

SAMVAAAD

Centrum Microcredit Newsletter

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Mr. Prashant Thakker Executive Director & CEO



Dear Team,

Hope you and your loved ones are safe and doing well.

The unprecedented pandemic that hit us in 2020, took us by storm and made us rethink our priorities. Our customers too were deeply impacted. Many of them lost their livelihoods, but as it has been seen in the past as well, the low income household are the most resilient and entrepreneurial and like each time, they bounced back faster than the rest of the economy. In spite of the many difficulties a large number of our customer have remained loyal and continue to service their loans. In spite of great difficulties we have managed to have a successful Year Ending for our business.

A thank you to all our employees who stepped up and performed well in these extraordinary times and helped us bounce back stronger than before. I am proud to lead a resilient team that in the face of the crisis has remained true to our values of Trust and Integrity.

The one thing this crisis bought home is the importance of technology and digital transformation. There was a lot done on the operational process and risk side. We digitalised our loan cards, one key innovation is that Centrum Micro is now a truly paperless company. There is no document generated in the entire loan process except for the Repayment schedule that is shared with the customer. We are truly a Phigital Company - Digital customer process with physical access to customer. In the future I believe this will be a USP and well in demand. All in all, while it has not been an easy year, it has been a great learning experience. As they say, a diamond is formed only under great pressure and with time. For us too. It has been trial by fire but the CML's entire leadership team and every employee with the support from Centrum Group has rallied together to rise up to the task.

Just when the Indian economy was beginning to return to normalcy, the unexpected but severe second wave of the pandemic seems to have hit us. In April, many states opted in for curfews/ lockdowns to control the spread of COVID-19 infections. This will impact our customers and our employees. We will meet this challenge head on, again and I am sure all of us will meet it with the same commitment as we did the last time around. Stay Safe and let's overcome this pandemic together.

I believe the road ahead uncertain and challenging at the same time exciting and rewarding and we are well on our journey to achieve our mission to positively impact 3 million households by 2025, across India by providing microcredit and other relevant financial services.



9 States



2,07,952 Customers



852 Employees



73 Districts



131 Branches

459.24
Portfolio in Cr

As on 31st March, 2021

Mr. Hariharan Iyer Head - Risk and Strategic Initiatives

At an industry level, credit risk is at an elevated level due to the COVID Pandemic. The Government and Regulatory interventions have provided some relief to the customers as well as the MFIs during the initial phase of the Pandemic. One of the biggest positives of the first wave was that infections were predominantly confined to large urban centres.

However, the second wave of infections, have started hitting Tier II towns and cities, which can have a cascading effect on rural/semi-urban areas. The microfinance sector, has not witnessed such prolonged periods of uncertainty in the last several years. At this juncture, it is pertinent to evaluate the issues that are emerging out of this situation; and what measures Centrum Microcredit can take to manage the associated risks.

One of the most important factors that leads to Credit Risk in such a scenario, where the staff cannot visit our customers, is the MFI's inability to stay in touch with the customers. Hence, Customer Connect through multiple means and channels becomes very critical to reduce the inability of staff to physically reach out to the customer.

Another Important Risk faced by an MFI is Operational Risk. Adoption of Technology can play a significant role in reducing the risk associated with fraudulent documentation, cash collection, and other field practices including audit. Technology not only plays an enabling role in facilitating smoother operational processes, but also helps the management to effectively monitor the operations even when supervisory field level visits and audits are not feasible.

Due to the increased uncertainty in such a dynamic Market Risk environment, it is critical for the MFI to dynamically revisit the Credit Norms especially since the credit behaviour becomes less predictable. The field team has to continuously stay glued to the ground reality to ascertain whether the credit norms of market players are going to create potential risks for the MFI in future.

In such a dynamic environment, the Risk and Credit function, has to be dynamic to track the developments in the market with respect to the developing trends in customer behaviour, technological changes, market practices that can impact credit culture. The Risk team's role has to evolve from a post facto analysis to continuous analysis to support and strengthen Field Operations, which is the backbone of an MFI.

We at Centrum Microcredit, have incorporated the above approach to manage Credit, Operational and Market Risks in a dynamic manner.

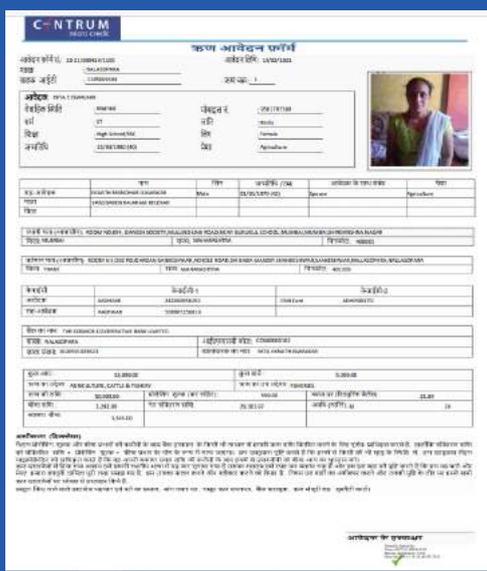


New Initiatives:

Aadhar Based Customer E-sign & Partnerships with Fintech Companies



- Complete paperless disbursements with the launch of the Aadhar based customer e-sign
- This process stops the physical document moving
- Centrum has helped customers mitigate their KYC Risk
- The process is currently active in all our Branches
- Environmental Assistance:
25 pages of paper will be saved per group created depending on the disbursement amount
- Centrum is venturing into various digital lending partnerships for on-boarding customers digitally.
- We at Centrum will do our due diligence along with their scoring model and complete the loan disbursement process effectively and efficiently.



Digital Lending Partnership - Fund Fina and CML

- CML's credit scoring criteria along with Fund Fina's proprietary scoring algorithm called "Truescore" filters loans from their enterprise partners, using the algorithm analyses transactional data of potential borrowers on the platform of Fund fina's enterprise partners, predominantly payment companies, qualifies them for credit, and calculates their loan eligibility.
- We are able to widen our customer reach and use their digital platform to directly mutually benefit both parties and also benefit our customers.





The Ray of Hope

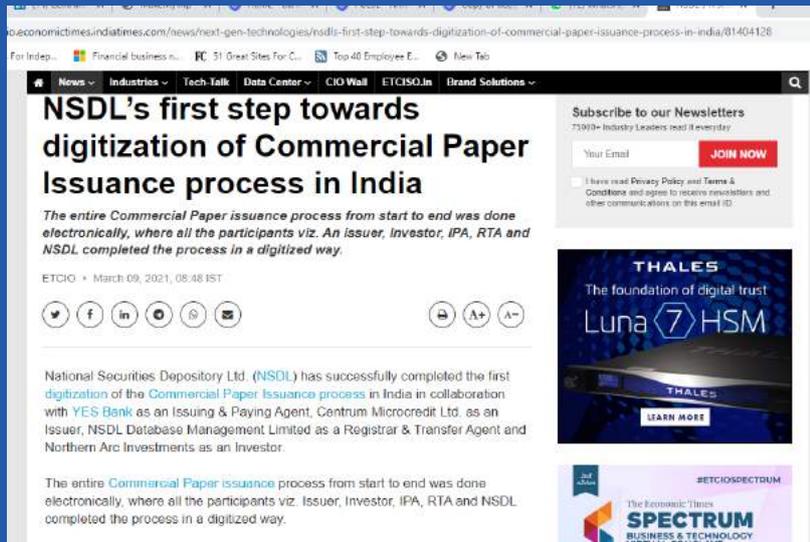
Priti Shankar
Bilaspur, Chhattisgarh

After my husband's death, 2 years ago, my daughter and I moved in to stay with my parents. I began working at a parlour where I learnt about beauty treatments and even learnt how to run one. I was struggling between long hours at work and taking care of my daughter at home as both my parents were running a grocery shop. I always wished that someday I could open a parlour of my own so that I could improve my financial status and also work flexi-hours. A year ago, Centrum's Loan Officer approached me and explained the concept of Joint Liability Group Loan. With the Loan amount of Rs 30,000 sanctioned to me, I started a parlour. I run the shop myself, and even provide home services for many of my clients. In the future, I hope to expand the parlour. Priti says, "When it seemed impossible to move ahead in life with my husband passing, Centrum Microcredit came as a ray of hope and encouragement that I needed to be an independent successful businesswoman."



India's first digitally executed Commercial Paper issuance by Centrum Microcredit in Association with NSDL

Prashant Thakker- CEO, Centrum Microcredit Limited said, "Under the current circumstances the business world is adapting to embracing technology and digitalisation in every aspect, Centrum Microcredit is pleased to be associated with NSDL to have engaged in an end to end digital issuance process of Commercial Paper. This has eased out the entire paper based process and reduced execution time significantly. Centrum Microcredit is happy to participate in the first online Commercial Paper issuance process and we would like to thank NSDL, Yes Bank as an IPA and Northern Arc Investments as an investor for this opportunity."



To read the complete article [click here](#)

सेंट्रम माइक्रोफाइनेंस: छत्तीसगढ़ के छोटे उद्यमियों को बढ़ावा देता हुआ

रायपुर। उद्यमी बनकर आर्थिक स्वतंत्रता पाने का सपना देखनेवाली महिलाओं के जीवन सुधारने में माइक्रोफाइनेंस अहम भूमिका निभा रहा है। छत्तीसगढ़ के बिलासपुर जिले की निवासी मनीषा साहू के उत्कर्ष की कहानी भी कुछ अलग नहीं है। उनके पति चश्मे के कारखाने में काम करते थे, उनकी अल्प आय, चार सदस्यों के परिवार को बढ़ती जरूरतें पूरी नहीं कर पाती थीं, परिवार बड़ी मुश्किल से कुछ बचत कर पाता, इसकी वजह से उनके बच्चों की पढ़ाई में भी कठिनाइयाँ आती थीं, अतिरिक्त आय जुटाकर परिवार की मदद के लिए मनीषा को सिलाई कढ़ाई जैसे छोटे मोटे काम करने पड़ते थे।

परिवार के चुनौतीभरे आर्थिक संकटसे गुजर रहा था, तब जीवन ने एक अप्रत्याशित सकारात्मक मोड़ लिया, एक साल पहले, मनीषा ने इलाके की कुछ महिलाओं के बारे में सुना, जिन्होंने एकसाथ मिलकर एक गुट बनाकर कर्जा लिया और अपना व्यवसाय शुरू किया, वह उस गुट की सदस्योंसे मिली और उनके जरिये सेंट्रम माइक्रोक्रेडिट के कर्ज अधिकारी से संपर्क किया, जिन्होंने संयुक्त देयता सामूहिक कर्ज और उससे होनेवाले लाभ के बारे में विस्तार से जानकारी दी। कुछ दिनों तक परिवार और मित्रों के साथ चर्चाओं का दौर चला, जिसके बाद उन्होंने एक कर्जदाता गुट के साथ जुड़ने का निर्णय लिया और अपना पहला 60,000 रुपये का कर्ज लिया, इस कर्ज राशि से उन्होंने कागज की प्लेटें बनाने की मशीन तथा जरूरी कच्चा माल खरीदा, उन्होंने मशीन अपने घर पर ही बिटाई ताकि काम करते वक्त वह अपने बच्चों का भी ध्यान रख सके, धीरे धीरे व्यवसाय बढ़ने लगा और वह आर्थिक रूप से स्वतंत्र हो गयी और अपने

परिवार का सहारा बनी, उनके व्यवसाय तथा अतिरिक्त आय के माँके उनके जीवन में खुशियाँ और आशाएं लेकर आये हैं। आज मनीषा और उनका परिवार समाज में सम्मान की जिंदगी बिता रहे हैं, उन्हें खुशी है के वह एक सफल उद्योजिका बन गयी है और साथ ही एक माँ के रूप में अपनी जिम्मेदारियाँ भी निभा सकती है, जरूरत के समय अन्य महिलाओं किओ तरह उसे मदद करने के लिए वह सेंट्रम माइक्रोक्रेडिट की ज़रूरी तथा आभारी है, अपनी सफलता का श्रेय सेंट्रम माइक्रोफाइनेंस को देते हुए मनीषा कहती है, हमारे सपने पूरे करने और मेरे जीवन बढ़ा बदलाव लेने में मेरी मदद करने के लिए मैं सेंट्रम माइक्रोफाइनेंस के आभारी हूँ, मैं अपना व्यवसाय और बढ़ाना चाहती हूँ और यह महामारी ख़त्म होने के बाद बच्चों की अच्छी स्कूल में भेजना चाहती हूँ,इ

सेंट्रम माइक्रोफाइनेंस: छत्तीसगढ़ के छोटे उद्यमियों को बढ़ावा देता हुआ

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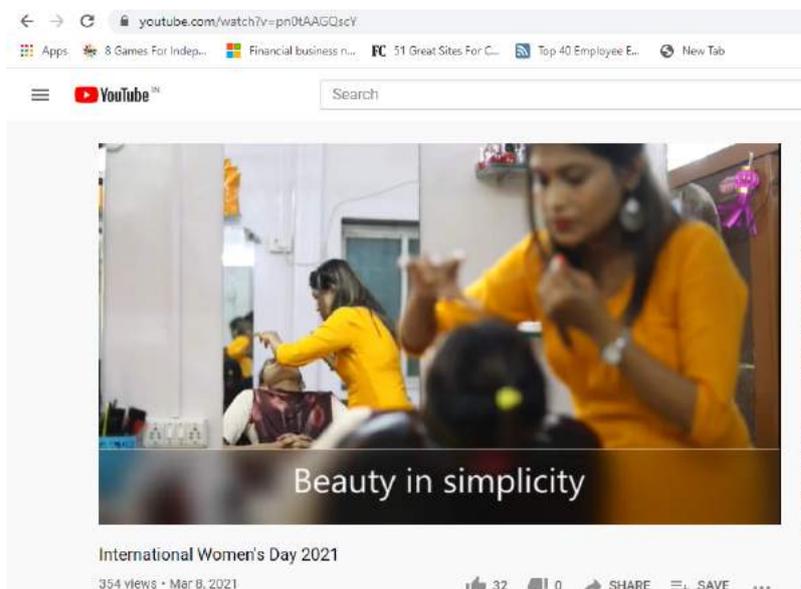
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Ispat Times,Raipur

Amrit Sandesh, Raipur

Women's Day Celebration

For Women's Day this year, we held a webinar with our partner DocOnline on "Cervical Cancer awareness and Prevention" followed by playing Dumb Sharades and cake cutting.



CML's feature in MFIN's Women's Day video

MFIN created a well documented video having Happy pictures of Customers from different Microfinance Institutes. 3 of our Customer photos were featured in their video.

To watch the complete video [click here](#)

Video Contest Winner- Loan Officer Category

We launched a video contest for our Loan Officers, where they needed to take a video of them interviewing our customers. The winner of the Video Contest for the month of January is Snehal Mahadik from BKC, Mumbai



Video Contest Winner - Branch Manager Category

We launched a video contest for our Loan Officers, where they needed to take a video of them interviewing our customers. The winner of the Video Contest for the month of January is Snehal Mahadik from BKC, Mumbai



Our Customer photo Featured on MFIN's Instagram Account

MFIN Launched its Instagram account where they share the Happy faces of Customers PAN India. Our Happy customer Hansaben and her husband were featured on their page

To view the post [click here](#)



Employee Speaks:

“I joined CML in November, 2019. I am working as an Area Manager of Chhattisgarh. I consider myself lucky to have been associated with CM. It has been almost 2 years of my association with Centrum and it still feels like yesterday that I had joined this team. I have learned so much over all the challenges and opportunities that have come my way. I am happy to be a part of this Team!”



Rajendra Baishwade
Area Manager- Chhattisgarh

For any Ideas/Feedback
Please Contact Erica George
erica.george@centrum.co.in