



SMERA RATINGS LIMITED

SMERA Comprehensive Grading

M2C2

*(High capacity of the
MFI to manage its
operations in a
sustainable manner and
good performance on
code of conduct
dimensions)*

SMERA MFI Grading

Cashpor Micro Credit (CMC)

Date of Report:

31th March, 2017

Valid Till:

30th March, 2018

SMERA's MFI Comprehensive Grading Scale

The grading is done on 8 x 5 matrix. The matrix assesses the entity on two broad parameters:

- Capacity to manage their microfinance operations in a sustainable manner
- Performance on COCA dimensions

Scale	C1	C2	C3	C4	C5
M1					
M2		M2C2			
M3					
M4					
M5					
M6					
M7					
M8					

The MFI obtains comprehensive MFI grading of “M2C2”. It signifies high capacity of the MFI to manage its operations in a sustainable manner and good performance on code of conduct dimensions.

Grading Rationale

Microfinance Capacity Assessment Grade	CMC obtains “ M2 ” as its performance grade which signifies “high capacity of the organization to carry out its activities in a sustainable manner”.
Code of Conduct Assessment Grade	CMC obtains “ C2 ” as its Code of Conduct Assessment Grade which signifies good performance on COCA dimensions.

*Comprehensive MFI Grading provides opinion of the Rating Agency on MFI’s capacity to carry out its microfinance operations in a sustainable manner and its adherence to Industry code of conduct. MFI Capacity Assessment Grading has been done on the dimensions of **Capital Adequacy, Governance, Management Quality and Risk Management Systems**. Assessment on Code of Conduct has been done on the indicators pertaining to **Transparency, Client Protection, Governance, Recruitment, Client Education, Feedback & Grievance Redressal and Data Sharing**. Some of these indicators have been categorized as Higher Order indicators consisting of indicators on **Integrity and Ethical Behaviour and Sensitive Indicators**.*

Conflict of Interest Declaration

The Rating Agency (including its holding company and wholly owned subsidiaries) has not been involved in any assignment of advisory nature for a period of 12 months preceding the date of the comprehensive grading. None of the employees or the Board members of the Rating agency have been a member of the Board of Directors of the MFI during for a period of 12 months preceding the date of the comprehensive grading.

Disclaimer

This Grading is based on the data and information (Data) provided by the MFI and obtained by SMERA from sources it considers reliable. Although reasonable care has been taken to verify the Data, SMERA, makes no representation or warranty, expressed or implied with respect to the accuracy, adequacy or completeness of any Data relied upon. SMERA is not responsible for any errors or omissions or for the results obtained from the use of the Grading or the Grading Report and especially states that it has no financial liability, whatsoever, for any direct, indirect or consequential loss of any kind arising from the use of its Gradings.

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Historical Rating Grades

Date	Rating Agency	Comprehensive rating grade
June, 2016	ICRA Ratings	M2+
September, 2016	India Ratings & Research	IND BBB/Stable

SMERA's MFI Grading Scale

Microfinance Capacity Assessment Grading Symbols and Definitions

Grading Scale	Definitions
M1	MFI with this grade are considered to have highest capacity to manage their microfinance operations in a sustainable manner.
M2	MFI with this grade are considered to have high capacity to manage their microfinance operations in a sustainable manner.
M3	MFI with this grade are considered to have above average capacity to manage their microfinance operations in a sustainable manner.
M4	MFI with this grade are considered to have average capacity to manage their microfinance operations in a sustainable manner.
M5	MFI with this grade are considered to have inadequate capacity to manage their microfinance operations in a sustainable manner.
M6	MFI with this grade are considered to have low capacity to manage their microfinance operations in a sustainable manner.
M7	MFI with this grade are considered to have very low capacity to manage their microfinance operations in a sustainable manner.
M8	MFI with this grade are considered to have lowest capacity to manage their microfinance operations in a sustainable manner.

Code of Conduct Assessment Scale and Definitions

Grading Scale	Definitions
C1	MFI with this grade have excellent performance on Code of Conduct dimensions
C2	MFI with this grade have good performance on Code of Conduct dimensions
C3	MFI with this grade have average performance on Code of Conduct dimensions
C4	MFI with this grade have weak performance on Code of Conduct dimensions
C5	MFI with this grade have weakest performance on Code of Conduct dimensions

Company Profile

Name of the MFI	Cashpor Micro Credit	
Operational Head – Microfinance Business	Name	Mr. Ajay Shankar Mishra
	Designation	Chief Operations Officer
	Mobile No.	+91-9794452519
	Email ID	coo@cashpor.in
	Date of Joining	01/May/1999
Date of Incorporation/Establishment	10/Dec/2002	
Date of commencement of microfinance business	December, 2002	
Legal Status	CMC is registered as a not-for-profit Section 25 company, under the Indian Companies Act 1956	
Business of the company	Microfinance lending through joint liability groups	
Correspondence Address	B-4, DIG Colony, M.A. Road, Varanasi, Uttar Pradesh-221002	
Geographical Reach (As on 31/03/2017)	No. of States	05
	No. of Districts	61
	No. of Branches	501
	No. of Active Borrowers	852,898
	No. of Total Employees	3347
	No. of Field/Credit Officers	2188
Visit of the Assessment team	20 th March, 2017 to 23 rd March, 2017 26 th March, 2017 to 30 th March, 2017	

Product Profile

Income Generating Loans (IGL)				
Name of Loan	Repayment Frequency to be decided by client	Maximum Loan Tenure	Interest Rate**	Processing Fee (%)**
Income Generating Loans (First Cycle) (from Rs.2,000/- to Rs.30,000/-)	Weekly/ Fortnightly/ Monthly	52/104 Weeks	21.17% to 21.66%	0.50%
Income Generating Loans (Bigger Loan) Second cycle onwards : up to Rs. 50,000/-	Weekly/ Fortnightly/ Monthly	104 Weeks	22.01% to 22.25%	0.50%
IGL/Non-IGL (Flexi Loans) (from Rs.5,000/- to Rs.15,000/-) in multiple of Rs 1,000/-	Weekly/ Fortnightly/ Monthly	Max. 100 weeks (where existing IGL is of 2 years and 48 weekly Instalments where existing IGL is of 1 year)	21.17%	1.00%

Non Income Generating Loans (Non IGL)						
Name of loan products	Repayment Frequency	Loan Tenure	Grace Period	Interest rate**	Processing Fee (%)	Purpose
1. CASHPOR Health Loan (Rs.1000/- to Rs.10000/-)	Weekly	52 Weeks	2 Weeks	21.17%- 21.66%	Nil	Construction of new toilets, to get water connection, to build water supply in toilets, laying foundation of hand-pump, Repair renovation of hand-pump/old toilets etc
2. CASHPOR Urja Loan (Loan up to Rs.5000/-)	Weekly	52 Weeks	2 Weeks	19.29%	1%	For purchasing Smokeless Stove /Solar Lamp/any Solar Energy based devices

3. CASHPOR Mahila Sashaktikaran Loan (Loan up to Rs.1000/-)	Weekly	52 Weeks	2 Weeks	21.17%-21.66%	Nil	For Buying a new Mobile phone for smoothly operate their Savings Account
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III. Emergency Loans						
Name of loan products	Repayment Frequency	Loan Tenure	Grace Period	Interest rate**	Processing Fee (%)	Purpose
CASHPOR Mahila Suraksha Loan (Loan up to Rs.3000/-)	Weekly	26 Weeks	5 Weeks	15.94%	Nil	Loan can be utilized for the following emergency situation, like: (i) Flood, (ii) Fire, (iii) Epidemic, (iv) Serious Accident, and (v) Earth Quake

Capital Structure as on 28/Feb/2017

Authorized Capital	Rs.15.00 crore
Paid Up Capital	Rs.5.39 crore

Shareholding Pattern

Shareholder's -Equity Shares as on 28/Feb/2017

Name of the Shareholders	Shares	Shares in %
Cashpor Financial and Technical Services Pvt Ltd	5,389,993	99.99
Others	07	0.01
Total	5,390,000	100.00

Board of Directors/Promoters Profile

Name of Directors	Designation	Brief Profile
Mr. David S. Gibbons	Chairman & Nominee Director, CFTS Pvt. Ltd.	Prof. Gibbons is a PhD holder in Politics and Economics from Princeton in 1968. He taught subsequently at University Sains in Penang, under whose auspices he founded AmanahIkhtiar Malaysia, the first successful international replication of the Grameen Bank of Bangladesh. In 1996, Prof Gibbons founded the CASHPOR Trust in India, which became the promoter of CASHPOR Financial and Technical Services which is the holding company of CASHPOR Micro Credit, a Not-for-Profit MFI. He was awarded with "Recognition of Individual Contribution to the Growth of the Microfinance Sector in India in 2011 at Access Microfinance India Summit. Besides that, he has also been a member of Policy Advisory Group of CGAP, World Bank. He has authored and co-authored many papers and training manuals on building institutional capacity for microfinance for poor women. Born in Canada in 1940, he is now a Malaysian Citizen.
Ms. Moumita Sen Sarma	Nominee Director, CFTS Pvt. Ltd.	Ms. Sen Sarma is a Chartered Accountant by qualification and has a rich experience of more than 12 years in the microfinance sector and more than 23 years of experience in the financial services sector. Till March 2010, she served as the Vice-President and Head of Microfinance and Sustainable Development of ABN Amro Bank (now Royal Bank of Scotland). Ms. Sen Sharma has also worked with American Express Bank and SRF Finance. She is a stakeholder member of Global Reporting Initiatives (GRI), Amsterdam. She has been a frequent speaker at conferences on

		<p>both Microfinance and Sustainable Development in India and abroad (including USA, EU: World Bank/IFC, Tallberg, WEC, Ethical Corporation, Women's World Banking, Euro Market Forum, Sa-Dhan, WRI) as well as Business Schools (IIM A, ISB, S.P Jain). Ms. Sarma now volunteers the most significant amount of her time with the projects of Coimbatore based, Isha Foundation. She is also a Trustee of CASHPOR Trust.</p>
Mr. Mukul Jaiswal	Managing Director & Nominee Director, CFTS Pvt. Ltd.	<p>Mr. Mukul Jaiswal is a Chartered Accountant by qualification. Mr. Jaiswal has a long association with CASHPOR group of companies – earlier in his capacity as a statutory auditor and thereafter in the capacity of the Managing Director. Mr. Jaiswal is an ex-officio member of the Board and of the Finance Committee of the Board for CASHPOR Micro Credit. He is also a Director of CASHPOR Financial and Technical Services Private Limited. Under his guidance, CASHPOR received “2015 Microfinance Institution of the Year Award” in Asia/Pacific region from Whole Planet Foundation.</p>
Mr. Sanjoy Dasgupta	Director	<p>Mr. Dasgupta has more than 19 years of experience in the field of microfinance and more than 22 years of experience in social services sector. He has been an ex. Chief Admin Officer of PIDT, a mixed education oriented microfinance NGO. Mr. Dasgupta is a Commerce graduate and specializes in the social services sector and has been associated with the Company since its inception. He advises on various supporting social services provided by the Company for its clients as well as takes active participation in their promotion and execution; He is a member of Finance Share Transfer and Audit Committees of the Board.</p>
Mr. Bahram N. Vakil	Hon. Vice-Chairperson & Nominee Director, CFTS Pvt. Ltd.	<p>One of the Co-founding and senior partners of AZB and Partners of Mumbai, Bahram is amongst India's foremost infrastructure and project finance attorneys. He has been internationally acclaimed to be one of most powerful project finance lawyers. He has provided pro-bono legal assistance to Grameen Capital India and Grameen Foundation India. According to them, his depth and breadth of knowledge and relationships spanning the microfinance, regulatory and banking sectors have been huge contributing factors to the success of GCI, and in selecting board members for both GCI and GFI. Bahram is an advocate of Bar Council of Maharashtra and Goa and also a member of the New York Bar Council. Mr. Bahram Vakil is a member of the Finance and Audit Committees of the Board; and was first appointed as the new Vice-Chairperson of the Company in 31st October 2013. He is also a Trustee of CASHPOR Trust.</p>
Mr. Saneesh Singh	Nominee Director, Dia-Vikas	<p>Mr. Singh has over 24 years of experience in promotion, development and financing of MSMEs and microfinance institutions, as well as social investment banking. He is the Managing Director of DiaVikas Capital, a subsidiary of Opportunity International Australia, as also part of the Leadership Team of Opportunity International. Mr Singh has worked in various senior managerial capacities in the Small Industries Development Bank of India (SIDBI), and was part of the core team that initiated the SIDBI Foundation for Micro Credit</p>

		(SFMC). He holds Masters Degree in Social Work as well as in Systems Analysis and Design and is an Associate of the Indian Institute of Bankers. Mr. Singh has specialised in Private Equity Investments from Indian School of Business and is a British Chevening (Banking and Finance) Scholar from London School of Economics and Political Science. Mr Singh is a board member on several leading Urban and Rural Micro Finance Institutions.
Ms. Chandni Gupta Ohri	Nominee Director, GFUSA	Ms. Ohri has more than 12 years of experience in the field of microfinance and international development. She is presently the Chief Executive Officer of Grameen Foundation India (GFI) which is a wholly owned subsidiary of Grameen Foundation-USA. Ms. Chandni specializes in providing an appropriate mix of financial and technical support to microfinance institutions and in developing sustainable business models for social enterprises in India. Ms. Ohri also Chairs the Audit and Risk Management Committee of the Board. She is also an Independent Director and Chairperson on the board of Sonata Finance Private Limited.
Mr. Graham Lloyd Wrigley	Nominee Director, Blueberry Hill Charitable Trust	Mr. Wrigley is the founder of Blueberry Hill Charitable Trust, Chairman of Sir Edmund Hillary's Himalayan Trust UK, and is associated with multiple other charities. Mr. Wrigley has recruited and leads a team which works to support CASHPOR in targeting the BPL households in the northern rural India, all at no cost to CASHPOR; and annually Blueberry Hill Charitable Trust has committed to top-up by 10% the amount of subordinated debt the company is able to raise. Outside of CASHPOR, Mr Wrigley has been working in sustainable development in Sub Saharan Africa and South Asia for the last 10 years. In SME Finance he was the Chairman of Aureos, at the time the leading SME investing in poor countries around the world (\$1.3bn, 27 offices) and helped support Manocap, a sustainable investing firm focused on Sierra Leone created not long after its civil war, in an attempt to help private sector development. Elsewhere in microfinance he has established "SamriddhaPahad", a joint venture with Nepal's apex Microfinance Bank and others, to bring livelihood mountain finance to the mountain regions of Nepal. Since 2013 he has also been working with CDC (The UK Governments main private sector development arm established in 1948, formerly known as the Commonwealth Development Corporation) where he serves as Chairman. Prior to this career in sustainable development, Mr Wrigley had a career in business. He was a founding partner of Permira, one of the leading global private equity firms, and previously worked for Bain & Co, the management consultants. He is a visiting professor at INSEAD Business School, Fontainebleau, France and Investment Committee member of St. John's College, Cambridge.
Mr. Prakash Kumar	Nominee Director, SIDBI	Mr. Kumar is GM at SFMC, SIDBI Head Office, Lucknow since June 2015. Prior to his posting at Lucknow, Mr. Kumar had been In-Charge of the prestigious Poorest State Inclusive Growth (PSIG) Project being implemented by SIDBI with support from DFID, UK. He held this position from May 2011 to May 2015. He is a Post Graduate in Financial Management from NMIMS, Mumbai and

		<p>Graduate in Chemical Engineering from IIT-Delhi. He has more than 20 years of experience in SIDBI in areas such as SME Financing, Microfinance, Recovery & NPA Management, Business Process Re-engineering, etc. at the Head Office and Branch Levels. Prior to joining SIDBI, he also worked for 2 years at Biotech Consortium India Limited, a company promoted by DBT, GOI and All India Financial Institutions.</p>
Mr. Suhail Chander	Nominee Director, IndusInd Bank	<p>Mr. Suhail Chander qualified as a Chartered Accountant and started his career at the ANZ Banking Group in India as a Management Trainee in 1983. After holding a variety of positions mainly in the Corporate Banking and Trade Finance area, Mr. Suhail moved to ABN AMRO in 1990 to Head Corporate Banking at New Delhi. He subsequently moved to Chennai to set-up the Banks operations there.</p> <p>After creating two successful franchises in India Mr. Suhail moved to ABN AMRO Indonesia and spent 7 years there in various capacities including Corporate Banking, Risk Management, Recoveries and Consumer Banking. In 2006, he was given the responsibility to run ABN AMRO's Consumer Banking business in Singapore and Malaysia.</p> <p>Mr. Suhail moved to Indusind Bank in February 2008. An accomplished banker with an outstanding record of achievements in areas such as Strategic Planning, Corporate and SME Banking, Financial Institutions, Risk & Recoveries, Wealth Management, Retail Distribution and Credit Cards. Suhail, now leads Indusind Banks Corporate and Commercial Banking Business. A part of the Core Management Team he has direct responsibility for Corporate and Institutional Banking, Investment Banking, Financial Institutions, Small and Medium Enterprises and Corporate Liabilities.</p>
Mr. Abhijit Sen	Independent Director	<p>Mr. Abhijit Sen is the Lead Cluster Finance Officer for the India Subcontinent comprising India, Bangladesh and Sri Lanka for Citi. He has been significantly involved in various areas of management of the franchise, with special emphasis on business planning/strategy, financial planning and policies, balance sheet management, regulatory matters, tax and corporate governance. He has played a key role in the Citi India franchise over the last 18 years, including oversight of other functions. As the Chairman of Citicorp Services India Ltd, he provides governance oversight to all Citi's Centres of Excellence in India, which provide a variety of services to Citi entities globally.</p> <p>Mr. Sen has served on the boards of a variety of Citi entities locally incorporated in India as well as for the following companies:</p> <ul style="list-style-type: none"> • NSDL Limited: as a nominee director of Citibank occupying a rotational board seat of this national depository. • Grameen Finance India Limited: acted as a nominee of Citigroup, for this company engaged in advisory services in the microfinance sector. <p>With over 18 years' experience in banking post stints in Industry,</p>

		<p>he is intimately well versed with all aspects of banking operations including banking regulations, treasury functions, balance sheet management, governance framework, product development and design and risk/control. He regularly speaks on these topics at various forums and is recognized for his expertise amongst peers who regularly reach out to him. He has also served on work groups on regulatory topics.</p> <p>Mr. Abhijit holds an Engineering degree from Indian Institute of Technology, Kharagpur and an MBA from Indian Institute of Management, Calcutta, with a consistent record of academic honours and distinctions through his scholastic career.</p>
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Key Performance Ratios

Financial Ratios	31/Mar/2015	31/Mar/2016
<u>Capital Adequacy Ratio (CAR)</u>		
Capital Adequacy Ratio (%)	19.13	17.90
<u>Productivity / Efficiency Ratios</u>		
No. of active borrowers per staff member	301	254
No. of active borrowers per field/credit officers	451	371
No. of active borrowers per branch	2,049	1,787
Gross portfolio o/s per field/credit officers (In Lakhs)	0.49	0.43
Average outstanding per borrower	10,919	11,486
<u>Profitability / Sustainability Ratios*</u>		
Yield on Portfolio (%)	23.4	20.5
Operational Self Sufficiency (%)	108.9	109.1
Operating Expense Ratio (OER)**	6.99	7.93
Funding Expense Ratio (FER)	11.85	10.18
Return on Assets (RoA)	1.80	1.82
Return on Equity (RoE)	12.81	11.83
Portfolio at Risk (>30 days) (%)	0.10	0.21
Write-offs to average portfolio (%)	0.11	0.14

** Profitability / Sustainability Ratios are calculated on owned portfolio.*

***OER is calculated on entire loan portfolio.*

Highlights of Microfinance Operations

Particulars	31-Mar-2014	31-Mar-2015	31-Mar-2016	31-Mar-2017
No of States	3	5	5	5
No of Districts	35	45	61	61
No of Centres	35,044	42,583	49,996	49,763
No of Branches	341	422	494	501
No of Active Members	8,53,073	10,68,714	12,05,564	12,02,337
No of Active Borrowers	6,55,557	8,64,551	8,82,866	8,52,898
No of Total Employees	2,294	2,875	3,473	3,347
No of Field/Credit Officers	1,570	1,919	2,379	2,188
Total Disbursement during the FY (in crore)	970.47	1,350.89	1,327.30	1,745.87
Total Portfolio (in crore)	631.03	944.00	1,014.10	1,329.73
OWNED Including Securitized PORTFOLIO				
Particulars	31/Mar/2014	31/Mar/2015	31/Mar/2016	31/Mar/2017
Total loan disbursements during the year (in crore)	704.07	796.33	831.19	1102.55
Total portfolio outstanding (in crore)	453.01	513.13	570.90	810.98
BC PORTFOLIO				
Particulars	31/Mar/2014	31/Mar/2015	31/Mar/2016	31/Mar/2017
Total loan disbursements during the year (in crore)	266.40	554.56	496.11	643.32
Total portfolio outstanding (in crore)	178.02	430.87	443.20	518.75

Compliance with RBI's Directives for MFIs

RBI's Direction	Company Status (Auditor Certified)	Compliance
85% of total assets to be in the nature of qualifying assets	Income generation loan forms over 85% of total assets	Complied
Net worth to be in excess of Rs 5 Crore	Net owned funds are in excess of Rs.5.00 crore as on December 31, 2016.	Complied
Income of borrower not to exceed Rs. 100,000 in the rural areas and Rs. 160,000 in the urban and semi-urban areas	CMC extends loans to households whose income does not exceed Rs. 100,000 in the rural areas and Rs. 160,000 in the urban and semi-urban areas	Complied
Loans size not to exceed Rs 60,000 in first cycle and Rs 100,000 in subsequent cycles	Loans size has not exceeded Rs. 60,000 in first cycle and Rs. 100,000 in subsequent cycles	Complied
Total indebtedness of the borrower not to exceed Rs. 100,000 (excl medical and education loans)	Total indebtedness of the borrower has not exceeded Rs. 100,000	Complied
Tenure of loans not to be less than 24 months for loan amount in excess of Rs 30,000, with prepayment without penalty	Tenure of loans is not less than 24 months for loan amount in excess of Rs 30,000, with prepayment without penalty.	Complied
Pricing guidelines are to be followed	The maximum interest on loan products offered by CMC is 22.91%.	Complied
Transparency in interest rates to be maintained	Interest, Processing Fees and Insurance Premium charged are duly mentioned in the loan card provided to the client.	Complied
Not more than two MFIs lend to the same client	CMC verifies the same though credit check from credit bureaus	Complied

RBI's Direction	Company Status (Auditor Certified)	Compliance
Loan pricing to include processing fee (not exceeding 1% of the loan amount)	CMC is charging processing fee in the range of 0.5%-1.0% on the disbursed loan amount	Complied
Collateral free loans	CMC does not accept any collateral for extending the credit.	Complied
MFIs shall not collect any Security Deposit / Margin from the borrower.	CMC does not collect any security deposit / margin from the borrower.	Complied
No late payment or prepayment penalties	CMC does not take late payment or prepayment penalties from the clients.	Complied
Share complete client data with at least one Credit Information Company (CIC) established under the CIC Regulation Act 2005, as per the frequency of data submission prescribed by the CIC.	CMC shares its client data with Equifax and CRIF High Mark.	Complied
Aggregate amount of loans, given for income generation, is not less than 50 per cent of the total loans given by the MFIs	CMC provides loans for income generation activities, non-income generation and emergency loans. The aggregate amount of loans is 90.51% as on December 31, 2016.	Complied
NBFC-MFIs shall maintain a capital adequacy ratio consisting of Tier I and Tier II Capital which shall not be less than 15 percent of its aggregate risk weighted assets.	CMC has a CRAR of 17.90% as on March 31, 2016.	Complied
The aggregate loan provision to be maintained by NBFC-MFIs at any point of time shall not be less than the higher of a) 1% of the outstanding loan portfolio or b) 50% of the aggregate loan installments which are overdue for more than 90 days and less than 180 days and 100% of the aggregate loan installments which are overdue for 180 days or more'.	CMC has made appropriate loan loss provisions	Complied

Section 1: Microfinance Capacity Assessment Grading

Long track record of microfinance operations and extensive industry experience of promoters

- CASHPOR began operations in 1997 as CASHPOR Financial and Technical Services (CFTS) - a financial company offering microfinance services to the poor, in Mirzapur District, Uttar Pradesh. In 2002, CASHPOR Micro Credit registered itself as a not-for-profit Section 25 company (a subsidiary of CFTS), under the Indian Companies Act 1956 to enable continuous and seamless services to its clients. In December 2002, following the RBI notification allowing only registered NBFCs and section 25 companies to conduct micro finance services, CFTS transferred all its micro finance activities to CMC. Since then all the companies' microfinance operations are run under CMC. Currently CASHPOR operates in Uttar Pradesh, Bihar, Chhattisgarh, Madhya Pradesh and Jharkhand through 501 branches.
- CMC has 11 members on board as on March 2017 having extensive experience in the field of Microfinance, Development, Corporate Law and Finance.

Name of Directors	Designation
Mr. David S. Gibbons	Chairman & Nominee Director, CFTS Pvt. Ltd.
Ms. Moumita Sen Sarma	Nominee Director, CFTS Pvt. Ltd.
Mr. Mukul Jaiswal	Managing Director & Nominee Director, CFTS Pvt. Ltd.
Mr. Sanjoy Dasgupta	Director
Mr. Bahram N. Vakil	Hon. Vice-Chairperson & Nominee Director, CFTS Pvt. Ltd.
Mr. Saneesh Singh	Nominee Director, Dia-Vikas
Ms. Chandni Gupta Ohri	Nominee Director, GFUSA
Mr. Graham Lloyd Wrigley	Nominee Director, Blueberry Hill Charitable Trust
Mr. Prakash Kumar	Nominee Director, SIDBI
Mr. Suhail Chander	Nominee Director, IndusInd Bank
Mr. Abhijit Sen	Independent Director

Diversified Resource Profile

- CMC has developed funding relationships with a large number of lenders i.e. 29 lenders (including PSU Banks/Private Banks/Financial Institutions/International Agencies). These relationships have helped CMC in meeting its funding requirements to meet the projected growth. Apart from owned portfolio, CMC has securitized and BC portfolio. The total portfolio outstanding is of Rs.1329.73 crore as on March 31, 2017.
- The cost of borrowing stood comfortable at 12.72% for the period ended December 31, 2016.

Particulars	31-Mar-2014	31-Mar-2015	31-Mar-2016	31-Mar-2017
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BC PORTFOLIO				
Particulars	31/Mar/2014	31/Mar/2015	31/Mar/2016	31/Mar/2017
Total loan disbursements during the year (in crore)	266.40	554.56	496.11	643.32
Total portfolio outstanding (in crore)	178.02	430.87	443.20	518.75

Average capitalisation and comfortable liquidity profile

- CMC has an average capitalisation marked by gearing of 8.65 times as on March 31, 2016 as compared to 11.0 times two years ago. CRAR has declined and it stood at 17.90% in FY2016 as compared to 19.13% in FY2015.
- CMC has a comfortable liquidity position due to well matched maturity of assets and liabilities. The tenure of loans is about 12-24 months, whereas the incremental bank funding is typically with tenure of about 12-36 months. However regular flow of funds is critical to maintain the projected growth and the same would have a key bearing on its liquidity profile.

Sound Asset Quality

- CMC has maintained sound asset quality over the years. The on-time repayment rate stood at 98.30% as on 31/Mar/2017. Adequate credit appraisal processes, monitoring and risk management mechanisms have supported the company to keep asset quality indicators under control. Moreover, Portfolio at Risk (1-30 days) stood moderate at 1.32% as on 31/Mar/2017

because of recent demonetization impact on collection efficiency. However, PAR (>30 days) stood comfortable at 0.38% as on 31/Mar/2017.

Moderate Geographical Reach

- CMC's operations are spread in five states i.e. Uttar Pradesh, Bihar, Chhattisgarh, Jharkhand and Madhya Pradesh. However ~92% of the loan portfolio is concentrated in Uttar Pradesh and Bihar.
- The company is exposed to high level of political uncertainty in the state of Uttar Pradesh and Bihar where the company has majority of the microfinance operations. Any political intervention in the existing states would significantly affect the company's asset quality indicators. It would also be key grading sensitivity factor for the company to replicate its systems, processes and sound asset quality in the newer geographies while improving portfolio diversity.

Income and Profitability

- Income from operations for CMC has increased in the last three years. CMC has reported PAT of Rs.134584 (in thousands) on total income of Rs.1600509 (in thousands) in FY2016 as compared to PAT of Rs.122685 (in thousands) on total income of Rs.1498946 (in thousands) in FY2015.

The profitability and operating efficiency indicators are comfortable for the past two years. The details are as follows:

Profitability / Sustainability Ratios	2015	2016
Yield on Portfolio (%)	23.4	20.5
Operational Self Sufficiency (%)	108.9	109.1
Operating Expense Ratio (OER)	6.99	7.93
Funding Expense Ratio (FER)	11.85	10.18
Return on Assets (RoA)	1.8	1.82
Return on Equity (RoE)	12.81	11.83
Portfolio at Risk (>30 days) (%)	0.10	0.21

Adequate MIS & IT infrastructure considering the current scale of operations

- CMC's management information system (MIS) and Information Technology (IT) is adequate for its current scale of operations. It has dedicated MIS and IT team at Head Office to ensure smooth flow of operational data between Head Office and branches.

Adequate Audit Mechanism

- Considering the significant increase in scale of operations, CMC have strengthened its internal audit team. The company does quarterly audit of its branches, the scope of audit majorly covers field and borrower visit, loan documents verification, and head office audit. The audit findings are presented to the audit committee set-up at board level.

Inherent risk prevalent in the microfinance sector

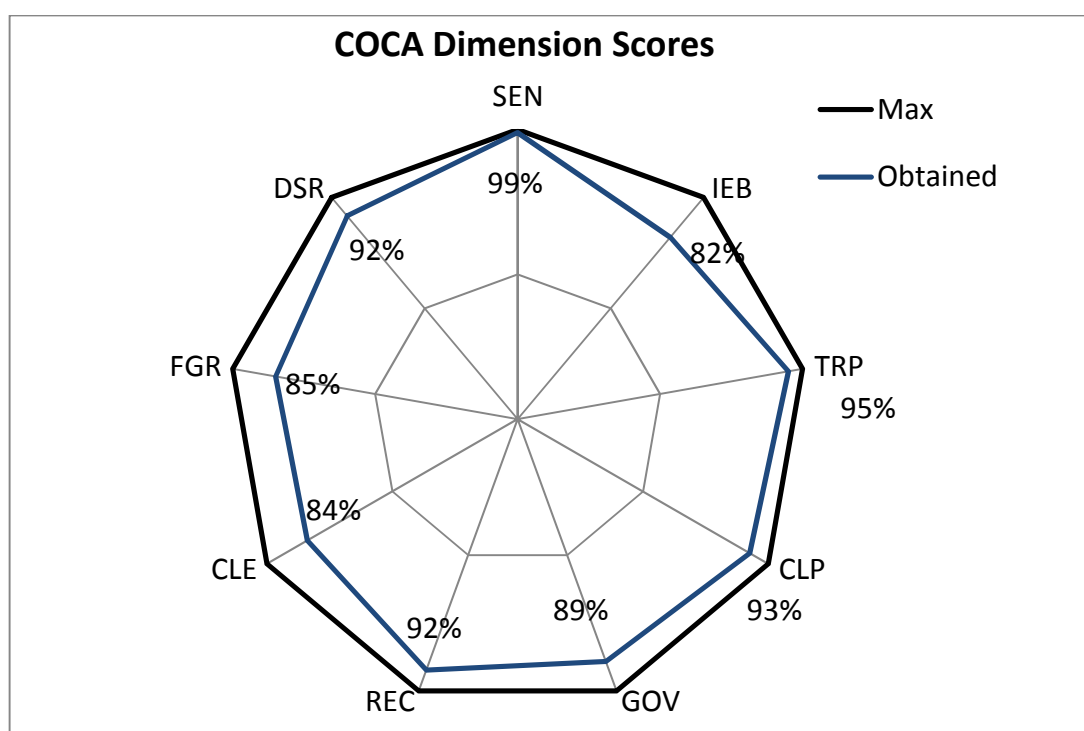
- CMC's business risk profile is susceptible to regulatory and legislative risks, along with the inherent risk exist such as unsecured nature of lending, vulnerable customer profile, exposure to vagaries of political situation in states, and cash handling associated with the MFI sector.

Operating Environment

- SMERA estimates the MFI sector to grow at a CAGR of 20%-25% and is expected to touch Rs.100000 crore by the end of FY2019.
- MFIs have reported an increase of ~58% in average loan per borrower in FY2016 as compared to FY2014. SMERA believes seasoned customer profile over multiple loan cycles have helped MFIs to increase its loan ticket size.
- The fund flow to the sector has improved on account of increased confidence on MFI sector coupled with reduction in interest rate (100-150 bps). Further large MFIs are exploring the route of Non-convertible debentures (NCDs) and Pass through Certificates (PTCs); whereas small –mid size MFIs have an increased access to funds from banks and financial institutions
- Support systems such as Self-Regulatory Organizations (SRO), Credit Information Bureaus (CIB) among others have been established to ensure credit check and process adherence among MFIs. This regulatory framework has brought more accountability and transparency within the sector.
- On the contrary, recent demonetization drive restrained MFIs disbursement and collection process which has moderated microfinance sector growth in FY2016-17 as compared to the previous year.

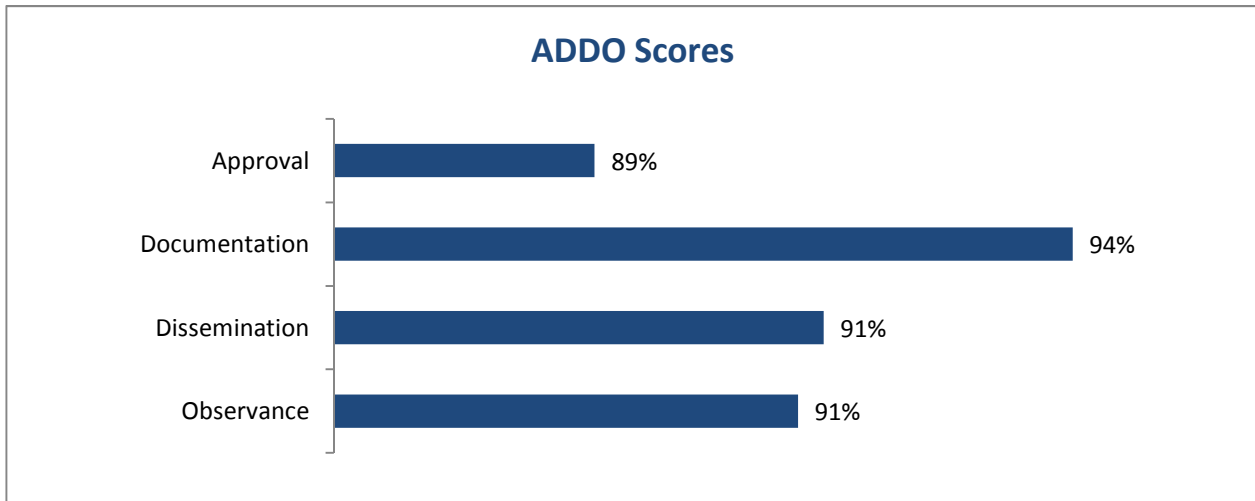
Section 2: Code of Conduct Assessment

COCA Grading – C2 (Good Performance on Code of Conduct dimensions)



SCORES ON PARAMETERS

Code of Conduct Parameters	Code	% Performance
Sensitive	SEN	99%
Integrity and Ethical Behavior	IEB	82%
Transparency	TRP	95%
Client Protection	CLP	93%
Governance	GOV	89%
Recruitment	REC	92%
Client Education	CLE	84%
Feedback & Grievance Redressal	FGR	85%
Data Sharing	DSR	92%



CMC with an overall grade of “C2”, indicate **Good Performance on Code of Conduct dimensions.**

Code of Conduct Assessment Summary

The Code of Conduct report for Cashpor Micro Credit (CMC) evaluates the company's adherence to various Code of Conduct parameters. The study examines and comments upon the common minimum indicators such as:

- Sensitive Indicators
- Integrity and Ethical Behaviour
- Transparency
- Client Protection
- Governance
- Recruitment
- Client Education
- Feedback and Grievance Redressal
- Data Sharing

SMERA believes that CMC exhibits good performance on COCA dimensions. This document details SMERA's approach and methodology for this study and gives observations of its assessment team while conducting the evaluation. The Approval; Documentation; Dissemination and Observance (ADDO) framework has been used for assessment and measuring CMC's adherence towards ethical operational practices.

Strengths and weaknesses pertaining to Code of Conduct

Strengths	Weaknesses
<ul style="list-style-type: none"> • Board with rich experience from banking and finance domain. • Experienced and qualified management who have considerable experience in microfinance industry are instrumental in growth of CMC till date. • Transparency in loan pricing and policies. • Adequate software based MIS to handle current scale of operations. • Compulsory training on products terms and conditions to client prior to every loan. • Compulsory check on over indebtedness of every borrower. • Board approved policies, compliant with the RBI guidelines. • Code of Conduct framed as per the CMC's mission, vision, values and displayed in all branch offices & HO. • Membership with Sa-dhan. • Credit policies are well established documented and communicated. • Adequate loan appraisal & monitoring systems. • Data sharing with credit bureau (Equifax and High Mark). • CMC take written consent from the client for sharing client data for third party disclosure. 	<ul style="list-style-type: none"> • SMERA believes that there is a scope of improvement related to staff Behaviour while dealing with delinquency clients. • Internal Audit checklist should cover more aspects like awareness regarding Reserve Bank of India (RBI) compliance and Self-Regulatory Organization (SRO) among its staff members. • Awareness among client on the company's Grievance Redressal mechanism was found to be moderate. • Awareness among the staff on RBI compliance was found to be moderate.

Significant Observations

HIGHER ORDER INDICATORS	
Integrity and Ethical Behaviour	<ul style="list-style-type: none"> • The MFI does have the policy to place reports on COC compliance before the board at the end of every financial year. • The audit committee of the Board reviews the adequacy of audit staff strength and scope of Internal Audit. • Board has approved a policy of recovering delinquent loans • MFI prepares monthly reports about the number, nature and resolution of grievances and feedback received for management review and same is presented to audit committee set up at board level. • The MFI has a practice that when it recruits staff from another MFI, the said staff will not be assigned to the same area he/she was serving at the previous employer for a period of one year, however the same have not been documented in HR manual. • In all the branches visited, the contact number and address of Grievance Redressal officer was properly displayed. • Staff satisfaction related to compensation and incentive is not covered under scope of Internal Audit. • Awareness among client on the company's Grievance Redressal mechanism was found to be moderate. • Fixed Component compensation of staff is not impacted in event of overdues. CMC, in its fair practices code provides importance for transparency in pricing and clear communication to the clients.
Sensitive Indicators	<ul style="list-style-type: none"> • Clients interviewed were moderately aware of the charges and price for all services availed. • Awareness among the staff on RBI guidelines was found to be moderate. • There are no adverse observations in the Auditor's report regarding accounting standards followed by the MFI. • CMC shares accurate data with all credit bureaus. • CMC does not charge any extra fees from client apart from processing fee and insurance premium. The loans are issued to the clients without any collateral and no security deposit is accepted. Further no penalty is charged for overdue and pre-closure of loans. However the organization does not have a well-documented policy on pre-payments. • The MFI gets an external CA agency to certify its compliance with RBI's directions for NBFC-MFIs

BUILDING BLOCKS	
Transparency	<ul style="list-style-type: none"> • Awareness among the staff on RBI guidelines was found to be moderate. • CMC has documented the pricing of its loan products in its operational manual. In the branches visited loan documents had been maintained in local languages. • Circulars with the most recent directions were not available in the visited branches. • CMC's in its fair practices code provides importance for transparency in pricing and clear communication to the clients. • The loan interest rate and processing fees is mentioned on the loan passbook and loan agreement provided to the client. • Clients interviewed were moderately aware of the charges and price for all services availed. • Audit committee verifies through the audit reports whether all clients have received the necessary loan documents. • Displays the details of the loan products including their interest rates and client grievance redressal system on its website. • CMC issues loan agreement to the clients with all terms and conditions of the loan including annualized interest rates. However all the details are captured in the loan agreement provided to the client. • Code of conduct compliance report of CMC & previous financial year annual financial statement and report is available in the public domain.
Client Protection	<ul style="list-style-type: none"> • CMC has a board-approved policy regarding client data security. • Employees are trained on aspects of appropriate behavior with the clients. • CMC has documented policy on client data security which forms part of its fair practice code. • CMC take written consent from the client for third party disclosures. CMC does not offer Non-credit products to its clients as a pre-condition for getting the loan. • CMC has framed a Fair Practice Code and has also adopted the RBI fair practices code. • Employees are given training on aspects of appropriate behavior with the clients. However SMERA believes there is a scope for further improvement. • Staffs were found to be aware of the need to have professional conduct with the clients. • Internal Audit checklist is comprehensive but can be strengthened further by incorporating more aspects like awareness regarding Reserve Bank of India (RBI) compliance among clients/members and staff, Privacy of client information.
Governance	<ul style="list-style-type: none"> • CMC maintain high standards of governance by inducting persons with good and sound reputation as members of Board of Directors/Governing body. • CMC have 1/3rd of independent persons in its Governing Board, and the Board is actively involved in all policy

	<p>formulations and other important decisions.</p> <ul style="list-style-type: none"> • CMC disclose its CEO compensation in its audited reports (Ref. Audit Report 2016). • An audit committee of the Board with an independent director as chairperson. • The MFI has got its accounts audited in a timely manner after the end of the most relevant financial year. • No adverse observations in the Auditor's report regarding accounting standards followed by the MFI. • Action taken report based on the last audit report is available in the branches visited • Staff satisfaction related to compensation and incentive is not covered under scope of Internal Audit.
Recruitment	<ul style="list-style-type: none"> • CMC's board has reviewed its recruitment policies at least once annually • CMC has a defined and documented process for responding to reference check requests. • There is documentary evidence to suggest that MFI has honored the notice period for all employees who have left it. • CMC obtain NOC or relieving letter from the previous employee, in case employees are recruited from other MFIs. • The MFI has a practice that when it recruits staff from another MFI, the said staff will not be assigned to the same area he/she was serving at the previous employer for a period of one year, however the same have not been documented in HR manual.
Client Education	<ul style="list-style-type: none"> • CMC in its fair practices code provides importance for raising clients' awareness of the options, choices and responsibilities regarding financial products and services • CMC does not charge clients for the trainings provided to clients, itself or through a related party. • Awareness among client on annualized Interest rate & Insurance claim settlement process was found to be moderate.
Feedback and Grievance Redressal	<ul style="list-style-type: none"> • The Board has approved a policy for redressal of its clients' grievances, which requires board to be updated on the functioning of grievance redressal mechanism. • MFI prepares monthly reports about the number, nature and resolution of grievances and feedback received for management review and same is presented to audit committee set up at board level. • CMC do not provide acknowledgement to its grievance clients. • CMC take declaration letter from the client that the complaints lodged have been satisfactorily resolved by the Redressal officer. • Clients were found to be aware of the helpline number • Feedback mechanisms are tracked and monitored. However, there is further scope of improvement. • In all the branches visited, the contact number and address of customer grievance officer was displayed. • Awareness among client on Grievance Redressal mechanism was found to be moderate.

	<ul style="list-style-type: none">• Dedicated team at HO level to documents and follow up on the client complaints.
Data Sharing	<ul style="list-style-type: none">• Operational & Financial data for FY 2016 is available on the website of CMC.• MFI has a well-defined process for sharing data with the credit bureaus.• MFI has provided data called for by Sa-dhan and RBI as and when required as per compliance.• CMC shares accurate data with all credit bureaus.• CMC performs compulsory credit bureau checks for all its clients.

Microfinance Grading Methodology

A) Operational Track Record

Business Orientation and Outreach of the MFI is an important parameter to gauge the growth strategies of the MFI and to assess its strategies for development. This parameter is analysed using the following sub-parameters.

- Direction & Clarity
- Ability to raise funds
- Degree of association with promoter institution
- Alternate avenues for funds
- Outreach (No. of offices, No. of clients, No. of employees, Portfolio diversification)

B) Promoters & Management Profile

The elements in this parameter helps in assessing the Promoter & management quality evaluated on the basis of the basic educational qualification, professional experience of the entrepreneur; and business attitude that is related to the motivation of carrying out the business and pursuing business strategies. This parameter is analysed using the following sub-parameters.

- Past experience of the management
- Vision and mission of the management
- Profile of the Board Members
- Policies and Processes
- Transparency and corporate governance

C) Financial Performance

SMERA analyses the credit worthiness of the organization through the following financial parameters. Various financial adjustments are done to get more accurate ratios for comparison. Financial analysis helps the MFI to know its financial sustainability. This parameter is analysed using the following sub-parameters.

- Capital adequacy
- Profitability/Sustainability ratios
- Productivity and efficiency ratios
- Gearing and Liquidity ratios

D) Asset Quality

The loan portfolio is the most important asset for any MFI. SMERA analyses the portfolio quality of the MFIs by doing ageing analysis, sectoral analysis, product wise analysis etc. SMERA compares the portfolio management system with organizational guidelines and generally accepted best practices. This parameter is analysed using the following sub-parameters.

- Ageing schedule
- Arrears Rate / Past Due Rate
- Repayment Rate
- Annual Loan Loss Rate

E) System & Processes

SMERA analyses the policies and processes followed by the MFIs, their ability to handle volume of financial transactions, legal issue and disputes, attrition among the employees and client drop out which impact the productivity of the organization. SMERA also analyses asset liability maturity profile of the MFI, liquidity risk and interest rate risk. This parameter is analysed using the following sub-parameters.

- Operational Control
- Management Information System
- Planning & Budgeting
- Asset Liability Mismatch

COCA Methodology

The Code of Conduct Assessment (COCA) tool was developed as a response to the need expressed in a meeting of stakeholders in Indian microfinance by the Small Industries Development Bank of India (SIDBI) and the World Bank in December 2009. The code of conduct dimensions were identified by reviewing the various norms for ethical finance. These included RBI’s fair practices guidelines for Non-Banking Financial Companies, industry code of conduct (Sadhan-MFIN) and Smart Campaign’s Client Protection Principles (CPP).

In 2016, need was felt to harmonize COCA to the most recent industry code of conduct and to standardize COCA tools of different rating/assessment agencies. This grading is based on the harmonized COCA tool. In the harmonized COCA tool, the dimensions were classified in three categories – highest order, higher order and building blocks. This grading is based on the harmonized COCA tool.

Highest Order	
Sensitive Indicators	
Higher Order	
Integrity & Ethical Behaviour	
Building Blocks	
Governance	Client Protection, Recruitment
Transparency	Feedback/Grievance Redressal
Client Education	Data Sharing

Chart: COCA Indicators Framework

Number of indicators in each category is presented below

Higher Order Indicators	Number of Indicators
Integrity and Ethical Behaviour	32
Sensitive indicators	26
Building Blocks	Number of Indicators
Transparency	40
Client Protection	122
Governance	30
Recruitment	13
Client Education	14
Feedback & Grievance Redressal	25
Data Sharing	6
Total	250

Methodology

The Code of Conduct exercise is spread over four to eight days. The first day is spent at the head office. The assessment team visits the branches over the next three to eight days. Depending upon the size and the operational area of the MFI, eight to fifteen branches and between 120 and 300 clients are sampled for primary survey (except in cases where number of branches in an MFI is less than eight).

Sampling guidelines

The following is taken as the guideline to determine the sample size for a COCA exercise.

MFI Size	No. of branches to be visited	No. of borrowers to be visited
Small MFI (Less than 8 branches)	All branches	15 clients per branch covering minimum two centers.
Small / Mid-size MFI (up to 2,50,000 borrowers)	8 – 10 branches (geographically distributed)	120-150 clients (15 clients per branch covering minimum two centers).
Large MFI (>2,50,000 borrowers)	12 – 15 branches (geographically distributed)	240-300 clients (20 clients per branch covering minimum two centers).
Large MFI (>2,50,000 borrowers) and having gross loan portfolio (GLP) > Rs 500 crore	18 – 20 branches (geographically distributed)	360-400 clients (20 clients per branch covering minimum two centers).

Code of Conduct Assessment exercise requires:

1. Discussions with key staff members and the senior management at the head office. particularly the senior operational management team as well as the human resources team. These discussions focus on key issues of the code of conduct identified above.
2. Review of policy documents and manuals at the head office. These are reviewed in order to assess the policy as well as documentation regarding important aspects of the code of conduct. The last audited financial statements will also be required.
3. Sampling of branches at the head office. The assessment team samples branches for review. The branches are chosen in across different states in case the MFI operates in more than one state. Care is exercised to include older branches as well as branches that are distant from the head office or the regional office. The sampling of the branches is performed at the head office of the MFI.
4. Discussions with the branch staff at the branch office. Discussions with branch managers and the field staff is carried out to assess their understanding of the key code of conduct principles.
5. Sampling of respondents in the selected branches. A judgmental sampling is performed on the MFI's clients by the assessment team to draw respondents from the interest group, in order to maximize the likelihood that instances of non-adherence can be detected.
6. Interview with the clients. Information from the clients is collected ideally during the group meetings. If this is not possible, visits are made to the clients' locations for collecting information.
7. Review of loan files at the branch office. This review focuses on loan appraisal performed before disbursing loans as well as the documents collected from the clients.

As part of this assessment, SMERA has covered following branches of the MFI. The details of the branches are provided below.

Sr. No.	Branch	State	No of clients interviewed
1	Mariyahun	Uttar Pradesh	23
2	Jesis Chauraha	Uttar Pradesh	18
3	Ugapur	Uttar Pradesh	16
4	Gopiganj	Uttar Pradesh	19
5	Mohamadpur	Uttar Pradesh	21
6	Thekma	Uttar Pradesh	26
7	City Branch	Uttar Pradesh	23
8	Lalganj	Uttar Pradesh	26
9	Sikrara	Uttar Pradesh	23
10	Arah	Bihar	18
11	Jagdishpur	Bihar	20
12	Bhojpur	Bihar	18
13	Koran Sarai	Bihar	19
14	Itarhi	Bihar	19
15	Dinara	Bihar	20
16	Tiyara Rajpur	Bihar	23
17	Chausa	Bihar	27
18	Bihiya	Bihar	16
Total			375

Financial Statements

Profit & Loss Account (Rs. In Thousands)

Financial Year	FY 2014	FY 2015	FY 2016
Months Covered By P/L	12	12	12
Income			
Financial revenue from operations	1,073,372	1,101,201	1,084,484
Other Operating Revenue	215,254	397,745	516,025
Less: Financial expenses from operations	620,888	711,548	654,064
Gross financial profit	667,738	787,398	946,445
Less: Provision for Loan Loss	254	5,314	8,229
Net financial profit	667,484	782,084	938,216
Less: Operating expenses			
Depreciation and Amortization Expense	17,563	10,044	14,035
Personnel Expense	392,402	550,234	664,424
Administration Expense	77,773	99,701	126,025
Net Operating income	179,746	122,105	133,732
Add: Non Operating income	4,226	580	852
Net income After Tax	183,972	122,685	134,584

Above financials are audited

Balance Sheet (Rs in Thousands)

Date	31/Mar/2014	31/Mar/2015	31/Mar/2016
SOURCES OF FUNDS			
Paid up Capital	53,900	53,900	53,900
Reserves & Surplus	498,197	620,137	756,345
TOTAL EQUITY(A)	552,097	674,037	810,245
LIABILITIES			
SHORT-TERM LIABILITIES			
Commercial Loans from banks/FI for microfinance	3,551,048	3,409,990	3,975,921
Interest payable on funding liabilities	16,828	13,466	13,408
Account payable & Other short-term liabilities	139,948	156,176	138,846
TOTAL SHORT TERM LIABILITIES(B)	3,707,824	3,579,632	4,128,175
LONG-TERM LIABILITIES			
Long-term borrowings			
Commercial Loans from banks/FI for microfinance	2,128,496	1,848,280	2,535,301
Concessional Loan/Subordinated Debt	266,773	413,930	363,141
Non Convertible Debentures	173,700	173,700	130,275
Unsecured Loans from directors / friends / relatives	45,000	0	0
TOTAL LONG TERM LIABILITIES(C)	2,613,969	2,435,910	3,028,717
TOTAL OTHER LIABILITIES(D)	6,321,793	6,015,542	7,156,892
Provision for Loan Loss (E)	651	5,676	13,450
TOTAL LIABILITIES (A+B+C+D+E)	6,874,541	6,695,255	7,980,587

APPLICATION OF FUNDS	31/Mar/2014	31/Mar/2015	31/Mar/2016
Fixed Assets			
Fixed Assets	62,675	92,219	105,756
Less: Depreciation	52,552	63,435	77,178
Net Fixed Assets(A)	10,123	28,784	28,578
Cash and Bank Balances(B)	1,855,758	1,378,450	1,875,302
Investments in Fixed Deposit Including Margin Money (C)	333,236	219,644	162,905
Loan Portfolio *			
Gross Loan Portfolio	4,547,505	4,883,184	5,709,366
Less: Impairment Loss Allowance	-	-	-
Net Loan Portfolio(D)	4,547,505	4,883,184	5,709,366
Accounts Receivable and Other Assets(E)	127,919	185,193	204,436
TOTAL ASSETS (A+B+C+D+E)	6,874,541	6,695,255	7,980,587

About SMERA

SMERA Ratings Limited is a joint initiative of Small Industries Development Bank of India (SIDBI), Dun & Bradstreet Information services India Private Limited (D&B) and leading public and private sector banks in India. SMERA commenced its operations in 2005 and is empanelled as an approved rating agency by the National Small Industries Corporation Ltd. (NSIC) under the 'Performance & Credit Rating Scheme for Micro & Small Enterprise' of the Ministry of MSME, Government of India. SMERA is registered with the securities and Exchange Board of India (SEBI) as a Credit Rating Agency and is accredited by Reserve Bank of India (RBI) as an External Credit Assessment Institution (ECAI), under BASEL- II norms for undertaking Bank Loan Ratings.

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