

QUARTERLY NEWSLETTER – Q4

January - March 2025

Message from Managing Director

Dear Friends,

This year has been transformative for the microfinance industry with the simultaneous unfolding of diverse internal and external challenges. It reminds us that growth is never linear; it is carved through courage, shaped by setbacks, and powered by purpose. Through every challenge, CA Grameen has emerged stronger, proving the resilience and sustainability of the model that we have created.

Across all states, a determined turnaround began to take shape from the second half of November, marked by a series of deliberate actions, including improved ground-level situation, high customer connectivity, strategic employee expansion, enabling more frequent and disciplined follow-ups. This declining new PAR accretion rate across all states has been clearly visible, while a little slower in Karnataka.

In this evolving context, MFIN served as a vital collective voice for the industry, engaging proactively with the Government of Karnataka, the RBI, and other stakeholders. Their efforts ensured that the ordinance addressed unregulated lending practices while protecting the integrity and operational continuity of regulated institutions. Their leadership upheld the sector's commitment to governance, customer protection, and regulatory alignment.

Amidst all this, our customers continued to show remarkable resilience, with the majority maintaining repayments. While these dynamics led us to recalibrate Q4 FY25 growth and diverge from performance guidance, the steps taken were responsible and essential to safeguard long-term stability. Again, our employees have exhibited an extraordinary resilience, courage, patience, determination, and dedication throughout while upholding the highest standards of customer service.

Amid the multiple headwinds faced in FY25, we delivered ROA of 1.9% and ROE of 7.7%, reflecting our persistence. The cross-cycle performance of RoA of 3.6% and RoE of 14.4% over the past 8 years is a testament to enduring value creation. We are well poised for FY26 on the back of stabilising asset quality and improving business momentum.

We aim for an AUM growth of 14–18%, with 8–12% coming from microfinance and the rest driven by our expanding retail finance portfolio, NIM of 12.6–12.8%, Credit Cost between 5.5–6.0%, and a ROA of 2.9–3.4% and ROE of 11.8–13.3% for FY26.

After a fulfilling 1.5 decades of leadership with CA Grameen, it's time for a new chapter. The journey from ₹250 crore to ₹25,000 crore has been rewarding, yet the path ahead, with our ambitious ₹50,000 crore target, promises to be even more exciting and impactful.

On 25th June 2025, I will retire as Managing Director (MD), but my commitment will continue as Non-Executive (Nominee) Director starting 26th June 2025, subject to necessary approvals. I will also join the Managing Board of CreditAccess India B.V., the holding company to support our vision for the future.

Our Chief Executive Officer (CEO), Mr. Ganesh Narayanan, will take the helm as MD & CEO, subject to regulatory and shareholders' approval, leading us into a new era. I am confident that with your continued support, the next phase of growth will take us to even greater heights.

- Udaya Kumar Hebbar

Synopsis of our financial results for the fourth quarter Q4 FY 2024-25

Particulars (Cr)	Q4 FY25	Q4 FY24	% Change
Total income	1407.7	1459.1	-3.5%
NII	876.1	921.9	-5.0%
PPOP	634.0	682.8	-7.1%
PAT	47.2	397.1	-88.1%

Growth and expansion

Particulars	Q4 FY25	Q4 FY24	% Change
Gross AUM (Cr)	25,948	26,714	-2.9%
No. of borrowers	46.9 lakh	49.2 lakh	-4.6%
No. of branches	2,063	1,967	4.9%
No. of employees	20,970	19,395	8.1%



Read excerpts from our interview with Mr. Ganesh Narayanan, Chief Executive Officer, CreditAccess Grameen.

Q1) How did self-regulatory organisations (SROs) contribute to the collaborative effort in managing the Karnataka ordinance-related aspects?

Self-regulatory organisations (SROs) like MFIN & AKMI played a pivotal role in serving as a unified voice for the microfinance sector. They proactively engaged with the Government of Karnataka, the RBI, and other stakeholders, demonstrating the sector's commitment to strong governance, customer protection, and regulatory compliance. Their leadership ensured that the ordinance is rightfully focused on addressing unregulated entities with minimal impact on the legitimate operations of regulated institutions. This united effort, anchored by the SROs, was instrumental in securing a balanced policy outcome that protected borrowers while preserving the integrity of inclusive finance.

Q2) Do you anticipate an increase in market share for regulated entities because of this differentiation?

Yes, the differentiation established by the ordinance sets regulated entities up for long-term growth. Borrowers will increasingly seek trusted institutions with strong governance, RBI oversight, and transparent grievance mechanisms, boosting demand for regulated lenders. With a clear regulatory framework, regulated institutions can scale with stability. The industry is already adapting by enhancing customer communication and improving field operations. These proactive measures will rebuild momentum and position us for sustainable growth, as more new-to-credit (NTC) customers turn to responsible entities like CA Grameen, ultimately increasing market share.

Q3) How did CA Grameen navigate the operational challenges during this transition?

We navigated temporary operational hurdles and on-ground sensitivities with a clear focus on our customers and mission. Anticipating the ordinance, we proactively calibrated loan growth, strengthened our provisioning buffers, and adjusted field operations, limiting collections to centre meetings while consciously avoiding house visits to respect local dynamics.

We prioritised transparency and trust, intensifying communication with our customers and employees to counter misinformation and reassure them of our continued commitment. Every step was guided by financial prudence and a deep responsibility to the communities we serve. The spirit of our employees was our greatest strength. Through every challenge, they were quick to adapt, safeguarding the trust we have built together. Their dedicated efforts ensured that we emerge not only stronger but more deeply connected to our purpose and to the millions who depend on us for their various financial needs.

Great Place to Work Certificate Awarded for 6th year in a row



CreditAccess Grameen was proudly awarded the Great Place to Work® Certificate in January this year, marking the sixth consecutive year the organisation has received this prestigious recognition. This continued achievement stands as a strong testament to the company's deeply rooted High-Trust, High-Performance™ culture—an environment where integrity, collaboration, and excellence thrive.

Recognition for Excellence in Rural Healthcare Delivery



CreditAccess India Foundation, the CSR wing of CreditAccess Grameen, received the THIT-2025 Award for Excellence in Rural Healthcare Delivery at the 12th THIT Conference held at Bharat Mandapam, New Delhi.

The award recognised the Foundation's project, "Community-Based Cancer Screening and Primary Healthcare", implemented in Cuddalore and Villupuram, Tamil Nadu, focusing on early cancer detection and access to primary healthcare in rural areas.

It was presented by Mr. Naveen Valluri, General Manager, Microsoft, and received by Mr. Satish Rao (COO) and Mr. Arun Ghorpade (Program Manager).

CreditAccess Grameen at BioFest 2025



CreditAccess Grameen, along with its CSR wing CreditAccess India Foundation, participated as a principal partner at BioFest 2025, organised by ICCOA to

promote sustainable organic farming and empower farmers. Key highlights included a Producers'-Marketers B2B Meet, Jaivik India Awards, and a knowledge-sharing conclave with experts, FPOs, and farmers.

Mr. Arun Kumar B., Head of Operations & Business Analytics, inaugurated the event and addressed the media. Mr. Satish Rao, COO of CreditAccess India Foundation, presented the awards, and Mrs. Vinoda, Program Manager, also represented the organisation at the event.

CSR highlights from the quarter

- 80 household sanitation units were constructed in partnership with Swades Foundation. Additionally, 7 youths received skill training, and one Anganwadi centre was equipped with solar power.
- In collaboration with Apollo Telemedicine, we conducted 5,803 health screenings—including cancer checks—and reached 1,958 beneficiaries through health awareness sessions.
- Partnering with the University of Agricultural Sciences, we organised camps benefiting 120 animals through treatment, vaccination, deworming, and infertility management, with active participation from 70 farmers.
- With CanKids KidsCan, 82 children fighting cancer received comprehensive support including medical treatment, nutrition, education, and psychosocial care. An additional 46 new patients were registered.
- Through Jivika Healthcare's initiative, HPV vaccinations were administered to 3,367 girls (ages 9–14) across schools in Uttar Pradesh and Maharashtra.
- In our ongoing partnership with IIT for water body rejuvenation and storage creation, we added an impressive 97 million litres of water storage this quarter alone.
- 53 tribal children received holistic care—nutrition, education, and daily essentials—through ASHA Child Home.
- We extended support to Mother Teresa Special School, positively impacting 84 mentally challenged children from marginalised communities.
- In collaboration with Aasman Foundation and Agastya International Foundation, we conducted career guidance for 9,102 students and experiential learning sessions for 339 teachers across government schools.
- We partnered with organisations such as Learnet Skills Limited, Udyogawardhini Shikshan Sanstha, Pramith Foundation, and Orion Educational Society to provide vocational training in electrical work, plumbing, tailoring, masonry, and more—targeting 1,107 young professionals.
- As part of our comprehensive community outreach:
 - Provided infrastructure and essential equipment to:
 - 670 police stations, benefiting 22,670 individuals
 - 147 health institutions, reaching 7,675 beneficiaries
 - 151 educational institutions, supporting 45,670 students
 - 500 Anganwadis, aiding 16,114 children and caregivers
 - Distributed 44,619 grocery kits to vulnerable families as part of our disaster relief and humanitarian efforts.



Skilled for Success: Sagar's Leap from Unemployment to Growth



Sagar Bandu Potole, a resident of Shenvadi village, district Satara in Maharashtra, comes from a farming family of four. Despite completing his 10th grade and ITI, he struggled to find employment due to limited skills. His breakthrough came when CreditAccess India Foundation, CSR wing of CA Grameen in collaboration with Swades Foundation, introduced a 45-day skill development program in his village. Determined to improve his future, Sagar enrolled and successfully completed the course.



"The training gave me the skills I lacked," he shares. "I was selected in an interview arranged after the course and started my first job with a ₹10,000 salary." In 18 months, his salary has grown to ₹16,000 and will soon reach ₹19,000. Sagar is proud and thankful for this life-changing opportunity.