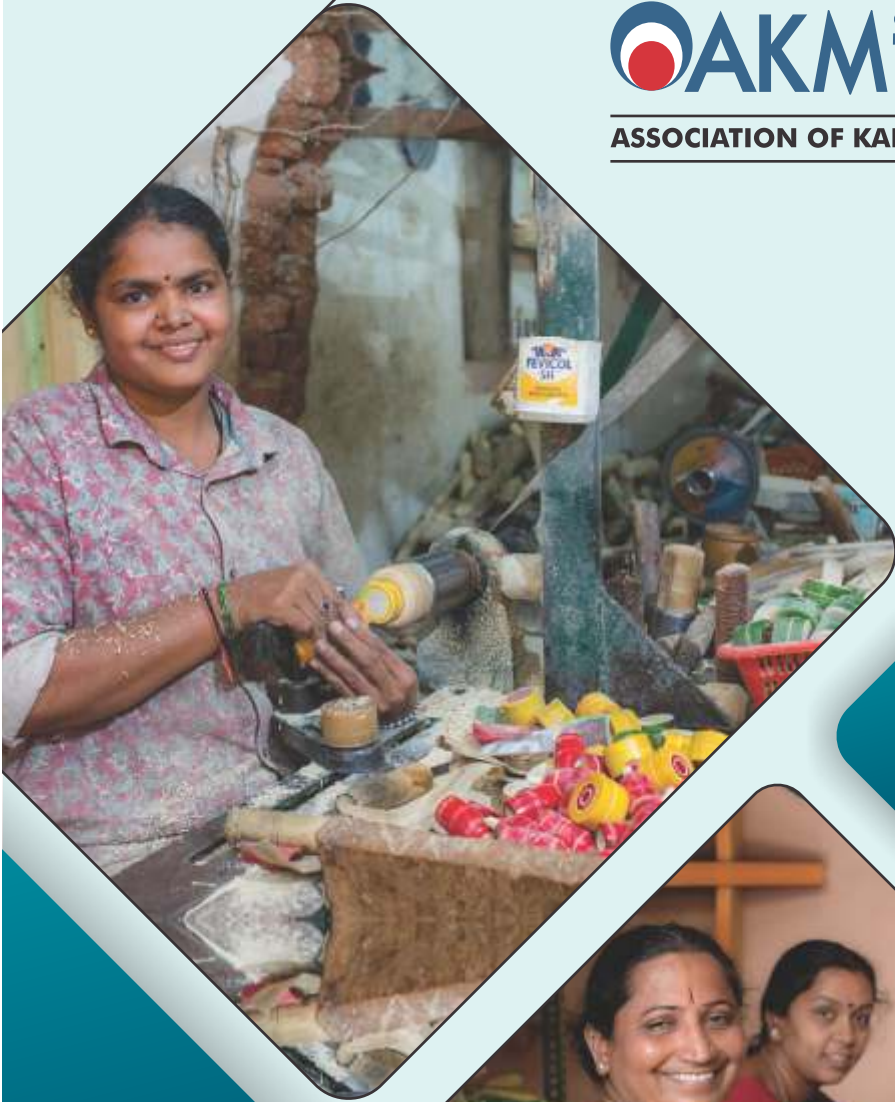




ASSOCIATION OF KARNATAKA MICROFINANCE INSTITUTIONS



annual  
**Report**  
2017-18





## Message from Chairman Emeritus

### **Padmashree Aloysius Prakash Fernandez**

Chairman Emeritus - AKMI

There is a feel good wave in the micro finance sector, which is gathering speed and size as the impact of demonetization and loan waivers declines. Most NBFC-MFIs and Small Business Banks (including universal ones like Bandan) which still have a major portfolio of micro finance have coped well with this disruption, which had a negative impact on their bottom line but no positive impact on their adoption of new technology – which disruptions are expected to do-, which was already progressing before demo. What is still puzzling is the distinction made between micro finance and micro loans which the Small Business Banks are expected to promote. How have they progressed in promoting micro loans and what systems, especially over the last mile, have they adopted or put in place, which differ from the last mile of micro finance. Further analysis is necessary both for learning and sharing. Could Micro finance institutions adopt these systems to manage the last mile and progress towards micro loans, which presumably are larger, and hopefully over a longer term than micro finance adopted. The rapid turnover in micro finance was largely responsible for the profits that these institutions made every year. Whether the small loans with rapid turnover really generated growth is still an open question.

The second change I would like to draw attention to is the total shift in the approach adopted by some Micro finance Institutions from lending to SHGs –which was a bulk loan to the SHG allowing the members to decide on the loans to individual members - towards a pattern of lending to individuals. The Joint Liability Model is in reality lending to individuals. NBFC-MFIs adopted the Joint Liability Group model, expecting the members to be co-responsible for recovering loans to individuals. My experience is that there is no incentive for them to make this effort. There is no group common fund in

which all have a stake; there is hardly any affinity among the members, which was the basis of social pressure. The proof of the failure to exert pressure on individuals was the practice that NBFC-MFIs had to adopt of deputing staff to collect loans from defaulters –often camping before their homes. The shift from a bulk loan to the group is also the result of the increasing number of weak SHGs, which have no common fund and are not self-selected on the basis of affinity of its members, as well as due to the prevailing technology backup, which focuses on individual loans. The lack of data on loans to individuals which is not collected in the bulk loan model has led to several NBFC-MFIs being downgraded by rating institutions. The net result of all these changes is the shift to the individual loan model. This will result in increasing the number of staff. Further, NBFC-MFIs which worked with Business facilitators who received a commission for their efforts to recover loans will have to drop them, as the cost of paying commissions as well as hiring more staff to cope with direct lending may affect their bottom line. The original concept of the SHG Bank Linkage program promoted by Nabard prevailed till 2000. Since then the model of loans to individuals has gradually taken over completely. The not for profit sector (Sector 8 Companies) which largely lend a bulk loan to SHGs now need to decide whether to move into a for profit structure dealing with individuals and gradually to be integrated further into the Banking system?

Finally a salaam to Shri Krishna Morab who led from the front all these years; he built a sound foundation for AKMI which I am sure Shri V.N. Hegde will build on...welcome !

**Padmashree A.P. Fernandez**

Padmashree Awardee 2000



## Message from Chairman

### **Anand Rao**

Chairman- AKMI

It gives me immense joy to write to you on the 10th year of AKMI's operations. When AKMI started, it was among the first state level microfinance associations in India and even after 10 years, it continues to be relevant and a role model for other state level microfinance associations in India. A strong foundation put in place by the founding board members – especially Aloysius Fernandez, Samit Ghosh, Vivekanand Salimath, Suresh Krishna and the continued good work by the succeeding board members has been an important reason for AKMI's relevance even as the sector has changed significantly in the last 10 years. The size of the sector has grown immensely and the institutional profile has changed from NGOs and NBFCs in the early days to banks, NBFC-MFIs, NBFCs and Small Finance Banks today. It is heartening that, AKMI has also evolved and continues to be as relevant today as it was 10 years back.

This year (2017-18), has been a year of recovery for the sector across India and in Karnataka after the demonetization crisis. Karnataka was one of the most crisis-affected states in the sector. The industry grew in 2017-18 by 27%, with portfolio moving up from 1.07 lakh crores to 1.36 lakh crores. In the preceding year, the corresponding growth rate was 24%. For a fast-growing industry, the growth in the last two years has been subdued. The Portfolio at Risk (PAR) > 30 days has come down to 4.6% from 10.8% for NBFC-MFIs in 2017-18. In Karnataka, this year the portfolio growth was at 26% with overall portfolio moving to 18642 crores from 14747 crores. The PAR 30 numbers reduced from 9% to 6% in Karnataka during the same period. With such a large microfinance portfolio in the state, AKMI has the important responsibility to take actions to support the healthy working of the sector.

The main activities of AKMI fall into field level engagement, communication, capacity building for members and client protection. With most of the crisis, the sector has seen emerging from local level issues, engagement at the local level with the administration is very important. Here, AKMI organises periodic district level meetings among its members in all the districts of the state. In these meetings, local issues are discussed and any series issues are escalated to the central office for action to be taken. These meetings have been very helpful in quickly identifying problematic locations and

local trouble makers and then working with the local administration in solving such problems. In the communication activity, the association works to highlight the work of the sector with the district and state administration and the regional office of the sector's regulator, the RBI. AKMI is a special invitee to the State Level Banker's Committee (SLBC) and District Level Banker's Committee in every district. In these meetings, AKMI updates the committee on the happenings in the sector. During the year, the association conducted 8 financial literacy programs in the districts of: Koppal, Yadgir, Kolar, Chitradurga, Kalburgi, Gadag, Belagavi and Bidar. In these meetings, a large number of microfinance borrowers are called and senior district administration officials such as DC, SP, CEO of the district are invited and the work of sector is highlighted. The Association also has periodic meetings with state government and RBI. Information is shared and also inputs are taken and passed on to all the members. This continuous work over the years has built AKMI's and the sector's credibility with the state government and regulator. For the benefit of members AKMI conducts programs on industry best practices in areas such as human resources, audit and client protection. With client protection being of paramount importance, AKMI has a grievance redressal cell. In each district, there is a grievance redressal cell and a central grievance redressal officer at Bangalore. Any borrower with a grievance can directly reach out to the grievance redressal officer in Bangalore through a toll free number.

In the spirit of inclusiveness, AKMI members include the various entities which operate as microfinance institutions: NGO's, NBFC-MFIs, Small Finance Banks and NBFCs. The Executive committee (board) of the association has also been changed to include various types of entities. With the openness to change with the times, I believe that AKMI will continue to be relevant in the years to come.

I would like to thank all the members for working with a spirit of collaboration in Karnataka. Thanks also to my fellow board members for their leadership and time given for the association work. Finally, I would like to thank the AKMI secretariat for their excellent work without whom AKMI would not have come this far.

**Anand Rao**

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## About AKMI

AKMI (Association of Karnataka Microfinance Institutions) was established in 2007 to bring in better transparency and governance, client protection and ethical practices among the MFIs in Karnataka. It is a self-regulatory authority with code of conduct for its members.

AKMI is a registered society under the societies Act 1960. Its registered office is at # 3, 1st Floor, 1st Main, 1st Cross, Kodgehalli Main Road, Bhadrappa Layout, Nagashettihalli, Bangalore 560094.

## Our Mission

To build the field of community development finance in Karnataka, to help its members and associate institutions to better serve low-income households, particularly women, in both rural and urban Karnataka and India, in their quest for establishing stable livelihoods and improving their quality of life.

AKMI aims to cover all microfinance institutions functioning in Karnataka as its members to bring uniformity in community development, strengthen MFI function & resolve conflicts among MFIs & co-ordinate with other partners.

## Our Objectives

- To, initiate, promote, support, encourage, conduct and organise any and all forms of Community Development Finance and related activities.
- To provide a forum for entities, organisations and individuals engaged directly or indirectly in the field of Community Development Finance in Karnataka, to meet, share and exchange their experiences, expertise and resources.
- To work towards promoting co-operation amongst CDFIs and resolving conflicts amongst CDFIs and entities and organizations involved with CDFIs.

- To serve as a catalyst for further building the field of Community Development Finance in Karnataka.
- To strengthen the capacities of institutions involved in Community Development Finance through research, consultancy, publication and training in different aspects of Community Development Finance.
- To establish linkages between members and resource institutions, such as funding agencies, financial institutions, rating agencies training, consultancy, academic and research institutions.
- To work with other networks and coalitions of institutions involved in Community Development Finance.
- To make representation to the Government of Karnataka, Government of India (Gol), the Reserve Bank of India (RBI) and other regulatory and policy making bodies to promote institutions providing Community Development Finance and help create a favourable policy environment for such institutions, both at a State and National Level.

## Our Core Value

- ❖ Integrity
- ❖ Fair Practices
- ❖ Transparency
- ❖ Quality of Services

## Our Affiliations

- ♦ Sa-Dhan,
- ♦ MFIN (Microfinance Institutions Network),
- ♦ AKMI is invitee in State Level Banker Committee (SLBC) and regularly attending its quarterly meetings and participating in deliberations
- ♦ AKMI is also a member of subcommittee of SHG-BLP of SLBC Karnataka

# Executive Committee

## **Padmashree Aloysius Fernandez - Chairman Emeritus**



**Padmashree Aloysius P. Fernandez, Founder Chairperson** is M. A., L.Ph. and B.Ph (University of Louvain, Belgium). He has also done a special Diploma in Development studies from University of Oxford, U.K., and another Diploma in Sociology and

Research Methodology, from University of Louvain, Belgium. He is formerly the Executive Director and now, is a member secretary of MYRADA, a premier NGO of India.

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 instrumental in setting up MYRADA. With NABARD he was the driving force behind the SHG-Bank linkage Programme. He was honoured by Honourable Mr. Arun Jaitley, Finance Minister, Government of India on the eve of Silver Jubilee of 'SHG- Bank linkage programme organized by NABARD at New Delhi. He is also recipient of life time achievement by Corporation Bank and Access Development Services & HSBC jointly.

To take forward the micro finance programme, he founded Sanghamithra Rural Financial Services, a Section 8 Company in 1996.

His contribution to the developmental sector and his outstanding work in setting up and managing people institutions automatically involved him in several national and 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 was the Chairperson of NABFINs for five years. He is also a recipient of Caritas Millennium Award.

## **Anand Rao - Chairman**



Anand is one of the founder/ Promoter of Chaitanya and a Director of Chaitanya. He has completed his MA in International Relations from Syracuse University, USA, a Management Degree from Indian Institute of Technology, Bombay and BE in Mechanical Engineering from Bangalore University. His earlier work experience has

been in International Development at World Resources Institute, Washington DC and earlier in the Indian Corporate Sector at PepsiCo India and Bosch India. He comes to Chaitanya from Small Scale Sustainable Infrastructure Development Fund (S3IDF), an international non-profit organization working in supporting enterprises in the small-scale infrastructure space, where he worked for five years. During his tenure at S3IDF, he worked extensively with the Self Help Group and Joint Liability Group lending models to provide financing to poor communities to meet their basic infrastructure needs. He implemented several innovative projects such as providing solar lighting, pressure cookers and LPG connections to SHG and JLG members which used microfinance to provide the necessary financing for infrastructure services. His work was focused in the districts of Chitradurga, Davangere and Bellary. Based on this experience of micro lending, he further perfected his skills of carrying micro lending under Chaitanya Foundation for a period of two years before starting the NBFC. Chaitanya Foundation and the NBFC also focused geographically in the same districts where he had gained his experience. He is the COO and Joint Managing director of the company directly in charge of operations.

## **Udaya Kumar Hebbar - Vice Chairman**



Mr. Udaya Kumar Hebbar oversees all the activities of CreditAccess Grameen Ltd (formerly known as Grameen Koota) as Managing Director and CEO. He has been the main architect and driving force for the overall success and growth of

Grameen Koota since 2010. A veteran banker with over 26 years of experience, Mr. Udaya Kumar Hebbar worked with Corporation Bank for 10 years, ICICI Bank for over 12 years and Barclays Bank Plc. for 3 years before joining Grameen Koota as CEO in September 2010, to redeem his passion for the social sector.

Mr. Hebbar has immense exposure to all banking sector operations, including rural, agri and micro-banking fields. In the course of his banking career, he has successfully implemented Six Sigma Quality Initiatives, Five-S principles for workplace management and ISO Standard. Mr. Udaya Kumar Hebbar holds a Master's degree in commerce, CAIIB from the Indian Institute of Bankers and is also a graduate in banking operations and technology from BAI, USA.

He also serves Microfinance Institutions Network (MFIN) as President and Association of Karnataka Microfinance Institutions (AKMI) as Chairman now.

**Venkatesh N - Secretary**

Mr. Venkatesh has an experience of over 21 years in financial sector. He is the founder of PNV Techno Acquisitions Private Limited that markets financial products. He is also founder of Affluence Edifice, offering wealth management services for high net worth individuals. He has completed ACCION program for strategic leadership in Microfinance through Harvard Business School.

Being the Managing Director of M/s Samasta Microfinance Limited, Microfinance Company, he has immensely contributed towards the growth and development of the Company from its inception, which currently has over 290 branches across 11 states and more than 2,500 employees.

Looking at its potential, the Company has been acquired by India Infoline Finance Limited for further expansion of the business.

**Panchakshari S. - Treasurer**

Mr. Panchakshari is, a Chief Operating Officer besides overseeing other functions as well within BSS. He has more than 19 years of experience in microfinance sector. He has attended many workshops, conferences, exposure and training programmes across India. He has been deeply involved in developing the organization in right direction. He has Bachelors' Degree in Science and in Education and a Masters Degree in Business Administration. Prior to joining BSS, he was a high school teacher in Bangalore for one year and worked for 4 months in an NGO for Child Labour Eradication Programme (CLEP) at Bangalore.

**Shantha Kumar - Member, Executive Committee**

Mr. Shantha Kumar is Zonal Head, L&T Financial Services Ltd. For South India, managing the microfinance portfolio for Karnataka, Maharashtra & Gujarat states. He has over 17 Years of service in microfinance sector. Prior to the present assignment, he had worked in Ujjivan Financial Services as Regional Business Manager for South and Janalakshmi Financial Services. As Head – Individual Loans. He is a Postgraduate with a gold medal in agricultural science and holds Masters Degree in Business Administration.

**Manoj Pasangha- Member, Executive Committee**

Mr. Manoj Pasangha is the Sr. Vice President and Zonal Business Head of Bharat Financial Inclusion Limited

(formerly known as SKS Microfinance Ltd.). He has been with the organization since 2013.

He is proud to be associated with BFIL, which is incidentally the country's first public listed and largest MFI. BFIL charges one of the lowest interest rates among all the private sector MFIs in the world. Besides the standard Income Generating Micro Loans, he is also part of the many new initiatives which BFIL has embarked into for the benefit of the 6.5 million poor women borrowers, such as Two-Wheeler Loans, Home Improvement Loans, Liability Products and RDSPs.

He has 25 years of work experience in total, which includes donning roles in operations and distribution overseas as well as promoting his own hospitality business there in Australia. Upon returning to India, he was associated with Standard Chartered Bank before working with ING Life India for 10 years. As a Vice President with ING Life India, he spearheaded many rural initiatives in their Alternate Channel Business.

After schooling at St. Joseph's Boys High School, Bangalore, he graduated from St Joseph's College of Commerce, Bangalore, and then acquired post-graduate qualifications in Business Accountancy, Hospitality Management, Public Relations, Publicity and Promotions through leading universities in Australia.

**Kishore Mangalvedhe - Member, Executive Committee**

Kishore Mangalvedhe is with Fincare SFB since 2014 and is the COO – Rural Banking (South). He was instrumental in growing the Fincare business in South to over Rs 1300 cr

He has a track record of over 30 years in Leadership & Managerial capacities with experience spanning different organisations across multiple products & geographies with rich experience in Microfinance, Rural and Corporate finance. He set up the Rural Retail and Microfinance in L&T Finance Ltd where he served for over 15 years. His earlier stints were with IL&FS and Nagarjuna Group among others.

He was a Founding Director of Microfinance Institutions Network (MFIN) and was actively involved in negotiations to resolve the AP crisis.

He is a B.SC (Maths) from Bangalore University and has a PG in Behavioural Sciences from IISc, PGDM from Maastricht School of Management, The Netherlands and PGDM from NALSAR in Alternative Dispute Resolution. He is a recipient of fellowships from Rotary Foundation, Netherlands Fellowships Program and Swedish International Development Cooperation Agency (SIDA) for various courses abroad.



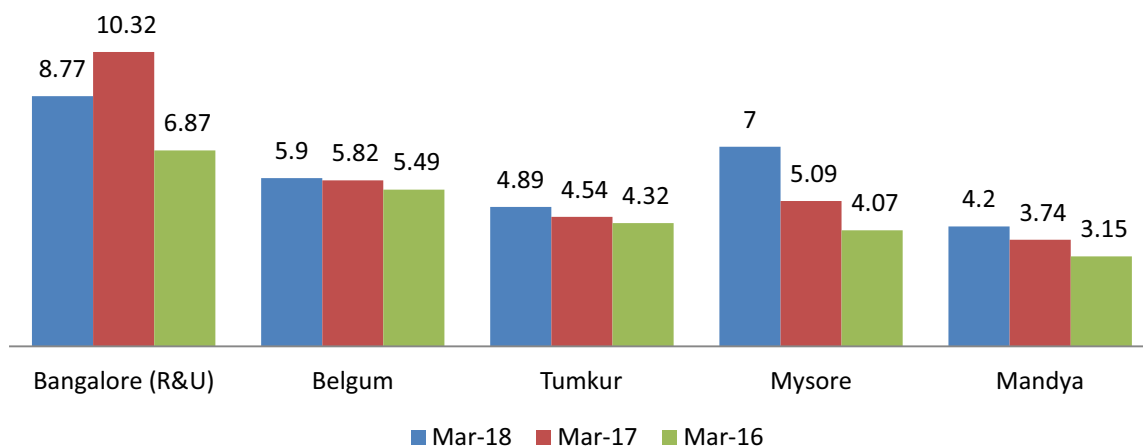
SL No	MFI Names	Head Office Location
1	Asirvad Microfinance Ltd	Chennai – Tamil Nadu
2	Belstar Investment & Finance Pvt Ltd	Chennai – Tamil Nadu
3	Bharat Financial Inclusion Ltd	Hyderabad- Andra Pradesh
4	BSS Microfinance Ltd	Bangalore – Karnataka
5	Chaitanya India Fin Credit Pvt Ltd	Bangalore – Karnataka
6	CreditAccess Grameen Ltd	Bangalore – Karnataka
7	IDF Financial Services Pvt Ltd	Bangalore – Karnataka
8	Madura Microfinance Ltd	Chennai – Tamil Nadu
9	Muthoot Microfin Ltd	Ernakulam-Kerala
10	NABARD Financial Services Ltd	Bangalore – Karnataka
11	Navachetana Microfin Services Pvt Ltd	Haveri-Karnataka
12	Samasta Microfinance Ltd	Bangalore – Karnataka
13	Spandana Sphoorthy Financial Ltd	Hyderabad- Andra Pradesh
14	RORS Finance Pvt Ltd	Kolar-Karnataka
15	L & T Finance Ltd	Mumbai-Maharashtra
16	Habitat Micro build India Housing Finance Company Pvt Ltd	Bangalore – Karnataka
17	New Opportunity Consultancy Pvt Ltd (NOCPL)	Mumbai-Maharashtra
18	Saggraha Management Services Pvt Ltd	Bangalore – Karnataka
19	Vaya Fin Services Pvt Ltd	Hyderabad- Andra Pradesh
20	Shree Kshethra Dharmasthala Rural Development Project (SKDRDP)	Dakshina Kannada –Karnataka
21	Prakruthi Foundation	Kolar-Karnataka
22	Samuha	Koppal- Karnataka
23	Sanghamithra Rural Financial Services	Bangalore – Karnataka
24	ESAF Small Finance Bank	Thrissur-Kerala
25	Fincare Small Finance Bank	Chittoor-Andra Pradesh
26	Jana Small Finance Bank	Bangalore – Karnataka
27	Suryoday Small Finance Bank	Mumbai-Maharashtra
28	Ujjivan Small Finance Bank	Bangalore – Karnataka

## Karnataka MFI Coverage as on 31st March 2018

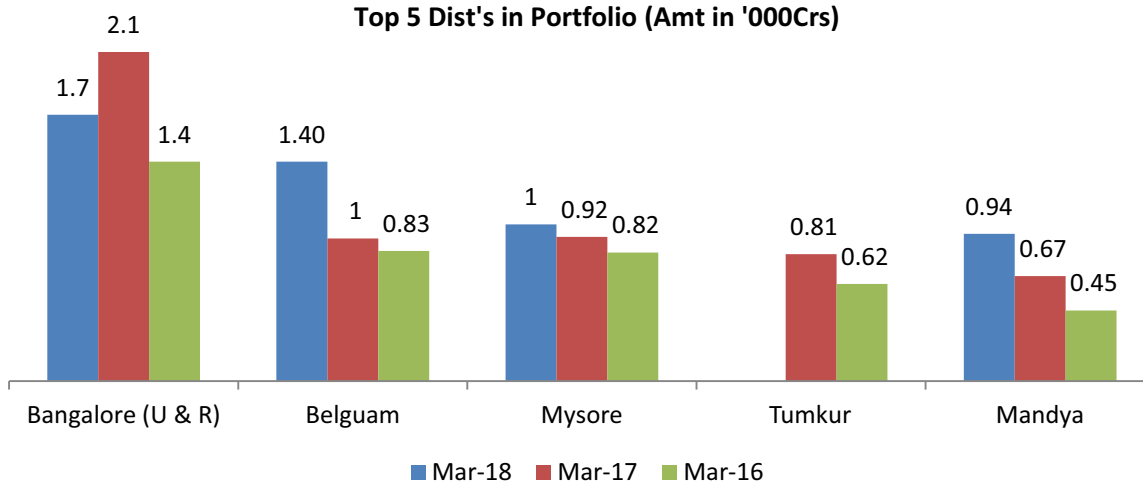
- ❖ No of Members: 28
- ❖ No of Branches: 1755
- ❖ No of Employees: 21884
- ❖ No of Active Accounts: 88 Lakhs
- ❖ Amt outstanding: Rs 18642 Crs
- ❖ PAR(NPA): 1070.15 Crs

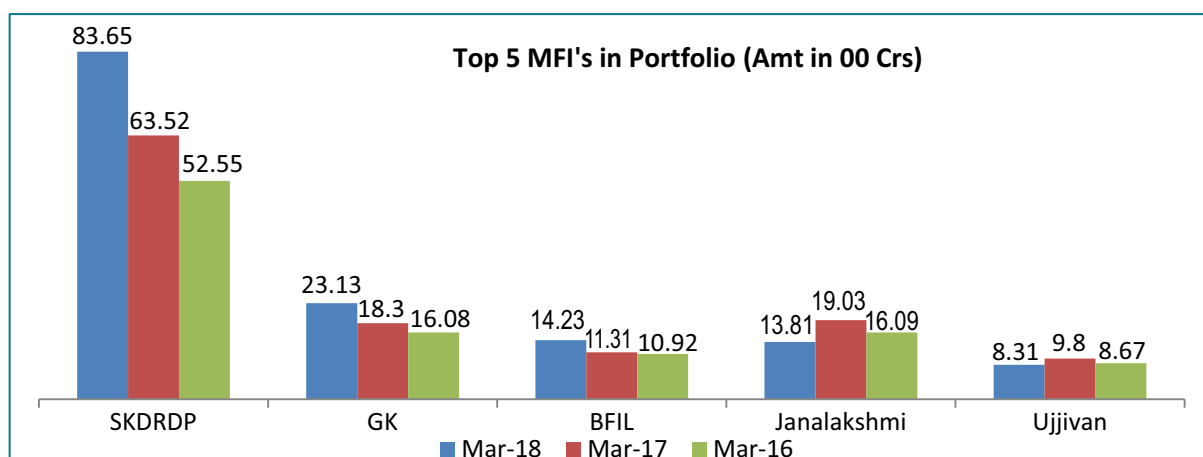
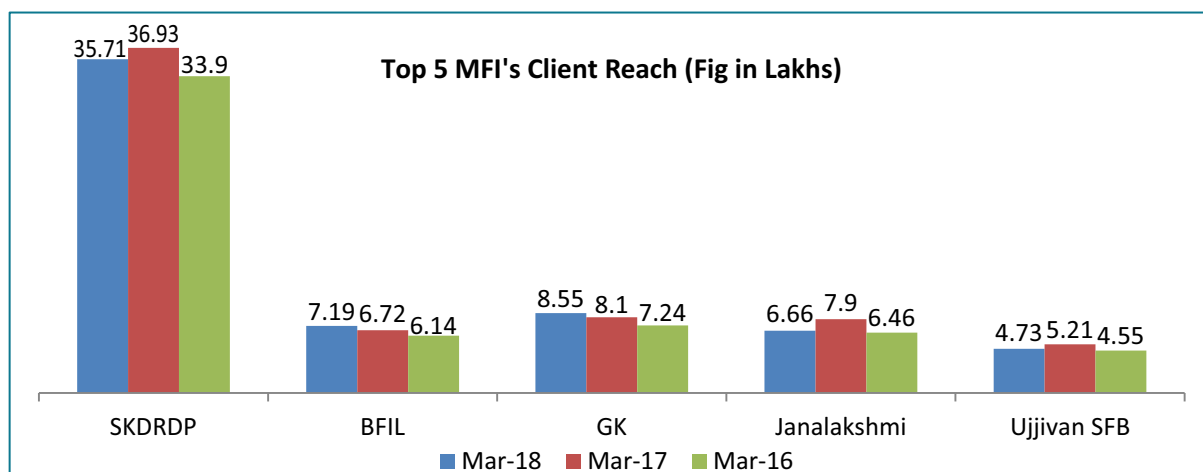
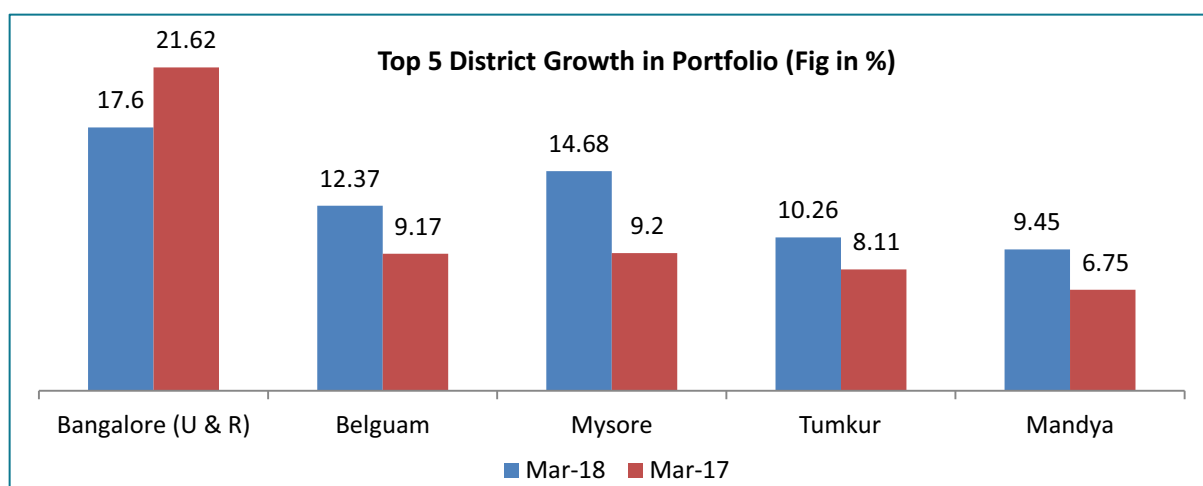
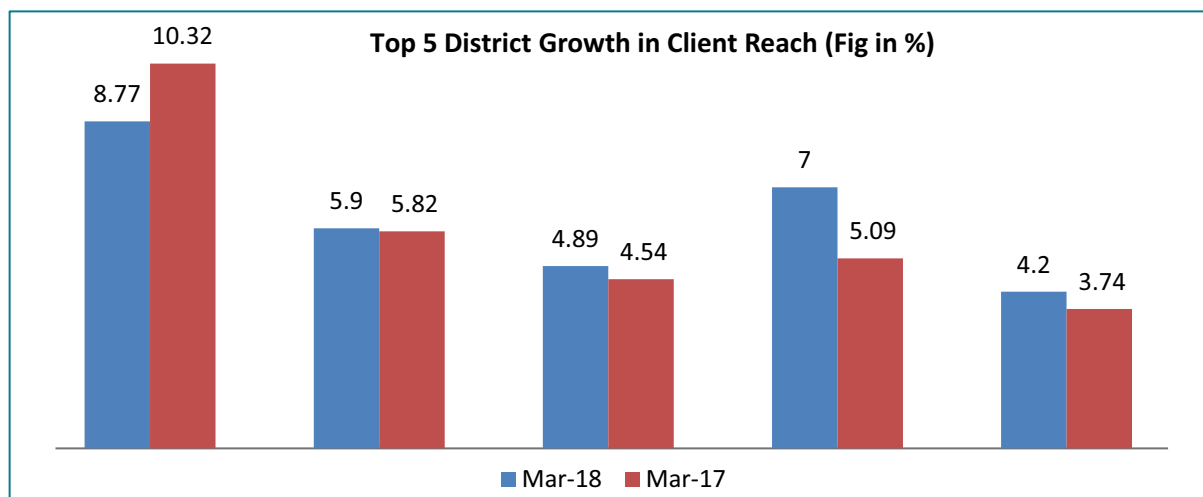


**Top 5 Dist's in Clients Reach (Fig in Lakhs)**

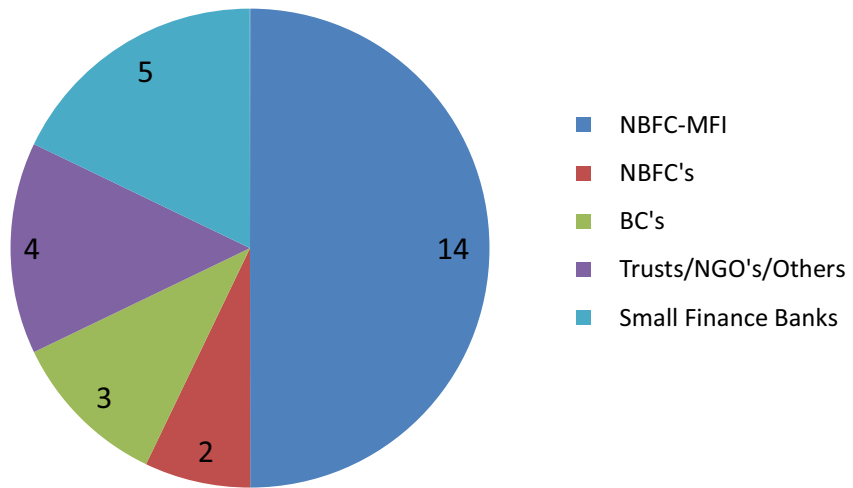


**Top 5 Dist's in Portfolio (Amt in '000Crs)**



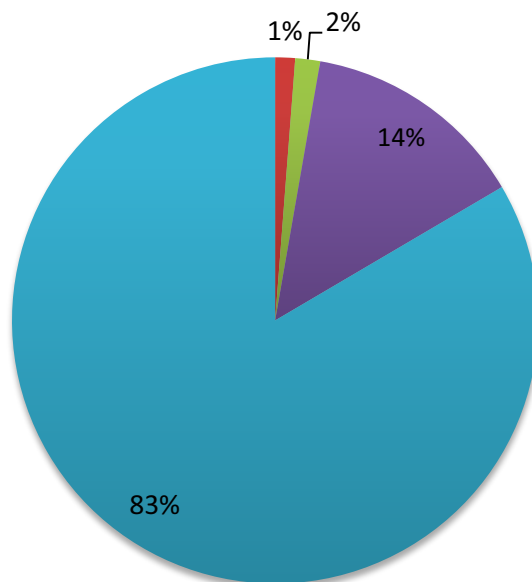


### Legal Forms AKMi Members



### Portfolio wise Distribution of MFIs (Fig in Crs)

■ < 50 Crs ■ 50-100 Crs ■ 100-500Crs ■ > 500 Crs



### District AKMI Units Activities

AKMI has 29 districts units actively involved in various poverty alleviation programmes & significantly contributing to the financial inclusion agenda. The lead MFI in the district takes the initiative to resolve issues in the district including liasoning with local District Administrative officials etc.



### Celebrating 10 Years of AKMI



AKMI organised an event on 16.02.18 at Hotel ITC Winsor Bangalore. Dignitaries from Govt of Karnataka, RBI, NABARD, Founders of AKMI, Sa-Dhan, MFIN, Bankers and Heads of NBFC-MFIs attended the programme. About 100 select group of people including 55 from member MFIs were present. There was a Panel Discussion on **“Future of Microfinance in Karnataka”**.

Panelist included Prof. Charan Singh, Mr Vijay Bhaskar, Addl. Chief Secretary Govt of Karnataka, Ms K S Jyotsna, GM Dept. Of Non Banking Supervision, RBI, Mr.Samith Ghosh, MD & CEO of Ujjivan Small Finance Bank, Mr. Udaya Kumar Hebbar MD & CEO of CreditAccess Grameen Ltd.



## Honouring founders of AKMI



Mr. Udaya Kumar Hebbar Honouring Mr. Aloysius P Fernandez



Mr. Aloysius P Fernandez Honouring Mrs. Vinatha M Reddy



Mr. Aloysius P Fernandez Honouring Dr. Ramesh Bellamkonda



Mr. Shantha Kumar Honouring Mr. Vivekanand Salimath



Mr. Manoj Pasangha Honouring Mr. Suresh K Krishna



Mr. Panchakshari S Honouring Mr. Samit Ghosh



Mr. Anand Rao Honouring Mr. Dasaratha Reddy



Mr. Anand Rao Honouring Executive of Jana Small Finance Bank



## AKMI Internal Meetings

1. AKMI conducted AGM on 22-06-2017 at Janalakshmi Head Office Bangalore
2. AKMI Review meeting conducted on 22/6/17 at Janalakshmi Head Office Bangalore
3. AKMI Review meeting conducted on 21/9/17 & 9/1/18 at Grameen Koota Head Office Bangalore
4. AKMI Review meeting conducted on 16/2/18 at Hotel ITC Windsor Bangalore
5. AKMI Review conducted on 09-01-2018

## Internal Workshops

1. AKMI CGRM Workshops conducted - on 19/5/17 at Hotel Sovereign Bangalore.
2. AKMI conducted State Heads meeting on 27/10/17 with an aim to Discuss & sort out problems for smooth running of member MFIs for achieving higher growth with quality.
3. Mr Anand Rao Chairman inaugurated the workshop. Mr Muralidhar from M/S Positude made an interesting presentation on Risk Management
4. AKMI conducted Audit Workshop on 23-05-2017. Another workshop on 21-12-2017 at Hotel Sovereign Grand Bangalore. Totally 32 Members from various MFIs has participated in the workshop. Various KYC Checks, MFI Internal audit risks management system & Differentiated Audit approach in High PAR environment were discussed by Mr Gururaj Rao from Grameen Koota.
5. AKMI conducted IT Workshop on Recent guidelines on IT to MFIs by RBI on 11.10.2017 at Hotel Sovereign Grand Bangalore. 18 Members from various MFIs attended the program. Mr Sriram from Value point techsol (external consultant) gave presentation on Cyber security guidelines Mr Drumil dalal from BFIL gave presentation on their new project, linking of their transactions to KIRANA SHOPS
6. AKMI Conducted HR workshop on 9-2-2018 at Hotel Sovereign Grand Bangalore Mr Thrishuli -- H R Head from GK discussed the topic of "Fixing salary of recruits/Salary fitment".



7. Mr Vittal Rangan external guest speaker discussed, the various, topics on HR, including l a t e s t developments in H R policies. .32 HR staff members from various mfis participated in workshop.



## Meeting/s with Govt. Dept and other stakeholders

1. AKMI office bearers had meeting with RBI officials on 29-01-2018
2. AKMI secretariat attended 4 Quarterly SLBC meetings
3. Mr Anand Rao & Mr Udaya Kumar met Chief Secretary & DIG GOK to explain MFI functioning in state
4. AKMI secretariat met Chief Election Commissioner during the Karnataka Assembly
5. AKMI secretariat along with lead MFI met Koppal DC, AC, SP, ZPCEO, LDM, on 30-07-2017
6. On 05-09-2017 AKMI officials along with lead MFI met Yadgir DC, DP CEO, DYSP, SP, DDM NABARD, LDM
7. At Kolar along with lead MFI AKMI secretariat met DC, DSZP, LDM, DYSP, LDM, DDM NABARD on 14-11-2017
8. AKMI secretariat along with lead MFI met Chitradurga DC, SP, ZP CEO, DDM NABARD, LDM on 20-11-2017
9. At Kalaburagi along with lead MFI AKMI secretariat met DC, ADC, LDM, DDM NABARD on 29-11-2017
10. AKMI secretariat along with lead MFI met Gadag ZP CEO, LDM, DDM NABARD on 04-12-2017
11. At Belagavi along with lead MFI AKMI secretariat met DC, SP, DP CEO, LDM, DDM NABARD on 06-12-2017
12. AKMI secretariat along with lead MFI met Bidar SP, DP CEO, LDM on 11-1-2018
13. AKMI representatives (Lead MFI) are attending Lead Bank meetings DLRC, BLBC, & DCC meetings. They also met District Authorities on various occasions.



# Financial Literacy Programmes

AKMI conducted FLPs in 8 Districts as follows

## 1. Koppal 31-07-2017

- ❖ No of customers attended : 330
- ❖ Dignitaries Attended Asst. DC : Gurudat Hegde
- ❖ Organized by: Bharat Financial Inclusion Ltd



## 2. Yadgir 06-09-2017

- ❖ No. of Clients attended – 550

### Important Dignitaries attended:

- ♦ DC – Mr. Manjunath J
- ♦ ZP CEO – Avinash Menon
- ♦ DYSP – Pandurang
- ♦ Organized by: Chaitanya India Fin Credit Pvt. Ltd



## 3. Kolar 06-09-2017

- ❖ No. of Customer attended – 450

### Important Dignitaries attended:

- ♦ DS ZP – Shri Lakshminarayana
- ♦ LDM – Shri N Sreenivas Rao
- ♦ DYSP – Abdul Sattar
- ♦ Organized by: Fincare Small Finance Bank



## 4. Chitradurga 21-11-2017

- ❖ No. of Clients attended – 500

### Important Dignitaries attended:

- ♦ DC – Smt VV Jotsna
- ♦ LDM – Ningegowda
- ♦ DDM NABARD – Malini Suvarna
- ♦ Organized by: Grameen Koota





### 5. Kalaburagi 30-11-2017

❖ No. of Clients attended –480

#### Important Dignitaries attended:

- ♦ ADC- Shri Bhimashankar Teggalli
- ♦ DDM NABARD- Shri Ramesh Bhat
- ♦ Organised by – Chaitanya India Fin Credit Pvt Ltd



### 6. Gadag 05-12-2017

❖ No. of Clients attended –450

#### Important Dignitaries attended:

- ♦ LDM- Shri Jagadesh Rao
- ♦ DDM NABARD- Shri Raman Jagadeshan
- ♦ Organised by – IDF Financial Services Pvt Ltd



### 7. Belagavi 7-12-2017

❖ No. of Clients attended – 380

#### Important Dignitaries attended:

- ♦ LDM- Shri Nagaraju B
- ♦ Organised by – IDF Financial Services Pvt Ltd



### 8. Bidar- 12-1-2018

❖ No. of Clients attended –350

#### Important Dignitaries attended:

- ♦ LDM- Shri Pandit Hosalli
- ♦ Organised by – L&T Finance



The details of the grievances received during the year 2017--18

The details are as follows.

- 1) Total calls/written communications received: 1080
- 2) Written communication/email received : -
- 3) Solved : 1080

The Nature of calls received

## I) General matter

- 1) Micro Insurance- premature closure
- 2) ATM card problem
- 3) Branch /staff details
- 4) New group formation
- 5) Staff Behavior
- 6) General Enquiry about MFI

## II) Loan Matter

- 1) Loan application status
- 2) New loan/renewal of loan/various purpose loan requirement.
- 3) CB Report query/NOC&NDC problems
- 4) Loan short credited/not credited/higher amount loan requirement
- 5) Pre mature closure
- 6) Delay in disbursement

## III) Recovery Matter

- 1) Re schedulement of repayment
- 2) Ring Leader problems
- 3) Various recovery matter

## IV) Insurance Matter:

Follow up

- B) 7 working days, mainly for loan sanction /release, after complete submission of loan papers to sanctioning authority, from that day, 7 working days.

On account of demonetization effect, drought, local and individual problems, repayment was affected, resulted in delay in loan sanctions.

In case of insurance settlements, nominee/s made delay in submission of claim papers to MFI, resulted in delay in submission to insurance company by MFI.

## Other Observations, based on the customers call:

- 1) Many times toll free number (TFN) phone is not attended/non-functioning- complaint by the customers, when, AKMI gives TFN of the MFI to the customers. Multiple language/s buttons sometimes, customers find difficulty in communication, in case of bigger MFIs.
- 2) CB matter: some MFIs, are keeping minimum balance in the loan a/c, resulting appearance of that MFI name in overlapping report.
- 3) After, our member MFI, started, cashless disbursement of loan, the customers expressed their difficulty in getting cash in ATMs, after demonetization, during election period

AKMI secretariat, took major role in liasoning with election commission, in smooth functioning of our member MFIs in the field, in following, Karnataka Assembly Election 2018, Model Code of Conduct.

## AKMI Ombudsman Observations:

In the previous AGM meeting following guidelines were given regarding TAT for grievances

- A) 30 working days for insurance settlement, after the nominee submits all the documents to MFI, then MFI submits claim to insurance company, from that day 30 working days.

# Contribution towards bottom of pyramid- AKMI Members



## Asirvad Microfinance Ltd

(Subsidiary of Manappuram Finance Ltd)

Incorporated under The Companies Act, 1956 on 29th Aug, 2007. Obtained NBFC License from Reserve Bank of India on 14th Dec



2007. Started forming groups from Dec 15, 2007 and first lending operations with effect from 21st Jan 2008.

In February 2015 Manappuram Finance Ltd took over the Company and now has a stake of 90.38%.

### Vision

"To empower the members at the bottom of the pyramid by providing financial assistance".

### Mission

"To organize groups of committed poor women and provide innovative financial services in a sustainable manner with a view to Alleviate poverty through viable income generation activities".

**Soft skill training program for all out staffs after demonetarization.**

## Belstar Investment and Finance Pvt Ltd

- **Background:** Belstar Investment and Finance Private Limited ("the Company") was incorporated on 11th January 1988. Received its NBFC licence from RBI in March 2001 and is registered as a Non-Deposit taking NBFC.
- **Started Microfinance operations in March 2009:** Company commenced its first lending operations at Haveri District of Karnataka in March 2009 to 3 SHGs, 22 members for INR 0.02 crores. And The Company was reclassified as "NBFC-MFI" by RBI effective from 11th December 2013
- **Team:** It has created a professional management team that understands the pulse of the geography where Belstar operates with a combined experience of more than 20 years
- **Promoter:** Promoted by Dr. Kalpana Sankar, Doctorate each in theoretical nuclear physics and women's development. She has 20+ years of experience in microfinance in Tamil Nadu
- **Investors:** Muthoot Finance Limited the flagship company of THE MUTHOOT GROUP having over 129 years of business legacy, is India's largest gold loan Company. Hand in Hand Consulting Services private limited, is a Consultancy arm of the HIH group.
- **Subsidiary:** A subsidiary company of Muthoot Finance Limited
- **Microfinance expertise:** Belstar has developed considerable expertise in providing micro-loans to the bottom of the pyramid population with 76% presence in Tamil Nadu and is poised for expansion into a pan India operation in the next 5 years.

### Business Model:

Hand in Hand India, (HiH), among other developmental activities also strengthens the SHG's, which once they are mature are then handed over to Belstar for Microfinance.



- **Operational data:** As at March 31 2018 BIFPL, operations are spread over eight states and 1 UT (Tamil Nadu, Karnataka, Madhya Pradesh, Maharashtra, Kerala Odisha, Chhattisgarh and Pondicherry). It has 234 branches, with 44 controlling regional offices in 38 Districts.
- **Financial Growth:** During FY 2017-18, total revenue was Rs. 218.90 crore, an increase of by 111.74 % over the last financial year. Gross expenses stood at Rs. 169.35 crore during FY 2017-18, an increase by 93.72 % over the last financial year. The profit after tax is Rs.33.66 crore in FY 2017-18, an increase by 222.41% over the last financial year.

### CSR Contribution By BELSTAR

- During the FY 2017-18 the Company spent **Rs ₹ 20,00,000** in **Animator & Representative Training.**
- Training given to 4175 Member & SHG Training - 7683 Batches Comprising of 76830 members In the state of Tamilnadu



## Bharat Financial Inclusion Ltd

Microfinance is an effective tool that can help reduce poverty and spread economic opportunity by giving poor people access to financial services, such as credit and insurance. BFIL



distributes small loans that begin at Rs. 2,000 to Rs. 12,000 (about \$44-\$260) to poor women so they can start and expand simple businesses and increase their incomes. Their micro-enterprises range from raising cows and goats in order to sell their milk, to opening a village tea stall.

BFIL uses the group lending model where poor women guarantee each other's loans. Borrowers undergo financial literacy training and must pass a test before they are allowed to take out loans. Weekly meetings with borrowers follow a highly disciplined approach. Re-payment rates on our collateral-free loans are more than 99% because of this systematic process. BFIL also offers micro-insurance to the poor as well as financing for other goods and services that can help them combat poverty.

BFIL aims to make microfinance financially self-sustainable. We use systematic processes, technology and training to help ensure we offer quality service to our borrowers.

Our mission is to fight poverty while keeping in line with our core values of "right focus, right means and the

right way." We provide financial services to the poor and use our network to give the poor access to other goods and services that they need

Our leadership team has deep experience, diverse backgrounds and a shared commitment to creating a leading microfinance institution

This section contains financial and operational information, as well as background on how BFIL has introduced mainstream financial instruments into microfinance.

Bharat Financial Inclusion Limited is honoured to work with a world-class group of partners and supporters. When it started out as a small non-governmental organization, BFIL received early support from friends and family. As BFIL grew, so did its list of partners

### Name of CSR project:

Drishhti – Free cataract operations for economically disadvantaged elderly

Number of Surgeries conducted 1,150



**Hospitals:** MM Joshi Eye Institute, Hubli and Dr. Salins Eye Hospital, Bidar

**NGO Partner:** Operation Eyesight

**NB:** TILL Fy 18 : Number of Surgeries in Karnataka: 6,313

## BSS Microfinance Ltd

BSS Microfinance Limited (Company) started its microfinance operations in 1999 as a Trust. Later the Trust activities were moved over to the Company in April 2008. Currently, the Company is carrying on its activities as a Business Correspondent of Kotak Mahindra Bank Limited, by extending microloans to poor women for income generating activities to come out of poverty & presently its spread across four states namely, Karnataka, Maharashtra, Madhya Pradesh and Tamil Nadu.

### Vision

To see an India where every child, woman and man can be the best that God meant for him or her to be, without the burden of poverty.

### Mission

To do large-scale poverty alleviation by providing micro-finance services to poor women, and through them to their families, facilitating increased earnings, better money management, and life quality improvement.

### BSS CSR Activities





## Chaitanya India Fin Credit Pvt Ltd

Chaitanya commenced its microfinance operations in October 2007 at Nayakanahatti village in Chitradurga district. For two years, Chaitanya carried out its microfinance operations as a NGO

In October 2009, Chaitanya obtained a Non-Banking Finance Company (NBFC) license from Reserve Bank of India for a newly registered company, Chaitanya India Fin Credit Private Limited (CIFCPL). Since October 2009, CIFCPL is conducting microfinance operations as a profit company.

Chaitanya Rural Intermediation Development Services Private Limited (CRIDS) a Bangalore based NBFC is the

100% holding company of Chaitanya India Fin Credit Pvt Ltd (CIFCPL).

### Mission

"Improving lives of Low Income Families through provision of Financial Services and ensuring sustainable Shareholder Returns."

### Vision

Chaitanya's Vision is to be a Pan India Rural Financial Services Company meeting the full spectrum of financial service needs for the low and middle Income Rural Customers.

## CreditAccess Grameen Limited

In FY 2017-18, CreditAccess Grameen Limited (formerly known as Grameen Koota) expanded its operations to 132 districts and 516 branches in eight states - Karnataka, Maharashtra, Tamil Nadu, Madhya Pradesh, Chhattisgarh, Kerala, Odisha, Goa and one Union Territory - Puducherry. Grameen Koota loan portfolio touched over Rs. 49,000 million in the financial year 2017-18. The MFI now stands at 3rd position both in terms of gross loan portfolio as well as customer base as per the MFIN grading.

### Highlights of FY2017-18 :

- Awarded with 'Skoch Resilient India Award 2017' for Sanitation Loans and Skoch Order of Merit Appreciation for our work in Sanitation Loan and Micro Credit
- CRISIL retained Grameen Koota's rating of 'mfr1'.
- ICRA reaffirmed Grameen Koota's rating 'A'
- Grameen Koota reached a milestone customer base of 2 million customers
- The Retail Finance Division of Grameen Koota launched the Grameen Savari and Grameen Vikas loan product for graduated clients.
- Grameen Koota launched a mobility solution offered by Software Group in June 2017, which has been scaled up across all branches by November 2017. The solution provides branch users with an alternate data entry channel, enabling faster and easier completion of data entry on daily basis
- Grameen Koota has prepared itself to adapt to the changing scenarios of the macro environment of the microfinance industry by switching to go with cashless disbursements. The pilot was done by at a few branches and the process has been adopted across all branches.

**Impact:** Grameen Koota products and services are designed to achieve maximum impact and outreach.

From education to home improvement, pension scheme enrollment to affordable health care, Grameen Koota delivered its diverse range of non-financial services to lakhs of customers.

Non-financial Services	Beneficiaries As of 31 <sup>st</sup> March, 2018
Customer awareness through Jagruti	1,569,493
Number of children supported with education loans	908,001
Clients supported to build toilets with sanitation loans	408,527
Affordable health care facility by health cards	182,993
Subscribers who availed health consultation services	84,926
Clients enrolled for National Pension Scheme	44,548
Clients supported to renovate homes with home improvement loans	26,368

### CSR activities :

Grameen Koota as part of its CSR program conducts various activities on awareness. The activities have been spread across Karnataka, Maharashtra, Tamil Nadu and Madhya Pradesh. The outreach of these activities has crossed over 2 million people since inception. The CSR activities are conducted across 220 branches of Grameen Koota. Navya Disha, an NGO is the executing partner for Grameen Koota CSR activities. The social activities have been classified into three major programs and various sub-activities are executed under each of the programme. Various programs that are executed are as below,

- WASH (Water, Sanitation and Hygiene) Program
- Sushikshana Program
- Sugrama Program

Each of the programs are executed by conducting various events at the Village, Gram Panchayat, Taluk and District level reaching customers and public.

Outreach of various activities executed in the FY 2017-18 are given below in detail.

	Nos.	People/ Women Reached
Kendra Members Training	5,221	77,083
Street plays conducted at villages	3,521	319,298
Social Awareness Campaigns	216	68,127
Flyer Distribution	171,931	171,931
Gram Panchayat Level Workshop	881	103,804
WASH training session for 8th Std. students	1,436	72,333
Financial Literacy session for 9th std students	1,426	83,197
Career Guidance for 10th std students	1,428	78,851
Branch Staff Training	324	3,371
Wall painting on water and sanitation importance	962	962

**Toilet Construction under Branch Level Community Development Activities (BLCDA):** BLCDA focused to reach government schools in a few select operational areas to provide them with toilets. Schools were contacted and based upon the request from the concerned authorities, two toilets were constructed in these schools. 50 such schools were selected in Karnataka and Maharashtra states

**Chair Distributions to Jagalur Police Station:** Grameen Koota as part of its Branch Level Community Development Activity in Davanagere district donated 20 plastic chairs to Jagalur Police Station. The event was cherished by all the Jagalur police officers, Officials of Jagalur Police Station requested Grameen Koota staff to extend their support to other departments as well.

**Plants Distrusted to Grameen Koota Customers:** Social awareness campaign (SAC) at Aurangabad, Maharashtra on 1st July 2017. Total 220 Grameen Koota customers participated in the SAC program. State Government of Maharashtra had declared as a Plantation Day.

## IDF Financial Services Pvt Ltd

Initiatives for Development Foundation (IDF) is a non profit organization founded by Developmental Bankers and Administrators who have expertise in micro credit, micro enterprise development, sustainable agriculture, rural development, transfer of technology, entrepreneurship promotion, corporate planning, communication and administration, social research, NGO constitution and Institutional development of grass root organizations. Initiatives for Development Foundation (IDF) was set up as a Registered Public Charitable Trust during November 2001.

IDF Financial Services Private Limited (IDF FSPL) was carved out of IDF and is dedicated to provide Microfinance and allied financial services. In order to scale and promote microfinance operations and generate adequate capital, microfinance division of IDF was delineated from its parent organization and registered as IDF FSPL, a Non Banking Financial Company in April 2009 with its Registered Office in Bangalore & Administrative office in Dharwad. IDF FSPL is run by a dedicated team with rich technical, organizational and banking experience.

### Our Vision

True Empowerment is when the desire to achieve is backed by resources and skills that enable an individual to transform his/her life. We would like to create that willingness and build that confidence which forms the fundamental necessity for any form of empowerment.

We would also provide all kinds of support financial, technical, and managerial and others to help people be more self reliant, self confident and self motivated.

### Our Mission

Currently IDF FSPL operates in 12 districts of Karnataka and Maharashtra. Our long-term goal is to scale our operations to the entire state of Karnataka and gradually to nearby states enabling us to reach 2 million families in the coming decade.

### CSR Activities

Our Yaragatti Branch organized '**VANAMAHOTSAVA**;' at Tavalagere village in Belgavi district. Awareness was also created among the villagers about tree planting in a function organized in the village and seedlings were distributed.



## Madura Microfinance Ltd

Madura is a leading NBFC- MFI with a mission to deliver viable credit to micro-entrepreneurs with the greatest potential to create scalable enterprise and economic value. Since our inception in 2005, we have provided individual and group loans to more than 7 lakh women across 2500 villages across the country. We have consistently been able to lend profitably at close to the lowest rates in the market.

Headquartered at Chennai, Madura's branch network of 270+ branches is spread across 61 districts in the states of Tamil Nadu, Kerala, Karnataka, Maharashtra, Bihar and Odisha. In January 2018, Madura crossed Rs. 1000 Crores in Gross Loan Portfolio on a journey to increase impact in rural communities and empowering women micro entrepreneurs.

On the ground high-touch and flawless execution by employees who are passionate about the social impact they create, backed by analytics and technology for decision making and delivery respectively, are key elements of the company's DNA.

### Social & General Awareness Meeting

Our business model allows us to meet our member base in rural and semi urban areas where we operate twice in a month. The first fortnight group meeting is for repayments and second fortnight meeting is an 'Awareness meeting' where we interact with members to educate them on various topics such as basic health, hygiene, social issues, financial literacy education so as to enable them to have better quality of life. After every

meeting, members are given a printed material for further reading on the topic.

### Madura Micro Education

To bridge literacy gap and create productive micro-entrepreneurs in our member community, Madura Micro Education was launched in 2012 to provide practical business education to low literate rural communities. Through our Teach70 video based learning and assessment platform, we deliver practical, context specific business education to interested members. The courses allow the micro-entrepreneur to understand the concept of value creation and then translate that concept through a series of business modules into building a profitable business. To date we have trained 63,750 microenterprise operators and aspiring entrepreneurs.

### Corporate Social Responsibility

Among our members, health issues are a major reason for loss in productivity and earnings. Based on a survey, we identified that they lose 15% of their workdays per year due to their own illness or illness of a family member. To address the social problems of health and nutrition in our member communities, our CSR initiatives focus on promoting community health through Health Camps, Short films on Health Awareness, Blind Walk and Cognitive Health Care Programs. Over 630 employees participated actively across the country in bringing free health camps and other health awareness activities to our member communities, contributing a total of 4067 hours of their time.

## Muthoot Microfin Ltd

Muthoot Microfin Limited is the microfinance arm of Muthoot Pappachan group (MPG). The Muthoot Pappachan Group (MPG) is a diversified conglomerate with presence in multiple verticals.

Muthoot Microfin serves the bottom of pyramid section of society by providing customised financial services to the needy and underserved. The company follows Joint Liability Group (JLG) model of microfinance. Clients are organized in groups of five to ten women from economically weaker sections of society, living in rural and semi-urban areas or urban slums. Target clients are economically active women with regular cash flow through lawful, sustainable and stable economic activity.

Microfinance operations of the company is designed to promote entrepreneurship among women and inclusive growth. The institution provides financial assistance through micro loans to women engaged in small income generating activities.

### Community Outreach Initiatives

Muthoot Microfin believes that community outreach programs must make a positive impact on the society and mark the relevant evidence on the impact of our intervention.

During the fiscal 2017-18, Muthoot Microfin helped improve lives of thousands of people around the country. We utilized our strengths and resources to benefit local communities and particularly help women



in learning a new skill and gain financial literacy. As usual, healthcare and skill training remained our priority during the fiscal with an aim to make a meaningful impact on the society.

During the winter in Nagpur, by donating blankets to the needy, Muthoot Microfin initiated a small campaign which was followed by some other charitable organisations in the city. In the wake of extreme drought resulting in acute drinking and farming water shortages in Maharashtra, the company initiated 'Water Harvesting' at Vedsa village on May 13, 2017.

Muthoot Microfin trained thousands of women across the country through skill training workshops and these trainings helped the women to find employment or start their own venture. The company also conducted several health care camps in association with various organizations. The aim of these camps was to provide basic medical attention and medicines free of cost to those people who do not have access to primary medical facilities. People dwelling in the rural villages were largely benefitted by the health camps organised by the institution. Our employees also organised several blood donations camps to spread awareness.

The company celebrated World Environment Day in coordination with the communities where we operate in an attempt to make awareness on the importance of environment protection and ecological balance. Hundreds of saplings were planted on the day with a pledge to continuously take care of those plants.

## CSR Activities



## NABARD Financial Services Ltd

NABARD Financial Services Limited, [NABFINS] is a subsidiary of National Bank for Agriculture and Rural Development (NABARD) with



equity participation from NABARD, Government of Karnataka, Canara Bank, and Union Bank of India, Bank of Baroda, Dhanalakshmi Bank and Federal Bank. It is a non-deposit taking NBFC registered with the Reserve Bank of India and shall operate throughout India. The main objectives of the Company are to provide financial services in the two broad areas of agriculture and microfinance. NABFINS provides credit and other facilities for promotion, expansion, commercialization and modernization of agriculture and allied activities

### Our Mission

To be a trusted client centric financial institution advancing hassle free services to the low-income household and the unorganised sector.

### Operational Snapshot

Sr No.	Particulars	As on 31st March 2018
1	No. of States & UT	13
2	No of Branches	97
3	Portfolio O/s (? in Lakh)	1180
4	No. of Staff	514



## Corporate Social Responsibility (FY2017-18)

The Company under its CSR mandate focusses on providing the support under the broad head of health and sanitation, women empowerment, education, ecology and environment etc.



Not only serving the rural poor by providing hassle free financial services in their efforts of improving their livelihoods, NABFINS also through its social responsibility initiatives, contributed to build the financial awareness among them by providing financial literacy programs covering around 30,000 rural public. This is also an effort to support the Prime Minister's national call of financial and digital literacy.

There were around 750 programs were considered in total across Company's operational area implemented through 28 identified agencies / NGOs which have better connect at the ground level. Special initiative was taken during the year under review on a pilot basis

for imparting the financial inclusion mobile communication campaign (audio based) delivered through Interactive Voice Response (IVR) technology to the identified rural public in the state of Karnataka. Considering the success of the pilot, this is being expanded spread to other states in the coming year(s).

It was also a maiden effort by NABFINS under its CSR providing the financial assistance in establishing the community based palliative care services in 3 identified blocks of Cuddalore district of Tamil Nadu. The project is successfully reaching around 1500 most elderly deprived in the target area.



### NABFINS Highlights:

- Nabfins disbursed ₹ 72.5 Lakhs for 151 SHG members in Mandasaur for purchasing cattle.
- NABFINS had started Direct Lending vertical.
- Nabfins spreading its wings in Eastern Region.

## Navachetana Microfin Services Pvt Ltd

Navachetana Foundation (NCF) is a non-governmental, non-profit organization registered under the Karnataka State Societies Registration Act. NCF was founded in 1999 and is headquartered in Haveri, a town in northwest Karnataka, India. The Foundation was established by a small group of young, socially-minded entrepreneurs desiring to bring economic development and livelihood enhancement to the needy womens of Haveri and nearby villages.

In its early years NCF primarily focused on improving natural resource management in rural areas by initiating and implementing large-scale watershed development and tank rehabilitation projects. NCF continues to be actively involved in these projects and is committed to strengthening participatory methods for preserving and enhancing community owned natural resources.

In 2005 NCF expanded its mission to include the provision of financial services to women who were unable to obtain credit from mainstream commercial banks. NCF's first loan was disbursed in April 2006, and since more than 70000 womens were took the benifits from Navachetana with a consistent 100% repayment rate. In May 2009 NCF created a new institutional entity

to handle all of its microfinance operations: Navachetana Microfin Services Private Limited (NMSPL).

### Navachetana Microfin Services Private Limited

Navachetana Microfin Services Private Limited (NMSPL) is registered with Reserve Bank of India as non-deposit accepting non-banking finance company-Micro Finance Institution (NBFC-MFI). It extends micro-loans to poor women who are excluded from mainstream banking services. The micro-enterprises created as a result of NMSPL loans enhance not only the livelihoods of borrowers, but also the lives of their families. By creating an environment of financial inclusion for the poor, NMSPL envisions an India where access to income-generating opportunities and the ability to provide basic necessities for one's family is available to all.

NMSPL is currently governed by a Six-member board. Majority of the board members have more than ten years of experience in their respective areas of specialization. The board meetings are conducted on a quarterly basis to monitor the activities of the organization.

The microfinance operations are headed by Mr. Nagendra Mali, Chairman and Managing Director of NMSPL supported by functional heads.

## Samasta Microfinance Ltd

Samasta Microfinance Limited is subsidiary of India Infoline Finance limited registered with the Reserve Bank of India. The Company holds 97.37% of the paid up share capital of Samasta.

Samasta holds Certificate of Registration (not valid for acceptance of public deposits) from the RBI dated May 17, 2011 to carry on the business of microfinance.

Samasta focuses on bridging the gap between ambition and achievement of the working poor across India, by providing financial and non-financial services, in a sustainable long-term relationship and enable them to achieve a better quality of life.

The micro loans can be used to pay off outstanding debts borrowed from local money lenders at very high interest rates, start small businesses, pay educational expenses and for emergency health services, which are the primary requirements of the people we cater to.

### Financial Highlights of SMFL FY 2017-18

- Loan book of SMFL grew by 252% to Rs. 8406.19 million as of March 31, 2018 as against Rs. 2,390.80 million in the previous year.
- SMFL's income significantly increased by 192.71% to Rs. 968.30 million and profit after tax increased by 180.33% to Rs.23.76 million during the year.

## Spandana Sphoorty Financial Ltd

Spandan is a Sankrit word and it means Response. As Spandana was born in response to a problem, the Organisation was named as Spandana. Spandana is a public limited company registered with Reserve Bank of India (RBI) as an NBFC MFI. Started in 1998, within five years, by 2003, it grew to the largest Micro finance Institution in India and 6th largest across globe. In its peak, Spandana had 1,856 Branches with presence in 10 states and work force of over 13,500 employees.

Spandana was founded by Mrs. Padmaja Reddy in 1998 as a Society which was later transformed into an NBFC and subsequently as NBFC MFI. Mrs. Reddy, the Promoter and Managing Director of Spandana prior to founding Spandana used to work with an NGO in Andhra Pradesh. This NGO used to help poor people to build their houses, provide safe drinking water, sanitation, health education etc. The NGO used to raise grants from different funding agencies and implement these activities.

While working with this organisation, she happened to meet a rag picker and in her interactions with her, she came to know that the rag picker earns about Rs.60 per day, of which she was paying Rs.10 per day towards rent for the cart and Rs.30 towards interest on the loan and she is left with meagre income of Rs.20 per day. She explained her misery that the husband is not supportive and the whole family had to live out of this small income. When asked about, since how long she is doing this business, the rag picker said that she started it when she was 12 years old and was doing it for the past 14 years. She paid over Rs.40,000 rent for a cart that would have costed Rs.1,500- had she bought the

same. She also said that she was borrowing Rs.270 everyday and paying back Rs.300 on the same day to the money lender and she was obligated to sell the scrap to him at a price dictated by him which is lower than the market price.

Ms. Reddy told her that she paid over Rs.1,50,000 interest on a loan of Rs.270 which is paid back on the same day. When asked about why she did not start this business on her own, which would have helped her to save Rs.2,00,000 she said that she has no house and they are vagabonds and she never thought of availing a loan. Mrs. Reddy enquired on whether she would be able to repay the loan in case she is given a loan. Upon assurance from her, Rs.2,000 loan was given from that NGO. Out of this Rs.2,000 loan, the rag picker invested Rs.1,500 to buy the cart and the balance Rs.500 she used it as a working capital to buy scrap. While she was not required to pay Rs.10 rent and Rs.30 towards interest to the money lender from next day onwards, her income increased from Rs.20 to Rs.60 while she started servicing loan by paying Rs.10 per day. The rag picker was overwhelmed and she shared it with other rag pickers, vegetable vendors and fruit vendors who use push cart for their trading activity. She proudly shown her new cart to all of them and said that she is not taking daily loan from the money lender anymore on which she used to pay 10% per day. The news spread like wild fire and after two days, about 300+ women came to the NGO office to request for the loan. Each one of them were promising that they could repay the loan without any default and wanted a relief from the clutches of money lenders.

## RORS Finance Pvt Ltd

RORS FINANCE PRIVATE LIMITED (RFPL) is a NBFC-MFI based in Srinivasapur taluk of Kolar district, Karnataka, South India. It is a company incorporated under Indian Companies Act of 1956 and has registration with Reserve Bank of India as Non-Depository Non-Banking Financial Company-Microfinance Institution.

Considering regulatory preferences and to opportunities to scale up in urban & semi-urban areas, Mr. P. Sathyanarayana Reddy preferred NBFC format and thus RORS Finance Private Limited company has been established. The promoters' team acquired a Bangalore-based NBFC called PACE Finance Private Limited during 2007. The Company was shifted to Srinivasapur and name was changed subsequently as RORS Finance Private Limited. The NBFC was categorized as NBFC-Microfinance Institution by Reserve Bank of India during October 2013. The Company was founded by Mr. P. Sathyanarayana Reddy who also promoted RORES MED TRUST (RMEDT) which is engaged in micro-finance business since 2005 to 2010.

In order to undertake microfinance on appropriate business lines, during 1st April 2010 the business of RMEDT is being transferred to RFPL

RFPL's focus is on urban and semi-urban poor and the target customers include economically active women involved in trading, production, petty business, skill and semi-skill activities, services and agri-allied livelihoods. As on 31st March 2015, RFPL had paid capital of INR 466 lakhs and authorized share capital of INR 850 lakhs. RFPL has 10 branches in 7 districts of Karnataka and Tamil Nadu. The company's plan is to reach one million low-income customers by 2020 with portfolio of INR 100 crores. RFPL provides a range of financial products and services to cover customers' needs. Company combines the hybrid model of JLG & individuals. The quantum of loans ranges from Rs 15,000 to Rs 100,000 with interest rate of 26% on a reducing balance basis and all other aspects as per the RBI new guidelines.

## L & T Finance Ltd

**L&T Finance Holdings Limited** is one of India's most valued and fastest growing Non-Banking Finance Company (NBFC) registered with the **RBI**. **L&T Financial Services** is the umbrella brand of the group. Incorporated in 1994, the company offers a diverse range of financial solutions and has a significant presence across five businesses - Rural Finance, Housing Finance, Wholesale Finance, Investment Management and Wealth Management.

LTFH has a lending loan book of Rs. 86,571 cr. as on June 30, 2018 and manages assets worth Rs. 89,984 cr. (Assets under Management and Assets under Service).

Rural Finance offers retail customers products such as Farm Equipment Finance, Two-Wheeler Finance and Micro Loans to meet their income generation needs and activities. The Company's products under Housing Finance include Home loans, Loan against Property and Real Estate Finance. Infrastructure Finance offers solutions catering to the clients in the infrastructure, core and emerging sectors. The Investment Management Group helps investors create wealth

through a host of products in the equity, debt and balanced categories. The Wealth Management business offers investment solutions to investors that include Wealth Advisory, Estate Planning, Financial Planning, Alternate Investments and Mutual Funds.

Each of the five businesses is distinctive and has a singular aim to fulfill the needs of its diverse customer base, both individuals and corporates.

Headquartered in Kalina, Mumbai, the Company caters to the business requirements of its growing customer base through a nationwide network of 232 branches and 1,065 Meeting centres, a product portfolio covering five different business verticals. As of June 30, 2018, the organization has a total strength of 18,009 employees across all subsidiaries.

LTFH is promoted by Larsen & Toubro Ltd, one of India's largest conglomerates with interests in technology, engineering, construction, manufacturing and financial services.

## Habitat Microbuild India Housing Finance Company Pvt Ltd

MicroBuild India works with Indian financial intermediaries serving low-income populations to offer wholesale debt financing, filling a critical funding gap, and ensures that products and services meet housing quality standards.

Micro Build India aims to be a driver of social impact by being the most competitive wholesale lender for India's microfinance institutions, so they can provide financial assistance to low-income families for home improvements and repairs.

MicroBuild India is an initiative of Habitat for Humanity International, a global non-profit housing organization that has served more than 600,000 families by building or improving homes, and Mumbai-based financial services company AKK Financial Advisory Services Private Limited. AKK Financial Advisory Services Private Limited has a 49 per cent equity stake, and Habitat a 51 per cent equity stake, in MicroBuild India.

The MicroBuild India Housing Finance Company Pvt. Ltd. was incorporated on 19 November 2010, and received its Certificate of Registration as a housing finance company (HRC) from India's National Housing Bank on 22 June 2012.

### Objectives and business model

MicroBuild India's operational objectives are to reduce poverty housing, and improve health and living environments for low-income families across India, by providing:

- A facility where microfinance institutions (MFIs), HFCs, banks and other financial institutions in India can access wholesale debt financing, in order to develop and offer innovative retail housing loans to families currently living in substandard homes. Attractive wholesale pricing will incentivize financial institutions to engage in the field of housing microfinance.
- Technical assistance through Habitat for Humanity's Technical Assistance Center (TAC), and other parts of the organization, will ensure the quality of the product and that it meets the requirements of the intermediary financial institution, and the needs of the family end user building a new house or undertaking home improvements or repairs.

## New Opportunity Consultancy Pvt Ltd (NOCPL)

New Opportunity Consultancy Private Ltd. (NOCPL), incorporated in 2014, is promoted by professionals with extensive knowledge and experiences in the Banking and MFI industry, with a strong belief in helping shape an inclusive society.

- We are a new generation service provider in the business of promoting financial inclusion, being authorized Business Correspondents to multiple Banks and Non-Banking Financial Companies (NBFCs) in India.
- We are engaged in providing micro loans under the SHG /JLG model, credit linked insurance, individual and group-based savings accounts as also MSE loans at the customer's doorstep on behalf of our banking partners.
- We provide financial products and services in a reliable, cost-effective and transparent manner.
- Our goal of financial inclusion is incomplete unless we provide or enhance the livelihood opportunities of our customers. To achieve this objective, we give them access, through our partners for social initiatives, to locally suitable and sustainable livelihood skills, while providing them with necessary technical and networking skills aside from bank credit to bridge this gap.

- As a part of the Financial Literacy programme, all approved members of selected SHG/JLGs undergo a consolidated training for 3 days covering several aspects, viz. Financial/digital literacy, savings habit, group formation & members' responsibility, eligibility criteria for micro loan, banking knowledge, insurance coverage, judicious borrowing habit, caution on frauds etc.

Presently, NOCPL is working in 82 districts of 6 states, viz. Tamil Nadu, Puducherry, Kerala, Karnataka, Maharashtra & Madhya Pradesh as Business Correspondent for 5 Banks/NBFC, viz. Yes Bank, RBL Bank, IDBI Bank, DCB Bank & Reliance Commercial Finance. Our 260 branches with a customer base of 6.19 lakh and Assets Under Management (AUM) of over Rs.1,050 crore are located mostly in semi-urban and rural areas.

In the state of Karnataka, being a late entrant, NOCPL is presently having 43 branches (including 11 unbanked rural branches) working for Yes Bank, RBL Bank & DCB Bank.





## Saggraha Management Services Pvt Ltd

SaGgraha Management Services is a Bottom of the Pyramid financial services provider with a mission to contribute to the country's financial inclusion effort. The organization is promoted by a team of three professionals who have worked extensively in Agri, Micro and Rural banking, Branch Banking, SME banking, Treasury, Agri Inputs, Microfinance, IT and Consulting. They have been associated with financial inclusion and microfinance for the past 10 years and

have worked with various MFIs in Operations, Risk, Finance and HR functions at senior management levels. Drawing from their core expertise, the organization believes in maintaining highest ethical and professional standards, governance and transparency. It aims to scale about 2000 Crs of AUM in the next four years while offering Assets, Liabilities, Remittances and third party products thus delivering an array financial services to rural population.

## Vaya Fin Serv Pvt Ltd

Vaya was established in 2014 by a team of seasoned MFI professionals. Vaya is a next generation microfinance company. The core management team has a deep understanding of rural poverty. We currently operate in 7 states with a strong employee base of 1600 and growing.

Vaya uses the peer group-lending model to offer unsecured, income-generating loans. Over the years, Vaya has pioneered tab-banking, and with the adoption of the government's UIDAI public infrastructure

scheme, we have made our services more efficient and secure.

Vaya leverages the JAM trinity i.e. the customer's Pradhan Mantri Jan Dhan Yojna (PMJDY) account, eKYC, and mobile connectivity to disburse the loan directly into the borrower's bank account.

As an NBFC- MFI, Vaya follows the RBI defined margin caps on the rates charged to its borrowers – 10% or 12% based on cost of funds and the average base rate of the 5 largest commercial banks every quarter. Vaya also recovers actual cost of insurance from the borrowers.

## Shree Kshethra Dharmasthala Rural Development Project (SKDRDP)

### Mission

"Improving lives of Low Income Families through provision of Financial Services and ensuring sustainable Shareholder Returns."

### An evolution of the organisation:

Shri Kshetra Dharmasthala Rural Development Project(R) (SKDRDP), a secular, apolitical, NGO registered under the Indian trust act is promoted and managed by Dr. D. Veerendra Heggade, Dharmadhikari of Dharmasthala since 1982, with the noble objective of providing the necessary transformational dimension to the village life. SKDRDP is active in the state of Karnataka and at present has covered more than 12000 villages and nearly 180 big and small townships.

SKDRDP has been implementing its programs by organising the village community, providing the necessary training and capacity building, making available the essential inputs like credit, raw materials, insurance and savings, etc. at the doorsteps of the needy. It has partnered the line departments of the government, Agricultural Universities in reaching the schemes and subsidies to the deserving.

SKDRDP at present has 160 project offices at 29 districts in Karnataka as well as one project office at Kasargod of Kerala. Human resource based project has so far employed 6655 full time workers along with the grass root field workers called 'Sevaprathinidhi', experts in women empowerment, agriculture, animal husbandry and social welfare. As a part of the microfinance activity, SKDRDP has setup technical input division with technical staff to train and handhold the stakeholders. The organization is carrying on propoor activities in health, insurance, education etc., and would like to grow in terms of clientele, disbursement and portfolio outstanding.

### Brief description of the products and services offered by the organization :

SKDRDP encourages thrift among the members by facilitating savings, margin money collection, life insurance converted into pension product. SKDRDP encourages participatory approach in its financial activities by forming federations of the SHGs and encouraging them in the decision making process. SKDRDP has also setup a marketing subsidiary called

Shri Dharmasthala SIRI Gramodyoga Samsthe to support the off farm sector enterprises of the rural women. Awareness on vices is created out through subsidiary, the Janajagruthi forum wherein SKDRDP conducts community deaddiction camps to wean the poor families away from alcohol. It helps poor families to plan for better utilization of their scarce resources.

It has used the SHG movement to provide hassle free financial services to the poor people. From thrift to credit, SKDRDP has tried to fulfill all the financial requirements of the poor households by partnering with various Banks and development agencies. It has redefined the SHG credit linkage practice from savings based credit to need based credit. It has also widened the scope of Business Correspondence/ Business facilitator programme by offering financial services to Self Help Group members at their doorsteps. SKDRDP has digitized the records and documents of all the Self Help Groups. SKDRDP has used the SHG movement to create an impact in the field of financial inclusion, livelihood promotion, water and sanitation activities, swach bharrath activities, education, health and family care in the state of Karnataka.

1. **Promotion of Self Help Groups :** SKDRDP's SHG promotional bank linkage programme has made a significant contribution towards financial inclusion and easy access to banking services.
2. **SKDRDP as largest BC in the country:** From Self Help Promoting Institute (SHPI), SKDRDP has transformed into full time BC. SKDRDP has collaborated with 8 Major Banks to provide financial services to the SHG members promoted by it. These services are offered at the doorstep of the poors through 9500 'customer service points' located at different parts of Karnataka.
3. **Digitisation of SHG records and documents :** SKDRDP has completely digitized the records and documents of 4.20 lakh SHGs promoted. VB and MSQl based software developed by SKDRDP called 'Suvidha' has facilitated digitization of socioeconomic data as well as day today financial transactions of all the Self Help Groups on real time basis.
4. **Launch of digitized SHG transaction Campaign:** In a first of its kind in India SKDRDP, in 2017, launched 'Digitized SHG transaction Campaign' which aims to convert all the transactions in SHGs to cash free mode by march 2020. Honorable Prime Minister of India Shri Narendra Modi on 29.10.2017 launched this Campaign. For this purpose SKDRDP has entered into a MOU with State Bank of India

5. **Financial performance of SHGs :** During the year SKDRDP promoted SHGs have shown tremendous performance both in terms of borrowing as well as repayment.
6. **Agricultural Development:** During the year 8.09 lakhs members took up various agricultural and allied activities involving horticulture, dairying, floriculture, animal husbandry, bee keeping etc.
7. **Self-employment:** SKDRDP declared 2017-18 as the year of self-employment. During the year, more focus was given on creating self-employment opportunities among the SHG members. Around 1,78,301 members have taken up self-employment in various fields like transport, business, service etc.
8. **JLG Campaign:** To attract younger generation for agriculture as well as self employment and make it economically viable, SKDRDP launced Joint Liability Group campaign in 2017-18. Sixteen specialised skill development training modules were designed to create employment opportunities for JLG members.
9. **Renewable Energy Program:** Motivated by the Ashden Award SKDRDP further intensified its efforts in promotion of renewable energy. During the year 1006 gohar gas plants, 23656 solar home lighting/water heater systems were installed by the members of SHGs.
10. **Sanitation and Hygiene:** Special efforts were made during the year to create awareness among the people on keeping their villages clean, disposing the wastes and civic sense in general.
11. **Sanitation Units:** SHG members constructed a total number of 56235 sanitation units (toilets) during the year. Housing: A total number of 183493 members were financially assisted under microfinance for house repair, new construction, extension and renovation, electrification of the houses etc.
12. **Charitable activities:** Under the aegis of Shri Ksehtra Dharmasthala temple several community development works were taken up during the year. 6 public toilets construction, 241 milk producer's co-operative societies' building construction, construction of 34 crematoriums, 117 school building construction, school furnitures were some of the major activities undertaken this year for which Dharmasthala charity was utilized. Assistance to schools for differently abled were also taken up. A total amount of Rs.8.99 crores donation have been given for the above projects.



## Prakruthi Foundation

### 1. Type of activities undertaken by PRAKRUTHI FOUNDATION.

The following activities are undertaken by the organization;

- Formation of Self Help Groups / Joint Liability Groups
- Capacity building, training & exposure programs to women members.

- Providing finance assistance through Micro Finance
- Facilitating to take up various Income Generating Activities like petty business, Hotel, Vegetable, Flower vending, Cloth business, Incense stick rolling, Motor rewinding, TV/Mobile repair shop
- Agriculture and Dairy Development like Cross Breed cow, Buffalo & Sheep rearing.

## Samuha

SAMUHA works with vulnerable people to improve their quality of life within defined periods of time. SAMUHA derives its name from the Sanskrit, which means an organised group or society. This reflects our belief that development is best sustained when undertaken through group processes.

We began our operations in January 1987, in the Deodurg Taluk of Raichur district in North Karnataka.

### We Work With

- Women
- Children

- People with Disabilities
- People Living with/Vulnerable to HIV/AIDS
- People Deprived of Social Justice, and
- Communities that are Climate-Challenged
- Capacity building, training & exposure programs to women members.

SAMUHA Works in two districts of Karnataka: Raichur and Koppal.

SAMUHA is also working in 9 districts of Karnataka under various programmes

## Sanghamithra Rural Financial Services

Sanghamithra Rural Financial Services has been registered under Sec 25 of the Companies Act (now Section 8) in 1995 and is into operations of lending to Self Help Affinity Groups of the poor since February 2000. Promoted by MYRADA with its Head Office at Bangalore, is operating in four states covering 32 districts in the remotest and unbanked backward areas of the country, viz., Marathawada region of Maharashtra and Bundelkhand region of Madhya Pradesh, backward Hyderabad Karnataka area besides rest of Karnataka and Tamil Nadu. Sanghamithra has financed over 74837 groups covering around 1144871 members amounting to over Rs.1,061.71 crores since inception. Presently, we have financed to 7718 SHGs comprising of 92616 members amounting to Rs.175.22 crores

Sanghamithra envisions a society that supports a sustainable and vibrant financial and development environment where every self-help affinity group of the poor has the ability to access credit at competitive terms as well as skills and linkages in order to maximize the livelihood opportunities of its members. In the quest of its vision, Sanghamithra has adopted the Mission to provide financial services to poor people's

institutions, mainly Self Help Affinity Groups (SAGs) and Watershed Management Associations organized by NGOs and other institutions, who have demonstrated a degree of maturity and sustainability with respect to regularity in savings, internal lending and recovery, democratic leadership and decision making process, visible transparency and accountability.

Our policy is 'Reaching out to the unreached', where formal banking facilities are deprived of for people living at the bottom of the pyramid and at affordable rate of interest (which is one of the lowest interest rates amongst MFIs). With a view not to burden the poor, we do not charge any processing fees/transaction charges while lending to them though permitted by the regulator (RBI). Sanghamithra, with its own resources is undertaking the task of nurturing the SHGs. In this connection, it has been conducting training programs in the area of Financial Literacy, Client Protection, Book writing, Capacity building, Tribal development, Awareness in Health and hygiene etc. besides conducting SHG meets to get feedback from the customers in regard to our services.

Sanghamithra is lending for livelihoods. It provides loans to SHGs for income generating activities to sustain livelihoods under General purpose loan, Housing loans for safe dwelling, Education loans to promote literacy, Solar light loans and various products under its WASH program for construction of household toilets, water connection, toilet cum bathroom, soak pit and purchase of water filters/purifiers for good health and hygiene.

We have supported all the NGOs/CMRCs to implement the 'WASH' Program in the rural areas with each of them having undertaken to make at least one village 'Open Defecation Free' (ODF) in their area of operation. Our organization was the first to initiate lending for construction of toilets at a low rate of interest. It is a Health and Hygiene related financial activity implemented in the rural areas of all the four states

covered by our organization to facilitate maintenance of good health and to improve productivity.

Sanghamithra has exhibited its concern for the deprived and isolated sections of the society namely; the sex workers and the Tribal people by extending finance to 'Soukhya Groups' of the sex workers and the 'Soliga' Tribal groups of Male Mahadeshwara Hills in Karnataka.

A deep social impact created in the society due to the policies adopted by Sanghamithra is that, there is visible increase in earning capacity of the group members and in their improved health and hygienic living conditions. The sex workers have left the earlier profession that was tainted with social stigma and are now leading a decent and respectable life while the tribal people have been fortunate to see light in their dark lives.

## ESAF Small Finance Bank

### Vision

To be India's leading social bank that offers equal opportunities for the whole society through universal access and financial deepening, thus promoting financial inclusion, livelihood and economic development as a whole.

### Mission

To provide responsive banking services to the underserved and un-served households in India facilitated by customer-centric products, high quality service and innovative technology.

Started in 1992 by Sri. K. Paul Thomas, a Social Entrepreneur as a charitable society with a larger vision of sustainable and holistic transformation of the poor and the marginalized, ESAF today is the first and the only Small Finance Bank in the State of Kerala. ESAF Microfinance, started in 1995, has grown to a size with network of 413 branches in 101 districts, spread over 12 states across the country.

Triple bottom line approach is the underlying theme around which the larger vision of ESAF SFB revolves. ESAF SFB believes in the depth and the breadth of development and this approach proves to be the right catalyst for the holistic change that ESAF aspires. Just as we care for the financial bottomline, ESAF SFB does take care of social and environmental matters. This assertive approach remained well intact at all stages of ESAF's transformation - from the charitable society to an NBFC-MFI and from an MFI to a Small Finance

### ESAF Small Finance Bank Profile As on 31st March 2018

No of States Covered	10
No of Districts Covered	100
No of Branches	414
Total Portfolio Assets under management	4130.23 crs
No of Borrowers	2924592
Poverty profile (USD3.80/Day)	40.44%

### CSR Activities:

#### Community Transformation Hub

With the objective of improving the holistic development of children, ESAF runs Community Transformation Hubs (CTH) to organize programs like daily educational support, skill training and recreational activities. The 23 Community Transformation Hubs across Kerala and Maharashtra was enriched with a wide variety of programs during the period 2017 – 2018 to engage children in a way that beyond their school curriculum several value based engagement was initiated for them.

#### Awareness Session on Child Sexual Abuse

Integrated Child Development Department, ESAF organized an awareness campaign on Prevention of Child Abuse among the employees of various ESAF entities. The campaign was an eye opener to the staff, as they were made aware of the need of preventing and reporting child abuse for ensuring safety of the children.

### Student Mentors Program

Student Mentor's Program, a joint initiative of ESAF and St Mary's College was started in November. The program aims to provide mentoring and support service to the children of CTH by designating graduate students as mentors. Currently, the initiative is going on in 4 Community Transformation Hubs Kerala.

### Financial Literacy Campaign

A campaign has been initiated by ESAF in association with ESAF SFB to impart financial literacy among CTH children. This helped the children from low-income families to open account with ESAF Small Finance Bank after understanding the importance of the same.

## Fincare Small Finance Bank

Fincare Business Services Limited is a Core Investment Company managing a clutch of businesses operating in banking and financial services sector in India. The company has registered offices in Bangalore, Karnataka and operates the following business entities.

1. Fincare Small Finance Bank.
2. Business correspondent Lok management Services.

The fincare way is a set of corporate principles that guide us in our business journey. The Fincare way defines what we stand for in building a financially sustainable and socially responsible business.

### Integrated base of pyramid business

- Strong market value
- Equity maximization
- Efficiency in operations
- Strong value proposition to all stakeholders

### Leveraging leadership capital

- Capitalizing on the industry best leadership within the company for business excellence
- Leveraging the deep foundation of the stakeholders in Base of pyramid business and the global leadership skills of the management team to build a high growth platform

### Stakeholder engagement

- Customer delight with relevant products addressing the lifecycle needs along with fair and transparent business policies.
- Win-win partnerships with lenders and investors by maximizing value at the base of pyramid.
- Active association with industry networks contributing efficiently to the industry thought capital
- Active engagement with employees nurturing and developing talent
- Community engagement through welfare initiatives

### Excellence in Business practices

- Efficient liquidity management & financial planning
- Operational excellence by analytical data based field operations with proactive audit controls and centralized automated credit appraisal
- Fully integrated technology network with end-to-end process automation and sales force automation for fantastic time and cost efficiencies
- Meritocracy driven HR policies attracting and retaining high quality talent

## Jana Small Finance Bank

### Overview

Jana Small Finance Bank, erstwhile Janalakshmi Financial Services, is headquartered in Bengaluru. It is one of the 10 financial institutions which had received in-principle approval from RBI, in 2015, to set up a Small Finance Bank.

Established in Bengaluru in 2008, it went on to become the largest Micro Finance Institution (MFI) in India, and was recognised globally as one of the world's innovative financial institutions working on the problem of financial inclusion.

Jana Bank received the final banking license in April 2017 and started banking operations on March 28, 2018. Under the leadership of its MD & CEO, Ajay Kanwal, Jana Small Finance Bank's vision is to become the leading inclusive digitised bank serving all customer segments and communities of an aspirational India.

Currently, post the transition phase, the bank is enabling its existing 45 lakh customers across 19 states in India to access banking services. It has Capital Adequacy Ratio (CAR) of about 35 percent and a loan book of INR 76 billion as on March 31, 2018. By 2020, the bank aspires to add four million customers.

The bank has deep domain expertise in banking and financial services, with the senior management team having 25+ years of average experience in banking sector. Its current employee strength is of 15,000. By end of 2019, Jana Bank's 500 branches will be operational across 19 states, post conversion of majority of its micro finance storefronts into bank branches.

Bengaluru-headquartered Jana Small Finance Bank is regulated by the Reserve Bank of India (RBI).

In FY 2017-18, Janalakshmi Financial Services Ltd invested its CSR budget in a diverse range of social and environmental projects revolving around 'Women's Empowerment & Child Development' that focus on achieving specific and measurable impact. JFS has channelized its CSR funds through 4 NGOs across India and tapped the potential of its Employee Engagement Program (Jana Shakti) further. The details of the projects are given below: -

**A. South Zone (Bangalore - Karnataka) – 1 NGO Partner**

1. Provision of food & nutrition for 100 children who have been abandoned or coming from low-income households in Bangalore

**B. North Zone (New Delhi; Lucknow – Uttar Pradesh) – 2 NGO Partners**

2. Holistic geriatric care for 20 elderly women who have been rescued from the streets of New Delhi
3. Establishment of 5 learning hubs in 5 slum areas of Lucknow city for 1000 children

**C. West Zone (Mumbai - Maharashtra) – 1 NGO Partner**

4. Provision of life skills education across 8 Municipal Schools of Mumbai for 900 children

**D. Samarthanam Trust for the Disabled**

During the FY 2017-18, the Company funded an event– Walkathon, which is an annual feature organized by Samarthanam on a specific theme to commemorate save earth. It is a public event organized to involve people across the country and spread awareness on a common cause; it calls for concerted action. This walkathon is initiated to bring about a green change in people and their practices. With the theme, 'Walk for the Green Change', this walkathon was organized on 25th February 2018 at Uttar Pradesh.

**Social Impact –** The changing climate patterns is affecting our bio diversity and natural ecosystem. This change should be an everyone's concern. The air we breathe, the water we drink, the ground we walk on, the nature that we so endearingly watch all are being lost, least realizing that our economy depends on this.

- Making each person realize the significance of a greener environment
- Walk towards the making of a greener planet and spread awareness on the same
- Make the nation notice that there is an immediate need to protect our environment and sustain the greenery.

## Suryoday Small Finance Bank

Suryoday - 'Sunrise' in Sanskrit, signifies a new dawn, a new beginning and this encompasses our strong commitment to financial inclusion. In the past, as Suryoday Micro Finance and now as Suryoday Small Finance Bank.

Our journey from Micro Finance to a Small Finance Bank took just eight years. Over a million plus smiling customers stand testimony to our prudent and professional financial management practices.

We are one of the 10 companies among 72 applicants to obtain a 'Small Finance Bank' licence from the Reserve Bank of India (RBI).





We are a new age scheduled commercial bank and started our banking operations on January 23rd 2017. Our endeavour is to bring the best banking solutions to the 'banked', 'under-banked' and the 'un-banked' sections of the society. Our power packed solutions are designed to offer the choicest of benefits to suit different financial needs of our esteemed customers. As always, our focus will continue to be on ensuring the best in class 'Customer Experience'.

As a bank, we focus on innovative banking practices and use the best in class technology. Our net banking and mobile banking services use the extensive seeding of Aadhar biometric identification system, NPCI's payment systems and mobile technologies. We operate across 7 states with a network of Bank Branches, Banking outlets, Partner led outlets.

#### Our product portfolio now offered include

- Savings Account
- Current Account

- Debit Cards
- Fixed Deposits
- Recurring Deposits
- Tax Saver Fixed Deposits
- Individual Loans
- Shopkeeper Loans
- MSME Loans
- Loan against property
- Joint Liability group loans

#### CSR Activities



## Ujjivan Small Finance Bank

Ujjivan commenced its banking operations in February 2017 when it transitioned from a NBFC-MFI to a Small Finance Bank. Ujjivan Small Finance Bank Limited is a wholly owned subsidiary of Ujjivan Financial Services Ltd. It attained a Scheduled Bank status in August 2017.

With State-of-the-art technology, Ujjivan Small Finance Bank Ltd(SFB) is pioneering better banking for its consumers by offering a whole host of benefits. Ujjivan SFB has invested heavily in digital technology which makes banking convenient, faster and secure for customers. With services such as doorstep account opening on a wireless handheld device, user-friendly and hassle free 24/7 Internet & Mobile banking, biometric ATMs and form free banking, Ujjivan is making technology work for all.

Ujjivan Small Finance Bank Ltd offers one of the highest interest rate of 8% on Fixed Deposits (for 1-2 years on FD less than 1 crore) and an additional 0.5% interest rate for Senior Citizens. The bank provides customized solutions to consumers looking for home construction loan, purchase or renovation loan and loan against property at competitive rates for the customer segments targeted. Ujjivan is also offering Business

loans and Enterprise Loans for requirement of working capital, debt consolidation and capital expenditure with minimal paperwork and quick processing for medium & small enterprises. Ujjivan SFB has started 'Digi Buddy' initiative where tech savvy graduates are employed at bank branches to educate customers about the benefits of banking using technology. They interact with customers and demonstrate the banking transaction process, usage of ATMs, missed call banking, mobile banking and internet banking.

Currently, Ujjivan Small Finance Bank Ltd has 240 branches operate across 24 States and Union Territories. Ujjivan's mission is to build a leading state of the art "mass market" bank in five years serving the unserved and under-served customers who are currently outside the formal banking system.

Ujjivan Small Finance Bank Ltd was awarded with 'Best IT Risk and Cyber Security Initiatives' amongst all Small Banks at IBA Technology Award, presented by Indian Banking Association (IBA). The accolade was granted for the steps undertaken by Ujjivan Small Finance Bank Ltd to strengthen the Cyber risk framework as a part of enterprise risk management and initiatives related to IT Risk and Cyber Security.



Ujjivan has consistently been ranked and recognized among the Best Workplaces through the last decade. Great Place to Work® Certification is one of the most prestigious achievements for any organizations across the globe. Ujjivan SFB ranked 10th in Asia's Best Large Workplaces and ranked 13th in 'India's Best Companies to Work For'. Ujjivan SFB also received the recognition for 'Being the Best in the Industry - Small Finance Bank' because of its People-first-approach.

The Corporate Social Responsibility (CSR) programs of Ujjivan were started in the year 2010 much before it was made mandatory under the Companies Act, 2013. During the last financial year, Ujjivan Financial Services has partnered with Parinaam Foundation and Piramal Foundation to undertake various community development programs, free healthcare and clean drinking water facility for and on behalf of the Company across various districts and states. Also there are

ongoing Academic Adoption programs under the Educational Programs conducted by Parinaam foundation. Ujjivan also undertook relief work in certain areas/ districts of Assam, Bihar and West Bengal so as to provide some basic support in terms of provisions and sanitization with the active support of group staff and community members.

Ujjivan SFB's goal is to build a leading state of the art mass market bank in five years to serve the vast unserved and under-served customer base who are currently outside the formal banking system.

### CSR Activities

1. Gauribidanur: Drinking water plant at Gowdasandra Village in Gauribidanur,
2. Channaptna Drinking water Tractor tank



# Awards and Recognition of AKMI members during FY- 2017-18

## Muthoot Microfin won MFIN award in 'Microfinance Plus Activities' category

- At MFIN Microfinance Awards 2018, Muthoot Microfin has won the prestigious award for "Microfinance Plus Activities". This is another recognition of MPG's effort for catering to the life cycle needs of common man with its diversified range of financial products.



## Muthoot Microfin won Golden Peacock Award

- Muthoot Microfin won the illustrious Golden Peacock Award 2018 for Business Excellence in the Financial Services category. Golden Peacock Business Excellence Award, instituted by the Institute of Directors is presented to organizations adjudged to have made the most significant achievement in the field of Business Excellence.



## Muthoot Microfin Awarded Most Trusted Microfinance Brand by IBBA

- Muthoot Microfin received the Most Trusted Microfinance Brand award from 'India Best Brand Series and Awards 2018' (IBBA). The winning brands were recognized for their excellence based on Brand Audit, Consumer Mapping, and Jury Ratings.



## Comprehensive Microfinance Grading of M1C1 BY CRISIL

- Muthoot Microfin has received the highest rating in Capacity Assessment and Code of Conduct Assessment by CRISIL in 2018. The Code of Conduct Assessment of MFI evaluates its adherence to various code of conduct parameters as laid down by regulatory bodies.



## Spandana Spahoorty Financial Ltd

Sl. No	Award	Organization which gave the award	Date awarded
1	Best NBFC-MFI Award for Promotional Schemes	Chamber of Micro Small & Medium Enterprises	20-04-2017
2	CEO of the Year 2017	Times Network, Mumbai	07-07-2017
3	The Most Trusted Micro Financial Company of the Year 2017	The Raising Leadership Awards, Goa	01-08-2017
4	Women Achiever of the Year 2017	South India BFSI Awards, Bangalore	20-09-2017
5	Telangana's Best Employer Brand for the Year 2017	World HRD Congress, Hyderabad	17-11-2017
6	Pride of Telangana Award for the Year 2017	World HRD Congress, Hyderabad	17-11-2017
7	The Best Micro Finance Company of the Year	The Golden Star Awards, Delhi	27-01-2018

## Awards Received by ESAF Small Finance Bank

1. Urban Agriculture Award-New Delhi
2. Chamber of Commerce Award
3. Thrissur Management Association Award
4. MSME Banking Excellence Award
5. AMCOS Award

## Awards Received by Sanghamithra Rural Financial Services

The services rendered by Sanghamithra to the deprived and down-trodden section of the society has not gone unnoticed. Sanghamithra's services have been recognized and has been bestowed with the following awards:

1. National Winner in the Fire Category of the Microfinance process excellence awards 2008 by Planet Finance and RBS.'
2. Microfinance India Institution of the year 2011' under Small and Medium Category by Access Development Services and HSBC India.
3. Microfinance India Institution of the year 2013' under Medium Category by Access Development Services and HSBC India.

## CreditAccess Grameen Ltd

Kanakapura, a village in the southern Indian state of Karnataka, is famous for sericulture. Parvathamma, a CreditAccess



Grameen (Formerly known as Grameen Koota Financial Services Pvt Ltd) customer, cultivates mulberry on her small tract of land and rears silkworms in Kanakapura. "Earlier, I had to borrow at steep interest rates if I wanted to invest in the business, so I kept my investment to the minimum. I suffered with poor quality cocoons and poor rates for my product because of this," she says adding that she has been in the business for 10 years.

After joining CreditAccess Grameen a year ago, Parvathamma applied for the Income Generation Loan (IGL) and revamped her entire setup to better the quality of her yield. She medicated her plants, replaced her nets frequently and ensured the

mulberry stayed healthy and succulent. She says it resulted in dramatic improvement in the quality of cocoons. "This is a fragile business. The leaves have to be protected from infestation, the nets from tearing, and the worms have to be fed with care. Easy access to capital has helped me invest what I need to and my income has doubled because the quality of the product I sell now is far superior," she says.

Parvathamma lives with her husband and sons. "We did not have a water connection at home. We had to go into the village to fetch water every day. The women from four houses got together and decided to get a water connection closer to our homes. We took the CreditAccess Grameen Water Loan and we now have a water tap just outside our house that all of us share. We don't walk so far to fetch water anymore," she says.

Parvathamma says the greatest benefit CreditAccess Grameen offers is that even daily wage earners get access to microcredit. "It is more affordable for them to save over a week and benefit from the weekly repayment terms rather than paying unaffordable interest rates to money lenders," she says.

## Samasta Microfinance Ltd

Bhagyamma from Malle Gowdana koppalu lives with her spouse, three sons and two daughters. Customer and her husband are directly involved in farming activity. The elder son is working in a nearby shop, the other two are working as a mason and driver respectively.

She belongs to a farmer's family where the chief income source is selling paddy and vegetables grown in her farm. Both the customer and her spouse involved in this activity. Due to lack of money he was not able to grow vegetables in the field. In this time CRO of Samasta met with the customer and informed the credit facilities of samasta and she interested to avail this. She along with her neighbours formed a center in this village and successfully taken the loan.

On getting the loan amount customer invested the same in her agricultural sector. She put some good quality fertilisers, pesticides and also engaged labours by doing she is getting the benefit.



Income now increased from Rs.5000/- to Rs.7000/-

Customer is very proud to Samasta as she got her loan quickly and Customer feel that household has better living conditions with good net worthing.



## Sanghamithra Rural Financial Services

This women group "MARIYAMMAN Mahalir Mandram", Paruvathanahalli village, Pennagaram Branch was started in



1997 with 17 members and their current savings amount is ` 4,41,590/-. This group is well experienced women group which is nurtured and monitored by PSRCS –CMRC. Pennagaram. This women group availed credit assistance from Indian Bank and Pallavan Grameena Bank more than 6 times for undertaking income generating activities. But they started associating with SRFS during 2013. Now, this group has availed ` 7.75 lac as a second credit linkage with SRFS.

Members are very enterprising nature. Members of the group are involved in poultry farming and they are rearing country poultry birds and broilers. Cost per Kg

of Broiler is at ` 90/- to ` 100/- per kg at farm gate and retail cost per Kg is ` 140/- to ` 150/-. Similarly Cost per Kg of country (naati) bird is ` 150/- to ` 175/- at farm and retail cost per Kg is ` 200/- to ` 250/-. They are getting more income by selling country bird since the demand is more for local birds.

Normally our group members are rearing 5000 to 10000 birds per batch (50 to 55 days) and minimum 5 batches are being reared in a year. Each batch they are getting profit of ` 45,000/- to ` 50,000/- after deducting all the expenditures. It is a profitable venture but at the same time it is risky as mortality rate is high. To mitigate this they engage services of veterinary doctors. Members are very experienced in rearing broilers.

With the help of Sanghamithra, they started poultry farm and running the business very well and also repaying the loan amount as per repayment schedule. Moreover, they are handling the money with full confidence and their confidence level has increased. They are very much grateful to Sanghamithra for the timely credit support.

## Shree Kshethra Dharmasthala Rural Development Project (SKDRDP)

Nirmala Sridhar, member of Ambabhavani SHG of Shikaripura made up her mind to take one self-employment project after undergoing a training program. She started small scale textile business on taking Rs.10000/- pragathinidhi loan in the first phase. She expanded her business by investing the second phase loan of Rs.25, 000/-. The loan amounts availed in the third and fourth phases of Rs.75, 000/- and Rs.1, 00,000/- respectively had been invested in purchase of sewing (tailoring) machine and expanded the business by hiring the skilled tailors. The fifth phase loan amount of Rs.2, 00,000/- had been utilized for improvement of the textile business. Her effort takes her to a great height so that she has given employment to 13 other members and is owning 9 tailoring and

other related machines. Now she is continuing both the textile and tailoring venture together, which brings her both the name and handsome income.







## M/S RAMESH ASHWIN & KARANTH

CHARTERED ACCOUNTANTS

Firm Reg. No: 010680S

Partners

Ramesh B N (M.No : 015170) Mob: 9448468958

Ashwin B R (M.No : 214199) Mob: 9886415958

Prashanth Karanth (M.No: 214235) Mob: 9886282946

08<sup>th</sup> June-2018

### INDEPENDENT AUDITOR'S REPORT

To the Members of Association of Karnataka Microfinance Institution (the Society).

We have audited the accompanying financial statements of Association of Karnataka Microfinance Institution, which comprise the Balance Sheet as at March 31, 2018, and the Statement of Income and Expenditure and the Receipts & Payments Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the society in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the society's preparation and presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



No.37/E, 2<sup>nd</sup> Floor, Beside Surana College, South End Road, Near South End Circle, Dasavanagudi,  
Bangalore - 560 004. Phone: 080 - 40918409. Email: rakca2004@gmail.com



## M/S RAMESH ASHWIN & KARANTH

CHARTERED ACCOUNTANTS

Firm Reg. No: 010680S

Partners

Ramesh B N (M.No : 015170) Mob: 9448468958

Ashwin B R (M.No : 214199) Mob: 9886415958

Prashanth Karanth (M.No: 214235) Mob: 9886282946

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the society as at March 31, 2018;
- (b) In the case of the Income & Expenditure Account, of the surplus for the year ended on that date; and
- (c) In the case of the Receipts and Payments account, of the cash flows for the year ended on that date.

For Ramesh Ashwin & Karanth  
Chartered Accountants  
F.R No. 010680S



Prashanth Karanth  
Partner  
M No. 214235

No.37/E, 2<sup>nd</sup> Floor, Beside Surana College, South End Road, Near South End Circle, Basavanagudi,  
Bangalore - 560 004. Phone: 080 - 40918409. Email: rakca2004@gmail.com

**Association of Karnataka Microfinance Institution**  
**No.03, 1st Floor, 1st Cross Kodigehalli Main Road Badrappa Layout Nagashettihalli Bangalore -560094**  
**Balance Sheet As At 31st March 2018**

PARTICULARS	Schedule	Current Year 31-03-2018	Previous Year 31-03-2017
<b><u>FUNDS AND LIABILITIES</u></b>			
Corpus Fund	1	51,77,000.00	41,77,000.00
Non Corpus Fund	2	9,43,918.30	4,87,897.00
Current Liabilities	3	18,530.00	21,564.00
<b>Total Liabilities</b>		<b>61,39,448.30</b>	<b>46,86,461.00</b>
<b><u>PROPERTY &amp; ASSETS</u></b>			
Fixed Asset	4	43,111.00	8,459.00
<b>Current Assets, Loans &amp; Advances</b>			
Fixed Deposits (Asset)	5	57,05,967.00	41,77,000.00
Loans and Advances(Asset)	6	25,000.00	-
Cash and cash Equivalents	7	1,34,088.30	3,20,329.00
Other Current Assets	8	2,31,282.00	1,80,673.00
<b>Total Assets</b>		<b>61,39,448.30</b>	<b>46,86,461.00</b>

Schedules 1 To 15 Forms an integral part of these Financial Statements

**For Association of Karnataka Microfinance Institution,**

As per Our report of even date  
For M/s Ramesh Ashwin & Karanth  
Chartered Accountants  
010680S

*Venkatesh.N*

Venkatesh.N  
Secretary

AnandRao  
Chairman

*S. Panchakshari.S*

Panchakshari.S  
Treasurer



*Prashanth Karanth*  
Prashanth Karanth  
Partner

Place : Bangalore  
Date : 08/06/2018



**Association of Karnataka Microfinance Institution**  
**No.03, 1st Floor, 1st Cross Kodigehalli Main Road Badrappa Layout Nagashettihalli Bangalore -560094**  
**Income & Expenditure Statement for the year ended 31-March-2018**

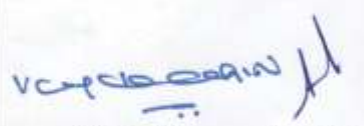
PARTICULARS	Schedule	Current Year	Previous Year
		31-03-2018	31-03-2017
<b>INCOME</b>			
Contribution From Members	9	30,90,000.00	19,30,000.00
Interest received	10	3,96,490.00	3,58,370.00
Other Income	11	-	₹0,155.00
<b>Total Income</b>		<b>34,86,490.00</b>	<b>22,98,525.00</b>
<b>EXPENDITURE</b>			
Employee Benefit	12	15,73,878.00	13,12,307.00
Administration Expenses	13	5,54,125.70	3,40,232.00
Programme and Meeting Expenses	14	8,98,280.00	3,18,617.00
Depreciation	4	4,185.33	3,128.00
<b>Total Expenditure</b>		<b>30,30,469.03</b>	<b>19,74,284.00</b>
Surplus		4,56,020.98	3,24,241.00
Provision for Taxation		-	-
Surplus / Deficit (Carried to Balance Sheet)		4,56,020.98	3,24,241.00
Significant Accounting Policies & Notes to Accounts			

Schedules 1 To 15 Forms an integral part of these Financial Statements

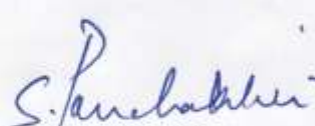
**For Association of Karnataka Microfinance Institution**

**As per Our report of even date**

For M/s Ramesh Ashwin & Karanth  
Chartered Accountants  
No. 010600

  
**Venkatesh.N**  
**Secretary**

**AnandRao**  
**Chairman**

  
**S. Panchakshari.S**  
**Treasurer**



Place : Bangalore  
Date : 08/06/2018



Association of Karnataka Microfinance Institution No.03, 1st Floor, 1st Cross Kodigehalli Main Road Badrappa Layout Nagashettihalli Bangalore -560094 <b>Receipts and Payments Accounts For The Year Ended 31.03.2018</b>		
Particulars	Amount	Amount
<u>Receipts During the Year</u>		
<b>Opening Balance</b>		
Cash in Hand	985.00	
Cash at Bank	3,19,344.00	3,20,329.00
<b>Receipts during the year</b>		
Contribution From Members	30,90,000.00	
Increase in Corpus fund	10,00,000.00	
Interest received	4,02,327.00	
<b>Net Receipts</b>		44,92,327.00
<b>TOTAL</b>		48,12,656.00
<u>Payments during the year</u>		
Employee Benefit	15,73,678.00	
Administration Expenses	5,57,359.70	
Programme and Meeting Expenses	8,98,280.00	
Fixed Asset Purchased	38,837.00	
Fixed deposit	15,28,967.00	
Increase in Current Assets	56,446.00	
Rental Advance Paid	25,000.00	
<b>Net Payments</b>		46,78,567.70
<b>Closing Balance</b>		
Cash in Hand	5,698.00	
Cash at Bank	1,28,390.30	1,34,088.30
<b>TOTAL</b>		48,12,656.00
For Association of Karnataka Microfinance Institution <div style="display: flex; justify-content: space-between; align-items: flex-end; margin-top: 20px;"> <div> <p>As per Our report of even date</p> <p>For M/s Ramesh Ashwin &amp; Karanth</p> <p>Chartered Accountants</p> <p>FRNo. 0100008</p> <p><i>[Signature]</i></p> <p>Ramesh Ashwin &amp; Karanth</p> <p>Partner</p> <p>Membership No. 214235</p> </div> <div style="text-align: center;"> <p>Ms. RAMESH ASHWIN &amp; KARANTH</p> <p>Chartered Accountants</p> <p>FR No. 0100008</p> </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div> <p><i>[Signature]</i></p> <p>Venkatesh N Secretary</p> <p>Place : Bangalore Date : 08/06/2018</p> </div> <div> <p><i>[Signature]</i></p> <p>Anand Rao Chairman</p> </div> <div> <p><i>[Signature]</i></p> <p>Panchakshari. S Treasurer</p> </div> </div>		

Association of Karnataka Microfinance Institution										
4 Fixed Asset										
Sl No	Particulars	Rate	Gross Block			Depreciation		Net Block		
			As April 1, 2017	Add During the year	Deductions	As on March 31, 2018	As April 1, 2017	For the Year	Withdrawal	As on March 31, 2018
1	Furniture and Fixtures	10	5,301.00	18,950.00	-	24,251.00	2,484.00	1,229.20	-	20,537.80
2	Office Equipments	15	10,400.00	19,887.00	-	30,287.00	6,132.00	2,131.73	-	22,023.28
3	Computers	60	75,100.00	-	-	75,100.00	73,726.00	824.40	-	549.60
	Current Year		90,801.00	38,837.00	-	1,29,638.00	82,342.00	4,185.33	-	43,110.68
	Previous Year					90,801.00	79,214.00	3,128.00		8,459.00



Association of Karnataka Microfinance Institution Schedules Annexed to and forming Part of the Financials			
Schedule	PARTICULARS	Current Year	Previous Year
		31-03-2018	31-03-2017
1	<b>Corpus Fund</b>	41,77,000.00	21,77,000.00
	Add: Additional During the Year	10,00,000.00	20,00,000.00
		<b>51,77,000.00</b>	<b>41,77,000.00</b>
2	<b>Non Corpus Fund</b>	4,87,897.00	1,63,656.00
	Add: Profit For the Year	4,56,021.30	3,24,241.00
		<b>9,43,918.30</b>	<b>4,87,897.00</b>
		<b>61,20,918.30</b>	<b>46,64,897.00</b>
3	<b>Current Liabilities</b>		
	<b>Provisions</b>		
	Audit Fee Payable	17,700.00	17,250.00
	Professional Tax Payable	200.00	-
	Trade payables	630.00	-
	TDS Payable	-	4,314.00
		<b>18,530.00</b>	<b>21,564.00</b>
5	<b>Current Assets, Loans &amp; Advances</b>		
	<b>Fixed Deposits (Asset)</b>		
	<b>Corpus Fund FD</b>		
	Bandan Bank 82589	10,04,488.00	10,00,000.00
	SBI FD 1 3203	10,00,000.00	10,00,000.00
	SBI FD 2 7845	2,27,000.00	2,27,000.00
	SBI FD 3 7787	6,00,000.00	6,00,000.00
	SBI FD 4 43905	3,50,000.00	3,50,000.00
	SBI FD 5 8246	10,24,479.00	10,00,000.00
	SBI FD 6 4013	10,00,000.00	-
	Non Corpus Fund FD		
	SBI FD 7 6976	5,00,000.00	-
		<b>57,05,967.00</b>	<b>41,77,000.00</b>
6	<b>Loans and Advances(Asset)</b>		
	Rental Advance	25,000.00	-
		<b>25,000.00</b>	-
7	<b>Cash and cash Equivalents</b>		
	Cash	5,698.00	985.00
	<b>Cash at Bank</b>		
	SBM-64041469922	2,215.10	2,724.00
	SBM SB 64025817665	1,26,175.20	3,16,620.00
		<b>1,34,088.30</b>	<b>3,20,329.00</b>
8	<b>Other Current Assets</b>		
	Interest Receivables	1,32,373.00	1,38,210.00
	TDS Receivable A.Y 17-18	38,149.00	38,149.00
	TDS Receivable AY 2018-19	60,760.00	-
	The Indian Hotels Company Ltd.,	-	4,314.00
		<b>2,31,282.00</b>	<b>1,80,673.00</b>
	<b>Total Current Assets</b>	<b>60,96,337.30</b>	<b>46,78,002.00</b>



9	<b>Contribution From Members</b>		
	Contribution from Members	25,70,000.00	17,70,000.00
	Membership Fee Received	5,20,000.00	1,60,000.00
		<b>30,90,000.00</b>	<b>19,30,000.00</b>
10	<b>Interest On Fixed Deposit</b>		
	FD Interest on Banadan Bank	78,513.00	-
	FD Interest on State Bank Of India	2,88,990.00	3,11,429.00
	SB Interest on State Bank Of India	28,987.00	46,941.00
		<b>3,96,490.00</b>	<b>3,58,370.00</b>
11	<b>Other Incomes</b>		
	Interest on IT Refund	-	3,155.00
	Other Incomes	-	7,000.00
		-	<b>10,155.00</b>
12	<b>Employee Benefit</b>		
	Salary Expenses	15,73,878.00	13,12,307.00
		<b>15,73,878.00</b>	<b>13,12,307.00</b>
13	<b>Administration Expenses</b>		
	Audit Fee Expenses	17,700.00	17,250.00
	Bank Charges	1,132.70	-
	Computer Maintenance	5,779.00	10,144.00
	Credit Bureau Charges	16,617.00	33,617.00
	Internet/data Charges	2,550.00	598.00
	Membership Fee-Paid	4,600.00	11,450.00
	Mobile Expenses	22,236.00	19,214.00
	Office Maintenance	6,782.00	12,869.00
	Postage and Telegrams	5,144.00	5,197.00
	Printing & Stationary	93,890.00	92,662.00
	Professional & Consultancy Charges	13,350.00	12,625.00
	Professional Tax	3,031.00	-
	Registration Fee	3,260.00	2,825.00
	Rent Paid	1,25,280.00	-
	Repairs & Maintenance	2,000.00	-
	Telephone Expenses	22,909.00	23,374.00
	Travelling & Lodging Expenses	1,83,884.00	98,407.00
	Water Charges	350.00	-
	Website	19,730.00	-
	Bad Debts A/c	984.00	-
	Other Expenses	2,917.00	-
		<b>5,54,125.70</b>	<b>3,40,232.00</b>
14	<b>Programme and Meeting Expenses</b>		
	Work Shop/Seminar	3,52,295.00	3,12,273.00
	Financial Literacy Programme	4,14,176.00	-
	Meeting Expenses	1,31,809.00	6,344.00
		<b>8,98,280.00</b>	<b>3,18,617.00</b>





Association of Karnataka Microfinance Institution No.03, 1st Floor, 1st Cross Kodigehalli Main Road Badrappa Layout Nagashettihalli Bangalore -560094 Trail Balance As on 31 March 2018		
Particulars	Debit	Credit
Corpus Fund	-	5177000.00
Non Corpus Fund	-	943918.30
Audit Fee Payable	-	17700.00
Professional Tax Payable	-	200.00
Santosh Bidar	-	630.00
Depreciation.Reserve on Computers	-	74550.00
Depreciation.Reserve on Furniture's	-	3713.00
Dep.Reserve on Office Equipments	-	8264.00
Computers & Printers	75100.00	-
Furniture & Fixtures	24251.00	-
Office Equipment's	30287.00	-
Bandan Bank 82589	1004488.00	-
SBI FD 1 3203	1000000.00	-
SBI FD 2 7845	227000.00	-
SBI FD 3 7787	600000.00	-
SBI FD 4 43905	350000.00	-
SBI FD 5 8246	1024479.00	-
SBI FD 6 4013	1000000.00	-
SBI FD 7 6976	500000.00	-
Accrued Interest	132373.00	-
Rental Advance	25000.00	-
Cash	5698.00	-
SBM-64041469922	2215.10	-
SBM SB 64025817665	126175.20	-
TDS Receivable A.Y 17-18	38149.00	-
TDS Receivable AY 2018-19	60760.00	-
Contribution From Members	-	2570000.00
Membership Fee-Received	-	520000.00
Mobile Expenses	22236.00	-
Travelling and Lodging Reimbursement	183884.00	-
Audit Fee Expenses	17700.00	-
Bank Charges	1132.70	-
Computer Maintenance	5779.00	-
Credit Bureau Charges	16617.00	-
Depreciation	4185.00	-
Financial Literacy Programme	414176.00	-
Internet/data Charges	2550.00	-
Meeting Expenses	131809.00	-
Membership Fee-Paid	4600.00	-
Office Maintenance	6782.00	-
Postage and Telegrams	5144.00	-
Printing & Stationary	93890.00	-
Professional & Consultancy Charges	13350.00	-
Professional Tax	3031.00	-
Registration Fee	3260.00	-
Rent Paid	125280.00	-
Repairs & Maintenance	2000.00	-
Telephone Expenses	22909.00	-
Water Charges	350.00	-
Website	19730.00	-
Work Shop/Seminar	352295.00	-
Interest on FD Bandan Bank	-	78513.00
Interest Received on FD Fy 2017-18	-	288990.00
Interest Received on SB	-	28987.00
Bad Debts	984.00	-
Other Expenses	2917.00	-
Profit & Loss A/c	456021.30	-
<b>Total</b>	<b>9712465.30</b>	<b>9712465.30</b>
<p>For and on Behalf of Association of Karnataka Microfinance Institution.</p> <p>V. R. Hegde CEO Place : Bangalore Date : 08/06/2018</p> <p>S. Panchakshari Panchakshari.S Treasurer</p>		



## Schedule 15

### Notes on Accounts

1. Association of Karnataka Microfinance Institution is a non-profit organization and is registered under the Karnataka Society's Registration act 1960 vide registration no 77/2007-08 dated 19<sup>th</sup> November 2007
2. The Society is registered under section 12A of the Income tax Act 1961 vide certificate no DIT (E) BLR /12A /A 1162/AABAA1030G/ITO(E) 1/Vol 2009-10 Dated 23<sup>rd</sup> July 2009 and has been granted tax exemption with effect from 1<sup>st</sup> April 2008 in the status of Charitable Trust Approval under Section 80G(5)(vi) of the income tax act 1961 has also been granted with effect from AY2009-10 onwards. Hence donations made to the Society are deductible under section 80G in the hands of donors subject to the limits prescribed therein.

### Significant Accounting Policies

- a) **System of accounting:** The accounts are prepared to comply in all material aspects with applicable accounting principles in India. The Society generally follows mercantile system of accounting and recognition of Income and Expenditure on accrual basis.
- b) **Fixed Assets:** Fixed assets have been stated at written down value less depreciation
- c) **Depreciation:** Depreciation has been provided on reducing balance method as per Income Tax Act.
- d) **Income Tax:** Since the trust is registered under section 12A of the Income tax act 1961 the income earned by the trust is not liable for Tax. As such no tax provision has been made in the books of accounts

For Association of Karnataka Microfinance Institution

For Ramesh Ashwin and Karnath  
Chartered Accountants  
ERNo. 010680S

Venkatesh.N  
Secretary

AnandRao  
Chairman

Panchakshari.S  
Treasurer



Ramesh Karanth  
Partner  
M.No. 214235

## District wise AKMI Data of Three years (March 2018,17,16)

Sl No	Name Of Dist	Mar-18 Outstanding		Mar-17 Outstanding		Mar-16 Outstanding	
		No of A/cs	(Amt In cr)	No of A/cs	(Amt In cr)	No of A/cs	(Amt In cr)
1	Bagalkote	196743	362.19	184708	265.57	1,63,006	227.28
2	Ballary	323708	658.43	310801	489.83	2,47,864	358.36
3	Bangalore ( R)	165087	319.00	211152	313.52	1,68,455	217.38
4	Bangalore (U)	712018	1441.37	8,21,023	1,848.55	5,18,263	1,276.65
5	Belgum	590509	1237.69	582934	917	5,49,453	834.85
6	Bidar	224216	354.79	1,87,128	212.26	76,233	144.95
7	Vijayapura	222676	369.97	1,96,508	254.48	98,381	196.11
8	Chamarajanagara	300929	657.79	3,19,589	496.17	2,27,297	397.85
9	Chikkaballapura	151496	316.2	1,68,329	245.32	1,51,902	146.02
10	Chikkamagalur	242965	604.01	1,81,661	452.06	1,59,618	359.09
11	Chitradurga	315555	676.02	2,83,664	511.50	2,36,524	369.18
12	Dakshina Kannada	284670	727.01	178090	602.63	1,93,571	578.48
13	Davanagere	355750	794.25	3,64,777	616.11	3,07,665	528.06
14	Dharwad	266056	523.9	2,52,534	401.82	2,07,800	310.20
15	Gadag	134863	218.57	1,47,616	150.68	1,35,328	156.42
16	Kalaburgi	243240	362.8	1,90,678	244.92	76,740	141.59
17	Hassan	338175	757.52	3,04,037	611.70	2,78,308	499.83
18	Haveri	236501	462.91	2,17,901	324.14	2,13,101	265.08
19	Kodagu	210638	621.23	1,53,809	500.23	1,02,784	276.67
20	Kolar	193101	407.65	1,71,037	263.18	1,61,173	188.19
21	Koppal	168300	313.41	1,87,632	233.50	1,63,264	246.44
22	Mandya	417708	945.24	3,73,598	675.60	3,15,017	458.25
23	Mysore	707850	1468.75	5,09,377	920.83	4,06,775	829.01
24	Raichur	211019	401.96	1,79,466	268.59	1,67,280	232.01
25	Ramanagara	193178	404.38	2,05,015	327.08	1,43,871	180.80
26	Shivmoga	365262	898.2	3,09,608	793.38	2,71,222	741.52
27	Tumkur	488562	1026.06	4,53,707	811.23	4,31,980	623.10
28	Udupi	262691	659.6	1,40,585	516.55	1,55,216	470.65
29	Uttara Kannada	223083	489.46	1,67,987	395.51	1,61,055	382.71
30	Yadgiri	111043	161.98	96,718	84.05	28,798	48.36
TOTAL		88,57,592	18,642.34	80,51,669	14,747.86	65,17,944	11685.09





## AKMI MEMBERS



ASSOCIATION OF KARNATAKA MICROFINANCE INSTITUTIONS

# 3, 1st Floor, 1st Cross, Kodigehalli Main Road,  
Bhadrappa Layout, Nagashettihalli, Bangalore-560094  
E-mail: [info@akmi.in](mailto:info@akmi.in) | [www.akmi.in](http://www.akmi.in)