

# SAMVAAD

## Centrum Microcredit Newsletter

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### Mr. Jaspal Bindra & Mr. Chandir Gidwani Executive Chairman & Chairman Emeritus - Centrum Group



Dear Centrumites,

Hope you all are doing well.

We received RBI's in-principle approval to set up a Small Finance Bank on 18th June, and I am happy to share that in a short span we have made significant progress and expect the bank to be fully functional within a couple of months.

After a lot of consideration, we have named the bank as 'Unity Small Finance Bank' and have completed the necessary registration process.

Unity as a name is very relevant on many counts to both Centrum and BharatPe. It is a first ever that two partners are uniting equally to build a Bank. Our thrust will be on financial inclusion, aiming to bring Unity in Financial Diversity. The Bank's core philosophy is to be open architecture, thereby uniting with multiple service providers to deliver a seamless digital experience.

The next few months will be exciting and equally challenging and we look forward to each one of your support in scaling this new venture to greater heights!

### Mr. Prashant Thakker Executive Director & CEO



Dear Team,

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

In managing the 2nd wave of Covid and entering back into normalcy, we have surely faced challenges we had never foreseen before. As states encouraged accelerating the vaccination programmes to manage the spread of the virus, I am happy to share that we have been able to vaccinate majority of our employees during the vaccination drive in June and by September most of our employees will be doubly vaccinated.

We have continually tried to do our bit by educating our customers on the importance of vaccinations. In spite of the many difficulties a large number of our customers have remained loyal and continue to service their loans with us.

Although providing financial services is the primary goal of CML, we have tried to make a difference in the communities in which we operate through interventions revolving around Social Development. Our impact in alignment with the UN SDGs are ongoing. We are aligned with 8 out of 17 of UNs SDGs and hope to increase our overall impact in the time to come, by providing relevant financial services to our customers.

I am happy to share that the market continues to recognise all the work we have been doing. After receiving the Company of the year (NBFC MFI) at the Asian Leadership Awards, Centrum Microcredit has recently been recognised as the Prestigious Rising Brand 2021 (NBFC-MFI) sector by Herald Global BARC and ERTC media.

As we are entering a new chapter, we are excited for the challenge that awaits us. It is huge opportunity for us to be able to serve our customers with more products, better services and efficient technology.

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.

As we continue on our path to create a positive impact in the lives of 3 million low income households we persevere to remain true to our values of Trust as we aim to be the most preferred service provider for our customers.



9 States



193955 Customers



812 Employees



73 Districts



131 Branches



403.2  
Portfolio in Cr

As on 31st July, 2021

## Ms. Parul Parmar V.P- Information Technology



A plethora of technology options are available in the market and companies are spoilt for choices. However not all those may be relevant or useful for our business. So which option to choose? The choice depends on business dynamics, use case, problem statement, implementation timeline, budget and user profile.

Microfinance business is different from other retail lending businesses mainly due to the difference in target demographics. Since the nature of our business requires physical footprint to meet customers; our strategy is to go “Phigital”. It leverages technology to ease out officers’ mundane tasks thus leaving him / her with enough time to do what we do the best – “strong customer connect”.

Technology is not an end game; it is merely an enabler. Hence, the focus is to provide solutions for equipping field and branch officers with tools and applications to increase efficiency, reduce paperwork, assist customers, reduce TAT and thus provide a great customer experience.

In recent months, CML has leveraged OCR technology for auto data entry of customer details to reduce TAT for customer on-boarding, eliminating errors and improving data quality. For each loan there is trail of paperwork which needs to be signed by customer and documents need to be retained for years thereon. We have embarked on Aadhar based e-Sign loan agreement which helps in quick disbursement and zero paper trail. With training and concentrated effort to propagate change in this process, a success rate of over 90% has been achieved. Since improvement is an iterative process, we have already started working on an even more simplified version of e-Sign which will be launched in the coming month. This version will offer both unassisted and assisted mode of e-Sign such that customers who need a helping hand in adopting this technology can be assisted duly.

On the collection front; although our customers prefer cash payment, we are inching towards digital modes of payment by educating the customers as well as keeping the features as simple as possible. A simple QR code printed on the Loan Card takes away the pain of entering the loan number and EMI amount and it can be on any UPI app. This in turn also helps branches to reduce cash handling over-head as well as reduce trips to the bank to deposit cash. It also mitigates risk of holding cash in branch vault.

CML’s recent partnership with PayNearby has been a success on technology front as well. This is a seamless flow leveraging real-time integrations thereby reducing disbursement time to couple of hours.

The success of these initiatives not only depends on technology solutions but also relies on the participation of branch officials and field officers. Hence, in parallel we are working to improve our channel of communication and fortify user understanding of application usage and add new features.

For CML’s Phigital strategy; this is just a start and there are many more initiatives underway to reduce credit assessment time, rapidly scale-up business alliances, introduce more loan products and build process efficiencies.



## 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.



## CML's tie up with PayNearby Technologies Ltd (PNB)

- CML as a part of their digital lending strategy has tied up with another Fintech partner Paynearby Technologies Ltd (PNB).
- The partnership aims at providing unsecured business loans to a vast network of retailers through PNB's Network enabling financial inclusiveness and economic wellbeing of the retailers especially in the Covid crisis.
- The entire process is completely digital with no involvement of paper or field staff. Partnership currently funding unsecured loans ranging from 25000-1 Lakhs with terms ranging from 6 months to 24 The average disbursement TAT is 2 days.

### PayNearby ties up with Centrum Microcredit

To facilitate Unsecured Business Loans to Retailers

EOI CORRESPONDENT

NEW DELHI, MAY 21/--/ As part of its Shop Owners Benefit Program, PayNearby, India's leading branchless banking and digital payments network, has tied up with Centrum Microcredit Limited, the micro finance arm of the Centrum Group, to facilitate unsecured business loans to its retail partners.

As part of the tie-up, loan requirements will be sourced through PayNearby's vast network of retailers and will be disbursed by Centrum Microcredit Limited. The solution is aimed at fortifying and driving the business growth of PayNearby's retail partners, especially in these challenging times where businesses are struggling to stay afloat due to the

economic fallout of COVID 19.

The partnership will work towards enhancing the shared goals of the two organizations, which are committed to enabling financial inclusiveness and the economic wellbeing of the retailers. Retailers often need timely and small-ticket working capital loans for short tenures to keep their businesses up and running. More often than not, due to lack of collaterals or being new-to-credit, these retailers predominantly rely on alternative options such as local moneylenders or loan sharks instead of mainstream options such as Banks or Financial Institutions. But, loans from these informal sources come at exorbitantly high interest rates, pushing them further into an inevitable vicious cycle.



## NOT JUST ANOTHER ROTI MAKER

-Ms. Vidya Belenowar  
Bandra East, Mumbai

I've been in the Roti making business since the last 23 years. My husband and I saved our family money to buy a rickshaw which serves as a source of income in the family. My family always praised my cooking and told me that my rotis were as soft as cotton. I started making Rotis at home and selling for Rs 2 to our neighbours. One-day Centrum's Loan officer approached me and explained to me the concept of joint Liability Group Loan. I knew it was time to expand my roti business, and with reassurance from my husband, I took a loan from Centrum. From selling rotis on a small scale to now making 500-600 frankie rotis a day, I have certainly come a long way. I am on my second loan cycle with Centrum and now I have diversified into making other food items like Ghehu ka chapatti, jowar ka chapatti and I even make and sell puranpoli for Rs 30 a packet.

I start at 8am every day, and after I make the frankie rotis my husband uses the rickshaw we brought to deliver it at the Frankie stall in BKC and then continues work. We have two children, my daughter is studying in the 12th and my son will start school. I wish to get and MEL Loan from Centrum soon, so that I can expand my roti business, put in more hours of work, and deliver to a few more locations.

Centrum Microcredit has truly changed my life. It made me believe that I am not just a homemaker but I can also support my family in my own way by having a business of my own. I feel proud that I have become a strong, independent woman who contributes to the income of the family. I would like to Thank Centrum for lending me a helping hand on my way journey to making an identity for myself.



## Our C.E.O, Mr. Prashant Thakker was elected as the Vice-Chairperson by MFIN

It is a matter of great pride for Centrum Microcredit, that our C.E.O, Mr. Prashant Thakker was elected by MFIN to be the Vice Chairperson along with Mr. Devesh Sachdev as the Chairperson.



(Left) Devesh Sachdev, Chairperson, MFIN; Prashant Thakker, Vice-Chairperson, MFIN

## Management Trainee Program

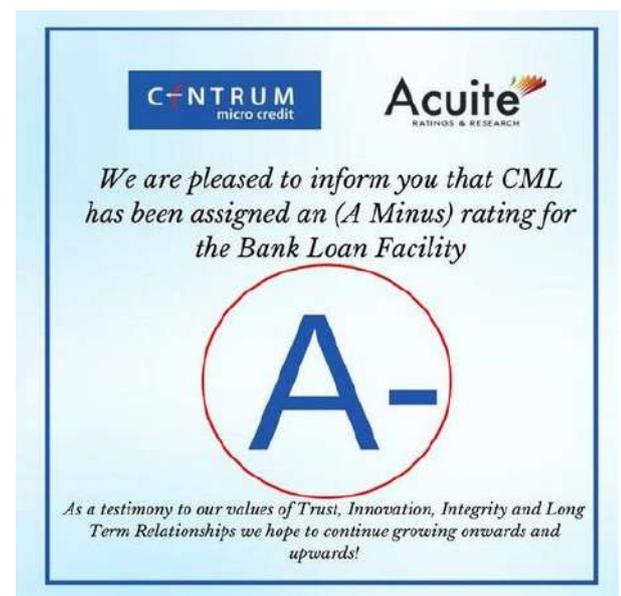
All the hired Management Trainees went through a rigorous 1 month Training program. The training involved product and process training that included on field and class room learning.



## CML has been assigned an (A minus) rating for the Bank Loan Facility

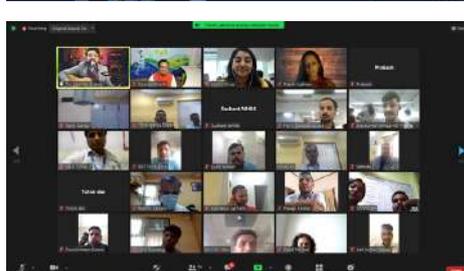
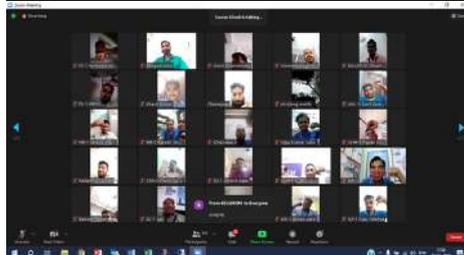
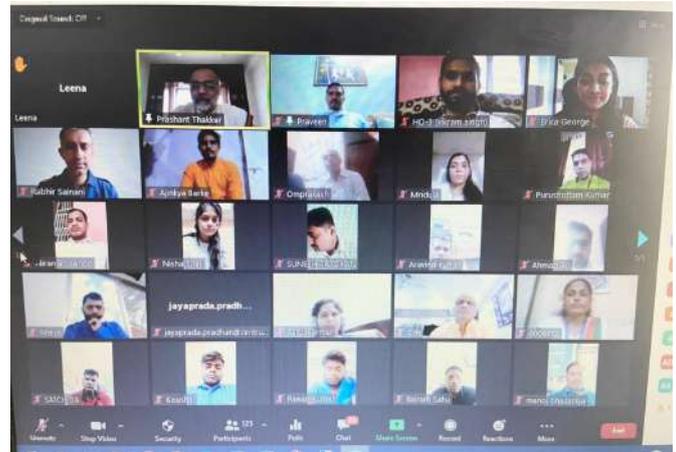
Acuite Ratings and Assessments has assigned Centrum an (A minus) rating for the Bank Loan Facility.

As a testimony to our values of Trust, Integrity, Innovation and Long Term Relationships we hope to continue growing onward and upward!



## Independence Day Celebration

We celebrated Independence Day virtually this year. We sang the National Anthem, celebrated and shared company good news and discussed about how proud we all were on India's performance in the Olympics this year.



## CML Olympics Launch-Week Chess, Ludo and Closing Ceremony

Apart from daily work, we at CML have launched CML Olympics that is a 90-day program full of fun filled games every fortnight. We completed all the games successfully and even had the CML Closing ceremony.

We have even launched a program called Get Fit with CML a 90-Day fitness challenge for all our employees to help increase immunity and take up fitness as a way of life.



## CML was awarded the Prestigious Rising Brand Award (NBFC-MFI) and our CEO- Mr. Prashant Thakker received the Marketing Meister Award

In an event held in Goa on the 29th of Aug,2021, we received an award as the Prestigious Rising Brand- (NBFC-MFI) sector and our CEO, Mr. Prashant Thakker was awarded the Marketing Meister award. It was a proud and humbling moment for us to be recognized by by Herald Global BARC and ERTC media at such a prestigious event.



Here is to many more such accolades.

## Employee Speaks:

"It been 3 years with Centrum Microcredit now. This journey has been filled with learning and growth within the organisation. I am grateful to have supportive colleagues who have played an important role in where I am today. I am looking forward to many more years of association with Centrum Microcredit Limited. "

Devendra Pratap Singh  
Unit Manager - Bihar

