



ASSOCIATION OF KARNATAKA MICROFINANCE INSTITUTIONS

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

AKMI Updates: Jan -2025

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 | Sept-2024 | June-2024 | Mar-2024 |
|------------------------------------|-----------|-----------|----------|
| MFI Members | 31 | 31 | 28 |
| No of Branches | 3090 | 3056 | 3019 |
| No of Staff | 37967 | 37345 | 36859 |
| Loan Borrowers accounts (in Lakhs) | 109.88 | 112.09 | 111.22 |
| Outstanding (Amt. in Crs.) | 59367.76 | 60189.35 | 60597.78 |

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 | Jan-25 | Dec-24 | Nov-2024 |
|---------------------------------|--------|--------|----------|
| No of Grievances calls Received | 35 | 28 | 34 |
| No of Grievances calls Solved | 32 | 28 | 34 |
| Pending – i) Insurance | 1 | | |
| ii) Loan not yet sanctioned | 2 | | |
| 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. We formed a team of four persons in each district (Lead, Co Lead and other two member MFIs) to rush to the help of MFIs facing problems because of public protests in some areas .

AKMI Activities/Meetings during Jan - 2025

| Sl. No | Date | Particulars | Remarks |
|--------|------------|---|--|
| 1 | 02.01.2025 | Visited DRCS office | To get Renewal certificate. |
| 2 | 08.01.2025 | Visited Hassan | Team AKMI met LDM Mrs. Latha Saraswathi in Hassan |
| 3 | 08.01.2025 | AKMI Meeting at Hassan | AKMI member MFIs' preparatory meet for FLP in Hassan. AKMI Team (V N Hegde & R V Kulkarni) attended the meeting. |
| 4 | 10.01.2025 | Dist. Administration Chamarajanagar called for online meeting | There was a news item in Public TV on Friday (10th Jan) on harassment of MFIs in Chamarajanagar and because of which people are leaving villages. The same day evening (5.30 pm) on line meeting was called by District Administration (involving DC, SP, CEO ZP, LDM and Tahasildhar) and asked our MFIs to join. As soon as we receive the message, we talked to our team in Chamarajanagar to get details and we also joined in the meeting. The working of our MFIs, COCs etc. were informed to them. We said that the people from those villages go to Kodagu / Kerala for earning wages as this is a coffee picking season and they are not leaving house because of harassment of MFIs as alleged in media. The DC inter alia instructed Tahasildhar to visit affected villages to find out the fact. Tahasildhar madam has visited the village on Saturday. Again, it is reported (Media) to be true. Hence, we from AKMI are visiting Chamarajanagar urgently and we have requested official from MFIN also to join us. |
| 5 | 13.01.2025 | Visited Chamarajanagar | We had meeting of operating MFIs in BSS office Chamarajanagar. Took stock of situation, advised them not to go for recovery after 6 pm and not to use harsh language. Then along with few staff of MFIs visited Lead Bank office, explained the facts. DC madam was not in station. Met SP Dr. Kavitha BT IPS and discussed the issues appeared in press. She is also aware of the fact that it is media hype. We met ADC madam Geetha and also Tahasildhar Mrs. Girija. She said that only 5 families have left village that too for seeking employment / wage earnings. We wanted to go to particular village but Madam Girija advised us not to go there now. They will call for Gram Sabha then our MFIs can attend the |

| | | | |
|----|------------|---|--|
| | | | meeting. We have told our MFIs to see that large number of customers taken benefit of our loan facilities should attend the Gram Sabha. We (AKMI, MFIN team) feel the situation will slowly normalize. Tahasildhar showed us the video of two groups (for and against) arguing each other in the village. So, there are already many people talking in favor of MFIs, Hope things to improve shortly. |
| 6 | 15.01.2025 | MFIN Chamarajnar District Special Meeting | Participated in Chamarajnar district special meeting (virtual) arranged by MFIN at 4 pm |
| 7 | 15.01.2025 | Spoke to DySP & LDM Ramanagar | Dy SP Ramanagar asked certain information from our Lead MFI (Ujjivan). We spoke to Dy SP and Lead Bank Manager Ramanagar. They said they are getting many complaints from public against MFIs. We tried to give them details of MFI operation, RBI regulations, SROs code of conducts etc. They want to call for a meeting of all MFIs and us shortly. We request ed them to intimate us and SROs at least 2 / 3 days in advance. |
| 8 | 15.01.2025 | DRCS office | Visited DRCS office |
| 9 | 17.01.2025 | Ramanagar district emergency meeting (virtual) | AKMI conducted online meeting for member MFIs operating in the Ramanagar district in view of instruction of DySP. |
| 10 | 20.01.2025 | 'Customer Relations & Grievance redressal' workshop | We arranged workshop on 'Customer relations and Grievance redressal' in Hotel I V Sanctum. Mr. Rijo John (AVP - BFIL) took session.... |
| 11 | 20.01.2025 | Visited Vijayavani office | Team AKMI (Hegde and Mr. Kulkarni) met Mr. Channe Gowda Editor Vijayavani. While discussing about an article in (Yesterday's) Vijayavani, he said Mr. Kirthi Narayan (who made the story) was on leave and introduced us to Mr. Rudranna (Political analyst). We discussed about MFIs' (being registered entities) operations and much of information mentioned in article is not true. We clarified many of his doubts. However, while coming back Mr. Kulkarni observed that a headline (for next day , 21st) was ready mentioning "meter baddi ". |
| 12 | 23.01.2025 | Press Club, Bengaluru | Attended the press meet arranged by MFIN at Press Club, Bengaluru. |
| 13 | 23.01.2025 | Sa-Dhan – AKMI State Level Virtual Meet | Sa-Dhan & AKMI jointly organized a State Level Virtual Meet at 3.30pm |
| 14 | 25.01.2025 | CM meeting at 'Krishna' | AKMI team attended Hon'ble Chief Minister's meeting at his residence 'Krishna' along with MFI practitioners (Mr. Udaya Kumar, Mr. Anand Rao, Mr. Venkatesh N, Mr. V N Salimath, Mrs. Carol Furtado, MFIN and Sa-Dhan senior level officials. |
| 15 | 27.01.2025 | Team AKMI met Haveri DC | Mr. R V Kulkarni along with Mr. Manjunath (MFIN) & Mr. Kotragouda (Navachetana) met Haveri DC Dr. Vijay Mahanthesh B Danammaver IAS. |

| | | | |
|----|------------|--|--|
| 16 | 28.01.2025 | AKMI Meeting with State Operators at Hotel Zion, Bengaluru | In view of ongoing unfavorable media reports about microfinance in our state, we arranged AKMI Meeting of senior state operators / MFI practitioners for discussing about suggestions / strategies to be adopted at Hotel Zion, Bengaluru. |
| 17 | 29.01.2025 | AKMI – Sa-Dhan meeting (Virtual) | To discuss PR activities |
| 18 | 31.01.2025 | AKMI Meeting for member MFIs (Virtual) | Arranged online meeting for state heads & Senior MFI practitioners. |
| 19 | | Districts – joined meetings | We have furnished list of MFIs operating in the district along with contact numbers to DC / SP / CEO ZP / LDMs of all the districts. We have joined meetings online whenever asked for. |



Team AKMI met LDM Mrs.Latha Saraswathi in Hassan on 08.01.2025



AKMI Team along with Manjunath (MFIN) met SP Dr. Kavitha BT IPS and discussed the issues appeared in press on 13.01.2025





Workshop on 'Customer relations and Grievance Redressal' at Hotel I V Sanctum on 20.01.2025

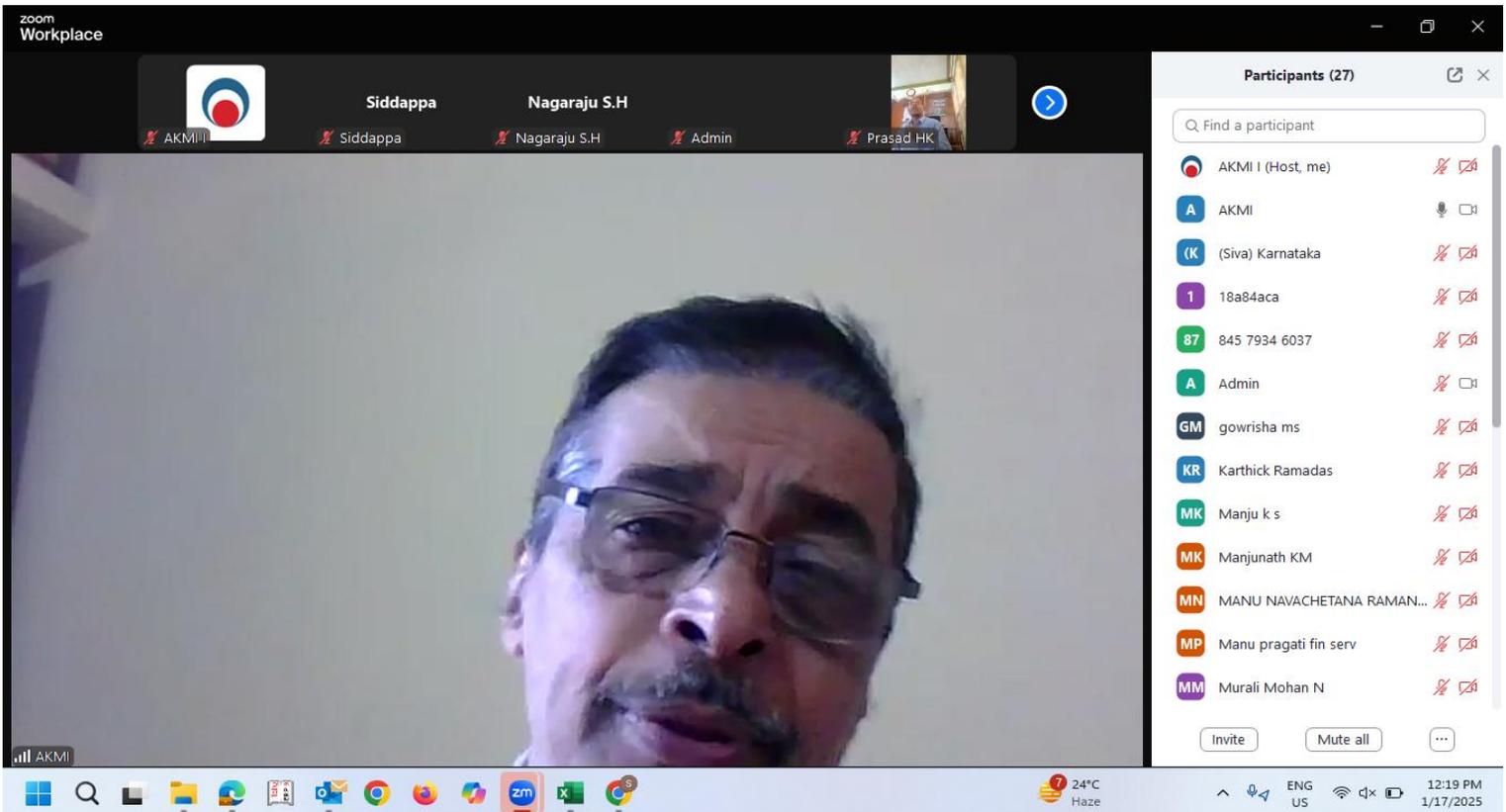


Attended the press meet arranged by MFIN at Press Club, Bengaluru on 23.01.2025





Hon'ble Chief Minister addressing the meeting in his Official Residence 'Krishna' on 25.01.2025



Ramanagar district emergency meeting (virtual) on 17.01.2025



Sa-Dhan & AKMI State Level Meet (Virtual) on 23.01.2025



Mr. R V Kulkarni along with Mr. Manjunath (MFIN) & Mr. Kotragouda (Navachetana) met DC Dr. Vijay Mahanthes B Danammaver IAS Haveri on 27.01.2025



AKMI Meeting with State Operators at Hotel Zion, Bengaluru on 28.01.2025

AKMI - Sa-Dhan Meeting to discuss PR Activities

27:01

Chat People 12 Raise React View Notes Rooms Apps More Camera Mic Share Leave

| | | |
|---|--------------------------------------|-----------------------------------|
| I Info AKMI | A AKMI (Unverified) | C Umashankara Sharma (Unverified) |
| SM Sudhir Madhavan (Unverified) On hold | Vivekanand. N Salimath (External) | SK Suresh Krishna (External) |
| Jiji Mammen (External) | NM Nagendra Mali (Unverified) | NA Nitin Awati (Unverified) |
| Saibal Sa-Dhan (Unverified) | SC Sumit Chakrabarty (Unverified) | Sa Dhan (External) |

Participants

Type a name

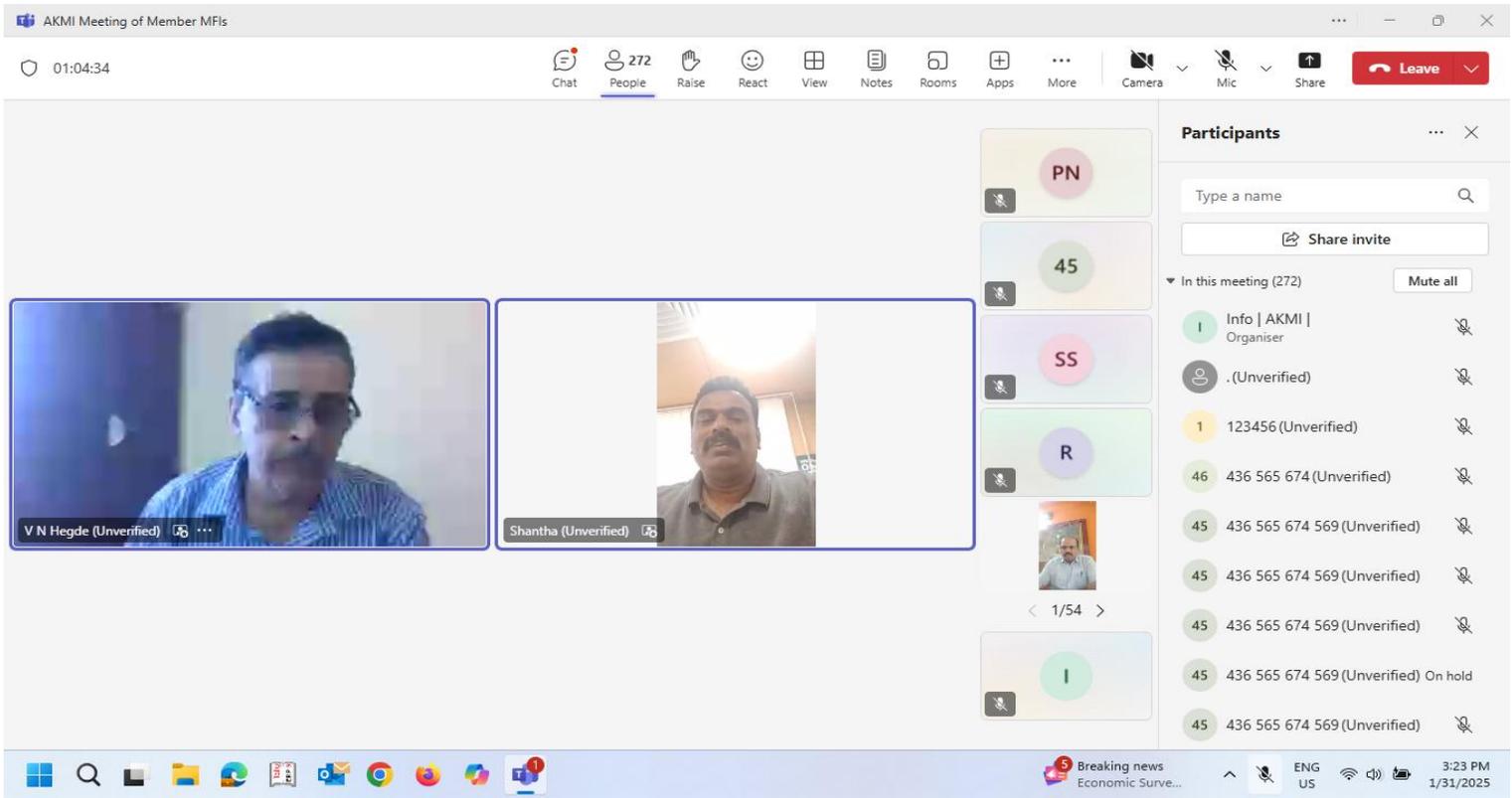
Share invite

In this meeting (12) Mute all

- I Info | AKMI | Organiser
- A AKMI (Unverified)
- CS C Umashankara S... (Unverified)
- JM Jiji Mammen (External)
- NM Nagendra Mali (Unverified)
- NA Nitin Awati (Unverified)
- SD Sa Dhan (External)
- SS saibal Sa-Dhan (Unverified)
- SM Sudhir Madhav... (Unverified) On hold

Windows taskbar: 28°C Sunny, 2:43 PM 1/30/2025

AKMI – Sa-Dhan meeting (Virtual) to discuss PR activities on 30.01.2025



Arranged online meeting for state heads & Senior MFI practitioners on 31.01.2025

Street Plays in various places of Kalaburagi district from 27.01.2025 to 31.01.2025



Ganagapura , Kalburgi on 27.01.2025



Ganagapura Temple, Kalburgi on 27.01.2025



Hoovinahalli, Afzalpur Tq, Kalburgi on 28.01.2025



 Samsung Dual Camera
Shot with my Galaxy M10

Chowdapura, Afzalpur, Kalburgi on 29.01.2025



 Samsung Dual Camera
Shot with my Galaxy M10

Maashala, Afzalpur Tq, Kalburgi on 30.01.2025



Karjagi, Afzalpur Tq, Kalburgi on 30.01.2025



Alanda Manthigi circle, Alanda on 31.01.2025

 Samsung Dual Camera
Shot with my Galaxy M10



Alanda Bus Stop, Kalburgi on 31.01.2025

Media publications during January - 2025 (Source- Google alerts)

- 4 out of the top 5 mid-cap losers of 2024 affected by microfinance meltdown - CNBC TV18 ([01.01.2025](#))
- 'NPAs may go up by 2026, write-offs signal stress' - Times of India ([01.01.2025](#))
- RBI flags risk to secured loans from slippages in smaller personal loans - Business Standard ([01.01.2025](#))
- Microfinance self-regulator defers capping lenders per borrower to 1 April | Mint ([02.01.2025](#))
- RBI removes lending restrictions on microfinance company Arohan Financial Services
[The Economic Times \(04.01.2025\)](#)
- Economic Survey 2024: MFIs see share of rural borrowers climb 10-year high in FY23 - MSN ([04.01.2025](#))
- Ujjivan Small Finance Bank sees 10% growth in advances despite 12% drop in microfinance
[The Economic Times \(05.01.2025\)](#)
- MFI portfolio declines 4.3%, bad assets spike in Sep quarter: Report - Business Standard ([08.01.2025](#))
- Microfinancers urge RBI to relax regulatory norms - CNBC TV18 ([09.01.2025](#))
- Government tells MFIs to reduce rates - The Economic Times ([09.01.2025](#))

- Indian Micro Finance sector grows by over 2,100% in 12 yrs - ANI News ([10.01.2025](#))
- Difficult to lower rates without easy funds: Microfinance institutions - The Economic Times ([11.01.2025](#))
- CreditAccess Grameen, Spandana Sphoorty, Fusion, Muthoot Microfin, L&T Finance ...
[The Hindu Business Line \(12.01.2025\)](#)
- Centre Plans New Credit Guarantee Scheme For MSMEs Up To Rs 100 Cr
[BW BusinessWorld \(12.01.2025\)](#)
- Microfinance sector contracts below Rs 4 lakh crore amid loan disbursal woes
[The Economic Times \(13.01.2025\)](#)
- Budget 2025: MFIs seek refinancing window, credit guarantee scheme amid rising stress
[Moneycontrol \(15.01.2025\)](#)
- Small finance banks' growth to slow down to 18-20 % in FY2025: ICRA - Times of India ([15.01.2025](#))
- Microfinance sector stress cyclical, pushing up NPAs, says SBI official - Business Standard ([18.01.2025](#))
- Employee turnover: NBFC-MFIs sailing in the same boat as private sector and small finance banks
[The Hindu Business Line \(20.01.2025\)](#)
- L&T Finance's retail disbursals hit record in Q3, but rural, micro slippages weigh on profit
[Mint \(21.01.2025\)](#)
- The role of microfinance in promoting financial inclusion and economic growth
[Global Banking & Finance Review \(21.01.2025\)](#)
- New RBI Regulatory Guidelines for NBFCs - CAclubindia ([22.01.2025](#))
- Karnataka's microfinance loan volume grew nearly threefold in last four years to ₹42265 crore: MFIN - [The Hindu \(24.01.2025\)](#)
- Unregulated lending firms causing problems, says microfinance body | Bengaluru News
[Times of India \(24.01.2025\)](#)
- MFIN dismisses reports about alleged harassment by microfinance firms – [Business Standard \(24.01.2025\)](#)
- Karnataka Microfinance Sector – outreach, operations and impact - The Hans India ([24.01.2025](#))
- Ujjivan board okays move to universal banking plan, bank to apply for licence soon
[The Economic Times \(25.01.2025\)](#)
- Microfinance institutions come under govt.'s scanner in Karnataka - The Hindu
[The Hindu \(25.01.2025\)](#)
- Karnataka Government To Enact Stringent Law To Rein In Micro Financing Firms
[ETV Bharat \(26.01.2025\)](#)
- Microfinance sector seeks support to tackle its several challenges - Business Standard ([27.01.2025](#))

- People forced to turn to microfinance companies as state govt fails to provide loans & cut grants
[SakshiPost \(27.01.2025\)](#)
- Budget 2025: 3 steps that can help empower microfinance industry - Moneycontrol [\(27.01.2025\)](#)
- Amid suicides, Karnataka govt puts checks on microfinance firms - Times of India [\(27.01.2025\)](#)
- Karnataka: Officials panel to vet MFI Ordinance draft to strengthen proposed law
[The Economic Times \(31.01.2025\)](#)

