

## QUARTERLY NEWSLETTER – Q4

January - March 2024

### Message from Managing Director

Dear Friends,

We have completed our silver jubilee or 25 years of operations. I am touched by a deep sense of gratitude and pride remembering all the challenges we faced and the growth we experienced. It's a momentous occasion that wouldn't be possible without the support of our customers, employees, lenders, and other stakeholders. From our humble beginnings to becoming a trusted name in the inclusive finance sector, every step of this journey has been marked by hard work and resilience.

Surpassing the INR 25,000 crore AUM milestone as India's first standalone microfinance institution speaks volumes about our dedication to inclusion. We continue to be the lowest-cost lender in the microfinance industry while delivering excellent financial performance, in line with our ethos of serving responsibly. Our FY24 PAT stood at INR 1,446 crore with a RoA and ROE of 5.6% and 24.9% respectively. For the fifth time in a row, we have been awarded 'Great Place to Work' and further ranked amongst the Top 25 Companies to Work in BFSI space 2024.

As a token of appreciation celebrating this journey, we have announced a one-time final dividend of INR 10 per share (subject to shareholders' approval at the ensuing annual general meeting of the company.) The financial industry landscape is constantly evolving. We will build upon our legacy of excellence, leveraging new technologies and exploring innovative solutions to service rural communities. Together, let's continue to play a central role in shaping the nation's economic narrative for years to come while focussing on evolving with our customers.

-Udaya Kumar Hebbar

### Brief synopsis of our financial results for the fourth quarter Q4 FY 2023-24

Particulars (Cr)	Q4 FY24	Q4 FY23	% Change
Total income	1,459.1	1,066.20	36.8% ↑
NII	921.9	689.8	33.7% ↑
PPOP	682.8	502.9	35.8% ↑
PAT	397.1	296.6	33.9% ↑

### Growth and expansion

Particulars (Cr)	Q4 FY24	Q4 FY23	% Change
Gross AUM (Cr)	26,714	21,031	27.0% ↑
No. of borrowers	49.2 lakh	42.6 lakh	15.3% ↑
No. of branches	1,967	1,786	10.1% ↑
No. of employees	19,395	16,759	15.7% ↑



### CTO interview:

Read excerpts from our interview with Mr. Sudesh Puthran, Chief Technology Officer, CA Grameen.

**Q1) Could you provide an overview of CA Grameen's technological evolution over the last 3-4 years?**

Our IT support function has emerged as a strategic driver of business success. We've progressed from relying on semi-automated manual processes to implementing seamlessly integrated, fully automated systems that have bolstered efficiency. We transitioned from fragmented islands of automation to comprehensive end-to-end digitisation enabling the automation of customer journeys. We have achieved nearly 100% uptime for digital and mobile applications resulting in reliability for our users.

We are a 'mobile first' organisation, prioritising technological advancements that significantly elevate both customer and employee experiences. The operations entail processing an impressive 2-3 million transactions and roughly 0.1 million loan applications daily, figures similar to those of major to mid-sized banks in India. Further, our daily customer onboarding application process rate of 9,000 to 10,000 highlights the substantial rural demand we manage.

**Q2) Which technologies are currently in use, and what applications are yielding the highest ROI?**

We have made significant investments in a robust data platform, aimed at democratizing data availability for end-users. This empowers them to generate reports and conduct analytics within their respective sandbox environments, reducing their reliance on IT teams and enabling faster decision-making processes. By leveraging data in this manner, we're not only driving operational efficiency but also unlocking valuable insights that fuel our organization's growth trajectory.

**Q3) How do you cultivate a positive work environment within the IT team to ensure they remain happy and motivated?**

I find immense satisfaction in observing the lively interactions within our IT team, characterized by a culture of teamwork. Whether it's brainstorming sessions, hackathons, or cross-functional team projects, we provide ample opportunities for our team members to learn from one another. We make it a point to celebrate individual and team achievements, whether it's completing a project ahead of schedule or solving a complex technical problem. Recognizing and rewarding hard work and dedication not only boosts morale but also reinforces a culture of excellence for which CA Grameen is widely appreciated in the industry.

### Crossed INR 25,000 crore AUM



We are elated to have surpassed a major landmark of INR **25,000** crore AUM (Assets Under Management) in the **25th** year of our operations. Fuelled by the passion to accelerate financial inclusion across rural India, we are poised to deliver consistent performance and grow steadily in the times ahead. We heartily thank all our

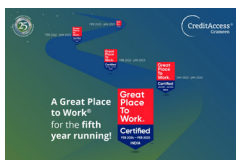
stakeholders for their unwavering support in making this a reality!

### Recognised as the 'Best Small NBFC' 2023



We received the 'Best Small NBFC' recognition at the Mint BFSI Summit & Awards organised on January 11, 2024, in Mumbai. Veteran banker Mr. K.V. Kamath presented the award to our CEO, Mr. Ganesh Narayanan. The award underscored the company's stellar business growth, financial management, governance, reputation, and inclusion.

### Re-certified as a 'Great Place to Work' for the fifth time!



We received the 'Great Place to Work' certification from the Great Place to Work (GPTW) Institute for the fifth year in a row! This honour stands as a testament to our high-trust, high-performance, and inclusive work culture where our employees are encouraged to bring their best selves to work and excel.

### Mr. Balakrishna Kamath named 'Best CFO of the Year'

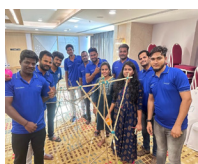


Our CFO, Mr. Balakrishna Kamath, was conferred with the 'Best CFO of the Year' award in the NBFC category at the second Vibrant Bharat CFO Summit & Awards organised by ASSOCHAM in New Delhi. Former Chairman of SEBI, Mr. Damodaran, presented the award to Mr. Kamath. We congratulate him on this exemplary achievement.

### Strengthening our Core Banking Solution

Application modernization is a constant journey as we invest in cutting-edge technological architecture. This includes recently upgrading our existing Core Banking (CBS) which has been in place since 2015. This upgrade enables us to harness microservices capability, enhancing scalability and digital agility to keep pace with the evolving financial landscape.

### Training programs conducted during January-March 2024:



#### People Management Programs (PMP):

Leadership training programs were conducted for 90 Branch Managers, 125 Area Managers, and other departmental executives. Through various engaging skill-building activities, the programs

helped participants hone their managerial abilities, improve teamwork, and support organisational growth.



**IGNITE:** Skill enhancement training was organised for 23 employees from the IT department. It helped participants to connect and collaborate effectively as a team and enhance their productivity.



#### Capability-building program:

Organised for 63 Credit Officers to help them learn new skills, adapt, innovate, enhance their performance, and achieve sustainable success.

### CSR highlights from the quarter:

- Imparted life skills training under WASH (Water, Sanitation, and Hygiene), financial literacy, and career guidance for 3,948 students from rural high schools in Karnataka, Maharashtra, and Tamil Nadu
- Established a full-fledged centralised kitchen facility to supply freshly-cooked meals for over 240 destitute people such as street dwellers, neglected elderly individuals, and patients residing in Udayam shelter homes in Kozhikode, Kerala
- Upgraded the facilities of 178 anganwadis across the nation by providing ~3,560 baby chairs, ~712 armless chairs, and ~356 carpets, aiding ~4,817 beneficiaries
- Distributed grocery kits and relief material to over 30,639 beneficiaries affected by various disasters in Karnataka, Bihar, and Tamil Nadu
- Facilitated special education and vocational training for 108 differently-abled students
- Imparted job-oriented skill development training like electrical, masonry, nursing, general duty assistant, solar PV installation, and sewing machine operator courses to over 745 candidates in Karnataka, Maharashtra, Gujarat, Uttar Pradesh, and Odisha
- 47 beneficiaries provided with cancer screening and primary healthcare services via a mobile clinic in Jharkhand
- Facilitated 7 community-based cancer screening camps for over 453 beneficiaries in Karnataka
- Donated RO drinking water dispensers, barricades, office furniture, garden umbrella, and more to 118 rural police stations, aiding around 4,662 beneficiaries
- Donated wheelchairs, pillows, stretchers, water filters, and more, to 29 public healthcare facilities, aiding around 1,254 beneficiaries
- Donated sports kits, water purifiers, computer systems, chairs, etc, to 34 educational institutions, aiding around 26,214 beneficiaries

### Sunanda's story: Determined to succeed against all odds

Ms. Sunanda from Tumkur has been a CreditAccess Grameen customer since 2003 and runs an eatery for a living. Before this, she had a small tea stall, but her earnings weren't enough to support her family's needs.



However, Sunanda was determined to provide a better future for her family, so she started her own tiffin service. She took out loans from the company and used them to support her venture. Her business improved gradually and after some time, she expanded her services beyond tiffin and began catering lunch orders too. She says with a smile, "Through my hard work and the support of loans from the company, my eatery is running well, and I have also employed four people to help me manage it."

She further adds, "CreditAccess Grameen was the first microfinance institution to operate in our village. It trusted us with collateral-free loans and brought hope to our lives. I have used their loans to improve my eatery, purchase cattle, and for other needs."

Thanking the company, she says, "Apart from giving us loans, the company has taught us about the importance of financial independence and finance management, too. This has boosted our self-confidence!"