Total comprehensive Income is attributable to:				
	Owners of the Company	80.62	5.84	92.15	306.20
	Non-controlling interest	2.63	1.93	-	1.93
X	Earnings per equity share (face value of ₹ 10 each)				
	Basic (EPS) *	5.00	2.00	6.67	23.20
	Diluted (DPS) *	4.97	1.99	6.61	23.00
* The EPS and DPS for quarters ended June 30, 2020, March 31, 2020 and June 30, 2019 are not annualised.					

Our Financial Products


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

Notes:

- 1 The above consolidated financial results of CreditAccess Grameen Limited (the 'Holding Company') and its subsidiaries (collectively referred to as the 'Group') for the quarter ended June 30, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on August 1, 2020 respectively and subjected to limited review by statutory auditors in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.
- 2 The financial results of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and notified under Section 133 of the Companies Act, 2013 ("the Act").
- 3 The COVID-19 pandemic has contributed to a significant disruption of the economic activities across the globe including India. The Government of India announced a strict nation-wide lockdown to contain the spread of the virus which continued till May 31, 2020. Subsequently, various state governments and local statutory authorities have imposed restrictions on economic activities depending upon the severity of the pandemic in different parts of the country which has continued to impact Group's operations including lending and collection activities due to inability of employees to physically reach borrowers and other operational challenges.

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

At March 31, 2020, the Group had recorded a management overlay allowance of ₹ 93 crore as part of its expected credit loss estimate, to reflect, among other things, an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic based on the information available till that point in time. Further, during the quarter ended June 30, 2020 the Group has re-assessed the provisions made having regard to the continued disruption and its likely impact over a period further than that anticipated as of March 31, 2020. Accordingly, the Group has provided an additional management overlay of ₹ 152.53 crores for the quarter, taking the total provision for expected credit losses as at June 30, 2020 to ₹ 465.00 crore (including total management overlay for COVID-19 of ₹ 245.53 crore).

Given the unique nature and scale of this pandemic, its full extent of impact on the Group's operations and financial metrics (including impairment allowances for loan portfolio and the assumptions used in testing the impairment of the carrying value of goodwill) will depend on highly uncertain future developments including governmental and regulatory measures and the Group's responses thereto. Accordingly, the aforesaid management overlay is based on various variables and assumptions, which could result in actual credit loss being different than that being estimated.
- 4 Further, in view of the matters as mentioned in note 3 above, the Group has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. With the relaxation of lockdown rules, as well as resumption of commercial activities by borrowers in a majority of geographies in which the Group operates, management is confident that collections will continue, albeit likely at a lower level than earlier, as experienced during the month of June 2020. Further, the Group has considered its current liquidity position which includes cash and cash equivalents of ₹ 1,117.23 crores as at June 30, 2020 and the expected inflows from various sources of borrowings including various stimulus packages announced by the Government of India, and fresh sanctions from existing / prospective lenders as well as the incremental loan disbursements planned for the foreseeable future. Based on the foregoing and necessary stress tests considering various scenarios adjusted for actual loan collection trends observed during the quarter, management believes that the Group will be able to pay its obligations as and when these become due in the foreseeable future.
- 5 During the previous year, the Holding Company had completed the acquisition of a controlling stake (76.08%) in the paid-up equity share capital of Madura Micro Finance Limited (MMFL), an NBFC-MFI registered with the Reserve Bank of India (RBI) which will subsequently be followed by an amalgamation of MMFL's business with the Holding Company, subject to obtaining necessary approvals from various regulatory authorities. Pursuant to the acquisition of controlling stake in MMFL, the Holding Company has prepared these consolidated financial results for the first time in March 2020. Accordingly, figures for the corresponding quarter ended June 2019 represents the standalone financial results of the Holding Company and are not comparable.
- 6 The Group operates in a single business segment i.e. lending to members, having similar risks and returns for the purpose of Ind AS 108 on 'Operating Segments'. The Company operates in a single geographical segment i.e. domestic.
- 7 From the previous financial year, the Holding Company and its subsidiary MMFL has opted for reduced rate of 25.17% for computation of income tax as per newly inserted Section 115BAA of the Income Tax Act, 1961.
- 8 The figures for the quarter ended March 31, 2020 are the balancing figures between audited consolidated figures for the financial year ended March 31, 2020 and the unaudited published year to date standalone figures upto December 31, 2019.
- 9 Previous year / periods figures have been regrouped / rearranged, wherever considered necessary, to conform with current period's classification.

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


Udaya Kumar Hebbar
Managing Director & CEO

Bangalore
August 01, 2020



Our Financial Products



Micro Finance



Retail Finance