



ASSOCIATION OF KARNATAKA MICROFINANCE INSTITUTIONS

H.NO:3, 1st Floor, 1st Main, 1st Cross, Kodigehalli Main Road,
Bhadrapa Layout, Nagashettihalli, Bengaluru-560094

AKMI Updates: Dec -2024

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 Microfinance Institutions (MFIs) in Karnataka. AKMI is registered under the Society Act 1960 and has 31 members as of now.

Sl. No.	AKMI Members	Number
1	NBFC -MFIs	23
2	NBFCs	1
3	Society/Trusts/Other	1
4	SFBs	6
	Total Members	31

AKMI is affiliated to Sa-Dhan and MFIN, which are national level network organizations and are self-regulatory organizations (SROs) for the microfinance industry. Both Sa Dhan and MFIN are recognized by RBI and are monitoring the Microfinance industry very closely.

The **main activities of AKMI** fall into field level engagement, communication, capacity building for members and client protection.

AKMI organizes district level meetings among its members in all districts of the state, which is helpful in quickly identifying problematic locations, troublemakers and then working with local administration in solving such problems.

We conduct various programmes such as FLPs (Financial Literacy Programs) at different districts inviting senior district level officials such as DC, SP, CEO Zilla Panchayath, Lead Bank, NABARD etc... and the work of the sector is showcased.

We conduct street plays at various Gram Panchayath, TV episodes on success stories of beneficiaries etc...

For the benefit of members, we conduct programs on industry best practices in areas such as HR, Audit, IT / digitization, Grievance handling and client protection.

We have grievance redressal cells at districts Lead MFIs and redressal cell in Bangalore with toll free number.

AKMI is a special invitee to the State Level Bankers' Committee (SLBC) and District Level Bankers' Committee in every district where we can update the happenings in the sector.

AKMI Members are also conducting social events, conducting financial literacy programs, construction of toilets, financial assistance to Mid-Day meal program (Akshaya Patra foundation), etc. as part of their CSR activities. Our members have also taken up lot of initiatives to combat distress during Covid Pandemic, flood, drought etc...

AKMI Outreach:

Particulars	June-2024	Mar-2024	Dec-2023
MFI Members	31	28	29
No of Branches	3056	3019	2785
No of Staff	37345	36859	35817
Loan Borrowers accounts (in Lakhs)	112.09	111.22	104.74
Outstanding (Amt. in Crs.)	60189.35	60597.78	52293.27

AKMI Bi- Monthly District Meetings in Karnataka:

AKMI is operating in all 31 Dist. of Karnataka and has 30 District AKMI units having the leadership of a Lead MFI and Co-Lead MFI to each district. The lead MFI who is having major exposure in the district is conducting district level AKMI meeting bimonthly on the fixed day. These meetings are attended by members of AKMI who are operating in the district by area

representatives. AKMI district meetings are mainly concentrating on field issues and seeking remedies for the issues in the field and may discuss latest developments in the microfinance sector, CB report, Ring leader problems, staff issues etc.

The lead MFI having AKMI district grievance redressal cell is handling MFI clients' grievances in the field, and have liaison with AKMI HO.

Particulars	December-2024	September-2024	August-2024
No of District in Karnataka	31	31	31
No of AKMI dist. units	30	30	30
No. of Meetings Conducted	30	30	30
Next bi-monthly meeting will be in February-2025			

Contact AKMI Ombudsman:

OMBUDSMAN,

AKMI, H.NO:3, 1st Floor 1st cross

1st Main Kodigehalli Main Road

Bhadrappa Layout

Nagashettihalli, Bengaluru. Toll Free No: **1800 - 4255654**

Particulars	Dec-24	Nov-24	Oct-2024
No of Grievances calls Received	28	34	27
No of Grievances calls Solved	25	34	27
Pending – i) Insurance			
ii) Loan not yet sanctioned	3		
iii) CB report Problems			

Ombudsman at AKMI HO, Bangalore is having toll free helpline Number: 18004255654. MFI customer/s may approach AKMI ombudsman if their grievance is not solved by concerned MFI regarding-

Staff behavior

Charging of higher rate of Interest than stipulated by RBI

Any unreasonable delay or denial of micro credit

Observations: At few places problems like over lending, complaints on staff behavior with customers and ring leader menace are observed. The disbursement of loan and Collection slowed down to little extent.

AKMI Activities/Meetings during Dec – 2024

Sl. No	Date	Particulars	Remarks
1	02.12.2024	Met Additional SP, Vijayapura	Team AKMI met Additional SP Mr. Ramanagowda Hatti in Vijayapura. Briefed about some people creating problems for MFIs in Vijayapura.
2	02.12.2024	Vijayapura AKMI Meeting	Attended Vijayapura district AKMI meeting held at BFIL office & discussed about recent developments in Dargah Area
3	04.12.2024	AKMI-MFIN District Forum Meeting (Virtual)	Mysore, Chamarajanagar, Mandya & Kodagu districts. Lead, Co-lead & other MFIs operating in the districts attended the meeting.
4	05.12.2024	AC Meeting at Tiptur	Attended the meeting arranged by Asst. Commissioner Ms. Supritha, along with DySP Mr. Vinayaka Shettigeri and Tahasidhar in Tiptur. Representatives from AKMI, MFIN, operating MFIs and DSS leaders and few customers attended the meeting. She advised MFIs to observe COC and customers to repay loans.
5	06.12.2024	AKMI-MFIN District Forum Meeting (Virtual)	Haveri, Davanagere, Gadag & Belagavi districts.
6	05.12.2024	Dharwad DC called for MFIs Meeting	DC Dharwad has called for meeting of all financial institutions (including money lenders, pan brokers) on 06.12.24. We have guided our team Mr. Bavakar (IDF Lead, CAGL Co-lead and others) to attend the meeting. We are not able to reach there in such short notice. We spoke to DC and her PA also. We joined by con call to guide them regarding issues they might come up for discussion during DC meeting.

7	06.12.2024	Dharwad DC Meeting	<p>Meeting was organized by the District Commissioner of Dharwad, the Police Commissioner of Dharwad, and the SP of Dharwad, which was attended by 18 MFI members from the Dharwad district. During the meeting, the esteemed District Commissioner made the following points:</p> <ol style="list-style-type: none"> 1. He gathered complete information about the interest rates charged by all companies. 2. He informed that, as per the RBI's guidelines, recovery can only be done between 9 AM and 6 PM. 3. He instructed members to maintain good relationships and use respectful language while interacting. 4. He asked that when providing loans to members, information about interest, insurance, GST, service charges, and other deductions be explained clearly in the local language. 5. He advised that financial literacy training be provided to loan recipients. 6. He emphasized that when complaints and suggestions are received, appropriate action should be taken as per the required procedures. 7. He instructed that any assistance funds provided by the government should be directly transferred to the members' accounts (not depositing to loans). 8. He informed that if any illegal financial activities are found in the Dharwad district, it should be immediately reported to the District Commissioner."
8	07.12.2024	AKMI-MFIN District Forum Meeting (Virtual)	Chikkaballapur, Kolar & Tumkur districts.
9	09.12.2024	AKMI-MFIN District Forum Meeting (Virtual)	Hassan, Shimoga, Karwar, Chikmagalur, Mangalore & Udupi districts.
10	10.12.2024	AKMI-MFIN District Forum Meeting (Virtual)	Chitradurga, Bellary, Davanagere & Vijayanagara districts
11	11.12.2024	AKMI-MFIN District Forum Meeting (Virtual)	Bengaluru Rural, Bengaluru Urban & Ramanagar districts
12	12.12.2024	AKMI-MFIN District Forum Meeting (Virtual)	Bagalkot, Vijayapura & Koppal districts.
13	13.12.2024	AKMI-MFIN District Forum Meeting (Virtual)	Kalburgi, Raichur, Bidar & Yadgiri districts.

14	16.12.2024	Lingasugur (Raichur)	<p>Team AKMI in Raichur met AC, DySP at Lingasugur (Raichur Dist.) to brief about our working. There was a protest from a group of people there.</p> <p>We had on line meeting of our members and informed them as to how they should go about.</p>
15	17.12.2024	Kakathi (Belagavi)	<p>ACP Kakathi (Belagavi) has called for a meeting as there were two suicide cases in Belagavi Dist. We had a brief meeting (on con call) of team AKMI in Belagavi and guided them Meeting of member MFIs with Police officials.</p>
16	20.12.2024	DRCS Office	<p>Visited DRCS Office</p>
17	24.12.2024	Met Hon'ble Minister, GOK Mr. Krishnabyre Gowda	<p>Team AKMI (Mr. Anand Rao, Mr. Gururaj Rao, Mr. Hegde and Mr. Kulkarni) met Hon'ble Revenue Minister Mr. Krishna Byre Gowda. He said there has been a public anger. Mr. Gururaj Rao and Mr. Anand Rao explained that ours is all registered entities and bound by RBI / SRO guidelines. He told us that he would consult us if they have to come out with any norms</p>
18	26.12.2024	Shimoga AKMI Meeting	<p>AKMI CEO Mr. V N Hegde attended the Meeting of member MFIs in Shimoga at Belstar office.</p>
19	30.12.2024	Meeting at Vikas Soudha	<p>The Secretary Finance, GOK Dr. Vishal chaired the meeting. The officials from RBI, NABARD, Joint Secretary Co-operative dept, DRCS, MFIN, Sa-Dhan, AKMI, SLBC, Financial advisor to GOK were three.</p> <p>We explained our position regarding working of MFIs, RBI guidelines etc.. The meeting went on well. The Secretary Fin finally indicated that if anything to be done it would be from RBI for MFIs And also for unauthorized entities to have better ecosystem.</p>



Team AKMI met Additional SP Mr. Ramangowda Hatti in Vijayapura on 02.12.2024



Vijayapura district AKMI meeting held at BFIL office on 02.12.2024



Attended the meeting arranged by Asst. Commissioner Ms. Supritha, along with DySP Mr. Vinayaka Shettigeri and Tahasidhar in Tiptur on 05.12.2024



Dharwad MFIs Meeting on 06.12.2024



DC Meeting at Dharwad on 06.12.2024



Meeting of member MFIs with Police officials on 18.12.2024 in Belagavi.



AKMI Meeting in Shimoga on 26.12.2024

Media publications during December - 2024 (Source- Google alerts)

- **Microfinance sector** sees 6% borrowers holding loans from multiple lenders: Alok Misra
CNBC TV18 (01.12.2024)
- Stricter adherence to Sa-Dhan guidelines leads to better discipline in **microfinance sector**
The Hindu Business Line (01.12.2024)
- Top 10 Best **Microfinance Institutions** In India 2025: Empowering Financial Inclusion
Inventiva (02.12.2024)
- **Microfinance** is in a mess - Banking & Finance News | The Financial Express (03.12.2024)
- RBI moves, asset quality to push NBFCs slow down asset growth to 15 pc in FY25, FY26: Crisis
The Economic Times (03.12.2024)
- Impact Of NBFC-MFIs On Credit Accessibility In India's Rural Areas - Fund Finance
Mondaq (03.12.2024)
- India's GDP paints a gloomy picture and RBI has a lot of work to do; CreditAccess, Airtel in focus
Moneycontrol (03.12.2024)
- L&T Finance on track to build retail focused loan book with improved asset quality
The Economic Times (04.12.2024)
- RBI Calls For Inclusive Credit Access For SHGs, Farmers, And Women-Led MSMEs – MSN -
(04.12.2024)
- **Microfinance sector** faces profitability squeeze in FY25 amid rising credit costs & tighter ...
The Economic Times (05.12.2024)
- Stricter Microfin Lending Norms To Impact Growth And Profitability: Icra - BW BusinessWorld (05.12.2024)
- MFI **Industry** – A timely intervention to avert future mishaps - India Infoline (05.12.2024)
- Muthoot Microfin reduces interest rates on two types of loans - The Economic Times (05.12.2024)
- Microfin AUM growth may drop below 5 per cent - Banking & Finance News
The Financial Express (06.12.2024)
- NBFC-MFIs' asset growth to moderate at 5% in FY25 on stricter norms: ICRA | Finance News
Business Standard (06.12.2024)
- We are open to idea of alternate financing models for MSMEs: Piyush Goyal
The Economic Times (06.12.2024)

- MFI stress not a big concern at a system level, says Swaminathan J - Business Standard ([07.12.2024](#))
- RBI develops novel tool to tackle mule accounts, digital fraud - Mint ([07.12.2024](#))
- ICRA: Stricter **microfinance** lending norms will enhance credit safeguards but challenge ...
[MediaBrief \(08.12.2024\)](#)
- **Microfinance sector** is gaining in resilience - The Hindu BusinessLine ([09.12.2024](#))
- **Microfinance** loan book shrinks by 3.7% sequentially to Rs 4.08 trn in Sep | Finance News
[Business Standard \(10.12.2024\)](#)
- MFI disbursements drop 10 pc in Q2 as credit quality takes a hit - The Economic Times ([10.12.2024](#))
- New loans by MFIs drop 20% as **industry** hits brakes on growth - Times of India ([10.12.2024](#))
- **Microfinance sector** is gaining in resilience - PressReader.com (10.12.2024)
- MFIs in no mood to buy cover despite rising asset quality stress, seek lower charges
[The Economic Times \(11.12.2024\)](#)
- MSME Loan Quality Improves as GNPA's Decline to Rs 1.25 Lakh Crore in 2024 - KNN India ([11.12.2024](#))
- Mudra loans: India must rethink its MSME strategy - Policy Circle ([11.12.2024](#))
- NBFC stock jumps 5% after it secures patent for innovative AI credit scoring model
[Trade Brains \(12.12.2024\)](#)
- NBFCs top growth rate in **micro-finance** at 27.6% Y-o-Y by Sept-end FY25
[Business Standard \(14.12.2024\)](#)
- Satin Creditcare Focuses on Risk Management for Growth - Rediff Money ([16.12.2024](#))
- Rural stress hit microfin show, it could improve in FY26: Experts - The Economic Times ([19.12.2024](#))
- MFIN regulations to improve credit discipline impact only 7-8% of customers, says CEO Alok Misra
[CNBC TV18 \(25.12.2024\)](#)
- Ujjivan Small Finance Bank: The bank has set forth a gold standard for resilience - MSN ([25.12.2024](#))
- IndusInd looks to sell Rs 1.5k crore **microfinance** NPAs - Times of India ([27.12.2024](#))
- Stress in **microfinance sector** doubles in April to September period: RBI - Business Standard ([31.12.2024](#))
- Ananya Birla's microfin company to net Rs 1.9k crore in **sector's** biggest funding - MSN ([31.12.2024](#))

