

Annual Report 2012 – 13





Chairman's Message

A Warm Welcome

Dear Members,

I'm quite excited to place the Annual report of AKMI for the year 2012-13 before all of you. Excited because, it is for the first time, AKMI is coming out with its annual report. The report not only chronicles and highlights the happenings during 2012-13, but also looks back with pride at many of its achievements since its inception.

As many of you are aware, a strong need for a united front was felt by the MFIs to address the issues faced by them. A common platform enabling dialogue with various Government departments and the Reserve Bank of India was realized in the form of AKMI. The members of AKMI should be appreciated to a very great extent, for they spontaneously recognized the importance of this movement and became a part of it. A special mention has to be made about Sri Suresh Krishna of Grameen Financial Services and Sri Samit Ghosh of Ujjivan for their unstinted support to this cause.

In fact, AKMI is the first of its kind in the Country, with no other state boasting of a similar set up which has helped to protect the interest of all the stakeholders of the Microfinance sector. AKMI has been striving continuously in building up liaison with the various departments of the State Government and ensuring that the Microfinance Institutions operating in the State are allowed to continue their operations smoothly.

I am sure all of you would appreciate the initiatives taken by AKMI in fostering goodwill amongst the members and helping to resolve many of the differences. Sharing and exchanging their experiences, expertise and resources, the members have collectively resolved many of the issues besetting them. The Lead MFI concept by AKMI has brought in all the MFIs operating in a particular district together on a common platform.

AKMI has been a staunch advocate of responsible Microfinance following the best principles of Social Performance Management. To bring greater awareness amongst the borrowing community, it has given a lot of importance to financial literacy programmes. Client protection mechanisms have always been an area of concern and towards this, AKMI has set up grievance cells at all the districts to address this issue. In fact, going ahead AKMI has also set up an Ombudsman.

The inclusion of Microfinance lending under Priority sector by the Reserve Bank of India has given a big boost to the sector. Both NBFCs and NGOs involved in Microfinance activities have benefitted out of this. Adherence to the guidelines prescribed by Reserve Bank in Microfinance lending has enabled these institutions to shield themselves from the State legislations. Further, Banks have also been willing to extend operating funds to all these institutions adhering to the priority sector prescriptions.

I am very happy to inform you that AKMI has realized most of its cherished objectives for which it was set up. The work is far from over. AKMI has to ensure that in future it plays a more meaningful role. It has to work towards bringing in harmony amongst all the players keeping in mind the welfare of its clients.

AKMI has benefitted to a great extent from the continuous support it has received from Sa-Dhan and MFIN. It has been able to develop a joint code of conduct for MFIs along with them. I thank Sa-Dhan for sponsoring many of the workshops and training programmes conducted by AKMI.

I wish to place on record the valuable guidance given by Dr. Veerendra Hegde and Padmashri Alosyius Fernandez in many of the issues faced by AKMI.

I wish to thank all the members of AKMI for their unstinted support and co-operation in all aspects.

I specially would like to thank Mr.Pamadi and Mr Krishna Morab and other administrative staff of AKMI for their sincere work.

(Vivekanand N. Salimath)
Chairman





Message from Padmashri Aloysius Prakash Fernandez

Chairman Emeritus, AKMI

AKMI emerged due to the initiatives of several Micro Finance Institutions in Karnataka who contributed liberally in terms of time and money especially 'Ujjivan and Grameen Koota'. It was a timely initiative and served the purpose of providing a forum for MFIs to meet and share their experiences, to resolve potential conflicts and serve as a catalyst for building the field of community development initiatives. It was also timely since it emerged at a time when the micro finance institutions in Andhra Pradesh moved from the Krishna crisis to a State wide crisis which created a climate which was far from supportive of MFIs. In this unsettled situation, the Government of Karnataka and AKMI provide a stabilizing force for two reasons.

One, because the Government of Karnataka decided not to follow the path of its neighboring state. Instead it agreed to allow AKMI to take the lead role in solving conflicts or problems in the field. The occurrence of farmer's suicides in AP had generated extensive negative media coverage.

Similar instances were few in Karnataka and largely in the Districts bordering AP, but AKMI responded quickly by sending teams to assess the situation and resolve the problems. Similarly when religious leaders took positions against loans, AKMI took the lead in addressing their concerns. The Government of Karnataka also took the step to support NABARD to set up a NBFC which kept interest low, promoted inclusion in growth and was in tune with Governments objectives.

One of the greatest achievements of AKMI was to promote and handhold District level Associations of its members who were able to address issues that arose in the District quickly and successfully. AKMI's periodical reports of the status of MFIs in Karnataka provided District wise data which was helpful to reduce overlap in interventions from various MFIs and to provide an overall picture of the microfinance program in the State. The annual Seminars AKMI organized served to make political leaders and the public aware of its operations and were very much appreciated.

My congratulations to AKMI, its Board, the President Shri Salimath and to Krishna Morab, Chief Executive Officer, AKMI

(Padmashri Aloysius Prakash Fernandez)
Chairman Emeritus, AKMI

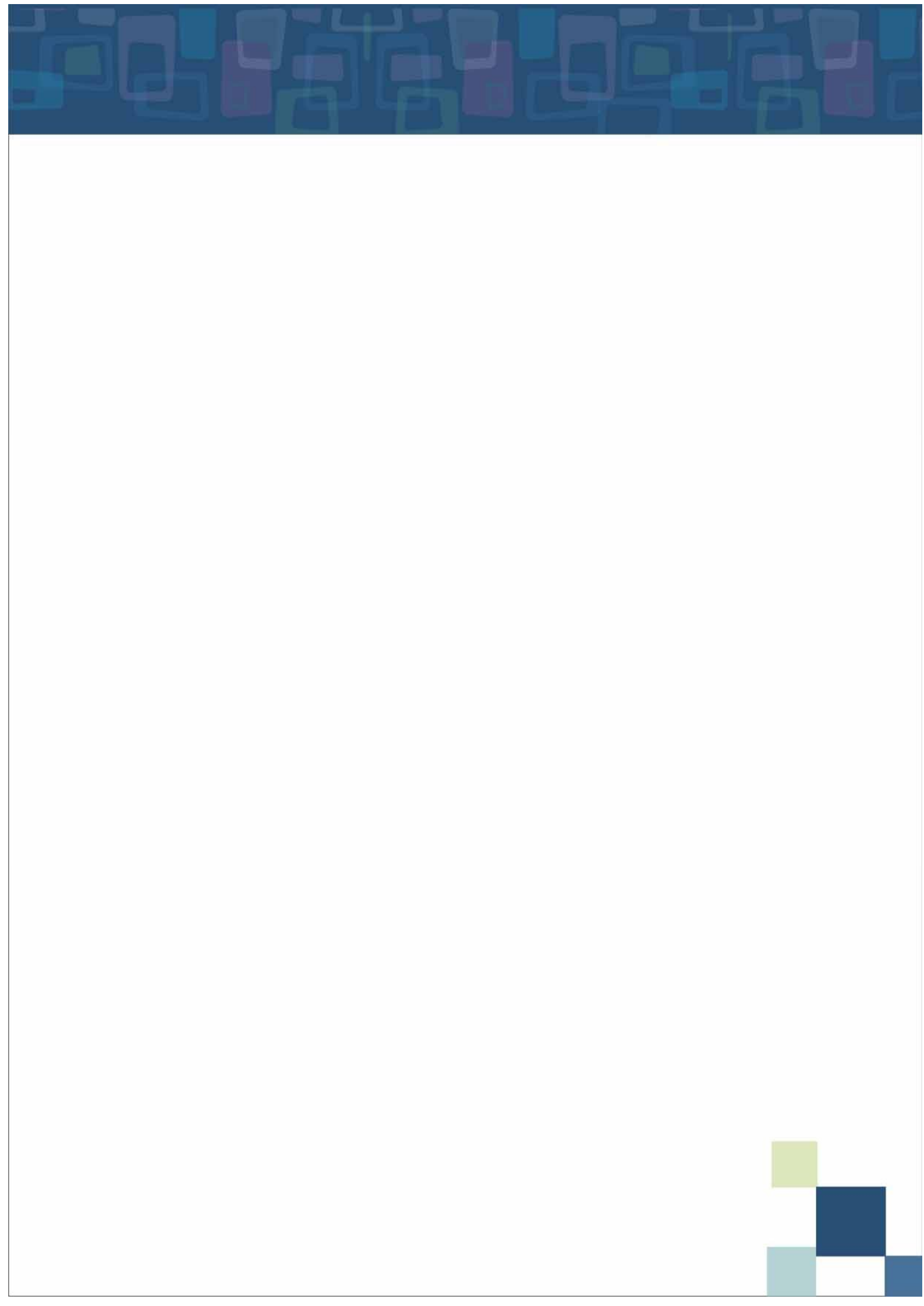




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ASSOCIATION OF KARNATAKA MICROFINANCE INSTITUTIONS

AKMI is a premier Industry Association and the primary representative body for the Microfinance Industry in Karnataka. It was established in 2007 as a Society registered under the Societies Act 1860 with its Head office at Bangalore. Perhaps it is the first and the only one of its kind in the country and no other state has a similar representative body.

The main objectives of AKMI were to bring in better transparency, governance, clients protection and ethical practice amongst the MFIs in the state.

AKMI has exemption from the Income tax authorities under Sec 12A and contributions to its activities are exempt under Sec 80 G of the Income Tax Act.

The Beginnings

The idea of having an Association of Microfinance Institutions was triggered during 2006. District administration authorities in Davangere took objection to the Microfinance activities carried out by certain MFIs. Charges were leveled against them of certain malfeasance. This created a lot of anxiety, confusion and uncertainty amongst the Microfinance service providers. Towards resolving this, a high level meeting was held by representatives of the MFIs with senior functionaries of the police, government department and Reserve Bank of India officials. It was during one of the meetings that RBI suggested that it would be in the interest of all the Microfinance Institutions to set up a representative body. This would ensure that the representative body of the members could involve in dialogue with various authorities and take up the issues faced by them rather than each and every member to act individually. The MFIs also felt that an institutional form of concerted efforts would be more effective to address many of the issues being faced by them in common. Thus, the concept of a State level organization-AKMI took its birth during 2007.



Since its formation in 2007, AKMI has been quite active trying to create a cordial atmosphere in which the Microfinance Institutions can continue their good work without being unnecessarily penalized. It has constantly lobbied with the various Government departments, Police and the RBI in creating a conducive atmosphere in which MFIs can function. Simultaneously, it has initiated various client protection mechanisms to address the concerns of the borrowing community.

The path traversed

The initial test of fire for AKMI came when the State Government officials from the department of co-operative societies issued notices to certain Microfinance Institutions as to why action should not be taken against them under the Money Lenders Act for their lending activities. Subsequently with AKMI's intervention a State level co-ordination forum consisting of officials from the Reserve Bank of India, State Government, Police Commissioners office and AKMI deliberated over the same and came out with an amicable solution.

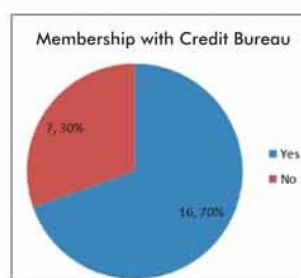
MFI CLIENT OUTREACH KARNATAKA



The biggest challenge came in the form of Kolar Crisis during January '09, wherein ANJUMAN Committee had issued a Fatwa to its community members not to repay the loans availed by them from the Microfinance Institutions. AKMI's efforts to talk to the members of Anjuman did not prove much fruitful. AKMI then tirelessly took up the matter with the Superintendent of Police, the Deputy Commissioner, Deputy Governor of Reserve Bank of India, Lead Bank officials and various other Government functionaries, appraising them about the crisis and seeking their intervention. Even though AKMI was not able to restore normalcy in the functions of MFIs, AKMI effectively countered the propaganda created by Jaya Karnataka Sangha and the Karnataka State Farmers Association in Ramanagar. Through a series of write-ups and items of clarification AKMI was able to nip the crisis in its bud.

AKMI right from the beginning has always treaded a novel and different path in addressing many of the issues facing the sector.

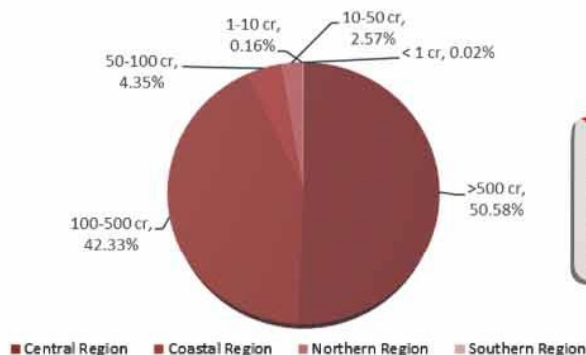
- Appreciating the importance of Credit bureaus, AKMI played a highly interactive role in ensuring that its members became members of Credit bureau. It organized meetings with the credit bureau, wherein the members were appraised the importance of becoming members of Credit Bureau. Using its leverage it was able to negotiate better rates for its members. Thanks to its untiring efforts, most of the Microfinance Institutions have become members of the credit bureau. This has helped in preventing multiple lending to a very great extent. Today, more than 70% of its members are also members of accredited Credit bureau viz., High mark Credit Information Service Pvt Ltd and Equifax credit
- AKMI is a permanent invitee in SLBC (State Level Bankers Committee-Karnataka) and attends its quarterly meetings regularly and participate in state level deliberations.
- Drawing a lesson from the Lead Bank scheme, AKMI came out with the concept of Lead MFI for a particular district. The lead MFI brings about co-ordination with all the members in the area, resolving disputes among its members. Through its monthly meetings in which all member MFIs participate, in the concept has worked very well, with the lead MFI playing a pivotal role in co-coordinating all the MFIs the particular district and participating in the meeting of DLCC. The lead MFI also arranges for the conduct of various activities like financial literacy training programmes for the borrowers
- Realizing the power of visual media in reaching out to more people and create awareness about the Microfinance sector, AKMI brought out a series of short TV serials, which were telecast in Chandana programme of Doordarshan on specific days for a period of one month. The programme titled "KiruKaasu-HiriKanasu" (Small money-Big dreams) was very well received by the public and received a lot of accolades.



Snapshot of Members (as of 31st March 2013)

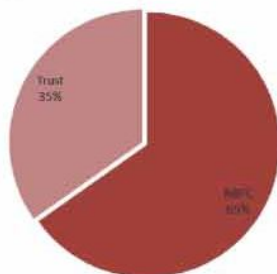


Client Outreach across portfolio size and legal forms



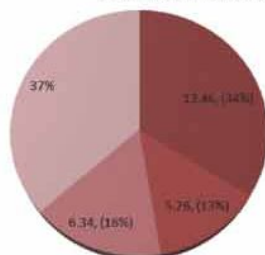
The members of AKMI cover entire gamut of the MFI Industry in Karnataka ranging from very large institutions with portfolio of Rs. 500 crore and above to mid-sized/ small MFIs with state / regional outreach only.

Legal Form of Members



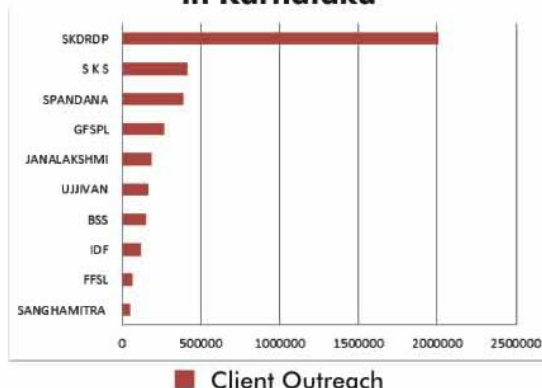
Of the 23 members of AKMI 15 are regular NBFC's regulated by Reserve Bank of India. The remaining 8 are registered as trusts.

Region-wise Distribution of Members Operations in Karnataka

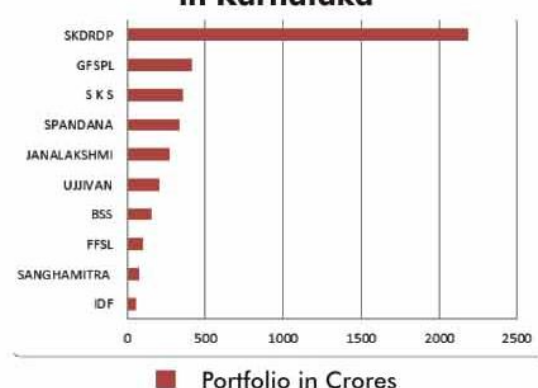


Most of MFIs are operating in southern and central part of Karnataka. The Northern and coastal regions need to be covered.

Top Ten MFIS in Client Outreach in Karnataka



Top Ten MFIS in Microcredit Portfolio in Karnataka



Governance

The affairs of AKMI is managed by a Board elected from amongst its member MFIs. The eight members on the Board come with varied and rich experience in the field of Banking, Social enterprise and Microfinance.

Padmashree Aloysius Fernandez - Chairman

Emeritus Sanghamitra Rural Financial Services, Bangalore



Recipient of Padmashree award during 2000, Sri. Aloysius Prakash Fernandez has vast experience in the fields of development and finance. Popularly known as the father of the SHG movement, which he pioneered during 1985, he was instrumental in setting up MYRADA. With NABARD he was the driving force behind the SHG-Bank linkage programme. To take forward the Microfinance programme, he founded Sanghamithra Rural Financial Services, a Section 25 Company in 1996.

His contributions to the developmental sector and his outstanding work in setting up and managing people's Institutions automatically involved him in several National & State level committees including the Dr.C Rangarajan committee on Financial Inclusion and steering committee on Agriculture and allied sectors during the 12th Five year Plan. He is on the Board of NABFINS. He is also a recipient of Caritas Millennium Award

Mr. Vivekanand Salimath - Chairman

Chairman - IDF Financial Services Ltd



Chairman of IDF FSPL, he is a Post Graduate in Agricultural Science with specialization in Agronomy. A rich experience in the field of entrepreneurship & development as the Executive Director of RUDSETI, Ujjire and Banking with a leading Public Sector Bank enabled him to set up Initiatives for Development Foundation (IDF), a Social enterprise of which he is the Managing Trustee.

He is a member of several prestigious committees set up by NABARD and RBI. He is presently the Chairman of AKMI (Association of Karnataka Microfinance Institutions). He is also a member in State Level Bankers Committee -SLBC and Agriculture Man and Ecology-AME.

Mr. Samit Ghosh - Vice-Chairman

Chairman & Managing Director-Ujjivan Financial Services



A hard core Banker, Samit Ghosh has a rich experience of over thirty years in international banking. He has pioneered consumer banking in India with a couple of associates at Citibank in 1985.. He led the launch of retail banking for Standard Chartered in the Middle East and South Asia, and for HDFC Bank in India. Before setting up Ujjivan, he was Chief Executive (India) of Bank Muscat. He is an alumni of Jadavpur University and The Wharton School of the University of Pennsylvania. He is one of the founder members of AKMI and is presently its Vice Chairman





Mr. Suresh K Krishna, Secretary

Managing Director-Grameen Financial Services Pvt.Ltd

Mr. Suresh K. Krishna has been at the forefront of Microfinance, both at national and State levels. Having studied international microfinance models and strategies from several reputed establishments including Grameen Bank and Bank akademie, Germany and Harvard Business School, USA, he has been able to put his learning's into practice. A panelist in several national and international microfinance conferences, his concerted efforts saw the birth of Association of Karnataka Microfinance Institutions (AKMI). He is also the Chairman of Microfinance Focus, an online portal and monthly publication with the latest microfinance news and trends.

He is on board of Sa-dhan (The national body of MFIs) and Sadhana Innovative Financial Products and Services Ltd.



Mr. Radhakrishnan V S, Treasurer

Janalakshmi Financial Services Pvt Ltd, Bangalore

Radha, as he is fondly called, is a veteran banker with an illustrious career in the banking sector. He was with HSBC for over 25 years where he held various senior positions before moving to ING Vysya Bank for 3 years. Radha has an MBA from Indian Institute of Management, Ahmedabad.



Mr. P. Narayanappa, Directors

Prakruthi Foundation

Sri. P. Narayanappa is Post Graduate in Sociology and CEO of Prakruthi Foundation (MFI) and the Executive Director of PRAKRUTHI (NGO), having three decades of experience in the Development Sector. He is the State Level Convener for Micro Credit Network – Karnataka (MICNET-K). He has successfully implemented a Rural Women Empowerment Development Project assisted by IFAD & World Bank. Has Co-ordinated a South India network of 30 NGOs of Karnataka, Kerala and Tamilnadu assisted by NOVIB, International Donor Agency, Netherlands for 3 years. He has also coordinated projects supported by other International Donor Agencies i.e. SCIAF, Scotland, KKS, Germany, SDC – IC, Switzerland, TDH, German, OXFAM – UK & Caritas India for Integrated Rural Development & Poverty alleviation. He has undergone many training exposure in INDIA and also participated in International conferences / workshops of 5 countries in Europe.



Mr. Niranjan Sheelavant

Nirantara Community Services

Mr. Niranjan Sheelavant, a graduate of University of Agricultural Sciences-Dharwad & a post graduate in Social Work from Gulbarga University, has over 12 years of experience in development & microfinance sectors. He worked in participatory projects on natural resources management including watershed and sustainable agriculture management. He was a faculty member in Bidar DCC Bank's training center and involved deeply in training on SHG-Bank Linkage Program. Later, he became an Institutional Development Consultant to clients of IGS-BASIX and as an independent consultant for many start-up microfinance institutions in Karnataka and Andhra Pradesh. He founded Nirantara Sevas group and currently steering Nirantara FinAccess as Managing Director.



Mr. Nagendra Mali

Navachetana Microfin Services Pvt Ltd

Mr. Nagendra V. Mali holds a degree in Science and a Diploma in Journalism from Karnataka University. His flair for serving the poor and promoting rural development caused him to become involved in these areas of work soon after his graduation, and he was ultimately inspired to form his own organization, Navachetana Foundation (NCF), in 1999. In 2005 recognized the need to incorporate microfinance in his organization's poverty alleviation work, a decision that led to the creation of Navachetana Microfin Services Private Limited (NMSPL), a Non-Banking Finance Company. Mr. Mali currently serves as the Managing Director of NMSPL and the Vice President of NCF.



Ms. Malini B Eden

Kaveri Credit India Pvt Ltd

Her career in the development field spans a period of over 22 years. She groomed her career as social worker at Association of Physically handicapped. She positioned herself in different label of management through SEARCH- Director- Strategic Alliances, KOPSA- Director. Her expertise lies in managing operations in a large business environment, formulating business strategies, fund mobilization and identifying new markets. She has extensive exposure to in understanding the needs and potential of the under-developed regions of the country, creating not only income generating avenues for the poor but also rural employment and overall rural economic growth, by virtue of her work at SEARCH and KOPSA.



Activities in 2013

Towards a Growing Interaction between Members

AKMI has 29 districts forums actively involved in various poverty alleviation programmes and significantly contributing to the financial inclusion agenda.

AKMI Bimonthly meeting

The Lead MFI scheme was initiated by AKMI. Each district was appointed with a Lead MFI based on its size of operations in the district. The scheme provides leadership in initiating, streamlining and accelerating the process of development of the respective district by enlisting the co-operation of MFIs and by maintaining continuous liaison with Government & Quasi Government agencies.

Every month, the lead MFI in the district conducts a meeting with other operating MFIs in the district to discuss local issues and share information. The meeting also serves as a platform to resolve issues in the district.

Organization and dissemination of good practices

AKMI Code of Conduct

With a view to promoting fair practices and self-regulation in the microfinance industry, AKMI in association with Sa-dhan and MFin came up with a Unified code of Conduct. Though these industry associations had their own independent code of conducts, the new code incorporates the best principles from all.

All the members of AKMI irrespective of their legal form or profit orientation have a common set of field practices and staff behavior. The MFIs are directed to adhere to a known set of requirements, covering key aspects of responsible financing. On 13th April 2012, AKMI conducted one day work shop at Bangalore on Code of Conduct and Fair Practices to Microfinance Institutions.

All the member were advised to adopt the Unified code of conduct within a specified time frame and verifying the adherence of the code by all the members has remained the responsibility of AKMI.

Raising awareness of Credit Bureau

Pursuant to the directions of The Reserve Bank of India making it mandatory for microfinance institutions to report their member data to credit bureaus to curtail the practice of multiple borrowings among the MFI clients, AKMI hosted a workshop on the importance of Credit Bureau which was attended by banks, microfinance institutions and industry experts. The workshop was supported by International Finance Corporation and helped in raising International Finance Corporation and helped in raising awareness among Member MFIs about the importance of credit-bureau reporting as a part responsible-finance strategy while protecting the interests of the borrowers.



Apart from conducting the workshop, AKMI was also instrumental in negotiating with the credit bureaus for better rates in generating credit bureau reports

Strengthening of Advocacy Activities for an increased recognition of the sector

AKMI has been influential and engaging actively with the RBI as well as Central and State governments, to facilitate the development of a robust and supportive regulatory ecosystem for the microfinance industry. Some of the milestones achieved in the past fiscal year (April 2012-March 2013) in this respect are as follows:

08/04/2012: AKMI has participated in Front Line Managers Conference at College of Agricultural Banking, Pune (CAB) on 8th and 9th March 2012 conducted by RBI. Shri Salimath, Chairman, AKMI and Shri Suresh K Krishna, Secretary, AKMI actively participated and discussed various aspects of FINANCIAL INCLUSION with RBI Governor.

11/04/2012: AKMI office bearers meeting with Principal Secretary, Rural Development and Panchayat Raj on 11th April 2012 at Vidhan Soudha and discussed various issues of Microfinance in Karnataka including amendment to Karnataka Money Lenders Act 1961.

31/12/2012: AKMI has participated in 123rd SLBC (State Level Bankers Meeting) held at Vidhana Soudha Bangalore on 31/12/2012. All the heads of Commercial Banks Regional Rural Banks, Cooperative Banks, New generation Banks and The Chief Secretary, Government of Karnataka and various Government departments of Karnataka participated in the meeting Syndicate Bank is the convener. Akmi's data and activities were part of the agenda of SLBC meeting

All the 30 lead MFI of AKMI are members of DCC of lead bank. As per SLBC letter 950/2944/SLBC/F-478 dt. 15/03/2012, lead banks are inviting AKMI in each district for the Lead Bank (DCC/DLRC) Meetings and review the MFI performance and progress, as one of the agenda. The bankers, govt. depts. and public are aware of the functioning of MFIs in their dists. The bankers, NABARD and govt depts. agreed to coordinate and cooperate with MFIs lending programmes, to avoid multiple lending. AKMI HO will receive intimation from lead banks and we communicate to our lead MFI of the said dist to attend the meeting and confirming the participation. Each district lead MFI are in touch with lead bank and district administration.

Workshop on RBI Regulations and its Compliance by MFIs:



AKMI in partnership with Sa_Dhan, Delhi (National body of Microfinance) and with active support of SIDBI conducted Regional training workshop on RBI Regulations and its compliance by MFIs. All the MFIs from Karnataka and several CEOs, COOs, CFOs from reputed MFIs from Maharashtra, Gujarat and parts of Andhra Pradesh participated in this workshop.

Eminent Chartered Accountants from Karnataka and Tamilnadu were invited for interaction session.

The Chartered Accountants guided the MFIs in complying with the terms and conditions of RBI.

The objectives of the workshop were to share the compliance practices including best practices, concerns, MFI-registration, etc among the MFIs. It deliberated on the intricacies involved in the role of MFI-auditors in compliance certification to source funding under priority sector advances of banks. Also it explored the comfort expected by bankers in funding MFIs in the light of RBI regulation.

Financial Literacy Initiatives & Addressing Customer Grievances



Media Coverage

All MFIs operating in Hubli in North Karnataka came together to conduct a financial literacy awareness program for MFI customers. The function was held under the aegis of AKMI (Association of Karnataka Microfinance Institutions), which also launched its Customer Grievance Cell for MFI customers in Hubli.

The customer connect function was inaugurated by Dr. K. Ramachandra Rao, Police Commissioner, Hubli-Dharwad. He also formally launched the opening of AKMI's Customer Grievance Redressal Cell in Hubli.

Hubli: Over 800 MFI customers attended the financial literacy programme at Hubli. They also participated in a panel discussion on their experience with MFIs, provided feedback on microfinance services and voiced their grievances and expectations.



Chikkaballapura: Financial Literacy Program was held at Chikkaballapur. The officers from various departments of Dist and AKMI office bearers attended the event.

The customer grievances redressal cell was opened at the branch office of UJJIVAN MFI. About 700 MFI Customers attended the program and were benefitted FINANCIAL LITERACY PROGRAM.



SANKALP, a small documentary picture was shown to customers to educate them about multiple lending and benami loans.

Other Activities

Workshop on Micro Pension: AKMI in association with IIMP, Delhi conducted a work shop on Micro pension at Hotel Citadel, Bangalore. Mrs Vijayalaxmi Das, MD, Ananya Finance, Ahmadabad and Mrs. Jayashree Vyas, Sewa Bank, Ahmadabad, Mr. Gautam, IIMP, Delhi and Mr. Madhu, VISA participated in the event and guided all MFIs on how to go ahead with micro pension to cover all their customers.

18/10/2012: Workshop on MFIs as Business Correspondents. AKMi in association with MFIN (Microfinance institutional Network) and GIZ conducted a work shop on the “MFIs as business correspondents” at Hotel Park M G Road, Bangalore. All the MFIs from Karnataka participated in the workshop. The advantage of MFI as business correspondent was discussed at length.

03/12/2012: Social Performance Assessment (SPA). AKMI in association with MOODYS ANALYTICS conducted a workshop on the subject of SOCIAL PERFORMANCE ASSESSMENT (SPA). Mr. Michael Raauenhorst Vice president Social Performance Group and Mrs Rajalaxmi from ICRA ONLINE LIMITED Chennai participated in the deliberations. All the MFIs benefitted from the workshop.



Studies

AKMI in collaboration with Grameen Foundation, USA commissioned a project study on Poverty Outreach in Karnataka. The study aimed at examining the different aspects of poverty outreach of MFIs in Karnataka and related information using data gathered from microfinance institutions using the Progress out of Poverty Index. It also aimed at providing information to the regulators that can enable them to create a more enabling and effective regulatory environment for microfinance to reach the poor.

Figure 6. Comparison of MFI Portfolio concentration

	South-Rural	South-Urban	North-Rural	North Urban	Bangalore	Mysore	Belgaum	Gulbarga
>82.5	25%	36%	23%	25%	29%	28%	26%	20%
81.25-82.5	55%	52%	55%	54%	53%	54%	54%	55%
Poor (< 81.25)	20%	12%	22%	21%	18%	18%	20%	25%

During the project AKMI took the role of coordination for conducting meeting of selected MFIs, training to MFI staff on conducting survey by staff and Grameen Foundation had meeting with all MFIs MDs and CEOs relating to output of survey at HOTEL CITADEL, Bangalore. Mr Jayesh Kumar Jain and Ms. Chandani Ohri from Grameen Foundation presented the study report.



Media

TV Programme

AKMI is spreading financial awareness to mass public by telecasting 8 episodes of TV programme in Kannada Channel (Chandana channel, also known as National DD9) on every Thursday at 8.00 PM to 8.30 PM. Till now AKMI telecasted 8 episodes and covered introduction of MFI, MFI models, forms of MFIs, women success stories, some part of RBI guidelines and Code of conduct, transparency etc. The following day of telecast (Friday), we receive many calls. The major expected calls relate to start up new business, individual loans, Loan to Male customers and business training, Conversion of small lender to become NGO/ Trust/ NBFC/NBFC-MFI, and about recruitments



AKMI Helpline and Grievance Redressal Cell

In response to the need for an independent channel for client grievance redressa, AKMI has established a helpline for microfinance clients in Karnataka. The helpline not only deals with specific client level issues/complaints but also collects and disseminates information related to customer issues and concerns, at industry level. The data collected from the helpline also allows monitoring of the relative quality of service being extended by different MFIs.

AKMI has started its grievances redressal cell at its head office Bangalore with helpline toll free number 1800 425 5654. The nature of customer grievances that would be addressed by AKMI will include:

1. Staff misbehavior
2. Charging of interest higher than stipulated rate
3. Any unreasonable delay or denial of microcredit.

AKMI has also appointed an ombudsman for the grievances of customers. Customers may contact ombudsman for the grievances with valid documents or may call toll free number 1800 425 5654

Achievements and awards of AKMI members:

SKDRDP

- **Ashden Award:** The Ashden Foundation, an International organization from London working in the field of renewable energy honored SKDRDP with Ashden Gold Award for the work done in providing informed choices to the poor in selection and adoption of renewable energy.
- On 30-5-2012 Dr. Kandeh Yumkella, Chief, UN Energy Commission, gave away the awards to **Dr. D Veerendra Heggade**. On this occasion Dr Heggade also met Prince Charles, the heir apparent for the British Crown. He held discussions with the prince on matters of mutual interest



Ujivan

- Ranked 7th Best Company to Work for in 2013: Great Place to Work Institute (India) and Economic Times,
- Ranked 2nd in the Financial Services Sector,
- Among the first MFIs to meet **SMART** campaign Standards of Customer Protection
- CFO Award for FY 2011-12 for excellence in Risk Management by CFO India



Grameenkoota

- Grameen Foundation USA awarded GFSPL with the Certificate of Completion for its Basic, Advanced and Tracking over Time Standards of the use of Progress out of Poverty Index (PPI).
- Grameen Financial Services Pvt Ltd, (aka Grameen Koota) won the prestigious Skoch Financial Inclusion Award 2013 in the microfinance category GFSPL awarded Client Protection Certification from SMART Campaign



Our Affiliations



ASSOCIATION of KARNATAKA MICROFINANCE INSTITUTIONS

Avalahalli, Anjanapura post, JP Nagar 9th Phase, Bangalore-560062

BALANCE SHEET AS AT 31-03-2013

Liabilities	Schedule	Amount ₹	Amount ₹	Assets	Schedule	Amount ₹	Amount ₹
CORPUS FUND				FIXED ASSETS			
Opening Balance		227000		Gross Block	1	41201	
Add:- Received during the year		350000	577000	Depreciation Reserve		24650	
				Net Block			16551
GENERAL FUND							
Opening Balance		-211026		CURRENT ASSETS			
Less:-Excess of Income over Expenditure		239815	28789	Cash-in-hand		1488	
				Cash-at-Bank		596739	598227
CURRENT LIABILITIES & PROVISIONS							
Audit fee payable			8989				
Total			614778	Total			614778

As per our report of even date

for M.S. KAMATH & ASSOCIATES
Chartered Accountants
F R. No.: 001706S



(M.S. Kamath)
Proprietor
M. No.: 022529



for ASSOCIATION of KARNATAKA MICROFINANCE INSTITUTIONS



(V N Salimath)
Chairman



(Suresh K Krishna)
Secretary



(Radhakrishnan V.S.)
Treasurer

Date : June 19, 2013
Place: Bengaluru

ASSOCIATION of KARNATAKA MICROFINANCE INSTITUTIONS

Avalahalli, Anjanapura post, JP Nagar 9th Phase, Bangalore-560062

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.03.2013

Expenditure	Amount ₹	Income	Amount ₹
Bank Charges	277	Interest received form Banks	35504
Depreciation	8040	Contribution from Members	1235000
Financial Literacy Programme Expenses	4345	Mememrship Fees	105000
Honorarium/Salary	850000	Delinquency Study Contribution	50000
Office Maintenance	5244	Financial Literacy Programme Contribution	25000
Internet Data Charges	7740	TV Programme contribution	135000
Event Expenses	39710	Travelling Reimbursement	30000
Meeting Expenses	6583		
Membership Fee Paid	15730		
Banner Expenses	1094		
Computer Maintenance Expenses	1200		
Printing & Stationery	10291		
Professional & Consultancy Charges	10112		
Telephone Expenses	37952		
Travel & Lodging Expenses	76242		
TV programme Expenses	284340		
Workshop/Seminar Expenses	7800		
Audit Fee	8989		
<i>Excess of Income over Expenditure</i>			
Transferred to General Fund	239815		
Total	1615504	Total	1615504

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ASSOCIATION of KARNATAKA MICROFINANCE INSTITUTIONS

Avalahalli, Anjanapura post, JP Nagar 9th Phase, Bangalore-560062

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31.03.2013

Receipts	Amount ₹	Payments	Amount ₹
Opening Balance			
Cash	1555.00	Advance From GFSPL-Study	100,000.00
Bank	254828.00	Sundry Creditors	100,000.00
Staff Advance	35000.00	TDS Payable	5,618.00
Membership Fee Received	105000.00	Advance to FLP	80,000.00
Contribution from Members	1435000.00	Banner Expenses	1,094.00
Interest received on SB accounts	35504.00	Bank Charges	277.00
Financial Literacy Programme Fund received	25000.00	Event Expenses	39,710.00
Travelling Reimbursement	30000.00	Financial Literacy Programme	4,345.00
TV Programme Contribution	135000.00	Internet Charges	5,220.00
Advance to FLP	80000.00	Internet Data charges	2,520.00
		Meeting Expenses	6,583.00
		Membership Fee -Paid	15,730.00
		Office Maintenance	5,244.00
		Computer Maintenance Expenses	1,200.00
		Printing and Stationery	10,291.00
		Professional & Consultancy Charges	10,112.00
		Salary Expenses	850,000.00
		Telephone Expenses	37,952.00
		Travelling and Lodging Expenses	76,242.00
		TV Programme Expenses	178,722.00
		Work Shop / Seminar	7,800.00
		Closing Balance	
		Cash	1,488.00
		Bank	596,739.00
Total	2,136,887.00	Total	2,136,887.00

As per our report of even date
for M.S. KAMATH & ASSOCIATES
Chartered Accountants
F R. No.: 001706S

(M.S. Kamath)
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M. No.: 022529



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SCHEDULE - 1 FIXED ASSETS

Sl. No	PARTICULARS	Annual Dep %	COST			DEPRECIATION			NET BLOCK	
			As at 1.4.2012	Additions	Deductions	As at 31.3.2013	As at 1.4.2012	For the year	Withdrawal	As at 31.3.2013
			₹	₹	₹	₹	₹	₹	₹	₹
1	FURNITURE & FIXTURES	10	5301	0	0	5301	530	477	1007	4294
2	OFFICE EQUIPMENTS	15	10400	0	0	10400	780	1443	2223	8177
3	COMPUTERS	60	25500	0	0	25500	15300	6120	21420	4080
	Total		41201	0	0	41201	16610	8040	24650	16551
										24591

As per our report of even date

for M.S. KAMATH & ASSOCIATES
Chartered Accountants
F R. No.: 0017065



(M.S. Kamath)
Proprietor

M. No.: 022529



for ASSOCIATION of KARNATAKA MICROFINANCE INSTITUTIONS



(V N Salimath)
Chairman



(Suresh K Krishna)
Secretary



(Radhakrishnan V.S.)
Treasurer

Date : June 19, 2013
Place : Bengaluru



ASSOCIATION OF KARNATAKA MICROFINANCE INSTITUTIONS

Avalahalli, JP Nagar, 9th Phase, Anjanapura Post
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