

June 03, 2026

CreditAccess Grameen Limited: Ratings reaffirmed; rating withdrawn for CP programme

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term fund based – Bank facilities	6,800.00	6,800.00	[ICRA]AA- (Stable); reaffirmed
Non-convertible debentures (public issuances)	500.00	0.00	[ICRA]AA- (Stable); reaffirmed and withdrawn
	1,500.00	0.00	-
Non-convertible debentures	-	1,500.00	[ICRA]AA- (Stable); reaffirmed
Commercial paper	500.00	0.00	[ICRA]A1+; reaffirmed and withdrawn
Total	9,300.00	8,300.00	

*Instrument details are provided in Annexure II

Rationale

The ratings factor in CreditAccess Grameen Limited's (CAGL) established track record and market position as well as its comfortable capitalisation profile. ICRA notes that the company's asset quality performance improved during Q2-Q4 FY2026, following the impact in FY2025 and Q1 FY2026, supported by the adoption of Microfinance Industry Network (MFIN) guardrails in the recent past to mainly limit borrower overleveraging. Its 0+ and 90+ days past due (dpd) declined to 3.0% and 2.3%, respectively, as of March 2026 from 6.9% and 3.3%, respectively, as of March 2025 (1.7% and 0.9%, respectively, as of March 2024). Further, it undertook write-offs of 6.7% and 4.3% {of the closing assets under management (AUM)} in FY2026 and FY2025, respectively. CAGL's credit costs¹ increased to 5.5% in FY2026 and 6.3% in FY2025 from 1.5% in FY2024, resulting in lower profitability (return on average managed assets; RoMA) of 2.5% and 1.8% in FY2026 and FY2025, respectively, compared to 5.3% in FY2024.

The company's portfolio stood at Rs. 29,590 crore as of December 2025. It grew by 14% in FY2026 after declining by 3% in FY2025; CAGL's disbursements growth rate remained muted during FY2025-FY2026 as a response to the moderation in the asset quality. Consequently, the managed gearing improved and stood at 3.3 times as of March 2026 and 3.2 times as of March 2025 (3.8 times as of March 2024). It is expected to remain below 4.5 times in the medium term.

The ratings also consider the ongoing risks inherent in the microfinance business, considering the modest borrower profile and the regionally concentrated portfolio with Karnataka accounting for 29.4% of the portfolio as of March 2026 (31.1% as of March 2025). Operations in Karnataka were impacted during Q4 FY2025-Q1 FY2026 as the Government of Karnataka brought an ordinance to restrict certain practices in the microfinance industry. However, slippage rates have stabilised in recent quarters, resulting in an improvement in the 0+ dpd to 3.6% as of March 2026 from 8.7% as of March 2025 (0.9% as of March 2024). ICRA notes that the company has been steadily expanding its geographical presence in the recent past and had operations in 17 states/Union Territories (UTs), spread across 451 districts and 2,236 branches as of March 2026. ICRA takes note of CAGL's significant rural presence and its predominantly weekly/biweekly collection model, which leads to better client engagement levels.

¹ As a percentage of average managed assets

The Stable outlook reflects CAGL's track record in the microfinance industry and its comfortable capitalisation profile, which provides support against the near-term pressure on its asset quality and earnings profile.

ICRA has reaffirmed and withdrawn the ratings for the commercial paper of Rs. 500.00 crore and non-convertible debentures (NCDs – public issuances) of Rs. 500.00 crore at the request of the company and in accordance with ICRA's policy on the withdrawal of credit ratings.

Key rating drivers and their description

Credit strengths

Largest NBFC-MFI with established track record – CAGL is an established player in the microfinance industry with a track record of over two decades. Built on the Grameen model of microfinance, the company primarily has a rural presence with rural borrowers accounting for almost 85% of its total borrower base. Further, its predominantly weekly/biweekly collection model enables closer engagement levels with its borrower base. With a portfolio of Rs. 29,590 crore as of March 2026, it is the largest non-banking financial company-microfinance institution (NBFC-MFI) in the country. CAGL's eight-member board of directors comprises the Managing Director (MD), four Non-Executive Directors (including two representatives from the parent company – CreditAccess India), and three Independent Directors (including the Chairman) with experience in the areas of banking, microcredit and financial services. Its senior management team comprises professionals with good functional expertise.

As of March 2026, CAGL had a borrower base of 44.2 lakh (down 5.9% YoY) with ~46% being unique to the company. Its established loan products (income generation, family welfare, emergency loans, home improvement and retail loans) are diversified to complement the requirements of its borrowers while adhering to hygiene factors such as the borrower's vintage with the company, loan repayment history and creditworthiness. CAGL would also be steadily diversifying into retail finance products (18% of the AUM as of March 2026) such as individual unsecured loans, mortgage-backed secured business loans and two-wheeler loans. ICRA notes that the company will be expanding the new product segments through its existing customer base, using its existing branch and field staff network.

Comfortable capitalisation profile – CAGL's managed gearing stood at 3.3 times as of March 2026 vis-à-vis 3.2 times as of March 2025 (3.8 times as of March 2024). The adjusted² net worth and capital-to-risk weighted assets ratio (CRAR) stood at Rs. 7,386 crore and 24.4%, respectively, as of March 2026 (Rs. 6,483 crore and 25.4%, respectively, as of March 2025). Its capitalisation profile was supported by strong internal accruals in the past. Although internal accruals moderated during FY2025-FY2026, they are expected to improve gradually in the near term and aid the company's near-to-medium-term growth requirements. CAGL is expected to keep its managed gearing below 4.5 times.

Credit challenges

Moderate asset quality and earnings profile; improvement witnessed in recent quarters – CAGL's asset quality had improved during Q2-Q4 FY2026 vis-à-vis the moderation witnessed during FY2025-Q1 FY2026. This was supported by the recent adoption of MFIN guardrails, which resulted in a reduction in the borrower leverage of the portfolio. The share of portfolio with borrowers having more than three lenders reduced to 3.3% as of March 2026 from 14.7% as of March 2025. The company's collection efficiency (including arrear collections) had increased to 95.8% during Q2 FY2026-Q4 FY2026 from 94.5% during FY2025-Q1 FY2026 (98.7% in FY2024). Further, it had written off 6.7% (as a percentage of the closing on-book AUM) in FY2026 vis-à-vis 4.3% in FY2025, including accelerated write-offs. Accordingly, the 0+ and 90+ dpd improved to 3.0% and 2.3%, respectively, as of March 2026, from 6.9% and 3.3%, respectively, as of March 2025 (1.7% and 0.9%, respectively, as of March

² Net worth adjusted for goodwill and intangible assets

2024). CAGL's overall expected credit loss (ECL) provision stood at 3.8% (as a percentage of the closing on-book AUM) as of March 2026 vis-à-vis 5.1% as of March 2025 (2.0% as of March 2024).

Given the increased write-offs and higher ECL provisions, credit costs, as a percentage of average managed assets (AMA), remained elevated at 5.5% in FY2026 and 6.3% in FY2025 compared with 1.5% in FY2024 (1.6% in FY2023). Consequently, RoMA and return on net worth (RoNW)³ moderated to 1.8% and 8.5%, respectively, in FY2025 and 2.5% and 11.2%, respectively, in FY2026 from 5.3% and 27.1%, respectively, in FY2024. However, profitability has been on an improving trend in recent quarters, with RoMA of 3.4% in Q3 FY2026 and 4.3% in Q4 FY2026, supported by lower credit costs. ICRA expects the profitability to increase gradually from the current levels, over the near-to-medium term, as the asset quality further improves.

Regionally concentrated portfolio – As of March 2026, CAGL had a presence in 17 states/UTs with Karnataka accounting for 29.4% of the loan portfolio (31.1% as of March 2025). Further, the top 3 states (Karnataka, Maharashtra and Tamil Nadu) accounted for 69.0% of the loan portfolio as of March 2026 (71.6% as of March 2025). While this exposes the company to the risks associated with significant regional concentration, ICRA notes that the concentration in Karnataka has been declining over the years (70% as of March 2015 and 80% as of March 2013). The strategic acquisition of Madura Microfinance Limited also helped reduce the concentration in Karnataka and Maharashtra to a certain extent. Within Karnataka, CAGL's portfolio is spread across 31 districts. The share of Karnataka, Maharashtra and Tamil Nadu is expected to reduce further over the medium term as the company shall expand and diversify its portfolio to states like Gujarat, Rajasthan, Uttar Pradesh (UP), Bihar, Andhra Pradesh, Telangana, and Jharkhand.

CAGL follows a contiguous district-based approach along with a prudent customer onboarding and monitoring process, which provides some comfort. The top 10 districts (all in Karnataka and Maharashtra) accounted for 16.0% of its portfolio as of March 2026 (18.1% as of March 2025). However, no single district had an exposure beyond 3% of the total portfolio. As of March 2026, 99.3% of the 451 districts, in which the company has operations, had a per district portfolio of less than 2% (of the total portfolio) and the balance had a per district portfolio of 2-2.4% (of the total portfolio). Districts with portfolio exposure of less than 1% accounted for 95.5% of the total loan book.

Risks associated with microfinance business – The ratings factor in the risks associated with the marginal borrower profile, unsecured lending, business and political risks, along with the challenges associated with a high pace of growth and attrition. CAGL's ability to manage such risks while expanding in new geographies would be crucial. These risks were evident in recent times with the moderation in the company as well as the industry's asset quality. Operations in Karnataka were impacted recently as the Government of Karnataka brought in a bill to restrict unregistered lenders in the microfinance space. The company's ability to onboard borrowers with a good credit history, recruit and retain employees and maintain a geographically diversified portfolio would be key for managing these risks.

Environmental and social risks

Environmental risks: Given the service-oriented nature of its business, CAGL's direct exposure to environmental risks as well as those emanating from regulations or policy changes is not material. While lending institutions can be exposed to environmental risks indirectly through their portfolio of assets, the company's exposure to environmentally sensitive segments remains moderate. However, most of its borrowers are in small businesses, with the majority engaged in essential commodity-related activities and primarily dependent on local demand-supply forces. If such borrowers face livelihood disruptions because of physical climate adversities, the same could translate into credit risks for entities such as CAGL. The company has a predominantly weekly/biweekly meeting model, which helps in maintaining strong customer relationships, better control and early risk identification. Also, its contiguous district-based expansion strategy helps in better understanding and mitigation of risks on account of socio-political factors, overleveraging, competition, etc.

³ Net worth adjusted for goodwill and intangible assets

Social risks: With regard to social risks, data security, customer privacy, adherence to fair practices and grievance redressal are among the key sources of vulnerability for MFIs, as any material lapse could be detrimental to their reputation and invite regulatory censure. CAGL has not faced such lapses over the years, which highlights its sensitivity to such risks. Its grievance redressal channels enable its ability to address borrowers’ complaints in a timely manner.

Liquidity position: Strong

CAGL’s cash and liquid investments stood at Rs. 2,370 crore and it had undrawn sanctions of Rs. 2,897 crore as of March 2026. Debt repayments (including interest payments) over April-June 2026 stood at Rs. 3,924 crore. It had pipeline sanctions of Rs. 7,212 crore as of March 2026. CAGL did not have any negative cumulative mismatches in any of the buckets as per the asset-liability maturity (ALM) profile as of March 2026.

The company has been diversifying its liability profile. The share of funds raised through external commercial borrowings (ECBs) increased further to 24% as of March 2026 from 20% as of March 2025 (16% as of March 2024). As of March 2026, the funding profile comprised bank borrowings (59%), ECBs (23%), borrowings from NBFCs/financial institutions (FIs; 8%), NCDs (4%), and direct assignment and securitisation (6%). As of March 2026, CAGL had a diverse lender base comprising funding relationships with 44 commercial banks, 24 foreign lenders and 8 NBFCs & FIs.

Rating sensitivities

Positive factors – Steady improvement in the scale and geographical diversification, with a reduction in the state-level concentration, while maintaining good asset quality and reporting healthy liquidity and earnings, would be a positive.

Negative factors – Pressure on CAGL’s rating or outlook could arise if there is a deterioration in the asset quality, leading to the RoMA falling below 3% on a sustained basis, or if the managed gearing exceeds 4.5 times for a prolonged period.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Rating Methodology for Non-banking Finance Companies Policy on Withdrawal of Credit Ratings
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone financials of CAGL ⁴

About the company

CreditAccess Grameen Limited (CAGL) commenced microfinance operations under the leadership of Mrs. Vinatha M Reddy in 1999 as a division under T. Muniswamappa Trust (TMT), a registered public charitable trust/non-governmental organisation (NGO). This microfinance programme was transferred and transformed into an NBFC during 2007-2008. CreditAccess India acquired a majority stake in the company in FY2014 and currently owns 66.3%.

CAGL got listed in FY2019 and acquired 76% in Madura Microfinance Limited (MMFL) in FY2020. MMFL was amalgamated with the company effective February 15, 2023. CAGL is primarily engaged in microlending activities mainly in Karnataka,

⁴ MMFL was amalgamated with CAGL with effect from February 15, 2023; until the amalgamation, the consolidated financials of CAGL and MMFL have been considered

Maharashtra, Tamil Nadu, Madhya Pradesh, Chhattisgarh, etc. As of March 2026, it had a portfolio of Rs. 29,590 crore spread across 451 districts.

Key financial indicators (audited)

CreditAccess Grameen Limited	FY2025	FY2026
	Ind-AS	Ind-AS
Total income	5,727	6,014
Profit after tax	531	778
Total managed assets	29,423	33,511
Return on managed assets	1.8%	2.5%
Managed gearing (times)	3.2	3.3
Gross stage 3*	4.8%	3.2%
CRAR	25.4%	24.4%

Source: Company; Amount in Rs. crore; Ratios as per ICRA's calculations; *Exposure at default

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current (FY2027)			Chronology of rating history for the past 3 years						
			FY2026		FY2025		FY2024		
Instrument	Type	Amount rated (Rs. crore)	Jun-03-2026	Date	Rating	Date	Rating	Date	Rating
Long term fund based – Bank facilities	Long term	6,800.00	[ICRA]AA- (Stable)	Aug-22-2025	[ICRA]AA- (Stable)	May-14-2024	[ICRA]AA- (Stable)	Oct-19-2023	[ICRA]AA- (Stable)
				Mar-24-2026	[ICRA]AA- (Stable)	Jun-11-2024	[ICRA]AA- (Stable)	-	-
						Jul-25-2024	[ICRA]AA- (Stable)	-	-
						Mar-31-2025	[ICRA]AA- (Stable)		
NCD	Long term	1,500.00	[ICRA]AA- (Stable)	Aug-22-2025	[ICRA]AA- (Stable)	Jun-11-2024	[ICRA]AA- (Stable)	-	-
				Mar-24-2026	[ICRA]AA- (Stable)	Jul-25-2024	[ICRA]AA- (Stable)	-	-
						Mar-31-2025	[ICRA]AA- (Stable)		
Commercial paper	Short term	0.00	[ICRA]A1+; withdrawn	Aug-22-2025	[ICRA]A1+	May-14-2024	[ICRA]A1+	Oct-19-2023	[ICRA]A1+
				Mar-24-2026	[ICRA]A1+	Jun-11-2024	[ICRA]A1+	-	-
						Jul-25-2024	[ICRA]A1+	-	-
						Mar-31-2025	[ICRA]A1+		
Subordinated debt	Long term	0.00	-	-	-	May-14-2024	[ICRA]AA- (Stable)	Oct-19-2023	[ICRA]AA- (Stable)
NCD	Long term	0.00	-	-	-	May-14-2024	[ICRA]AA- (Stable)	Oct-19-2023	[ICRA]AA- (Stable)
						Jun-11-2024	[ICRA]AA- (Stable)	-	-

Source: Company

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10, 2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$))	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
NCD	Simple
CP	Simple
Long term fund based – Bank facilities	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Date of Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Long term fund based – Bank facilities	Aug-27-2021 to Mar-27-2026	NA	Apr-29-2026 To Mar-27-2029	6,181.80	[ICRA]AA- (Stable)
NA	Long term fund based – Bank facilities (proposed)	NA	NA	NA	618.20	[ICRA]AA- (Stable)
NA	NCD (proposed)	NA	NA	NA	1,500.00	[ICRA]AA- (Stable)
NA	NCD – Public issuance (proposed)	NA	NA	NA	500.00	[ICRA]AA- (Stable); withdrawn
NA	CP (proposed)	-	-	-	500.00	[ICRA]A1+; withdrawn

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure III: List of entities considered for consolidated analysis

Not applicable

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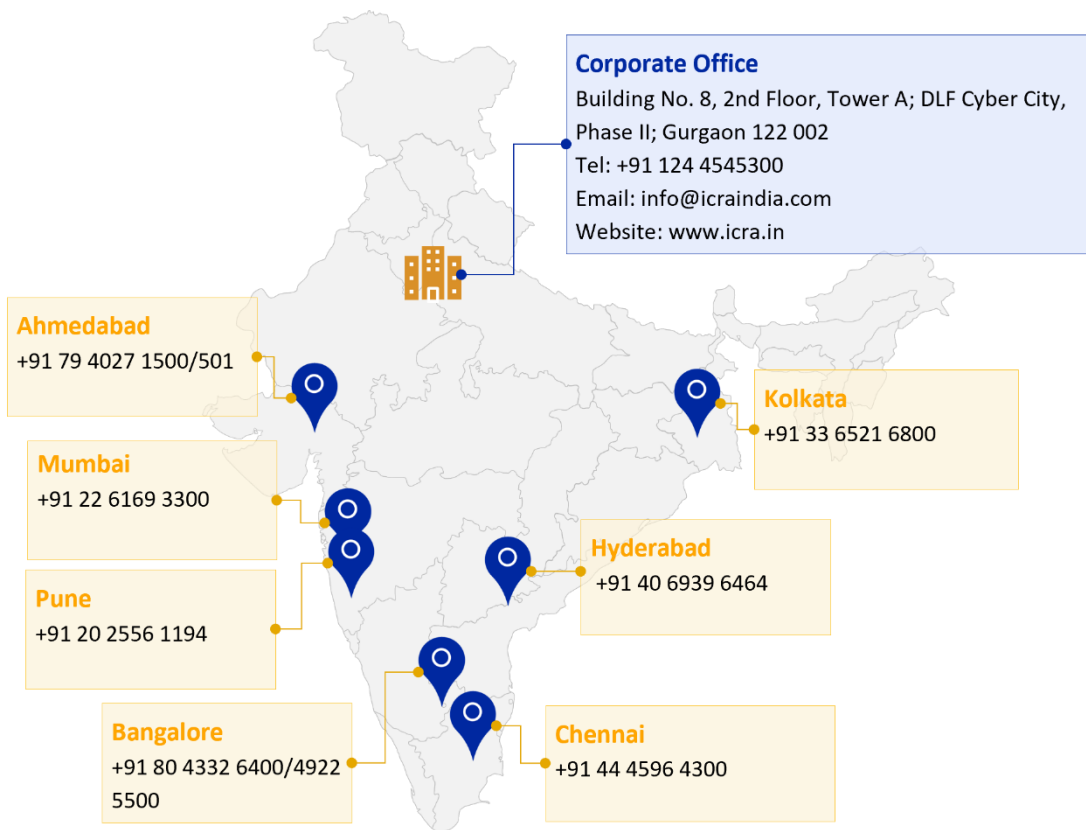
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