

## QUARTERLY NEWSLETTER

OCTOBER- DECEMBER 2020

### Message from the Managing Director & CEO

As we embark on the journey of a new decade, I would like to take a moment of your time to extend a note of gratitude for your unwavering support to CreditAccess Grameen during the year 2020. Your continuous support & faith in us helped us navigate through a challenging year. Our growth over the years has been a cumulative outcome of the continuous support from our stakeholders, the determination of our employees and customers, their belief in the company and its principles which helped us reach where we stand today.

While we are used to several challenges in the business through our two decades journey in microfinance, the scale of the COVID-19 related challenges was unprecedented. However, the situation helped us test ourselves on our products, processes, and principles and also equipped us to anticipate and navigate through such bigger challenges in our future journey.

It is my pleasure to share that CreditAccess Grameen Limited won the Microfinance Institution of the Year Award 2020 for the second time in a row at the Inclusive Finance India Awards held in New Delhi. I am elated that our commitment towards providing financial inclusion to our customers and helping them build a sustainable life is being recognised by the highest awards in the industry.

The company raised INR 800 crore capital in October 2020 by successfully completing the QIP process amidst the pandemic. This reinforced the strength in our capital adequacy and liquidity position and is a clear demonstration of our stakeholder's faith in what we do. This quarter, we have also witnessed a significant milestone of reaching the loan portfolio of INR 10,000 crore.

With the acquisition of Madura Microfinance in 2020, we have further strengthened our leadership position in the microfinance industry. We believe that this will help us in further accelerating our work of financial inclusion.

We have also initiated early risk recognition through the adequate provision, accelerated write off and de-recognising the income on portfolio beyond 60 DPD. While this impacts our finances for the current quarter, I believe this step will safeguard our profitability as growth momentum is already back to normal.

When I look back at our company's achievements in the last one year, it fills my heart with utmost gratitude. It gives me the confidence that we will continue to reach more prominent landmarks through your support and our continuous commitment. With the remarkable senior leadership team and a highly competent employee force, we will continue to pace towards our Vision 2025 to serve one crore low-income household.

### Mr Udaya Kumar Hebbar Participated as a Panellist in EGROW Webinar Series

Mr Udaya Kumar Hebbar, MD and CEO participated in a webinar on "Role of Microfinance in Rejuvenating Micro-enterprise in Post COVID Era" on 4th December 2020. This webinar was organized by the EGROW Foundation, a foundation for economic growth and welfare. The panel was chaired by Mr Subrata Gupta, former managing director of NABFINS. The renowned panellists deliberated upon the possibility of contactless microfinance through the advancement in the technologies. They also delved into the idea of creating alternative lending models for the individuals who are majorly impacted by the pandemic who might not fall under the group lending model.

### Brief synopsis of our Financial Results for the Third Quarter FY 2020-21

(INR Crore)

Particulars	Q3 FY 21	Q3 FY 20	Shift%
Total Income	440.1	453.6	-3.0% ↓
Net Interest Income	248.2	300.9	-17.5% ↓
Profit Before Tax	-95.4	145.8	-165.4% ↓
Profit After Tax	-71.6	107.8	-166.4% ↓
Cost to Income	43.5%	34.8%	

### Growth and Expansion

Particulars	Q3 FY 21	Q3 FY 20	Growth%
Gross AUM (in INR Crores)	10,203	8,872	15.0% ↑
No. of Borrowers (in Lakhs)	28.37	27.70	2.4% ↑
Number of Branches	929	928	-
Number of Employees	10,912	10,465	4.3% ↑

### CreditAccess Grameen Ltd. Wins the Micro Finance Organization of the Year Award for Consecutive Years



CreditAccess Grameen wins the Micro Finance Organisation of the Year award by Inclusive Finance India Awards 2020 organized by ACCESS in association with HSBC. The company has bagged this award for the second time in a row. The 12th Inclusive Finance India Awards Presentation Ceremony was held on 21st January 2021 at Le Meridian in New Delhi in which, Mr Ganesh Narayanan, Chief Business Officer, Gururaj K S Rao, Chief Audit Officer, and Gopal Reddy, Business Head- Group Lending received the award presented by Shri. Anurag Thakur, Hon'ble MoS Finance and Corporate Affairs, GoI on behalf of the company.

Inclusive Finance India Awards is one of the most prominent awards in the microfinance industry. The Awards aim to celebrate the deserving institutions' efforts that have tirelessly worked towards promoting financial inclusion goals and encouraging them to continue enhancing outreach to low-income households by acknowledging their painstaking endeavours.

### Thriving Together: Inspiring and Motivating the Team Members

During this quarter, CA Grameen's training department organized a training program for its branch officers- Towards Thriving Together. In the wake of unexpected events like the COVID-19 pandemic, it is imperative to motivate our officers to thrive beyond the challenges. This program aimed to impart this understanding in our branch officers.

The program was designed to bring positive energy by reflecting on past challenges at the personal, team, and organizational levels. The confidence instilled by the top management team created inspiring moments, enabling the managers to go back to the field with increased confidence and motivation.

As a part of the training session series, the company organized a Collaborative Leadership Program for the Branch Managers. The program primarily focused on building collaborative leadership of teams and the same principles and practices apply to creating a more collaborative culture. The program enabled the development of key collaborative competencies – self-leadership, team intelligence, team management, and networking.

## Flood Relief Aid: CA Grameen Provides Grocery Kits to the Needy



The company has organized several grocery distribution drives implemented by its CSR partner Navya Disha in flood-affected areas of Madhya Pradesh, Maharashtra, Bihar, and Karnataka. The flood in these areas brought many hardships with it and left a trail of destruction in its wake.

We distributed a total of 2,833 grocery kits to beneficiaries in the four states during these drives. Each kit included wheat, rice, dal, sugar, tea, cooking oil, salt along with a set of essential spices, two blankets, and one plastic cover for each house/office. One of the drives was attended by the Police Station in charge of the Nainpur area, Sri. K K Awasti. He appreciated the initiative and the hard work of the volunteers and said, "the damage from this flood has been profound and heart-wrenching. It is good to see that a microfinance company is coming forward to offer relief and hope. I applaud their good work."

## Guest Lectures by MD & CEO at IIM Ahmedabad and IIM Bangalore

MD & CEO, Mr Udaya Kumar was invited to deliver guest lectures online for the microfinance course students at IIM-Ahmedabad and IIM Bangalore. He talked about the history and evolution of CreditAccess Grameen as a microfinance company and further delved into strategies and performance and risk management practices. He also discussed the strategies for managing the company during the COVID-19 pandemic concerning financial management, human resources, and the relationship with the clients. At the end of the lecture, he also engaged in a conversational session with the students.

## CreditAccess Grameen Aids the Corona Warriors

In the COVID-19 pandemic, the whole world is struggling, millions have lost their lives, and millions are hanging on to it by a thread. In these unprecedented difficulties, our frontline corona warriors are risking their lives to fight the pandemic and save the world from this contagious virus. To do its bit towards helping them, CreditAccess Grameen extended its help to frontline corona warriors such as Anganwadi teachers, Asha workers, police stations, Nagar panchayats, media offices, quarantine centres, CA Grameen customers, as well as the common public in the form of relief kits. The company distributed these kits in the time when the whole country was facing a shortage of masks and sanitizers because of the nationwide shutdown.

One such corona warrior is Anganwadi sevika Smt Shubhada Kulkarni. She is doing an extraordinary job in her fight against the corona pandemic. She received 25 health kits for her whole group from our company which contained masks and sanitizers. Shubhada thanked the company and said, "The kits we have received from CreditAccess Grameen have immensely helped us. We were facing an extreme shortage of masks; that is why it was difficult for us to go out even to bring essential items such as groceries. Now we can carry on with our work with proper hygiene and sanitation. I am thankful to the company for helping us in this difficult time."



Activities	No. of Kits	No. of Beneficiaries
Health Kits	14,622	4,90,933
Grocery Kits	10,558	10,621
PPE Kits & Quarantine Centre Items	195	615
Other items	350	52,295
<b>Total</b>	<b>25,725</b>	<b>5,54,524</b>

These relief programs were conducted nationwide by the company's CSR partner Navya Disha, especially in rural areas where the facilities are scarce. Dadasaheb D More, a Grameen panchayat member from a village praised the company for its excellent work and applauded it for its devotion towards the noble cause. Another beneficiary, Ranjeet Kamble, the Sarpanch of Kasaba Sangav village, expressed his happiness for the company's initiative and appreciated our efforts. He said, "CreditAccess Grameen has shown what is it like to be a good MFI. I am in gratitude for the company's commitment to the social good."

## Impact Story

### Sarojini Meher: Preserving the art of weaving with the help of financial access

"The unique quality of the sarees is that they look the same from both the sides and keeps the body cool," says Sarojini's husband. Sarojini is associated with CreditAccess Grameen for more than two years now. She lives with her family in the Raigarh district of Chhattisgarh. She belongs to a weaver family of Sambhalpuri sarees. Sambhalpuri sarees are made of pure cotton. Sarojini's family has been in this profession for generations. They are among those few people who are still striving to preserve our country's priceless culture through their artistic skills.

She came to know about CreditAccess Grameen through her uncle. After learning about Credit Access Grameen's microfinance program, Sarojini joined the group and availed an Income Generation Loan from CreditAccess Grameen. The collateral-free, and easy to access loans allowed her to buy an advanced handloom. Since then, she has taken several loans from the company to expand her business. She utilized the loan amounts for buying raw materials for her business, such as cotton thread and colours to weave beautiful Sambhalpuri sarees.

"Earlier, I used to earn a smaller amount because of the short width of the loom. On that loom, I could not weave full-length sarees. Now with the new handloom that I bought with the loan provided by Grameen Koota, my income has increased from earning INR 2000 per week to INR 3000," says Sarojini while showing her new handloom.

She is pleased about her growth and desires further to expand her business with loans from Grameen Koota. With the betterment in her business, the financial conditions of her house have also improved tremendously. She thanks Grameen Koota for her success.



## Our Financial Products



W: [www.creditaccessgrameen.com](http://www.creditaccessgrameen.com)  
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