



**ANNUAL
REPORT**
2016-17

MICROFINANCE
INSTITUTIONS
NETWORK

ANNUAL REPORT 2016-17

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PRESIDENT'S MESSAGE

Greetings,

It is an honor for me to address you all through the MFIN's Desk.

I would like to take this opportunity to congratulate fellow members (NBFCMFIs) who have now become Small Finance Banks. We wish them success in their continued efforts to serve the underprivileged effectively and efficiently.

The year gone by has had its share of ups and downs. As we were celebrating the Industry's recognition by the RBI in being granted SFB licenses, the demonetization exercise proved to be quite a dampener with far reaching impact on the industry's functioning. The Industry post demonetization and the lessons learnt from it has made the sector emerge stronger and wiser with strong ethics and work approaches put into place. I believe the sector has now adopted procedures and policies that will help the Industry grow in a more sustainable and responsible way. I would like to thank each person who worked tirelessly during the crisis to keep the Industry afloat.

One of the major lessons learnt from the crisis is that the Industry needs to establish a stronger risk assessment and management strategy to deal with such contingencies. This along with our Responsible Lending Processes, HR Processes, Risk Management, Financial Controls and IT Infrastructure would help the sector withstand any future upheavals.

The first few months of 2017, has been very productive for the sector. We launched the first client focused application focusing on literacy the "MFINConnect". The application is aimed at helping the clients understand microfinance loan processes and educate themselves on financial credit products. The application is available in 7 vernacular languages. The sector will also focus on organising financial literacy campaigns, training sessions, mass awareness camps for further augmenting the borrower's awareness levels. We are also delighted to have new products in our bucket including affordable housing and ERickshaws, which would impact the social lives of our borrowers and provide them a chance to enhance their incomes.

A big thank you to all the Board Members, Members of the Micro Finance Industry and MFIN Secretariat for the extraordinary efforts that they have put in day after day to transform and improve our sector and make it more competitive. Finally a big thank you to everyone for your continued confidence in me.

Rakesh Dubey,
President, MFIN.



CEO'S MESSAGE

Greetings,

The year that has gone past is probably one of those defining moments where things as are commonly understood suddenly somersaulted and an unanticipated policy change brought the Sector to a place where one had to reinvent and swiftly so, to stay on track. With the discontinuance of the High Value Currency Notes (HVCNs) in November, the Sector took a step back. As a business that depended predominantly on cash transactions, the pulling out of the afore mentioned notes from circulation and the intervening gap till when they came back presented an unprecedented set of circumstances to a business with a fragile model. To run a credit business where 85% of one's portfolio is unsecured and that is the only product one has is a tough call at most times. But what the turn of events did demonstrate was the efficacy of the Joint Lending Group model. For a while now critics of the business have been saying that the business needs to move to individual lending as against group lending. The robustness of the model was demonstrated in the fact that despite not being given permission to collect old notes, we had a steady recovery factor of around 75–80%. It meant people went and changed HVNs for acceptable tender and made an effort to pay back.

The imponderable nature of human response to stimuli was another revelation during the post demonetisation process. It was not demonetisation but how vested elements seized the opportunity to build constituency which was the real destabilizing factor. In the poorer States and areas which had endemic drought, people paid back to the best of their ability. But certain areas, where microfinance was not the only source of access to funds, played truant egged on by people with fledgling political aspirations. MFIN engaged with stakeholders across sectors to contain the spread of misinformation. We engaged with Ministries, State Governments, the RBI, Media at both the State and National level simultaneously to stem contagion. This proved helpful as the damage caused by vested interests affected only certain geographies and not the entire country. This was important as MFI operations span 32 States.

The transition of 8 MFIs into Small Finance Banks has been a significant landmark moment sectorally. They move with 45% of the portfolio to the banking slice of the microfinance pie. Questions are constantly aimed at us on how efficacious the sector is today. Will it last over the long haul. And my standard response to that is, as long as there are poor people in this country needing access to unsecured loans, the microfinance sector is here to stay. While other entities diversify their portfolios by lending to the sector in favourable times, microfinance will stay as this is their niche.

The microfinance space today has multiple players. We have banks, NBFCs, Not For Profit companies, NGOs all lending in this space. There was a felt need to bring all players onto a level playing field by everyone concerned. We at MFIN are actively trying to facilitate a sector specific, entity agnostic platform and putting together a Mutually Accepted Compliance Code (MACC), after consultation with multiple stakeholders including SFBs and NBFC MFIs. It is work in progress and we hope to see some traction in the coming year.

The MFIN Conclave held in April was very well accepted and we were oversubscribed on both days of the Conclave. This year we brought in speakers from Russia, China, Myanmar, Indonesia, Vietnam, Cambodia, Philippines, Laos and Bangladesh. Apart from the varied models of microfinance in these countries, discussions focused on digital enablement of the unbanked and underbanked, importance of media and building external perceptions, role of banks in microfinance and the importance of digital literacy. At the Conclave, MFIN launched the first microfinance literacy App called MFINconnect which is available on Google Playstore in 7 different languages. It's a comic strip with voice over which makes it easy to download and use. It's modular nature will make it easy to add new modules, keeping it relevant as new learning happens. Members have taken several innovative steps to take forward the Government's vision of a 'less cash' society and that is a large piece of work in progress which will be more visible in the coming year. Several MFIs are working and rolling out digital literacy modules both for staff and clients.

During the course of the year, the MFIN SRO became more stream lined and external evaluation, grievance and dispute management and ensuring compliance through the Enforcement Committee and SRO Committee became far more systematized.

The year has been eventful with some important inflection points for us as an industry. I would like to believe that this has made us more resilient as a sector and the sector is coming back stronger than before. There has been an enormous amount of learning and all of this will make us more exemplary in the way we conduct business, going forward

Ratna Vishwanathan,
CEO, MFIN.



About mfin

Micro Finance Institutions Network is the industry body for RBI regulated NBFCMFIs. Established in October 2009, MFIN was appointed as the Self-Regulatory Organisation (SRO) for the sector by the Reserve Bank of India (RBI).

MFIN through its members, helps provide financial services to low income households in a responsible & transparent manner, thereby helping them build sustainable livelihoods. MFIN also works closely with regulators and other key stakeholders and plays an active part in the larger financial inclusions dialogue through the medium of microfinance.

Microfinance Industry in India

Microfinance in India started in the late 1980s in response to the gap in availability of formal sources of credit and lending to the underserved and low-income population. Most of the institutions that forayed into the sector were from the social sector and hence the legal entities comprised of Trusts, Societies or Section 25 Companies. As the industry continued to grow, the non-profit form became a limiting factor in making these institutions sustainable and scalable. Based on the recommendations of the Malegam Committee, RBI created a new subset under the Non-Banking Finance Companies (NBFCs) for institutions specialising in microfinance called NBFCMFIs. In the decade leading up to 2009, the NBFCMFI model proved itself to be viable and a sustainable means of providing access to finance to meet the requirements of low income households.

NBFCMFIs have been playing a significant role in taking forward the financial inclusion agenda of the Government of India. What sets the NBFCMFIs apart is the fact that they do not depend on grants or subsidies to provide unsecured loans to people with

low incomes and no access to the banking system. The industry has used market oriented solutions that encourage self-reliance and entrepreneurship amongst its clients. As on 31st March 2017, NBFCMFIs provided credit to over 2.75 crore clients pan India, with a total lending more than Rs. 46,847 crores.

Microfinance Industry: Core Strengths

1. Regulated by the Reserve Bank of India with MFIN as the SRO for the industry
2. Stringent Industry Code of Conduct in place which is executable
3. Feet on Street delivery model which ensures doorstep delivery to clients
4. Bouquet of products such as microcredit, microinsurance and micro pension
5. Presence in underbanked and underserved places
6. Financial literacy and awareness integrated to product delivery
7. Conducive environment for clients with local culture, local employees and high customer connectedness



Genesis

MFIN was established in October 2009 under the Andhra Pradesh Societies Registration Act 2001.

As per its bye-laws all financial institutions that are "substantially engaged in the business of microfinance" and are registered as NBFCMFIs with the Reserve

Bank of India, are eligible for membership to MFIN. Structured as a Self-Regulatory Organization (SRO) of the RBI regulated NBFCMFIs, MFIN has been supporting an effective framework for responsible lending and client protection for the industry.

Vision

To be an engine of inclusive growth for India and help provide financial services to 10 crore low income households by the year 2020, in a responsible and transparent manner.

Objectives

MFIN's primary objective is to work towards the robust development of the microfinance sector by promoting: responsible lending, client protection, good governance and a supportive regulatory environment.

Membership

The membership of MFIN is open to RBI regulated, NBFCMFIs. All applications for the new membership go through a well laid out process including an on-site due diligence and Board review. As members, NBFCMFIs become part of the peer community that shapes the strategic directions of MFIN and the industry. Currently MFIN has 51 members, diverse in size and geographic spread.

MFIN Members' consolidated operation overview 2017

Branches
9,012

GLP (Rs Cr)
46,847

Employees
86,440

Loans Disbursed
(Annual Rs Cr)
50,266

NBFC-MFIs primarily serve low income households, both rural & urban with
99% Women clients



Services offered-



Microcredit



Pension Insurance



Financial Education

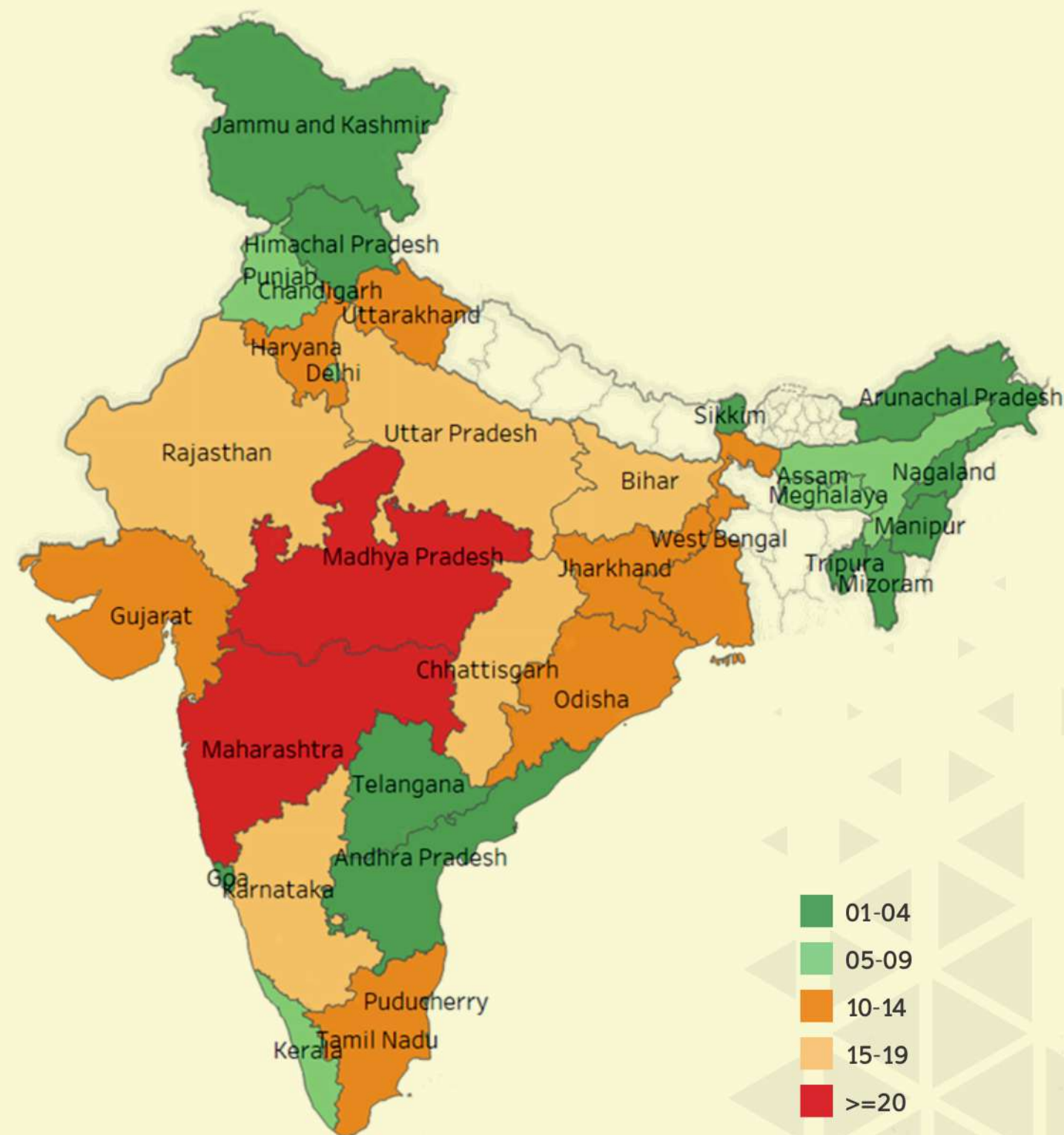


Livelihood Service

Pan –India Presence of NBFC-MFIs

States/UTs- 32

Districts - 562



New Members

UNACCO Financial Services Private Limited

UNACCO Financial Services Private Limited (UFSPL) is a Non-Deposit taking Non-Banking Finance Company (NBFGMFI) which provides microcredit as a source of financial services for small entrepreneurs and small businesses where access to banking and related services aren't easily accessible or available.

Vision, Mission & Core Values

UNACCO Financial Services Private Limited (UFSPL) sees a poverty free society where every poor house hold has access to basic financial amenities to enable them to lift their families out of poverty, educated unemployed youths engage in self-employment activities or other job alternatives and every child goes to school.



NBFC - MFI: As defined by the RBI

An NBFGMFI is defined as a non-deposit taking NBFC (other than a company licensed under Section 25 of the Indian Companies Act, 1956) that fulfils the following conditions:

- Minimum Net Owned Funds of Rs.5 crore. (For NBFGMFIs registered in the North-Eastern Region of the country, the minimum NOF requirement shall stand at Rs. 2 crore).
- 85% of its net assets are in the nature of "Qualifying Assets."

"Net assets" are defined as total assets other than cash and bank balances and money market instruments.

"Qualifying asset" shall mean a loan which satisfies the following criteria: -

- The loan extended to a borrower whose household annual income in rural areas does not exceed rural household annual income not exceeding Rs. 1,00,000 while for non-rural areas it does not exceed Rs. 1,60,000. Loan amount does not exceed Rs. 60,000 in the first cycle and Rs. 1,00,000 in subsequent cycles.
- Total indebtedness of the borrower does not exceed Rs.1,00,000 Provided that loan, if any availed towards meeting education and medical expenses shall be excluded while arriving at the total indebtedness of a borrower.
- Tenure of the loan not to be less than 24 months for loan amount in excess of Rs. 30,000 with prepayment without penalty.
- Loan to be extended without collateral.

- Aggregate amount of loans, given for income generation, is not less than 50 per cent of the total loans given by the MFIs.
- Loan is repayable on weekly, fortnightly or monthly instalments at the choice of the borrower.
- The margin cap for all NBFCs irrespective of their size was 12 percent till March 31, 2014. However, with effect from 1st April, 2014 margin caps as defined by Malegam Committee may not exceed 10 per cent for large MFIs (loans portfolios exceeding Rs.100 crore) and 12 percent for the others.
- Only three components are to be included in pricing of loans viz. a) Processing fees not exceeding one percent of the gross loan amount, b) the interest charged and c) the insurance premium.
- There should not be any penalty for delayed payment.
- No security deposit/margin is to be taken.
- Capital requirement (CRAR): 15 percent of its aggregate risk weighted assets.
- Provisioning: 50 percent of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100 percent of the aggregate loan instalments which are overdue for 180 days or more.
- Follow RBI's Fair Practices Code
- Must be members of all Credit Information Bureau (CIBs) and onboard data to all Credit Bureaus as mandated by the RBI.

mfin Associates

MFIN rolled out its Associateship programme in January 2014. This was done with the understanding that stakeholders other than NBFCMFIs who have a lasting bearing on the financial inclusion dialogue and are of immense value to the sector need to interact and work with each other to fuel the larger goal of financial inclusion. The Associates are a valuable part of MFIN's construct and there is a constant dialogue with them at various forums including at the state and district levels. MFIN includes the following institutions in its Associateship programme – Banks, NBFCs, Housing Finance Companies, Insurance Companies, Business Correspondents, Private Equity, Social Investors, Think Tanks and Foundations.



The following Associates are part of MFIN's associateship construct.

Au Small Finance Bank
Axis Bank
ASA International India Microfinance Ltd
Bajaj Allianz Life Insurance Company Ltd.
BASIX Sub-K iTransactions Ltd.
Caspian Impact Investments Pvt. Ltd.
Credit Information Bureau (India) Ltd.
D-Lite Energy Private Limited
Equifax Credit Information Services Pvt. Ltd.
ESAF Small Finance Bank.
Equitas Small Finance Bank
Fullerton India Credit Co. Ltd.
Grameen Foundation India
IDFC Bank Ltd.
IFMR Capital
IFMR Rural Channels & Services Pvt. Ltd.
IndusInd Bank Ltd.
Ishani Vanijya Pvt. Ltd. (IVPL)
Kamal Fincap Private Limited
L&T Finance Ltd.
MAS Financial Services Ltd.
Motilal Oswal Investment Advisors Private Limited
Muthoot Fincorp Ltd.
New Opportunity Consultancy Pvt. Ltd.
RBL Bank
Reliance Capital Ltd.
SAGGRAHA
Sarvodaya Nano Finance Ltd.
Sumeru Software Solutions Pvt. Ltd.
Shriram Life Insurance Co. Ltd.
Suryoday Financial Services
Swadhaar Finserve Pvt. Ltd.
Vodafone m-pesa Ltd.
YES Bank
Ujjivan Financial Services
Utkarsh Micro Finance Limited

Voices from our Associates

🔥 The Microfinance potential in India is immense but considering the socio-economic & political influence, the requirement for an association for the MFIs to come together under one roof was very important. MFIN has provided an excellent platform for Micro Finance companies to come and synergise together for a better India.

Going forward we would like to see MFIN actively involve itself in putting up a framework for generally accepted Microfinance principles across all partners / non-partners.

More power to MFIN!!! 🔥

————— **Siddharth Pradeep Sharma,** —————
National Manager | Retail Microfinance, Axis Bank

🔥 As an active investor and advisor in the MFI ecosystem, Motilal Oswal has benefited immensely from its association with MFIN. We applaud MFIN for its proactive outreach to various industry stakeholders with clear focus on driving tangible benefits to the fledgling MFI industry in India. Comprehensive efforts for damage control during demonetization deserve a special mention. We look forward to our continued association with MFIN. 🔥

————— **Yatin Singh,** —————
Associate Director | Investment Banking,
Motilal Oswal Investment Advisors Private Limited

🔥 Yes Bank limited, through its BC model is committed to bring about positive change in the life of millions. Being an Associate Member with MFIN has undoubtedly been an enriching experience. This is a great platform to connect and engage with other stakeholders in the sector and leverage each opportunity for devising meaningful and sustainable initiatives for upliftment of the underprivileged. MFIN's proactive and collaborative efforts during difficult times, like the recent 'Demonetization' has been commendable. We are looking forward to a continued prolific association with MFIN. 🔥

————— **Ajay Desai,** —————
Senior President and Chief Financial Inclusion Officer,
YES Bank Ltd.

Voices from our Associates

🔥 MFIN has been coordinating the interactions between MFIs, other market players - stake holders, regulators and the customer in an excellent way. The approach of MFIN has been pro-active and it provides an excellent platform for discussion.

Our interaction as an Associate member has been really engaging and the transformation to full time membership was also seamless.

Going forward we see MFIN getting stronger in client protection, SRO execution and implementation and continued hand holding and support to MFI practitioners and other partners. 🔥

————— **Jagadish Ramadugu** —————
MD & CEO, VAYA Finserv Pvt Ltd

🔥 MFIN as an Industry body and SRO has been at the forefront of driving change and adoption of best practices for the industry, especially in the area of data and insights. As a CIC, we value this greatly and always keen to actively engage. For ex., more than 95% aadhaar seeding of all new loan accounts for the industry is a testament of their execution strength. The recent monthly industry insights on post demonetization impact is another example of them using data to help industry players understand macro impact and benchmark themselves. 🔥

————— **Sundar Arumugam,** —————
Vice President, MFI, Business Development, Equifax

🔥 MFIN has an important role to play for the industry, Technology is unavoidable for betterment of its members to manage processes better. We being a technology company address some challenges faced by the Members and that's where Association with MFIN is key. It gives insights of the industry for us to create solutions which are realistic and futuristic. 🔥

————— **Manoj Tolani** —————
Sr. VP – Sales & Presales, Sumeru Solutions

Lighting up Lives! An Initiative by our Associate d.light

The power sector in India has undergone a significant change and solar is considered to play a dominant role in it. The rise in demand of solar products in the country has helped it to make a constant strive towards clean energy.

d.light has collaborated with this vision and presents a great opportunity, especially within the current political-social environment where the country has embarked on a vision to have energy security, by providing affordable and sustainable power to all. It is believed to have generated 144 GWH of renewable energy through their products, thus saving a mammoth of \$5.7 Billion in energy related expenses.

As an organization d.light believes in the dream of a world, where the poor will no longer have to compromise on their health, burning fossil fuel or kerosene oil to light up their households. d.light aspires to innovate, and provide a solution across clients. The range of solar lanterns has helped 72 million people to transform their lives in various ways. The products, a range of highly sophisticated solar mechanized devices, aim to totally replace the traditional harmful kerosene lamps and preserve the planet for future generations.

The products primarily focus on solar energy to lit up the households of people who need it the most, aiming at helping them focus on their dreams and conserving the ecosystem that they live in. For example, vegetable sellers selling on the street can access a couple of extra hours of light in late evenings especially during the winter to sell their products. The farmers get to plough through their field in the darkness by lighting d.light solar lanterns during the

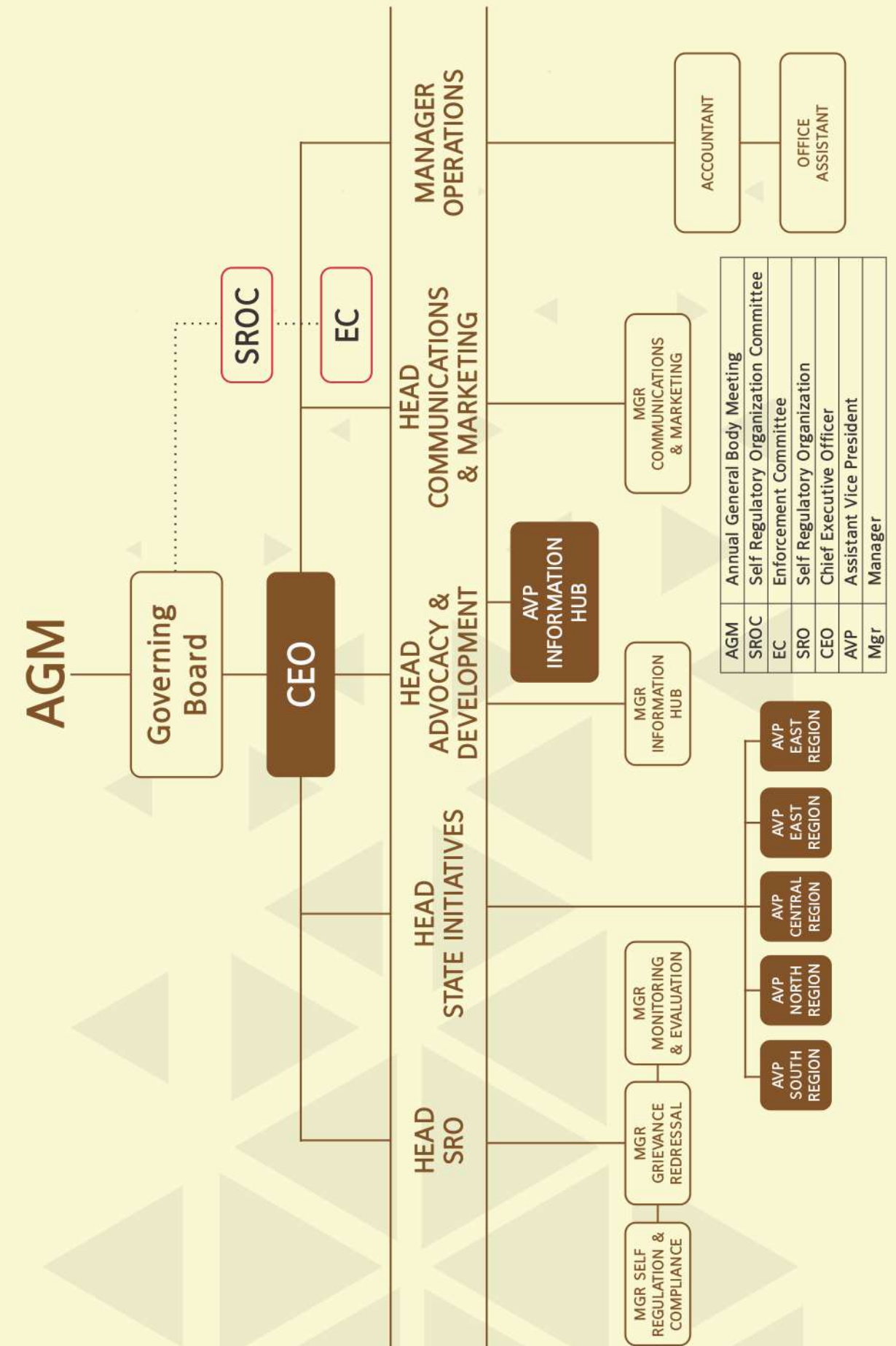
busy days of cultivation. It not only provides building workers with the required light to complete their work in the darkness, but also the ability to return securely to their respective houses.

The organization has successfully created 39 billion productive hours for working & studying around the globe, hence improving the human productivity at every stage of life. d.light gives women, residing in rural areas, the extra couple of hours they require to knit or weave clothes for an additional income to support their families which includes the earnings for their children to get admitted to a school, adding to the 19 Million school-aged children which d.light has impacted.

The new range of products introduced have the capacity to charge mobile phones directly through sunlight. Clients in off-grid villages have opened small charging stations through which they charge the mobile phones of users during discontinuous electricity period, at a very nominal amount.

d.light's association with MFIN as an associate member has brought strong value addition onboard with first-hand interaction and experience of the microfinance industry and staying ahead on the curve with industry news and dynamics. d.light's customer base strongly overlaps with MFI member base. MFIN's coverage of news and issues has helped in providing deep insights into the customer's psychographics and their challenges. This in turn allows to create offerings and solutions that best meet the customers' requirements at the most affordable prices.

GOVERNANCE STRUCTURE



MFIN works in a collaborative, consensus based approach to promote universal access to finance. Policies and structures form the backbone of MFIN's governance system, ensuring healthy development of the NBFC - MFI industry.

Governance Systems

MFIN is governed by the provisions of the Andhra Pradesh Societies Registration Act 2011, under which it has been awarded a certificate of registration as a society, dated 14th December 2009.

Bye-Laws

The MFIN bye-laws adopted by the Members, clearly spell out the transaction of business rules of the institution and governing structures. The bye-laws are revised from time to time to meet the changing policy and regulatory landscape. The bye-laws were revised last in May 2015.

General Body

The General Body is constituted of all members of MFIN and is the supreme governing body. The General Body meets annually and is responsible for the overall vision and direction for MFIN.

Governing Body

MFIN receives strategic guidance in fulfilling its overarching objectives from the Governing Board. The current bye-laws provide for a maximum of 12 members, one-third being independent members. The term for any member of the Board is for three years. Post completion of the one term he/she may stand for elections only after a gap of at least one year. The 'Fit and Proper' criteria, as prescribed by the RBI from time to time is a necessary requirement for becoming a member of the Board.

Currently, MFIN has an eleven member (seven elected members and three independents) Governing Board and a CEO who acts as the Member Secretary to the Society and implements the broad goals of the organization, while also providing overall direction to its activities for ensuring healthy development of the NBFC-MFI industry.

Governing Board



PRESIDENT

Rakesh Dubey

CEO, SV Creditline Pvt Ltd.

Mr. Rakesh Dubey is a Management Graduate. He has more than 20 years of experience in the Microfinance domain and has an expertise of setting up MFIs-domestic as well as internationally.

Prior to joining the SVCL team, Rakesh co-founded SONATA Finance Pvt. Limited and CASHPOR, the leading Micro Finance Institutions which are serving more than 2 million households in the Northern part of the country.



VICE PRESIDENT

Anand Rao

MD, Chaitanya India Fin Credit

Mr. Anand Rao is the co-founder and Managing Director of Chaitanya Microfinance. He has been with Chaitanya for the past 5 years. He has 2 years of experience in the corporate sector and 6 years of experience in the development sector. In the corporate sector, he has worked with Bosch India and Pepsico. In the development sector, Anand has worked with the World Resources Institute, Washington DC and in India with Small Scale Sustainable Infrastructure Development Fund.

Governing Board



Meenal Patole

Promoter and CEO,
Agora Microfinance India Limited

Ms. Meenal Patole is the promoter and CEO of Agora Microfinance India Limited an MFI that is engaged in urban space, currently in Mumbai, with strong focus on customer oriented business processes and impact. Meenal graduated from the University of Mumbai with Politics and Public Administration. She holds a post graduate degree (MA in Political Science and International Relations) from Jawaharlal Nehru University, New Delhi. Meenal has also done her MPhil in Planning and Development from the Indian Institute of Technology, Mumbai. She has nearly two decades of experience in microfinance and livelihood promotion and research. Meenal has also written and co-authored several publications.



Devesh Sachdev

Cofounder & CEO,
Fusion Microfinance Pvt. Ltd.

Mr. Devesh Sachdev is the cofounder & CEO of Fusion Microfinance Pvt. Ltd. Transparency, Governance and commitment to create value for all stakeholders keeping clients at the centre are key values of Fusion. Devesh is a XLRI Post Graduate with 16 years of experience in the Service Industry prior to starting this venture. Amongst the diverse experiences, his expertise lies in building businesses, strategy and key relationship management.

Governing Board



Dibyajyoti Pattanaik

Director, Annapurna Microfinance Pvt. Ltd.

Mr. Dibyajyoti Pattanaik is the Director of Bhubaneswar headquartered Annapurna Microfinance. Mr. Pattanaik has over 12 years of experience in microfinance, micro-enterprise development and

development sector consulting. Dibyajyoti played a crucial role in the transformation of mission Annapurna to Annapurna Micro Finance Private Limited, which now operates as an NBFGMFI across 10 states of India. He holds a Post Graduate degree in Management from Entrepreneurship Development Institute of India (EDII), Ahmedabad with specialisation in micro finance and micro enterprise management. Dibyajyoti also holds a management certificate in microfinance from Boulder Institute of Management, USA.



Mohammad Nooruddin Amin

Managing Director of Adhikar Micro finance Pvt Ltd

Mr Mohammad Nooruddin Amin is the Managing Director of Adhikar Micro finance Pvt Ltd. Adhikar works in the field of financial inclusion in the Eastern Part of India, Odisha being the focus state. Amin is one of the early votaries of the Micro finance movement. He innovated the concept of Money remittance for the migrant workers and initiated the cooperative movement in the state of Odisha. Amin has studied Law from Utkal University, Bhubaneswar, Human Rights in Chulalongkorn University, Bangkok. Mr. Amin is the recipient of the prestigious Ashoka Fellowship from Ashoka Trust, USA in 1996.

Governing Board



Udaya Kumar

Managing Director & CEO,
Grameen Koota Financial Services Pvt Ltd

Mr. Udaya Kumar joined Grameen Koota as Chief Executive Officer in September 2010. He is a veteran in the financial services field with over 25 years of experience in the banking sector. He has previously worked with Corporation Bank for 10 years, ICICI Bank for over 12 years and Barclays Bank Plc. for three years.

Mr. Kumar has been exposed to Operations, Credit Management, Product development, Technology and Business Development in banking. His exposure to Rural, Agri and Micro Banking during his association with ICICI Bank made him set his personal goal to work in the Social Sector. Prior to joining Grameen Koota, he was spearheading the commercial, payment and branch operations at Barclays Bank Plc, India. In the course of his career, Mr. Kumar has successfully imbibed technical, qualitative and managerial skills and been part of a team implementing process initiatives like Centralizing Operations, Process re-engineering, Six Sigma Quality Initiatives, Five-S principles for workplace management and implementation of ISO Standard in banking operations.

Mr. Udaya Kumar holds a Master's degree in commerce, CAIIB from the Indian Institute of Bankers and is also a graduate in Bank operations and technology from BAI, USA.



Vinay Baijal

Retired CGM, RBI

Mr. Vinay Baijal retired as the Chief General Manager (CGM) from Reserve Bank of India (RBI) after working there for 35 years. He worked as CGM, Department of Banking Operations and Development, Central Office RBI for four years, dealing with regulatory framework for foreign banks in India, with an emphasis on International banking and Anti-Money Laundering. As CGM, Foreign Exchange Department, Central Office, RBI he dealt with policy framing and implementation of exchange control in India. Mr Baijal was the founding CEO of Banking Codes and Standards Board of India (BCSBI). Mr Baijal also worked as a member of the SEBI "Committee on Mis-selling of Mutual Funds" in 2011-12. He is associated as a senior consultant with KPMG.



Navin Kumar Maini

Retired Deputy Managing Director, SIDBI

Mr. Navin Kumar Maini retired as the Deputy Managing Director of SIDBI. He has more than three and a half decades of experience in the commercial and development banking in various facets of financing MSMEs & Large Corporate, Micro Credit and Core Business functions. He was also the Chief Executive Officer of the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), Mumbai. An alumnus of St. Stephens College, Delhi, Mr. Maini holds a Degree in Law from Delhi University. He is also a Postgraduate in Management from MDI and IIFT, besides being a Certified Associate of Indian Institute of Banking & Finance.

Independent Board Members



Rajat Kathuria

Director and Chief Executive at ICRIER

Dr. Rajat Kathuria is Director and Chief Executive at the National Think Tank Indian Council for Research on International Economic Relations (ICRIER), New Delhi. Rajat has worked with the Telecom Regulatory Authority of India (TRAI) during its first eight years (1998-2006). He has worked with the World Bank, Washington DC as a Consultant and carried out project assignments for many organizations, including ILO, UNCTAD, Linne Asia, Ernst and Young, Consultancy Development Centre (CDC) and Standing Committee for Public Enterprises (SCOPE). He has an undergraduate degree in Economics from St. Stephens College, a Master's from Delhi School of Economics and a PhD degree from the University of Maryland, College Park.



Ratna Vishwanathan

CEO

Belonging to the 1987 batch of the Indian Audit and Accounts Service, Ms. Vishwanathan comes with extensive experience across a range of departments of the Government of India including Defence and Prasar Bharti. In the development sector she has served at very senior levels in well-known international NGOs such as Oxfam and VSO. She steered these entities through critical change management processes as they transitioned from international liaison offices to 'full-fledged Indian entities'. Ms. Vishwanathan is a Director on the Board of Mudra, Member of the RBI's Financial Inclusion Advisory Committee and Chairperson of the South Asian Microfinance Network.

Board Committees

MFIN has three Board Sub-Committees

1. Human Resources

The Board sub-committee on Human Resources is responsible for the overall direction on HR related issues of MFIN including HR policies and appraisal of vertical heads. The ambit of the HR Committee was widened last year to include review of overall policy and processes of Human Resources within the members' network as and when the need arises. This sub-committee is chaired by the

President and necessarily has an independent member of the Board. Composition of the Committee during 2016-17 was as under:

- Rakesh Dubey, Chair
- N K Maini
- Ratna Vishwanathan, Member Secretary

2. Finance and Audit Committee

The Board sub-committee on Finance and Audit reviews the quarterly and annual financials of MFIN including utilization and variance analysis among other things. The Committee also guides investments of surpluses. The composition of the Committee during 2016-17 was as under:

- Rajat Kathuria, Chair
- Devesh Sachdev
- Ratna Vishwanathan
- Sharad Garg, Member Secretary

3. Nominations Committee

The key responsibility of the Nominations Committee is to identify candidates for independent positions on the Board, SROC and the EC. The composition of the Committee during 2016-17 was as under:

- Rakesh Dubey, Chair
- Vinay Baijal
- Ratna Vishwanathan, Member Secretary

Task Forces

MFIN has established a number of Task Forces for focused action on specific areas of activity that, from an overall industry standpoint, are deemed critical. The Task Forces comprise of representatives of member institutions who help drive specific initiatives with the support of the MFIN Secretariat.

1. Task Force on Advocacy

The Task Force on Advocacy is responsible for steering and guiding the advocacy and agenda within MFIN. It supports the Secretariat in drafting policy notes to various stakeholders including RBI, MoF and other Government departments. The Task Force engages with key policy makers and sector participants to inform them about the microfinance industry represented by NBFCMFIs and create a conducive policy and business environment for the industry.

The composition of the Task Force during 2016-17 was as under:

- Rakesh Dubey (Chair)
- Devesh Sachdev
- Meenal Patole
- Dibyajyoti Pattanaik
- Anand Rao
- Ratna Vishwanathan
- Sugandh Saxena and Vaishali Mishra (Member Secretary)

2. Task Force on Credit Bureau

The Task Force on Credit Bureau is responsible for strengthening the credit bureau eco-system for the microfinance clients in the country. Last year, the Task Force was instrumental in enforcing the Board Directive on KYC standards which require member MFIs to capture minimum 2 KYC documents from 4 standard KYC documents ie Aadhaar ID, Voter ID, Ration Card and MNREGA Job Card. Task Force also closely monitored the implementation of

KYC standards amongst MFIs with data from CICs. The composition of the Task Force during 2016-17 was as under:

- Rakesh Dubey (Chair)
- Ritesh Chatterjee
- Sadaf Sayeed
- Dev Verma
- Anujeet Varadkar
- Sugandh Saxena (Member Secretary)

3. Task Force on Small MFIs

The Task Force on Small MFIs specifically focuses on the issues related to small MFIs including access and cost of funding, impact of RBI Directions on pricing of credit in lowering interest rate regime and capacity building support. The Task Force also provided inputs for MFIN's engagement with the RBI on issue of pricing of credit which caps interest rate through base rate

method. The composition of the Task Force during 2016-17 was as under:

- Meenal Patole (Chair)
- Anand Rao
- Satya Chakrapani
- Rupali Kalita
- SR Sinha
- Amit Mathur (Member Secretary)

4. Task Force on State Initiative Task Force

The Task Force on State Initiatives reviewed the various field level issues brought to the fore by the State Initiative team and gave perspective to the team in addressing them more efficiently and effectively. These included advising on participation in the state chapter meetings, conducting trainings of district lead coordinators and

solving MFI employee issues. The composition of the Task Force during 2016-17 was as under:

- Anand Rao (Chair)
- Dibyajyoti Pattanaik
- Meenal Patole
- Achla Savyasaachi (Member Secretary)

SRO (Self-Regulatory Organization)

A Self-Regulatory Organization (SRO) is an organization that exercises some degree of regulatory authority over an industry. The four key aspects of self-regulation are designing the rules, adopting them, monitoring compliance and achieving the objective following the rules put in place.

There are three kinds of SROs—**independent statutory** organizations set up by an Act of Parliament such as the Institute of Chartered Accountants or the Medical Council of India; **recognized voluntary organizations** such as the Indian Banks' Association and the Association of Mutual Funds in India; and **voluntary organizations** such as the Advertising Standards Council of India and the Institute of Engineers. Till RBI's recognition in June 2014, MFIN was a voluntary platform.

"MFIN has been structured as a Self-Regulatory Organisation (SRO) for the microfinance industry. In exercising its role as a SRO, MFIN seeks to ensure that proper framework and processes are put in place by members to ensure adherence to the regulations stipulated by the RBI, the Fair Practices Code (FPC) and the Industry Code of Conduct (CoC) which is voluntarily adopted by all the Non-Banking Finance Companies (NBFCs) Microfinance Institutions.

SRO plays a critical role in the microfinance industry—by enforcing high ethical standards, bringing the necessary resources and expertise to regulation and enhancing client safeguards and market integrity.

Compliance Officer

As mandated by RBI, MFIN has designated a dedicated Compliance officer to manage the overall activities of the SRO and be the line of reporting to the RBI under the guidance of the Self-Regulatory Organisation Committee (SROC). The Compliance officer is the Member Secretary of the SROC and is responsible for coordinating the proceedings of the Committee.

Self-Regulatory Organization Committee (SROC) of the Governing Board

The Bye Laws of MFIN provides for a SRO Committee (SROC), which is a Board Sub-Committee. The role of the Committee is to provide guidance and steer enabling the industry to practice good governance. The committee exercises oversight for adherence to:

- Regulations and Guidelines prescribed by the RBI
- Industry Code of Conduct

The SROC functions in line with the RBI Guidelines dated November 26, 2013 along with the other directions issued by the RBI from time to time. It keeps the Board informed of all the facts of the Industry functioning and decisions taken by the SROC. It is the appellate body for the Enforcement Committee (EC) decisions and can recommend suspension, expulsion and termination of membership to the Board. However, the Board would have the final say on the implementation of the recommendations.

In an event of a dispute between Members, the decision of the SROC is final and binding.

The Committee comprises of 2 elected members of the Board, 2 independent members of the Board, and 1 independent member, who is a person of eminence and is well conversed with the financial services industry. The chairperson of the Enforcement Committee is also a member of the SROC. The Chief Executive Officer, MFIN is the non-voting Ex-Officio Member of the SROC.

The Current Composition of the SROC:

Sr No	Name	Particulars
1	Mr. N K Maini (Chair)	Ex-DMD, SIDBI, Independent Member MFIN Board
2	Dr. Rajat Kathuria	Director & CEO, ICRIER, Independent Member, MFIN Board
3	Dr. Kshama Fernandes	CEO, IFMR, Independent Member
5	Mr. Anand Rao	CEO, Chaitanya Microfinance, Board & Industry Member
6	Dr. Alok Misra	Faculty, MDI, Gurgaon, Special Invitee to SROC
7	Mr. Hareesh Kulshrestha	EC Chair, Ex-CGM, RBI, Ex-officio Member
8	Ms. Ratna Vishwanathan	CEO, MFIN, Ex-officio Member

Details of the SROC Meetings and Conference calls held during the year:

The committee, in this year had 3 Meetings and 1 Conference call.

Date	Meeting/Concall	Member Strength	Members Present
28-Jul-16	Meeting	8	7
03-Oct-16	Meeting	8	5
13-Feb-17	Concall	7	6
21-May-17	Meeting	7	5

Enforcement Committee

The Enforcement Committee (EC) has been constituted to impart proper enforcement of the Code of Conduct and exercise oversight for adherence to regulatory norms as prescribed by the RBI/ Government/any other regulatory authority. It functions under the overall supervision of the SROC and reports into the SROC. All decisions in the EC Meetings are taken by a simple majority of the Members present.

The role of the EC is to primarily handle issues arising out of internal disputes between the members and grievances arising from clients seeking redressal. Standard Operating Procedures (SOP) duly approved by the SROC defines the EC's role as an entity to handle such issues.

The EC can take the following actions subject to the guidelines approved by the Board:

- Issue Warning
- Issue Censure
- Levy fines for violations as laid down in the RBI's Fair Practices Code and Industry Code of Conduct
- Recommend Suspension/Termination of membership of any Member to the SROC

An appeal against the decision of the EC lies with the SROC. The decision of the SROC are in consultation with the Governing Board and is final.

The Current Composition of the EC

Sr No	Name	Particulars
1	Mr. Haresh Kulshrestha	Independent Member, EC Chair, Ex-CGM, RBI
2	Mr. Anil Girotra	Ex-ED, Andhra Bank, Independent Member
3	Mr. K S Singhwan	Ex-CGM, SIDBI, Independent Member
4	Mr. Satya Chakrapani	CEO, Shikhar Microfinance, Industry Member
5	Mr. Durgeshwar Mishra	CFO, SVCL, Industry Member
7	Ms. Sheetal Prasad	Member Secretary

Details of the EC Meetings and Conference calls held during the year:

Date	Meeting/Concall	Member Strength	Members Present
22-Jul-16	Meeting	6	6
10-Aug-16	Meeting	6	5
19-Sep-16	Concall	6	5
13-Jan-17	Meeting	6	6
30-May-17	Meeting	5	5

General Body Meeting

MFIN Annual General Meeting

The MFIN Annual General Meeting (AGM) was conducted on the 30th of June 2017 in New Delhi to adopt the annual budget and work plan for MFIN for the financial year 2017-18. The General Body Members also elected its new Board through a secret ballot process. The Governing Body members are:

- Mr. Rakesh Dubey
- Mr. Devesh Sachdev
- Ms. Meenal Patole
- Mr. Dibyajyoti Pattanaik
- Mr. Mohammad Nooruddin Amin
- Mr. Udaya Kumar
- Mr. K.M Vishwanathan

The nominated Independent members who continue from the last Board Meeting are:

- Dr. Rajat Kathuria
- Mr. Vinay Bajjal
- Mr. Navin Kumar Maini

- **President**
Mr. Rakesh Dubey
- **Vice President**
Mr. Devesh Sachdev

When the clock struck one....

November 2016 and the period thereon has been tumultuous for the NBFCMFI sector with ground level implications that affected the smooth flow of the business seen over the previous years. Post the discontinuation of High Value Currency Notes (HCVNs) with effect from midnight of 8th November, the industry was thrown out of gear initially. This was to be expected in a sector which is 99% cash intensive and has a unique doorstep delivery model specifically for the unbanked and underbanked.

The first effort was to reach out to the concerned Ministries and the RBI to allow the NBFCMFI sector to collect old notes for a specified period and with a suitable cap per borrower as a sizeable part of the borrower base is from peri urban or rural India where access to banking is low or not available. After due consideration, this request wasn't acceded to. Issues were further aggravated with low level functionaries with political aspirations jumping into the fray to rally unsuspecting borrowers with promises of loan waivers. In some states where elections were scheduled these issues were further acerbated. Despite this, the industry has been able to get their borrowers to repay loans. The fact of 80%-

85% collection during this period speaks of the value micro credit has in the lives of these borrowers. They are aware of the importance of strong credit histories and made the effort to payback.

During the whole two months' post discontinuing of HCVNs, MFIN engaged with State Governments at both the ministerial level as well as the bureaucracy, the RBI and extensively with the press to quell the surge of disinformation regarding microfinance practices. The irony is, however, that over the last 4-5 years, 45 million women have been brought into the framework of a regulated platform to access credit from a regulated platform. But the fragility of the process is evident in the fact of how quickly misinformation can lead to disrupting their credit histories making them once again vulnerable to the grey market as their primary source of credit. This illustrates the need for further educating clients on how best to take their own interests to not to become victim to misinformation. Going forward, this experience can only lead to further strengthening the sector and making it more resilient in the face of any exigency that may come forth.

Our Work

MFIN works through four verticals

Self-Regulation

Advocacy and Development

Communication and Marketing

State Initiatives

MFIN is organized into four verticals namely, Self-Regulation, Advocacy and Development, Communications and Marketing and State Initiatives to be able to focus on the priorities of the sector in an optimum manner. While previously policy advocacy was the primary focus and continues to be so, with the evolution of the sector there are various new functions that have become part of the framework. The Self-Regulatory function was part of RBI's remit to MFIN to help supervise compliance at a more granular level on behalf of the

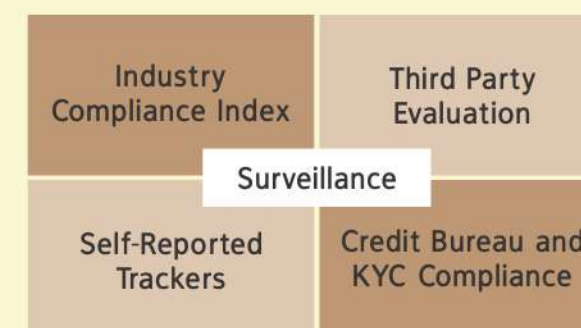
Regulator. With the sector coming back into its own over the last five years, there was a felt need for greater engagement with external stakeholders and a strong communication strategy was thought to be the way ahead. With the industry growing steadily ground level issues are often key indicators of sectoral good health. With this in view the State Initiative team keeps continuously engaging with industry issues at a field level to ensure smooth functioning.

Self Regulation

As mandated by the Reserve Bank of India (RBI), MFIN has been appointed as the Self-Regulatory Organisation (SRO) to regulate the industry on its behalf. The chief functions of the SRO include surveillance, grievance redressal and training and capacity building.

1. Surveillance

MFIN, in exercising its role as a SRO, seeks to ensure that proper framework and processes are put in place by members to ensure adherence to the regulations stipulated by the RBI, the Fair Practices Code (FPC) and the Industry Code of Conduct (CoC). Surveillance is carried out through the below four indicators:



A. Industry Compliance Index

Industry Compliance Index (IC Index) is a comprehensive self – assessment tool, which is a score card against various compliance parameters and is submitted twice in a year by each Member MFI. The tool comprehensively covers 94 parameters derived from the RBI's Fair Practices Code (FPC) and the Industry Code

of Conduct. The tool helps individual MFIs to systematically measure, manage and integrate appropriate Business Practices through gap analysis, benchmarking and tracking progress. It is broadly categorised into 4 segments which are further divided into 94 parameters to form the maximum total score of 100.

Disclosures to customers	(weightage 39%; sub-section – 5; parameter – 37)
Customer engagement	(weightage 20%; sub-section – 2; parameter – 18)
Institutional processes	(weightage 33%; sub-section – 4 parameter – 31)
Transparency	(weightage 8%; parameter – 7)

The Score of the Seventh exercise of ICIndex, 2016-17, HY1 stood at – 90.58%. Section wise Industry Score is as below:

Disclosure to Customers 94.09%	Customer Engagement 86.45%	Institutional Process 88.50%	Transparency 92.30%
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23% members have score > 95%

40% members have score in the band of 90%-94%

Only 6% members have score of less than 80%

B. Third Party Evaluation

In accordance with the SRO mandate from RBI to carry out surveillance on Members' compliance to statutory and other regulatory requirements, MFIN has put in place an external evaluation mechanism to validate the self-assessed compliance parameters and evaluation of other regulatory requirements.

MFIN has empanelled independent agencies to conduct Third Party Evaluation of all Member MFIs. Agencies have been

selected by both internal and external technical experts. To have uniformity in all the evaluations, MFIN has devised a Standard methodology, Report Template and Questionnaire for the Third-Party Evaluation exercise (TPE).

Seven member MFIs have been evaluated in this year. Nineteen MFIs have been evaluated till now and the remaining MFIs will be evaluated in the upcoming year.

C. Self-Reported Trackers

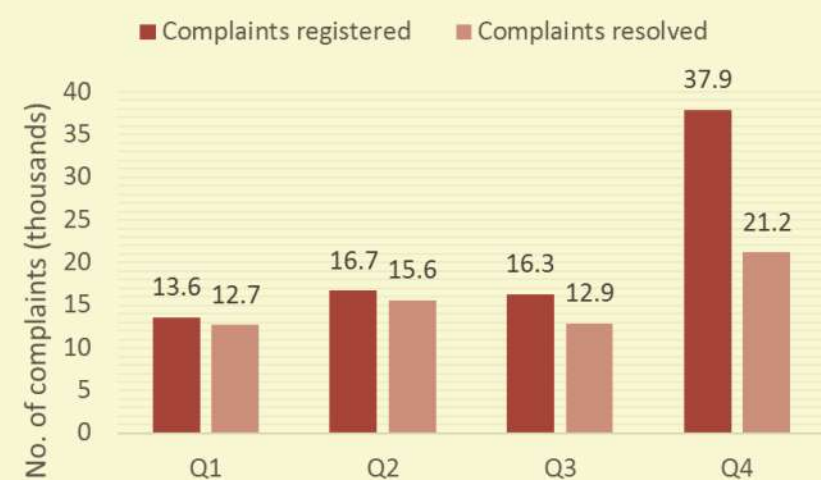
Insurance Trackers

Members submit Quarterly Insurance Trackers in a prescribed format. The tracker captures the details of Insurance cases registered with the MFI with their resolution status in the quarter. A revised Insurance Tracker with additional granular information on each case of Insurance has been devised and sent to Members. The information in the revised trackers will be received in the upcoming quarters.

Grievance Redressal Mechanism (GRM) Trackers

The Grievance Redressal data of the members is collected on a quarterly basis starting April 2016. Members must submit the details regarding all the client grievances reported to and resolved by them during the quarter. The self-reported data is then verified by MFIN on a sample basis. Out of the self-reported data, 3406 cases were verified by the customer care executives during FY 2016-17 for successful resolution. The details for the year is as below:

Quarterly Complaints Resolution



D. Credit Bureau and KYC Compliance

RBI mandates all NBFC MFIs to become members of all CICs having a functional MFI bureau. MFIN Credit Bureau Standards dated October 03, 2012 stipulates that all MFIN Members should submit full credit data to all CICs having a functional MFI bureau on a weekly frequency. MFIN KYC Standards mandates four valid documents to be collected from borrowers to achieve mandated state wise seeding of KYCs.

Based on the NOC shared by member NBFC MFIs, the Credit Information Companies (CICs) share a Monitoring Report every month along with other reports as required, with MFIN.

The MFIN Secretariat analyses the Reports received from CICs and presents a quarterly report with details on the following to the EC for review and further action on non-compliances:

- Timely submissions
- Comprehensiveness of data submitted
- Rate of rejection and
- Frequency of data submission

2. Dispute Resolution

Dispute between members of MFIN can occur over breach of Code of Conduct (CoC) or violation of relevant RBI Regulations. By joining MFIN, members have in-principle agreed that if they believe fellow members are in violation of CoC/RBI Regulations, they will use the SRO empowered system of

settling disputes instead of acting unilaterally. The Enforcement Committee is the body that addresses industry disputes and issues directives to MFIs. The SRO Committee is the Appellate Authority for dispute resolution cases.

The Total Number of Complaints received and processed during the year was 3589.

3. Grievance Redressal Mechanism

MFIN toll free helpline was launched in 2015 as a part of the client grievance redressal responsibility that MFIN has been vested with by the RBI.

MFIN Toll Free Number



With the MFIN toll free helpline, the three tiers of GRM that now exist for the microfinance industry are as follows:

- The client registers the complaint with the MFI. If the client is not satisfied with the resolution provided by the MFI, she can approach MFIN.
- At the second level is the MFIN grievance redressal mechanism, which examines cases of appeal by microfinance clients against MFIN

members. Clients can approach MFIN through a toll-free number displayed on the loan cards and premises of member MFIs.

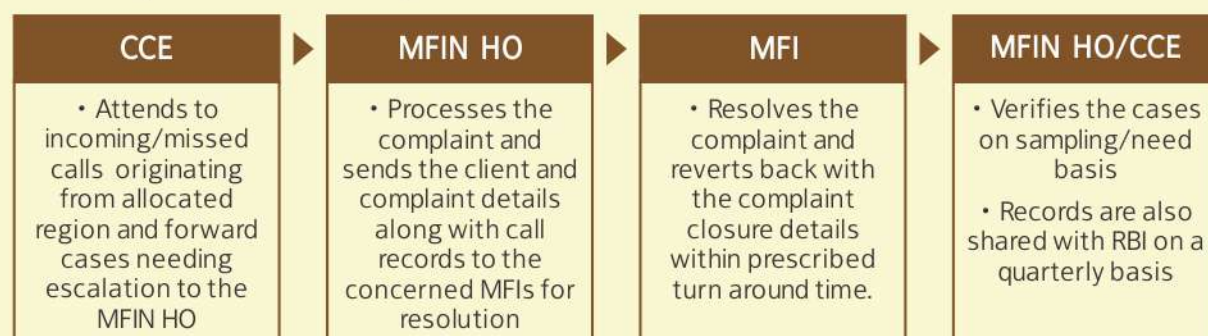
- iii. Customers also have the liberty to call the DNBS office of the RBI for resolution of their complaints.

Since nothing prohibits the client from reaching MFIN first, without exhausting the first level of grievance redressal mechanism at the MFI level, MFIN facilitates communication of client complaint to the concerned MFI and tracks its resolution.

Some of the salient features of MFIN Toll Free Helpline are as follows:

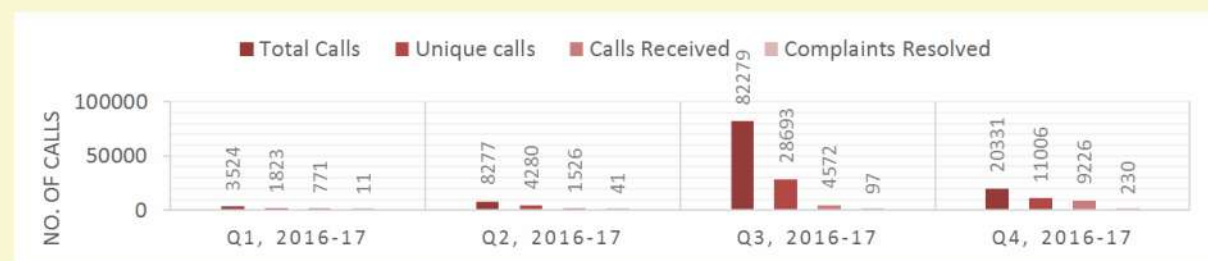
- Complete details of the call and caller are captured
- All the calls are audio recorded
- Existing facility for IVR based message drop and call back
- Geography based call routing to ensure call handling in vernacular language

The compliant resolution process is as below:



MFIN has recorded a significant number of clients calling at the MFIN toll free helpline with a considerable spike in the call volumes following demonetization. The nature of calls ranged from general queries to complaints regarding issues pending for resolution with the MFIs. To handle the increasing call volumes, five customer care

executives were recruited to handle calls in nine vernacular languages along with Hindi and English. In all, 16905 incoming calls were attended and 379 client grievance issues were resolved through MFIN toll free helpline during the FY 2016-17. Call Volume and Complaint resolution quarter wise is as below:



4. Other Activities

A. SRO Reports to RBI

As mandated by RBI, MFIN is required to submit Quarterly reports to the RBI covering all the activities and developments of the SRO. The Report covers the membership details, details of irregularities observed

during the quarter, status of Client grievances, studies or projects undertaken by the SRO and steps taken by Enforcement and SRO Committee in ensuring compliance by members.

B. Credit Bureau Audit Project

Credit Information Report (CIR) is the most critical information used by MFIs to measure the level of multiple/over lending amongst the clients. Since beginning, MFIN has been issuing a series of Standards and Guidelines to strengthen the Credit Bureaus eco-system for the microfinance industry.

MFIN in collaboration with IFC commissioned a Project on "Compliance Audit of MFIN Credit Bureau & KYC Norms & Observance of General Principles on Credit Bureau Reporting (GPCR)." The scope of the assignment was to conduct a study aimed at

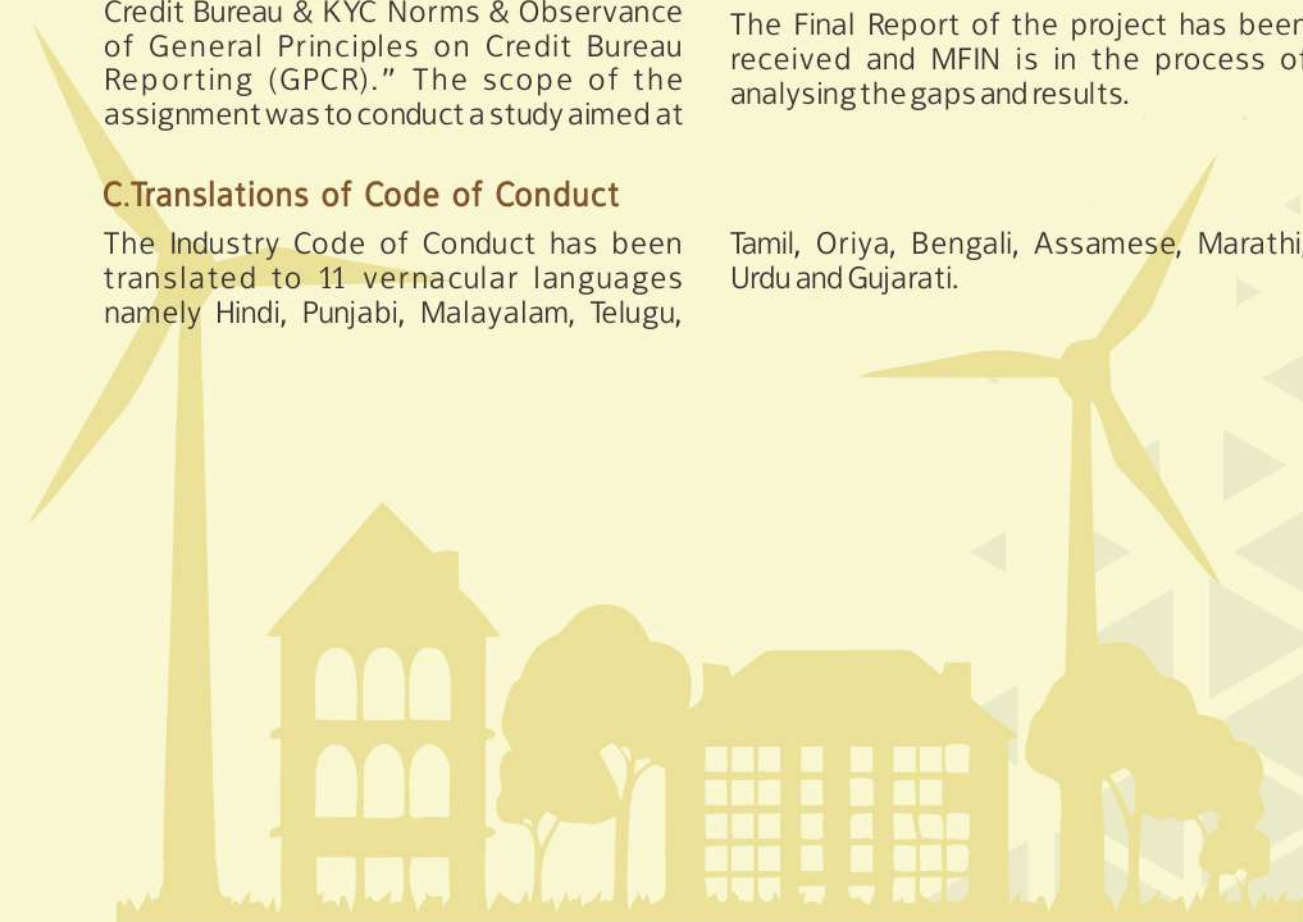
- Identifying and addressing the challenges around the credit bureau data which is sourced from the MFIs, so that accuracy, completeness and timeliness of such data is strengthened.
- Identifying and addressing the challenges around the matching logic used by the Bureaus, so that reliability on the reports is strengthened.

The Final Report of the project has been received and MFIN is in the process of analysing the gaps and results.

C. Translations of Code of Conduct

The Industry Code of Conduct has been translated to 11 vernacular languages namely Hindi, Punjabi, Malayalam, Telugu,

Tamil, Oriya, Bengali, Assamese, Marathi, Urdu and Gujarati.



Advocacy & Development

Advocacy

MFIN in its continued advocacy engagement focused on the key stakeholders and participants of the microfinance industry, more particularly with the Reserve Bank of India, Ministry of Finance (MoF), MUDRA/SIDBI among others.

The process of demonetization, severely impacted the microfinance business in the country in terms of new business as well as the portfolio quality. In many districts, local vested interests including political parties, manipulated the microfinance customers, forcing them to default on their loans. Environment of misinformation and mobilization of local sentiments against the MFIs, has completely spoiled the credit discipline in these districts. To deal with this situation, MFIN put in enormous efforts at various levels with the government functionaries at state and district level. MFIN also engaged with the state/district administration including police, Ministries of Finance & Home, RBI and the media to inform them about NBFCMFIs.

Additionally, there has been regular engagement with the RBI on regulatory issues around NBFCMFIs such as PSL, Qualifying Assets Criterion, Pricing of Credit among others.

MFIN also engaged with the RBI for a broader-universal regulatory architecture for the financial institutions operating at low-income market segments. With increasing policy focus on financial

inclusion, there are multiple Financial institutions operating in low-income market segments and their number is expected to grow in the coming years. Financial Institutions, being part of different regulatory framework, function with a varied degree of market discipline and customer protection code. To safeguard customer interests, it has increasingly become necessary for all Financial Institutions operating at these market segments to be subjected to the same set of customer level discipline.

MFIN organised a platform all the FIs to the sector, Banks, NBFCMFIs, SFBs, NBFCs to come together and discuss the possibility of devising and adhering to a common set of standards. All the FIs agreed to adopt and follow a common set of norms, around customer engagement, multiple/over lending, credit bureau/KYC standards. It was also agreed that there would be an Enforcement Mechanism within MFIN with representation from all FIs to monitor the compliance of these set standards.

MFIN also participated in different forums to discuss various policies and strategies affecting the industry including the:

1. RBI Committee on Financial Inclusion
2. MUDRA
3. ACCESS Assist
4. Technical Working Group on Credit Bureaus

taken a series of steps to contribute to the enhanced body of information to guide market practices and support policy discourse.

Development

Information Hub

Knowledge and information based on relevant, accurate and timely data are the edifice of MFIN's work. Over the years, MFIN has

The MFIN Information Hub provides wide-ranging data and analytics on the microfinance industry to be used by various industry participants including regulators, government, investors/funders, rating agencies, media and academia among others. MFIN Information Hub played an instrumental role in bringing greater transparency and accountability to the industry and supporting them with benchmarks.

During the last year, MFIN published four editions of the micrometer, which provided quarterly trends on the key operational and financial indicators on the microfinance industry at pan India and state level. Since the last couple of years, with transition of Bandhan into a Bank and many NBFCMFIs converting to Small Finance Banks (SFBs), the supply side of microfinance is evolving and besides NBFCMFIs; Banks, SFBs and NBFCs have become important players in the supply of micro-credit. To ensure that the micrometer can continue to provide real-comprehensive picture of the industry, the scope was broadened to include data from all key Financial Institution (FIs) providing micro-credit. With the support of all the relevant FIs, the publication was

successful in capturing over 90% of the micro-credit industry (excluding SHGs). In addition to the Micrometer, MFIN also publishes the MicroScape, an annual publication that is based on the audited financial statements of member MFIs. MicroScape provides a comprehensive annual analysis on the full range of operational and financial data.

Last year, MFIN published its third edition of the MicroSpread, which provides district level data of member MFIs on key operational indicators such as number of MFIs operating, branches, loan accounts, loan amount outstanding and disbursements. This publication is currently available to MFIN Members and Associates only.

Since demonetization, MFIN in collaboration with Equifax Credit Information Pvt Ltd, has been publishing a monthly report capturing the impact of demonetization on the microfinance industry. This report captures monthly-wise progress on loan outstanding, loans disbursements and Portfolio at Risk (PAR) up to district level therefore helping the industry to gauge the evolving situation.

Credit Bureau

Strengthening the Credit Bureau ecosystem for the industry is one of the most critical pieces of MFIN's work. Since the beginning, MFIN has closely worked with MFIs and the Credit Institution Companies (CICs) to improve the credit bureau ecosystem through a series of Credit Bureau standards, diagnostic studies, Systems and Process Guidelines on Credit Bureau systems and processes and monitoring framework.

One key achievement of the last year has been members compliance with the KYC standards which mandates capturing

minimum 2 KYC IDs from amongst 4 standard KYC ID (Aadhaar, Voter ID, Ration Card and MNREGA Job Card). Benchmarks for KYC seeding were gradually increased during the year to allow MFIs to align with the requirements.

This greatly helped in improving the KYC seeding in loan accounts and thereby improving the overall data quality of data submission of MFIs and match by CICs. As a result of this effort the Aadhaar seeding has increased to 93% in the new loans disbursed.



Others

As part of its mandate to improve the ecosystem of the industry, MFIN undertook several initiatives in different areas as under:

Study on the Adoption of Cash Lite model among MFIs in India':

NBFCMFI industry in India, which caters to the low-income segments, has traditionally structured its operations of disbursement and repayment towards a cash-intensive approach. However, with growing focus on Digital Financial Services (DFS) and availability of various digital financial models, NBFCMFI industry has gradually started exploring use of DFS to serve a larger base of its market segment. Many interventions around DFS are at a nascent stage and cash-lite models are still evolving with key actors grappling with associated challenges including transaction costs, capacity building, client education and protection.

So far there hasn't been any industry-wide mapping of these experiences for the benefit of the industry at large. Additionally, there is a need to fold in perspectives of technology service providers, industry experts, institutional investors and clients, and recommend interventions/measures to accelerate adoption. To address these

knowledge gaps, a 'Brief study on the Adoption of Cash Lite model among MFIs in India' is currently underway. The Study is expected to understand and assess the strategic models adopted/piloted by various players to allow for cash-lite processes/operations including the pros and cons of various cash-lite models and recommend measures to accelerate adoption of cash-lite operations

Quick Study on Impact of Demonetization on MFI clients':

Demonetization has had varying impacts on the microfinance industry at various levels. While, its impact is relatively measured and known for the Microfinance Institutions (MFIs), qualitative or quantitative assessment about its impact on the microfinance clients remains unknown. To address this gap, MFIN with support from SIDBI undertook a 'Quick Study on Impact of Demonetization on MFI clients'. The Study focused on the two districts of Beena in Madhya Pradesh and Amrawati in Maharashtra.

Communications and Marketing

MFIN's communication and marketing strategy has focused primarily on building a positive perspective and image of the sector by engaging proactively with external stakeholders. This has included visioning and positioning efforts with relevant stakeholders and establishing MFIN as a knowledge hub.

MFIN has systematically over the past one year engaged with the media at the national, state and district level to build a positive and informed perception about the industry. The devaluation of the higher note currency in the month of November 2016 required MFIN to actively engage with the media to deal with different perceptions of the industry during the period. The vertical addressed the media at both the national and the regional level through a variety of activities including media interfaces, advertorials, interviews, opinion pieces in print and electronic media. There was a sustained campaign in the All India Radio to address rumours and various perceptions around loan waiver that the industry had to tackle due to rumour mongering of certain vested interests.

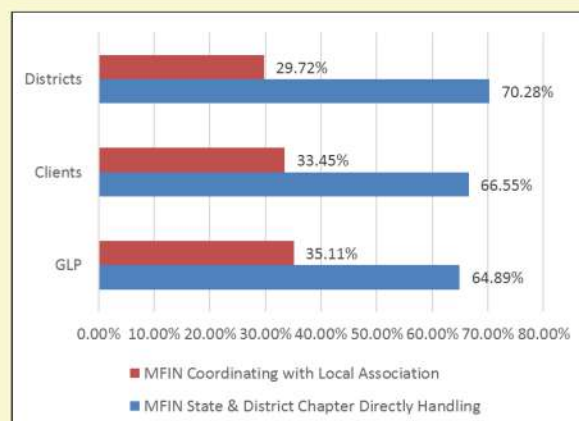
MFIN also organised series of media interfaces across the country to socialise the sector with the press. This has resulted in the vernacular press publishing articles about the positive role that the sector is playing in providing access to finance to the vulnerable low-income populations. At the national level, MFIN has been engaging with leading financial dailies as a source of information and opinion on varied industry issues. In addition to this, the vertical supports the State Initiatives team in addressing perception issues faced by the NBFCMFIs in the field. The enhanced visibility of MFIN has resulted in the organisation being positioned as a thought leader of the sector.

MFIN engages actively with networks and organisations such as SAMN, SEEP Network and Banking with the Poor to promote exchange of knowledge and best practices. This year MFIN organised the bespoke Conclave on Microfinance with 12 Asian countries participating in the proceedings. The Conclave is an annual MFIN property that will aim to build a platform of knowledge and interface between different models of microfinance operating across the globe. MFIN regularly provides empirical data to the Banking with the Poor and SAMN for their periodic assessments about the country level industry growth.

MFIN is committed in engaging with different stakeholders and as part of its Associateship programme has brought into its fold diverse players such as banks, NBFCs, insurance companies, think tanks and business correspondents. For more details, please refer to the section on Associateship.

To stay relevant in the public eye, MFIN has been building on various communication collaterals. MFIN released a Documentary "Kiran: A Ray of Hope" at the MFIN Conclave. The movie depicts the story of Kiran a microfinance borrower and her journey in becoming an entrepreneur. MFIN has also developed a financial literacy application MFINConnect that aims to educate a potential borrower in understanding the process of accessing credit and the potential of becoming an entrepreneur. MFIN in collaboration with PwC published a report on Microfinance in Asia: A Mosaic.

State Initiatives



The MFIN State Initiative vertical aims to provide effective network of platforms across states and districts to address ground level issues faced by members in the field. The vertical also aims to fill in information gaps on policy advancements amongst vast set of stakeholders and facilitate members and the community connect.

MFIN Members operate in 509 districts across 31 states and union territories. MFIN State Initiative operates in 424 districts through its 13 State/ Composite Chapters and 339 district forums (275 individual and 64 composite district forums). MFIN state and district forums collectively contribute significantly to create a conducive environment for the microfinance operations in the financial inclusion space. The team also underlines issues that are emerging repeatedly in the field through its State and District platforms. The vertical plays a crucial role in generating information on markets that have never been explored earlier by the formal financial institutions. This enables service providers to take more informed decisions for their operations.

MFIN State Initiative's outreach	
Region	Name of the State Chapter
Eastern & North-Eastern	North-East Composite Chapter (Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim & Tripura)
	Bihar
	Jharkhand
	Odisha
	West Bengal-AMFI-WB
Western	Gujarat
	Maharashtra
	Rajasthan
Southern	Karnataka-AKMI
	Kerala-KAMFI
	Tamil Nadu
	Telangana & Andhra Pradesh

During the year MFIN organized 54 State Chapter Meeting and 568 district forum meetings across all the regions. During these meetings, various key business and industry related agenda were discussed and allied collective activities were taken up. These platforms also provide opportunities for sharing, learning and peer group feedback to state level leadership of member institutions.

The first four months of the year till November 8th witnessed challenges arising from Protection of Interests of Depositors Act in the states of Bihar, Jharkhand, MP, Chhattisgarh, Orissa. There were major break throughs with some of these states with the issuance of letters by the Reserve Bank of India-Regional Offices and even by their direct intervention to address stress coming from the implementation agencies.

The space of financial inclusion observed major issues and challenges post the national government's decision of

devaluation of higher currency notes. The first two months were conditioned by limited availability of legal tender with customers leading to repayment issues. Pressure groups gave illegitimate assurances to customers for loan waivers and repayment holiday that led serious repayment crisis in the field. The team dealt with these different challenges proactively along with the support of other verticals including the Communications and Marketing team.

Moving forward the State Initiatives team will work towards strengthening the member connect with relevant stakeholders including the clients through various training and sensitisation exercises.

MFIN State Initiative's outreach	
Region	Name of the State Chapter
North	Delhi & Haryana Composite Chapter
	Northern Composite Chapter (Himachal Pradesh, J & K, Punjab & Chandigarh)
	Uttarakhand
Central	Madhya Pradesh
	Chhattisgarh
	Uttar Pradesh-UPMA



Microfinance in Asia

Financial Inclusion today is not just a concern limited to the developing or underdeveloped countries alone but also that of developed economies. As an enabler, greater financial inclusion contributes to development goals of poverty reduction, economic growth and jobs, greater food security and agricultural production, women's economic empowerment, and health protection. As economies recover from global recession, the need to harmonize financial inclusion and financial stability objectives has become even more pronounced. The concept of financial stability is gaining traction in the macroeconomic frameworks and policies of both developing and developed countries, and leaders and policymakers are making public, high-profile commitments to financial inclusion through initiatives such as AFI's Maya Declaration and, closer home, the PMJDY and a slew of financial corrective measures.

The financial inclusion movement in developing economies especially that of Asia and South-East Asia is gaining momentum. This isn't without reason. In Asia alone, fewer than 27% of adults have an account in a formal financial institution

and only 33% of enterprises report having a line of credit or loan from a financial institution. It is in this context that the importance of Microfinance in enabling developing economies to foster the climate of Financial Inclusion gets underlined. **Microfinance** is typically defined as a source of financial services for entrepreneurs and small businesses lacking access to banking and related services. The two main mechanisms for the delivery of financial services to such clients are: (1) relationship-based banking for individual entrepreneurs and small businesses; and (2) group-based models, where several entrepreneurs come together to apply for loans and other services as a group.

In India alone which has around a little less than half of its 1.2 billion people (Source: 40% according to the prepared by PricewaterhouseCoopers India for the Internet and Mobile Association of India (IAMAI) and Payments Council of India), microfinance has proved worthy in providing access to credit to the most vulnerable populations in the country. In the year 2015-16, the NBFCMFI industry reached out to over three hundred crore clients. However, there are also reports which indicate that microfinance doesn't

necessarily lead to long term entrepreneurial growth but is more of a short-term access to immediate credit which doesn't lead to promotion of financial inclusion.

With the understanding that microfinance as a viable model in realising access to financial credit, MFIN organises an annual platform to provide practitioners, policy makers and other relevant stakeholders to share best practices, knowledge and network. As first of the series MFIN in association with the South Asia Microfinance Network (SAMN) organised a South Asia level Conclave in Delhi, India. The Conclave "Financial Inclusion to Sustainable Development: The Road Travelled" brought together participants from five South Asian countries of Pakistan, Afghanistan, Bangladesh, Sri Lanka. Some of the key highlights captured within the first edition were:

- Unveiling of MFIN documentary during the opening session.
- A Special video message by Nobel Laureate Muhammad Yunus
- Inaugural Address was made by DFS Secretary along with other key dignitaries. while the Valedictory Address was given by Honorable

Member of Parliament – Ms. Supriya Sule

- Unveiling of the MFIN publication "Pathways to Financial Inclusion in South Asia: The role of Microfinance by Mr. Vijay Mahajan
- It witnessed participation as speakers from Reserve Bank of India, Member of Parliament etc.

The second edition of the International Conclave for the year 2017 Microfinance in Asia: A Mosaic focussed to bring practitioners and stakeholders to discuss and deliberate on key subjects such as regulations, governance, perception management, informing the microfinance sector across the world. It included participation from South Asian and South East Asian countries of Vietnam, Myanmar, Philippines, Indonesia, China, Cambodia, Russia, Bangladesh, Laos and Pakistan.

The Conclave discussed issues centering on various aspects of microfinance including enablers, players and clients and tried to capture mutually beneficial practices from across the region with the intention of creating synergy and excellence in microfinance. Few of the

conference's topics discussed included:

- Technology in Microfinance: Are We Geared to Reach the Unbanked and Underbanked
- Governance Structures in Microfinance
- Bankers Perspective on Engagement in Microfinance
- Low Cost Technology Options for Affordable Service Delivery
- Need for 360-degree reporting by Credit Bureaus
- Clean Energy Options for Low Income Households
- Building the Right Perception: Communication in Microfinance
- Concluding with Grand Debate – Will we Ever Learn.

Some of the key highlights of the programme included:

- Participation of over 450 delegates, 60 speakers along with 27 sponsors & exhibitors
- Launch of the MFIN corporate movie
- Launch of Literacy Application - The multi lingual financial app will act as a guide and ready reckoner for clients which will mainly cater to underbanked

and unbanked population within the country. The app is available on android platform and is available in six different languages. It is aimed to help clients in understanding the dynamics of microfinance including credit history, interest rates, loan repayment structures etc.

- The event was inaugurated by Ms. Meenakshi Lekhi, Honorable Member of Parliament, Lok Sabha.
- Special address by Mr. Santosh Gangwar, Honorable Minister of State for Finance.
- The Event concluded with the Grand Debate which was one of the key panel discussions the topic being : As a sector when will we learn?. The panelists included Mr. Vijay Mahajan, Ms Ratna Vishwanathan, Mr. Narasimhan Srinivasan, Mr. Tamal Bandyopadhyay, Mr. Rajeev Ahuja, Mr. Alok Prasad & Mr. Parag Jariwala.
- The event was covered and telecasted on NDTV Prime with 45 promos and one repeat show.
- Detailed Proceeding of the Conclave covered by PwC titled : Micro Finance in Asia: A Mosaic Future Outlook



MFIN Events

Annual Round Table for Associates

MFIN hosted the first-round table for Associates in September 2016 in Mumbai. The objective of the round table was to

understand the expectations of the Associates from MFIN and to charter the year's activities and advocacy efforts.

Annual Investors Conclave

MFIN in association with Venture Intelligence hosted the 5th edition of the Annual Investors Conclave in Mumbai during the month of October 2016 in Mumbai. The conclave is a networking

event which brings together members from the NBFC/MFI Industry and Investors together to explore opportunities and collaborations. There were around 40 investors who participated in the Conclave.

Workshop on Risk Management

There is an increasing recognition of the importance of a robust Risk Management Framework in the microfinance industry. Developments of last year, particularly in the aftermath of demonetization, has further underscored the importance of Risk Management, particularly the operational risk at institutional level as well as at industry level. With this background, a two-

day Workshop on Risk Management was organized for members and associates in the month of May 2017. The Workshop provided participants a platform to learn about the fundamentals of Risk Management including use of data for Risk Analysis as well real-life case studies and best practices.

Workshop on 'Digitalization in Microfinance

MFIN organized a day long workshop titled 'Digitalization in Microfinance: A Conversation' in August 2016 at Mumbai. This workshop brought together key

technology and channel partners, lenders as well UIDAI to discuss ways to digitalize the customer interface.

mfin Achievements

CNBC TV 18 - Financial Inclusion Award for Institutions & Philanthropic Trusts for Evangelizing Financial Inclusion to Empower women



MFIN was awarded by CNBCTV 18 for its pioneering effort in facilitating financial inclusion for women in the category "Financial Inclusion Award for Institutions & Philanthropic Trusts for Evangelizing Financial Inclusion to Empower women". CEO MFIN, Ms. Vishwanathan accepted the award during a ceremony conducted on 21st October, 2016 at Taj Palace, New Delhi as part of the 4th Edition of The Financial Inclusion Agenda Conclave.

The underlying objective of the Conclave was to bring all the stakeholders - Finance Ministry, Banks (public & private sector), NBFCs, NABARD, Microfinance Institutions, Telecom Players, Technology Providers and



Corporate India onto a single platform to find out what would be the next steps and best approach to take Financial Inclusion to the next level and make it sustainable.

The Innovative Leader Award-CEO of the year by World HRD Congress in association with ABP News.



Mr. Rakesh Dubey, President of MFIN, was awarded the "The Innovative Leader Award-CEO of the year" at Taj Landsend, Mumbai on the 14th of February 2016. The Banking Financial Services & Insurance Awards was organized by the World HRD Congress in association with ABP News.

Industry Trends

Market Players

There are over 100 lenders in the microfinance segment. This group comprises NBFC MFIs, NBFCs, Banks, SFBs, and others. Out of these, players contributing to more than 90% of microfinance lending are MFIs members/associates.

As of 31st March 2017, NBFC MFIs accounted for 42% of microfinance lending. The

aggregate gross loan portfolio (glp) of MFIs stood at Rs 46,847 Cr (excluding non-performing portfolio i.e. PAR > 180 days in Andhra Pradesh and Telangana). This represents a yoy growth of 25% over FY 15-16 and 5% over the last quarter. Performance of NBFC MFIs in FY 16-17 is given below:-

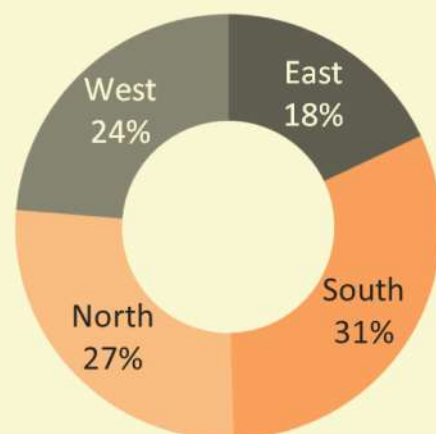
Indicator	FY 16-17 (as of 31st Mar 17)
Branches	9,012
Employees	86,440
Clients~ (Cr)	2.75
Loan accounts (Cr)	3.07
Gross Loan Portfolio (Rs Cr)	46,847
Loans disbursed (during the year, Cr)	2.83
Loan amount disbursed (during the year, Rs Cr)	50,266

Pan India presence of NBFC MFIs

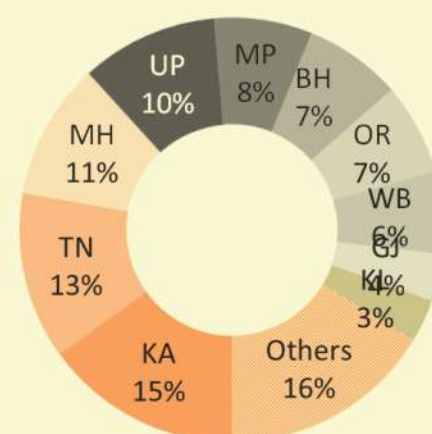
As per current regional distribution of portfolio (GLP), south accounts for 31% of the total industry portfolio, north for 27%, west for 24%, and east for 18%.

Top five top states, viz. Karnataka, Tamil Nadu, Maharashtra, Uttar Pradesh, and Madhya Pradesh account for 54% of glp.

Regional distribution of glp (31st Mar 2017)



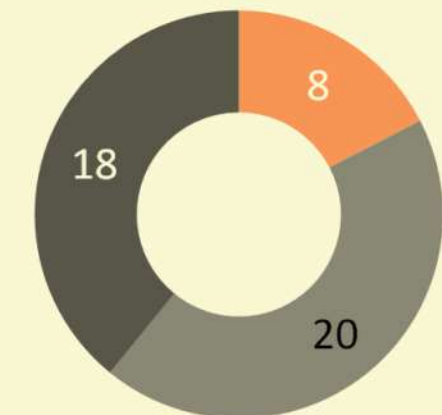
State wise distribution of glp (during FY 16-17)



Distribution of NBFC-MFIs

- MFIs (small)
glp < Rs 100 Cr
- MFIs (medium)
glp < Rs 100-500 Cr
- MFIs (large)
glp > Rs 500 Cr

Distribution of MFIs (as of 31st Mar 2017)



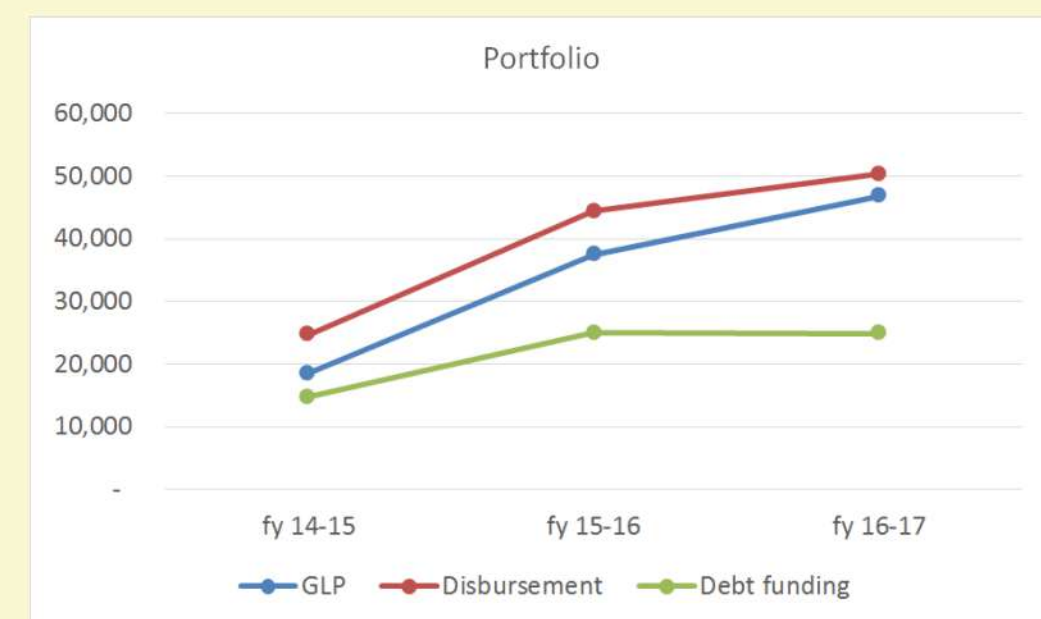
Outreach

NBFC MFIs have presence in 32 States/UTs. As of 31st Mar 2017, NBFC MFIs on aggregated basis have a branch network of 9,012 and employee base of 86,440 of which 64% are loan officers (i.e. 55,574) who provide door-step credit to low-income clients served by the MFIs. There has been growth of 3% in employees, 4% in loan officers and 2% in branches compared with

last quarter. On yoy basis, employee base has increased by 49% and branches by 32%.

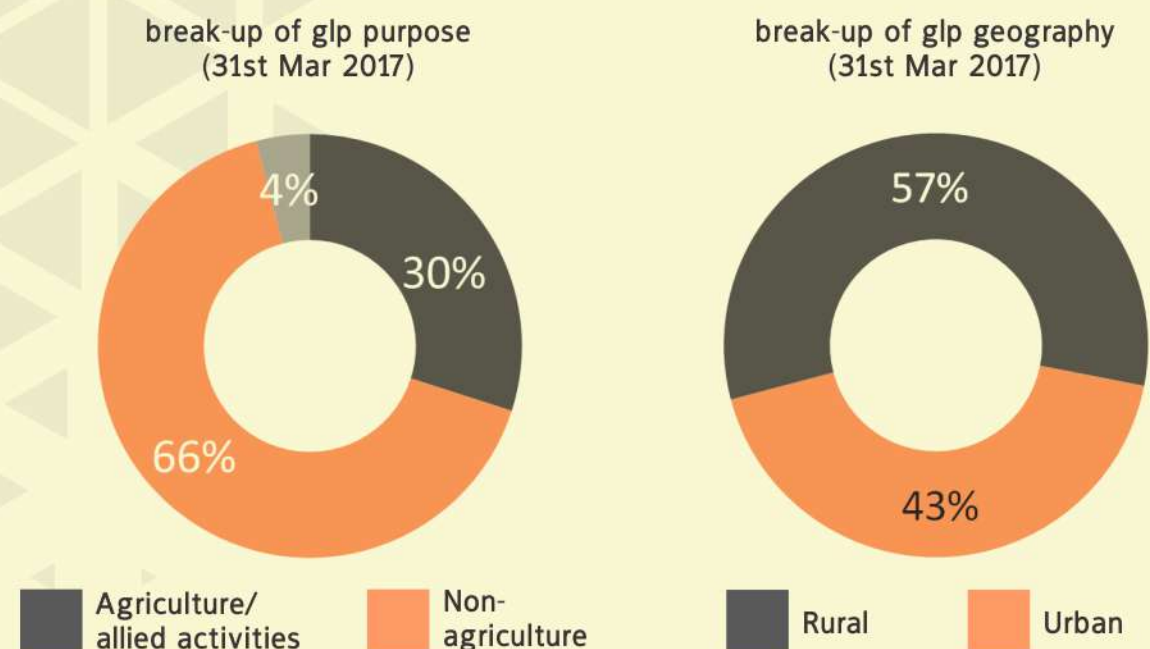
As of 31st Mar 2017, MFIs have reported 2.75 Cr clients with 3.07 Cr loan accounts. It may be noted that client number given here is not unique and does not factor for overlaps. During FY 16-17 MFIs disbursed 2.83 Cr loans worth Rs 50,266 Cr.

Portfolio of NBFC MFIs



*The GLP numbers shown are after a) excluding the non-performing portfolios in Andhra Pradesh and Telangana (PAR > 180 days) and b) BFIL portfolio in Andhra Pradesh and Telangana.

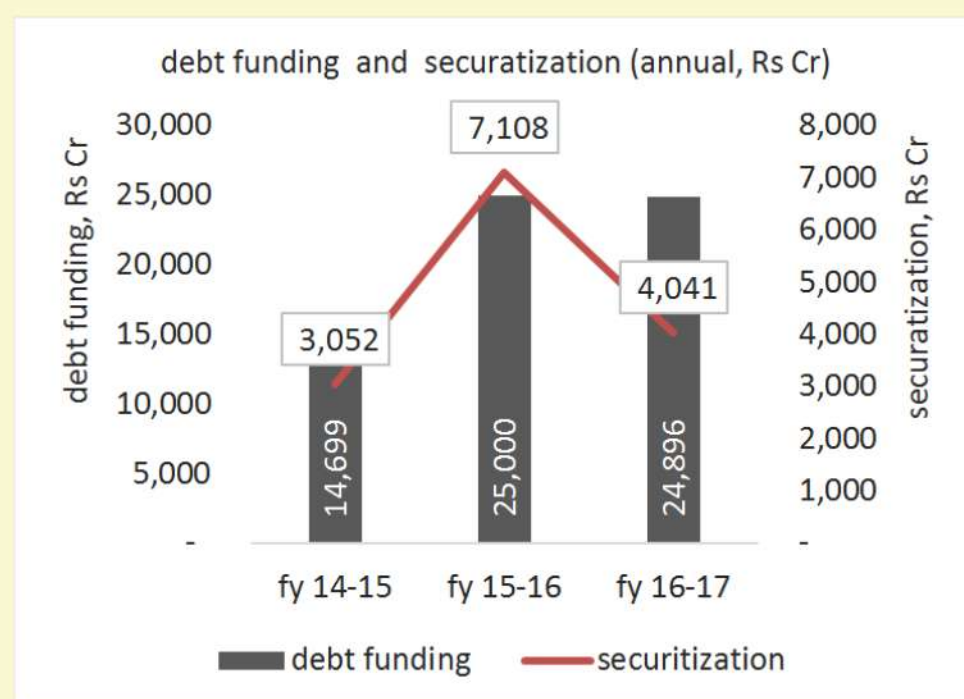
Breakup of portfolio as per purpose and geography



Industry Funding

During FY 16-17, MFIs received a total of Rs 24,896 Cr in debt funding (from Banks and other Financial Institutions). Group of large MFIs account of 91% of total debt funding received in FY 16-17. During this FY 16-17,

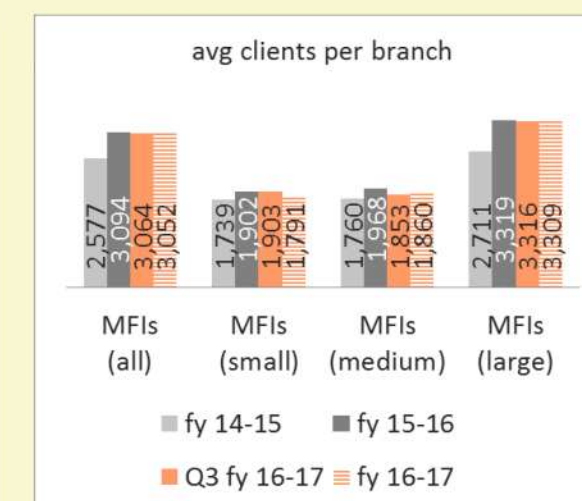
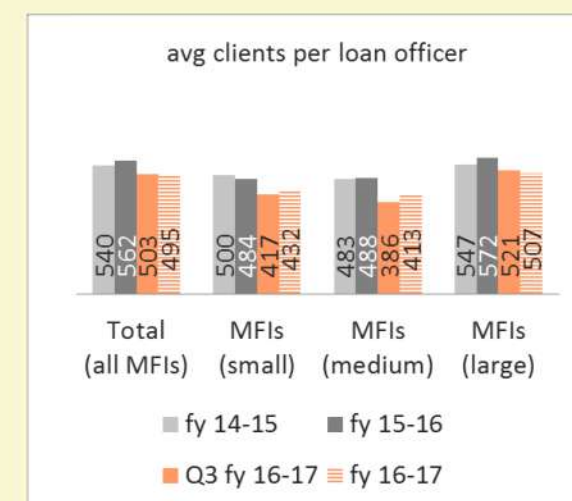
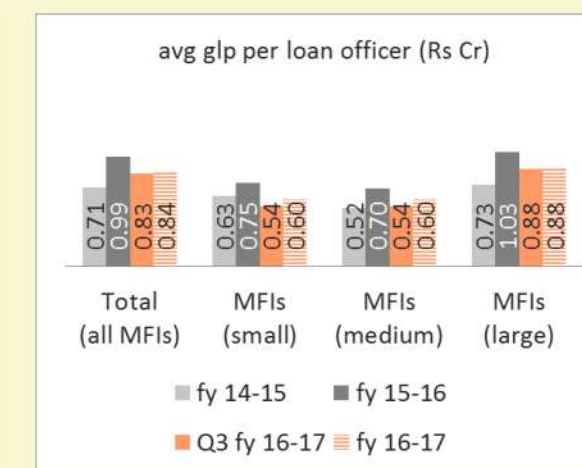
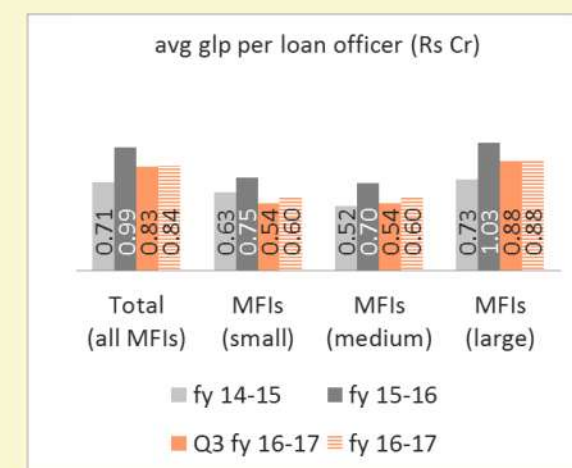
Bank funding accounted for 55% of total funding. It may be noted that non-Bank funding includes debt raised in market through NCDs.



Productivity

On aggregated basis, a typical loan officer in the industry on an average caters to 495 clients with a portfolio of Rs 0.84 Lakhs.

Similarly, on aggregated basis, a typical branch in the industry on an average caters to 3,052 clients with a portfolio of Rs 5.2 Cr.



Portfolio Quality

There has been a sudden deterioration in the portfolio quality in FY 16-17. Portfolio at risk (PAR)>30 has increased to 14% from under 1% in previous quarters. This abnormal increase in PAR is attributed to

lower recoveries post demonetization on 9th Nov 16 which resulted in shortage of cash and related adverse impact on income and livelihoods of low-income households.



Microfinance Plus

MFIN Members are committed in helping their clients' financial, social and economic opportunities. The added dimension of socio-economic opportunities is referred to as "Microfinance Plus."



Annapurna Microfinance Pvt. Ltd (AMPL)

The complete gamut of services offered by Annapurna includes providing credit facilities for income generating purposes which includes skill development trainings for clients to have a sustainable income.

Financial Literacy Trainings are organized monthly to inform clients on maintaining cashbook and encouraging internal lending and develop a culture of regular and timely repayment of their monthly instalments. As many as 400 such trainings, benefitting 1200 women groups have been organized in the last one year.

AMPL integrates credit with that of social responsible services like SWASTH (Safe Water & Sanitation to Households) –that includes awareness building on the use of safe sanitary uses, use of potable drinking water, training of masons who can build affordable lavatories.

Additionally, the clients are offered financial assistance to construct toilets, tube-wells, install water purifier, etc. SWASTH loans have ensured improvement in overall health and well-being of more than 20000 households across operational states.

Last year Annapurna as a pilot activity initiated Financial Literacy and Women Empowerment program along with ACCION, under SIDBI-PSIG program supported by DFID to improve financial services for poor which resulted in benefitting 12000 clients through trainings provided by the Master Trainers (MTs) in Odisha. These MTs were trained on application of Information Communication Technology to train the SHGs and other clients through digital media, interactive games, mass awareness camps, role plays etc.

Asirvad Development Foundation

Asirvad Development Foundation (ADF), has been providing financial assistance to the underprivileged deserving students for Education, renovation of dilapidated school buildings and construction of ladies' toilets in schools etc. Through philanthropic contribution and support of employee volunteerism, Asirvad Development Foundation aims in advancing social change through educational, financial, humanitarian and health-related initiatives. One of the primary objectives of Asirvad Development Foundation is to foster the educational needs of children, preferably girl child, who shows willingness to study but is prevented from doing so due to lack of resources.

One of the programs undertaken during this year was the financial support provided to the underprivileged students to pursue their education.

During the financial year 2016-17 (ADF) has provided various financial assistance to the

deserving people apart from the annual educational scholarships to the students. The major contributions are as below mentioned:

- Contribution towards AIM FOR SEVA for the construction of Toilet blocks building in Semmangudi Boys Student at Kumbakonam, Thanjavur District.
- Contribution to Dream Runners Foundation for Prosthetic Legs.
- Contribution to Amaravathi Government School, Kumily for construction of Girl's toilet.
- Contribution for medical aid to a child for eye surgery.
- Contribution for financial assistance to family members of deceased employee of Asirvad.
- Contribution to Sri Sathya Sai Institute of Educare, Chennai for installation of Solar Panels.

BSS Microfinance Private Limited

BSS NBFC extends small loans to poor women borrowers (rural & urban) by following the Joint Liability Group for lending, primarily for income generating activities, and for life quality improvement activities. BSS follows group-based lending program – lending to group based individuals, on group recommendation and group guarantee on the original principals as outlined by Grameen Bank. Below mentioned are the CSR Activities undertaken by BSS Microfinance Pvt. Ltd.

The Akshaya Patra Foundation:

The organisation has contributed to "The Akshaya Patra Foundation", Yeshwanthpura, Bangalore an amount of (Rupees Twenty Six Lakhs Sixty Nine Thousand Only) in February 2017 towards eradication of hunger and malnutrition through their mid-day meal programme for Government schools & Government aided school children.

Swami Vivekananda Youth Movement:

The Company has contributed towards, "Swami Vivekananda Youth Movement", Mysuru an amount of (Rupees fifty Thousand Only) in February 2017 towards poor patients who access the health services at SVYM's hospital (SVYM's priorities being Health, Education, Socio Economic Empowerment Program and Training & Research).



Chaitanya India Fin Credit Pvt. Ltd.

Chaitanya India has carried out programmes in the following space:

Financial Awareness Programmes: Spreading the message on Financial Literacy through village programmes has helped Chaitanya to create awareness among the financially excluded people on various social security schemes like the PMJDY, PMSBY and Sukhanya Suraksha

Yojana etc. Chaitanya has successfully delivered more than 1200 villagers by organizing eight Literacy Programs in five different districts in joint collaboration with Canara Bank, Syndicate Bank, SBI, Corporation Bank and Vijaya Bank.



Skill Trainings: Duration

Chaitanya has been implementing programmes related to enrolment for skill development training where the objective is to encourage youth to undergo

residential trainings, provided by RUDSETI, RSETI, VSETI etc. 23 programs were conducted by creating more than 50 beneficiaries.



Veterinary Medical Camps

Veterinary aid camps benefit the local people to improve their animal production. During the tenure (March- Sept, 2016), four Veterinary Health Camps were organized by Chaitanya for the benefit of rural farmers. Camps were organized in collaboration with

Animal Husbandry Department within the districts of Koppal, Bellary, Davangere, and Shimoga. During the camp, more than 350 animals were treated for different medical, surgical and gynaecological ailments



Livelihood Programmes

During this period, Chaitanya had undertaken the project of making Tambulam Bags. The objective of this project was to identify tailors who were interested to stitch Tambulam Bags & earn minimal wages in their spare time. The project was completed with producing 5000 Tambulam Bags after working with 8 different tailors staying in & around Chitradurga district. This project supported to create livelihood income especially for Widow, Separated & Divorced women.



Fusion Microfinance

Fusion Microfinance has undertaken numerous social activities for the welfare of its clients and the community at large.

- Digital literacy programs were conducted for the community people with the objective to educate them on various modes of cashless payments.
- Health Camps were organized at various locations on the occasion of International Women's Day 2017. The medical team included a Gynaecologist and General Physician who diagnosed people on the basis of which free medicines were distributed.
- Financial Literacy Programs were provided to the clients during CGT by the usage of a pictorial tool kit. Clients were educated on various aspects of money management, joint liability, proper utilization of money earned etc.
- Solar lights were distributed to the clients in order to motivate them to use solar lights to eliminate the concern of electricity shortage.
- Toilets have been built for the community use at Ladwa (Haryana) to promote Swachh Bharat Abhiyan of the Government of India.

Grameen Koota Financial Services

Grameen Koota Financial Services Pvt. Ltd. was born out of the need for timely and affordable credit to India's poor and low-income households. Over the past 18 years Grameen Koota has transitioned from NGO program into a sustainable and socially focused institution spreading across rural India. 5% of the Annual profit is spent for awareness on Safe Water, Sanitation, Education, Financial Literacy and Social awareness activities.

One of the activities undertaken is the **WASH Programme** (Water, Sanitation & Hygiene programme) where it educates the importance of sanitation & hygiene resulting better health with reduced household expenditure. Various campaigns such as Kendra level trainings, street plays, taluka level workshops, wall paintings,

masons' trainings, training of Gram Panchayat members, school children, Grameen Koota staff are undertaken as part of the program. During the financial year 2017, Grameen Koota supported 128,121 households with sanitation loans and 38,674 households with water loans to get access to clean drinking water.



Sushikshana - Child Education Program

The main objective of this programme is to educate school kids on non-curricular topics like Water, Sanitation, Hygiene, Financial Literacy and Career Guidance.

Grameen Koota with the support of Navya Disha staff and volunteers delivers interactive audio-visual content designed specifically for students.

Journey of Jagruthi – The voice of women empowerment

Grameen Koota created Jagruthi, as an awareness building tool with the vision to empower Grameen Koota members by providing women with historic information. Storytelling is a critical channel of providing information. Grameen Koota conducts this programme on a weekly basis where the letters written by Jagruthi are read out at the end of weekly meeting. The letters written in a colloquial, lively fashion covering relevant issues – health & hygiene, sanitation, drinking water, financial literacy, government schemes,

micro-entrepreneurship, trafficking and HIV/AIDS etc. As on today Jagruthi has 1,569,493 friends.



Affordable Healthcare Services:

Grameen Koota has associated up with SAS Poorna Aroya Healthcare Pvt. Ltd. to provide health care services to its members. As of March 2017, 182,993 Households have been provided with health cards reaching 469,119 people with the affordable healthcare facility. A total of 84,926 beneficiaries have availed the healthcare facility in the FY 16-17.



Growing Opportunity Finance India Private Limited

Growing Opportunity (GO) is one of the pioneers in India within the area of financial literacy, scoring a significant first by developing & telecasting series of video modules of financial literacy program on televisions.

- **Digital Dhanam:** A literacy video educating the members about the usage of POS machines and electronic transfer methods
- **Kanvu Mai Pada Vendum** (Dream should become real): A video module designed to create awareness about processes

and costing involved in housing renovation and repairing.

- **Training Workshops** GO has initiated personal basic computing training for its members to digitalize their business. It has also conducted workshops to train community facilitators for establishing and sustaining basic health, hygiene and sanitation practices and series of client development program on across its Girl Child Protection, women legal empowerment, women rights, food and nutrition etc.

Janalakshmi Financial Services

In the year 2016 – 17, JFS's CSR program supported 13 NGO partners in 7 cities positively impacting 5000 lives. The overarching theme of the CSR Program was "Women Empowerment and Child Development" with focus on areas such as Education, Violence Against Women, Special Needs, Old Age Care, Nutrition and Health Care. In 2016, Janalakshmi **received national recognition by winning an award at the India CSR Summit** for work on Women Empowerment.

An additional theme area of water sustainability was explored within this year. In Bangalore, Dasarahalli Lake was adopted for rejuvenation and in Salem, a rain water harvesting project was launched with the aim of promoting the livelihood of 700 small and marginal farmers

Community Connect

The core function of Community Connect is the development and enrichment of the community residing in proximity to the storefronts. This year, JFS's Community Connect programs touched over 30, 000 lives through various livelihood programs, social awareness programs and job recruitment initiatives.

Financial Advisory

Financial Advisory is an important aspect of the overall product proposition of JFS catering to the urban underserved. The advisory services are delivered through customised Arthika Nakshe sessions with either one-on-one discussions with customers or Group sessions held at Jana Pragati Centres. This year 62,706 Arthika Nakshe sessions were completed.

Jagaran Microfin Private Limited

Jagaran Microfin Pvt.Ltd. has launched financial literacy campaign as credit plus initiatives to create awareness among the underprivileged women- folk from the inception of operations. During the period between November,2016 to March, 2017, 650 women have been covered under financial literacy programme through different Branches in the areas of North & South 24 Parganas, East & West Midnapur, Nadia, Murshidabad and Malda.

Jagaran is also actively involved in the promotion of education where they provide pre-primary education to children of their members through 10 pre-primary schools of West Bengal.

Apart from financial literacy programme and promotion of education, Jagaran is providing health care services to members which includes regular health check-up and cataract selection and operation in collaboration with Susrut Eye Hospital & Research Centre.

Madura Micro Education Pvt Ltd.

Madura Microfinance Ltd has been involved in educating micro entrepreneurs in business and training its members and community in healthcare.

Madura Micro Education Pvt. Ltd, provides Micro Business Education (MBE) to women entrepreneurs, under the brand name of Teach 70 (www.teach70.com). The course is delivered through audio visual medium where the program allows the micro-entrepreneur to understand the concept of value creation and then translate the concept through series of business modules into building a profitable business. Every year nearly 20,000 entrepreneurs participate in this workshop.

Health is a major factor contributing to loss of productivity and wages of clients. Madura has identified ten major issues which impact health and has created short films to provide awareness on these issues. These films are made available through various medium and events, in the communities where the member resides. Supporting this measure there are multiple medical camps that are being organised across regions

As a business module , the first fortnight Group meeting is for repayments and 2nd fortnight meeting is utilized as "Awareness meeting" where the Madura trained field force interacts with members to educate them on basic health, hygiene, financial literacy education.

Muthoot Microfin Ltd.

Muthoot Microfin's microfinance plus activities are aimed to encourage the economic and social sustainability in society by empowering women through skill trainings and financial literacy.

Muthoot initiated eco-friendly programmes for the welfare of the environment. Through the 'One Branch One Tree' program, Muthoot planted saplings across 360 branches and employees took oath to protect it until the saplings becomes a tree. Additionally, 895 saplings were distributed amongst public and clients.

During the drought in Maharashtra, the company distributed drinking water to more than 500 families in Latur. Later in the

year, it conducted relief camps in Beed for people affected by the flood where 75 of the worst hit families were provided with food and support.

The institution, through various skill training workshops from tailoring to candle making - trained 1922 women with vocational skills to help find earning opportunities or to start their own micro enterprise.

In the period, Muthoot conducted several health care camps where the objective was to provide basic medical assistance and medicines free of cost to people who do not have easy access to medical facilities. A total of 1522 people benefitted from health camps.



Namra

One of Namra's key initiatives is organising district level wide eye camps by partnering with local hospitals and NGOs for its clients and other residents within the district. The eye camp was open to all residents across villages they operate within a defined district. The camp included a team of ophthalmologist conducting free eye

checks and provided free spectacles (via courier), medicines/eye drops, transportation to and from hospital, cataract surgeries etc. (wherever required). The camp witnessed 1000 participants and conducted 302 cataract and other miscellaneous surgeries.

Svatantra Microfin

Svatantra Microfin has focused on differentiating itself based on customer centric processes and technology. Svatantra in collaboration with NPCI (National Payment Corporation of India) and RBL Bank has been a pioneer in adopting Aadhaar Payment Bridge system for disbursements of loans. Educating clients to link their Aadhaar numbers with bank accounts makes the transaction safer and efficient.

Svatantra in partnership with third party service providers has created a unique and

extremely affordable cashless mediclaim product (less than Rs. 20 per Rs 1000 of cover for 5 members of the family including parents).

Svatantra believes in leveraging technology for efficiency improvement and pass the accrued benefits to customer in form of lowest cost of credit. Furthering the same Svatantra has launched e-Gurukool a digital mobile based learning platform for its employees.

Varam Capital Private Limited

Jan-dhan and Aadhaar makes MFI loans more safe & secure!

Borrowers can biometrically authenticate themselves against their loan request and therefore avoid the risk of misuse of their KYC through the app enabled by Varam.

During the year 2016-17, Varam initiated an effort which was to disburse loans to customer's Jan-dhan Bank accounts. The digital infrastructure set up by Varam enabled the borrowers to avail credit during the demonitisation period.

Vedika Credit Capital Limited

To define Microfinance plus activities fundamentally, Vedika adopted the organisation's mission vision statement which states "Partner in the Growth of Micro Entrepreneur". Based on this the Product Line was changed to fulfil the demands of both lower and higher amount within the limit prescribed.

An impact assessments programme was undertaken to understand the need of customers. Based on this assessment sewing training workshops were undertaken. Vedika initiated cashless disbursements to increase the habit of banking amongst the poor.

mfin Financials





V. NAGARAJAN & CO.,

Chartered Accountants

AUDITORS' REPORT TO THE GOVERNING BOARD OF MICRO FINANCE INSTITUTIONS NETWORK [MFIN]

(A Society registered under Andhra Pradesh Societies Registration Act, 2001)

We have audited the accompanying financial statements of 'Micro Finance Institutions Network [MFIN]' (hereinafter 'the Society') which comprise the Balance Sheet as at March 31, 2017, and the Income and Expenditure account for the year ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with Andhra Pradesh Society Registration Act. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that 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 (ICAI). 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 fair presentation of the financial statements 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.

Opinion

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

- In the case of the Balance Sheet, of the state of affairs of the Society as at March 31, 2017 and;
- In the case of the Income and Expenditure account, of the excess of Income over Expenditure for the year ended on that date.

Gurgaon, May 22, 2017



for V. NAGARAJAN & CO.,

Chartered Accountants

(V. NAGARAJAN)

Partner

ICAI Firm Reg No: 04879 N M. No.: 019959

A-1, 11th Floor, Palam Vihar, Palam Vihar, GURGAON 122 017, HARYANA, INDIAN
Ph: 91-124-407 8744 | 981 000 7448 E-mail: nagarajan@accountant.com, www.nagarajan.co.in

MICRO FINANCE INSTITUTIONS NETWORK [MFIN]



Audited Financial Statements

Amount in ₹

Balance Sheet as at		31-Mar-17	31-Mar-16
	Note No.		
I. SOURCES OF FUNDS			
Corpus Fund - General	1	4,00,00,000	3,00,00,000
Corpus Fund - SRO	2	5,00,00,000	3,50,00,000
Contingency Reserves	3	1,00,00,000	-
Reserves and surplus	4	4,48,99,613	1,48,58,172
Total		14,48,99,613	7,98,58,172
II. APPLICATION OF FUNDS			
Fixed assets	5		
Gross block		39,64,632	33,22,575
Less: Accumulated depreciation		20,41,780	15,13,468
Net block		19,22,852	18,09,107
Investments (at Cost)*	6	8,63,47,597	7,30,71,269
Current assets, loans and advances			
a) Cash and bank balances	7	11,59,420	53,99,230
b) Loans and advances	8	6,02,18,620	34,34,660
Total [A]		6,13,78,041	88,33,889
Less: Current liabilities and provisions	9	47,48,879	38,56,091
Total [B]		47,48,879	38,56,091
Net Current assets [A-B]		5,66,29,162	49,77,798
Total		14,48,99,613	7,98,58,172
Segment Wise Expenditure	16		
Significant Accounting Policies and Notes on Accounts	17		

The accompanying notes referred to above form an integral part of these financial statements.

* Refer Note 4 in Notes to Accounts for market value of Investment

As per our report of even date
for V. NAGARAJAN & Co.,
Chartered Accountants

(V. NAGARAJAN)
Partner

ICAI Firm Reg No: 04879 N / M. No.: 019959

for and on behalf of Board Members of
MICRO FINANCE INSTITUTIONS
NETWORK

Rakesh Kumar Dubey
(President)

Ratna D Viswanathan
(Chief Executive Officer)

Anand Rao
(Vice President)

May 22, 2017 | Gurgaon

MICRO FINANCE INSTITUTIONS NETWORK [MFIN]

Audited Financial Statements

		Amount in ₹	
Income and Expenditure Account		For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
	Note		
REVENUE			
Subscriptions	10		
Primary Members		9,56,66,688	6,72,33,589
<i>(includes TDS: Rs. 5,57,143/- Previous Year TDS: Rs. 1,39,140/-)</i>			
Associate Members <i>(includes TDS: Rs. 3,18,920/-)</i>		1,00,06,666	48,32,000
		10,56,73,354	7,20,65,589
Special Activities	11		
Contribution for Special Campaign - Demonitisation		8,45,34,201	-
Grant from SIDBI		5,35,480	-
Compliance Charges for Self Regulation		51,05,000	-
		9,01,74,681	-
Other income	12		
Income on Investments <i>(includes TDS: Rs. 14,477/- Previous Year TDS: Rs. 2,71,410/-)</i>		18,56,924	44,89,727
Interest from Saving Bank Account		8,15,609	-
Other income		1,09,278	-
		27,81,811	44,89,727
Total		19,86,29,846	7,65,55,316
EXPENDITURE			
Human Resource cost	13	3,44,86,188	3,09,46,925
Professional and Consulting Fees	14	1,09,60,012	91,66,138
Travel and Conveyance expenses		78,20,689	96,73,642
Special Campaign for Demonitisation (Media Cost)		6,22,14,817	-
Conference and Meeting Expenses		28,73,520	67,17,842
Governance Meeting Expenses		14,29,747	16,79,718
Communication charges		52,03,159	62,64,287
Sponsorship Fees		8,78,258	-
Administrative expenses	15	62,93,708	56,52,947
Depreciation on fixed assets	5	5,28,312	5,36,174
Total		13,26,88,409	7,06,37,673
Net Surplus before Provision for Income Tax		6,59,41,437	59,17,644
Less: Provision for Income Tax			
Current Year Income Tax		9,00,000	9,00,000
Net Surplus		6,50,41,437	50,17,644
APPROPRIATION:			
Transfer to Corpus Fund - General		1,00,00,000	-
Transfer to Copus Fund - SRO		1,50,00,000	-
Transfer to Contingency Reserves		1,00,00,000	-
Surplus transferred to Reserve and Surplus		3,00,41,437	50,17,644
Segment Wise Expenditure	16		
Significant accounting policies and Notes on accounts	17		

The accompanying notes referred to above form an integral part of these financial statements.

As per our report of even date
for V. NAGARAJAN & Co.,
Chartered Accountants

(V. NAGARAJAN)
Partner

ICAI Firm Regn No: 04879 N / M. No: D19959



for and on behalf of Board Members of
MICRO FINANCE INSTITUTIONS NETWORK

Rakesh Kumar Dubey
(President)

Ratna D Viswanathan
(Chief Executive Officer)

Anand Rao
(Vice President)

May 22, 2017 | Gurgaon

MICRO FINANCE INSTITUTIONS NETWORK [MFIN]

Notes to Audited Financial Statements as at March 31, 2017

NOTE 5: FIXED ASSETS

Name of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As on April 01, 2016	Additions	Deductions	As on March 31, 2017	As on April 01, 2016	For the Year	Ded./Adj. during the Year	As on March 31, 2017	As on March 31, 2016
A. Tangible assets									
Furniture and Fixtures	20,27,186	15,826	1,500	20,41,512	7,90,683	2,25,471	272	10,15,882	12,36,503
Computers	10,98,850	5,64,890	14,169	16,49,571	6,52,976	2,79,845	3,015	9,29,826	4,45,874
Office Equipment	1,32,882	1,02,614	25,603	2,09,893	26,555	18,102	-	44,657	1,06,327
TOTAL [A]	32,58,918	6,83,330	41,272	39,00,975	14,70,214	5,23,438	3,287	19,99,365	17,89,704
B. Intangible assets									
Software [B]	63,657	-	-	63,657	43,254	8,161	-	51,415	20,404

As per our report of even date
for V. NAGARAJAN & Co.,
Chartered Accountants



(V. NAGARAJAN)
Partner

ICAI Firm Regn No: 04879 N / M. No: D19959

for and on behalf of Board Members of
MICRO FINANCE INSTITUTIONS NETWORK

Rakesh Kumar Dubey
(President)

Ratna D Viswanathan

Anand Rao

MICRO FINANCE INSTITUTIONS NETWORK [MFIN]



Notes to Audited Financial Statements	Amount in ₹	
	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
NOTE 1: CORPUS FUND - GENERAL		
Opening balance	3,00,00,000	2,08,23,240
Add :- Amount transferred from Income and Expenditure Account	1,00,00,000	-
Add: Additions to the Fund	-	91,76,760
Closing Balance	4,00,00,000	3,00,00,000
NOTE 2: CORPUS FUND - SRO		
Opening balance	3,50,00,000	3,00,00,000
Add: Additions during the year	1,50,00,000	50,00,000
Closing Balance	5,00,00,000	3,50,00,000
NOTE 3: CONTINGENCY RESERVES		
Opening balance	-	-
Additions during the year	1,00,00,000	-
Closing Balance	1,00,00,000	-
NOTE 4: RESERVES AND SURPLUS		
Income and Expenditure Account		
Opening balance	1,48,58,176	2,40,17,289
Add: Surplus transferred from Income & Expenditure A/c	3,00,41,437	50,17,644
Total	4,48,99,613	2,90,34,932
Less: Transfer to Corpus Funds	-	1,41,76,760
Total	4,48,99,613	1,48,58,172
NOTE 6: INVESTMENTS		
Investments:		
in HDFC Mutual Fund including dividend accrued *	8,63,47,597	7,30,71,269
	8,63,47,597	7,30,71,269
* Valued at cost or market value whichever is less.		
NOTE 7: CASH AND BANK BALANCES		
Cash In Hand		
12,095	-	-
Balance with Scheduled banks		
- HDFC Bank	1,66,456	32,28,289
- RBL Bank	9,80,870	-
Fixed Deposits with HDFC Bank	-	21,65,711
Add: Interest accrued on fixed deposits	-	5,230
Total	11,59,420	53,99,230



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MICRO FINANCE INSTITUTIONS NETWORK [MFIN]



Notes to Audited Financial Statements	Amount in ₹	
	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
NOTE 8: LOANS AND ADVANCES		
Income Tax Recoverable (FY 2016-17)	18,33,544	6,21,374
Advance Income Tax (FY 2016-17)	2,00,000	-
Security deposit against Rent	3,72,060	3,72,060
Prepaid expenses	4,85,851	4,01,187
Advance to vendors / employees	95,29,918	87,759
Annual subscriptions receivable	97,97,855	19,52,280
Contribution for Special Campaign - Demonitisation (Member)	2,83,75,358	-
Contribution for Special Campaign - Demonitisation (Associates)	43,00,000	-
Other Debtors	3,24,034	-
Compliance Charges for Self Regulation	50,00,000	-
Total	6,02,18,620	34,34,660
NOTE 9: CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
Trade Payable	86,812	12,67,450
Tax Deduction at sources Payables	11,54,184	7,87,750
Service Tax Payables	3,08,258	3,08,258
Advance Registration Fees Recd. for Conclave	3,35,556	-
Other Payables	18,74,434	10,94,130
Total [A]	37,59,244	34,57,588
B. Provisions		
Provision for Tax (Net of Advance Tax):	9,89,635	3,98,503
Total [B]	9,89,635	3,98,503
Total [A+B]	47,48,879	38,56,091
NOTE 10: Annual Subscription		
Primary Members	9,56,66,688	6,72,33,589
Associate Members	1,00,06,666	48,32,000
	10,56,73,354	7,20,65,589
NOTE 11: Special Project		
Contribution for Special Campaign - Demonitisation	6,45,34,201	-
Grant from SIDBI	5,35,480	-
Compliance Charges for Self Regulation	51,05,000	-
	9,01,74,681	-
NOTE 12: Other Income		
Income from Investments	18,56,924	44,89,727
Interest from Saving Bank Account	8,15,609	-
Other Income	1,09,278	-
	27,81,811	44,89,727



[Signature]

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MICRO FINANCE INSTITUTIONS NETWORK [MFIN]



Notes to Audited Financial Statements	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
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NOTE 13: HUMAN RESOURCE COST

Salaries, Bonus and Allowance to employees	3,31,50,870	2,93,73,261
Provision for leave encashment	85,943	1,61,211
Gratuity	3,64,432	5,69,700
Insurance reimbursement	2,40,501	2,24,897
HR Studies / Employee Training expenses	1,13,818	6,17,856
Employees Provident Fund - Employer's Contribution	4,00,495	-
Employees Provident Fund - Admin Cost	23,860	-
Recruitment Cost	1,06,269	-
Total	3,44,86,188	3,09,46,925

NOTE 14: PROFESSIONAL / CONSULTING FEES

Consultancy Fees to facilitators	-	13,22,784
Professional charges Special projects	81,27,386	53,07,110
Accounting services Charges	11,40,586	13,07,529
Professional charges- Governance	8,25,000	10,10,000
Professional charges- others	7,55,403	1,16,715
Legal Expense	1,11,637	1,00,000
Total	1,09,60,012	91,66,138

NOTE 15: ADMINISTRATIVE EXPENSES

Office Rent	17,28,416	17,27,882
Annual Report / Other Publications	12,80,742	8,67,952
Communication Expenses	12,19,870	11,95,407
General Office Expenses	2,55,567	2,70,589
Repairs and maintenance	5,55,516	3,81,368
Miscellaneous Expenses	1,09,795	4,39,957
Office maintenance	7,89,852	4,48,158
Statutory Audit Fee	2,64,500	2,30,000
Membership fee	69,452	91,634
Total	62,93,708	56,52,947

As per our report of even date
for **V. NAGARAJAN & Co.,**
Chartered Accountants

(V. NAGARAJAN)
Partner

ICAI Firm Regn No: 04879 N / M. No.: 019939

May 22, 2017 | Gurgaon



for and on behalf of Board Members of
MICRO FINANCE INSTITUTIONS NETWORK

Rakesh Kumar Dubey
(President)

Ratna D Viswanathan
(Chief Executive Officer)

Anand Rao
(Vice President)

MICRO FINANCE INSTITUTIONS NETWORK [MFIN]



Notes to Audited Financials Statement for the year ended March 31, 2017

Note 15: Segment Wise Expenditures for the year ended March 31, 2017

Based on the analysis of the Society's activity model and considering the management structure, financial reporting and on consideration of the differential risk and return of segments, the management has classified its operations into the following operating and reportable segments viz. (a) Self Regulatory Organization (SRO) (b) Advocacy / Development (c) Communication (d) State Chapters (e) Office Establishment / Admin. (f) Special Campaign on Demonitisation

Description	Self Regulatory Organization (SRO)	Advocacy / Development	Communication	State Chapters	Office Establishment / Admin	Special Campaign on Demonitisation	Total 31-03-2017
EXPENDITURE							
Human Resource Expenditure							
Salaries, Bonus and Allowance to employees	51,53,408	67,85,728	24,67,499	1,16,79,252	70,52,953	-	3,31,50,870
Provision for leave encashment, Gratuity & EPF	-	-	-	-	87,47,30	-	87,47,30
Insurance reimbursement	-	-	-	-	2,40,501	-	2,40,501
HR Studies / Employee Training expenses	71,063	1,13,818	-	35,206	-	-	2,24,897
Travel and Conveyance Expenditure							
Boarding Expenses	2,13,982	3,28,841	1,96,193	18,47,938	18,648	6,41,210	32,46,912
Airfare Expense	2,53,436	6,23,965	5,31,582	17,88,639	3,04,115	8,04,325	43,07,012
Local Conveyance (car rental)	1,82,513	3,23,810	75,479	10,28,925	1,01,574	10,02,035	27,14,326
Professional Fee							
Professional Fees - Project	50,99,886	27,97,500	1,43,780	2,30,000	-	-	82,71,136
Professional Fees - Admin	-	-	-	-	10,15,586	-	10,15,586
Professional Fees - Others	-	3,505	-	-	4,69,148	-	4,73,653
Consultancy Fees (Governance)	5,75,000	-	-	-	3,61,627	-	9,36,627
Lawyers Fees	-	-	-	-	2,62,000	-	2,62,000
Media Expense							
Communication and Marketing	-	-	5,20,159	-	-	11,83,922	63,87,081
Sponsorship Fees							
Conference, Board Meeting etc.	-	-	8,65,000	13,258	-	-	8,78,258
Board Meeting Exp.	-	-	-	-	7,19,107	-	7,19,107
Annual General Meeting Exp.	-	-	-	-	5,07,631	-	5,07,631
State Chapters Meeting / Workshop Exp.	-	-	-	8,75,443	-	82,503	9,57,946
SRO Committee Workshop Exp.	2,03,000	-	-	-	-	-	2,03,000
Other Conference & Workshop Exp.	-	10,13,917	9,84,160	-	-	4,14,645	24,12,721
Administration Exp and Others							
Office Rent	-	-	-	-	17,28,416	-	17,28,416
Communication Expenses	3,25,987	-	-	-	8,93,883	-	12,19,870
General Office Expenses	-	-	89,452	-	2,55,567	-	3,45,018
Repairs and maintenance	-	-	-	-	5,55,516	-	5,55,516
Miscellaneous Expenses	-	-	16,566	-	93,229	-	1,09,795
Office maintenance	55,941	5,88,421	3,23,316	88,201	10,14,675	-	20,70,594
Statutory Audit Fee	-	-	-	-	2,64,500	-	2,64,500
Depreciation on fixed assets	-	-	-	-	5,20,312	-	5,20,312
Total	1,21,36,274	1,25,80,645	1,00,96,105	1,75,07,862	1,72,72,707	6,12,14,817	13,26,80,409

Note*

(a) Income / Fixed Assets used in the Society activities or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments. Accordingly, no disclosure relating to segment income, assets and liabilities are made.

(b) Administration includes travel boarding and lodging expenses related to Governing board meeting of Rs. 4,60,131/-.

As per our report of even date
for **V. NAGARAJAN & Co.,**
Chartered Accountants

(V. NAGARAJAN)
Partner

ICAI Firm Regn No: 04879 N / M. No.: 019939
May 22, 2017 | Gurgaon



for and on behalf of Board Members of
MICRO FINANCE INSTITUTIONS NETWORK

Rakesh Kumar Dubey
(President)

Ratna D Viswanathan
(Chief Executive Officer)

Anand Rao
(Vice President)

NOTE 17: SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

A) SIGNIFICANT ACCOUNTING POLICIES:

1) Basis of preparation of financial statements:

The Financial statements have been prepared to comply in all material respects of the accounting standards issued by the Institute of Chartered Accountants of India [ICAI]. The Statements have been prepared under the historical cost convention and on accrual basis, except stated otherwise. The accountings policies have been consistently applied by the society and except for the changes in accounting policy discussed more fully below, and are consistent with those used in the previous year.

2) Use of estimates:

The preparation of financial statements requires management to make certain estimates and assumptions that effects the amounts reported in the financial statements and notes there to. Difference between the actual and estimates are recognized in the period they materialize.

3) Revenue recognition:

The main income of the society is from member's contribution and membership fee.

- 3.1 Member's annual contribution is recognized on accrual basis and as per Society's bye laws. An amount as decided by the Board of Governing members from time to time is transferred to corpus fund and balance is recognized as income for meeting operating expenses of the Society.
- 3.2 Admission fee and initial subscription are directly recognized as income of the society when they are receivable.
- 3.3 Interest income on fixed deposits with banks is recognized on the basis of proportionate lapse of time as applied to the amount outstanding and rate applicable.
- 3.4 The income from Mutual Funds is recognized on redemption of it's units.

4) Fixed assets:

- 4.1 All fixed assets have been shown at cost less accumulated depreciation. The cost comprises of purchase price and all incidental costs related to acquisition and installation.
- 4.2 Depreciation has been provided on assets based on written down value method at the rates appropriate for the useful life of the assets.

5) Valuation of Investments:

- 5.1 All investments are held at cost and are valued at market price or cost, whichever is lower. Any diminution in value in respect of all investments, other than long term investments (which are held to maturity or withdrawn before maturity), are provided in the accounts, while appreciation is accounted for when realized.

6) Provision and contingent liabilities:

- 6.1 Society creates a provision where there is a present obligation as a result of past event that probably requires an outflow of resources and reliable estimate can be made of the amount of obligation. A disclosure of contingent liability is made, when there is a possible obligation or a present obligation that will probably not require outflow of resources or where reliable estimate of the obligation cannot be made.



Audited Financial Statements for the year ended March 31, 2017

[Signature]

NOTE 17: SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

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The preparation of financial statements requires management to make certain estimates and assumptions that effects the amounts reported in the financial statements and notes there to. Difference between the actual and estimates are recognized in the period they materialize.

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- 6.1 Society creates a provision where there is a present obligation as a result of past event that probably requires an outflow of resources and reliable estimate can be made of the amount of obligation. A disclosure of contingent liability is made, when there is a possible obligation or a present obligation that will probably not require outflow of resources or where reliable estimate of the obligation cannot be made.



Audited Financial Statements for the year ended March 31, 2017

[Signature]

B) NOTES TO ACCOUNTS:

1) NOTE ON THE ACTIVITIES OF THE SOCIETY AND MUTUALITY:

1.1 Micro Finance Institutions Network [MFIN] is a Society, registered on December 14, 2009 under the Society Registration Act, 2001 at Hyderabad, Andhra Pradesh.

1.2 The total number of members, mainly Non-Banking Finance Companies, as on March 31, 2017 were 53. In addition, the society had 32 institutions joined as Associates.

1.3 The primary activities and objectives of the society are to liaise and work in unison with the relevant regulatory authorities regulating the business of microfinance, to promote microfinance and develop best practices, conduct research and training so as to strengthen the capacity of institutions engaged in microfinance, who are members of the society.

1.4 The society has not received any contribution by way of grant or otherwise from any person/entity other than by way of subscription/contribution from its members. The society, being a Trade Association, is / will be operating under the "Principle of Mutuality" and as a Mutual Benefit Institution. In view of the above, the society has not been registered u/s 12A of the Income Tax Act, 1961 and no tax liability is anticipated on the mutual contributions received from members and utilized therefor.

1.5 However, it is understood that the society has applied for a registration u/s 12 A of the Act, to be recognized as charitable institution, to enable it to receive contributions from institutions other than its members, for the activities to be carried for the benefit of public, including its members.

1.6 The society is operating under two segments to serve to its members, viz.

- 1.6.1 (1) Member services, which further divided into four verticals viz- (a) Advocacy and Information Hub, (b) Communications and Marketing, (c) State Initiatives and (d) Finance, HR and Administration, and
- 1.6.2 (2) Self-Regulatory Organization (SRO)

In addition to above segments, the society is operating in third segment in this year, viz.

- 1.6.3 (3) Special Campaign for Demonetization - During the year due to extraordinary situation caused by the Demonetization of Specified Bank Notes, which in turn affected the business operations of its members in micro finance, the society initiated and executed special campaign for educating the public and customers of its members for avoiding the impact of various rumors and other malicious. The contributions and expenditure on the same, is separately disclosed in the segment wise analysis of expenditure in Schedule Nos. 7 & 12.

1.7 In respect of regular membership fee due, members have not paid till the end of the financial year, aggregating to Rs. 97,97,855/- and in respect of Contribution for the Special Campaign for Demonetization, 8 members have declined to contribute to the tune of Rs. 1,18,36,187 (either fully or partially) and 17 members are yet to pay a balance aggregating to Rs. 2,08,39,170/-, calculated based on the decision of the Board, as amended.



Audited Financial Statements for the year ended March 31, 2017

2) DETAILS OF HUMAN RESOURCE COST:

Particulars as on	Amount in Rs.	
	31-Mar-17	31-Mar-16
Managerial Remuneration including allowances		
Chief Executive Officer	60,77,500	82,15,000
Employees Cost [Others]	2,84,08,688	2,26,62,224
Total	3,44,86,188	3,08,77,224

3) DETAILS OF AUDITOR'S REMUNERATION:

Particulars as on	Amount in Rs.	
	31-Mar-17	31-Mar-16
Statutory Audit Fee	2,30,000	2,00,000
Applicable Service Tax	34,500	30,000
Total	2,64,500	2,30,000

4) INVESTMENTS:

4.1 Market Value of investments in Mutual Funds as on 31.03.2017 is Rs. 9,13,67,412/- against a cost of Rs. 8,63,47,597/-. With an increase in value of Rs. 50,19,815/-, at March 31, 2017 which will be accounted for on redemption of units, as significant policy No. 5. (Previous Year: Cost- Rs. 7,07,08,976/- Market Value- Rs. 7,30,71,269/-).

5) Corresponding figures of the previous year have been regrouped wherever necessary to make them comparable with the figures of the current year.

As per our report of even date

for and on Behalf of Board of Member of
Micro Finance Institutions Network

For **V. NAGARAJAN & Co.,**

Chartered Accountants

[Signature]

(V. NAGARAJAN)

Partner



ICAI Firm Reg. No.: 04879 N | M. No.: 019959

May 22, 2017 | Gurgaon

[Signature]
Rakesh Kumar Dubey
President

[Signature]
Ratna D Viswanathan
Chief Executive Officer

[Signature]
Anand Rao
Vice-President

mfin Annexures

Annexures 1

Board Attendance

Updated as on 31st May 2017

Sr. No.	Board Member	12th July 2016 Gurgaon	4th Oct 2016 Bhuba- neshwar	19th Dec 2016 Delhi	9th Jan 2017 Concall	9th Feb 2017 Concall	22nd May 2017 Bangalore	Atten- dance (%)
1	Mr R Baskar Babu	1	1	Resigned	100%			
2	Mr Rakesh Kumar Dubey	1	1	1	1	1	1	100%
3	Mr Anand Rao	1	1	1	1	1	1	100%
4	Mr Devesh Sachdev	1	1	1	1	1	1	100%
5	Mr Dibjajyoti Pattanaik	1	1	1	1	0	1	83%
6	Mr H K N Raghavan	0		Resigned				0%
7	Ms Meenal Patole	1	1	1	1	1	1	100%
8	Mr Mohammad Amin*	na	na	1	1	0	1	75%
9	Mr Udaya Kumar*	na	na	1	1	1	1	100%
10	Mr N K Maini	1	1	1	1	1	1	100%
11	Mr Rajat Kathuria	1	0	1	1	1	1	83%
12	Mr Sanjay Sinha	1	0	A	Resigned			33%
13	Mr Vinay Baijal	1	1	1	1	1	1	100%
14	Ms Ratna Vishwanathan	1	1	1	1	1	1	100%

Mr Mohammad Amin and Mr Udaya Kumar were formally inducted on the Board from 19th Dec 2016.

Annexures 2

List of Members

S.No	Name
1	Adhikar Microfinance Pvt Ltd
2	Agora Microfinance India Pvt Ltd
3	Annapurna Microfinance Pvt Ltd
4	Arohan Financial Services Pvt Ltd
5	Asirvad Microfinance Ltd
6	Belstar Investment and Finance Pvt Ltd
7	Bharat Financial Inclusion Ltd (previously known as SKS)
8	BSS Microfinance Pvt Ltd
9	Chaitanya India Fin Credit Pvt Ltd
10	Disha Microfin Ltd
11	Fusion Microfinance Pvt Ltd
12	Grameen Koota Financial Services Pvt Ltd
13	Grama Vidiyal Micro Finance Ltd
14	Growing Opportunity Finance India Pvt Ltd
15	Hindusthan Microfinance Pvt Ltd
16	IDF Financial Services Pvt Ltd
17	Intrepid Finance and Leasing Pvt Ltd
18	Jagaran Microfin Pvt Ltd
19	Janalakshmi Financial Services Pvt Ltd
20	Light Microfinance Pvt Ltd
21	Madura Micro Finance Ltd
22	Margdarshak Financial Services Ltd
23	Midland Microfin Ltd
24	M Power Micro Finance Pvt Ltd
25	MSM Microfinance Pvt Ltd
26	Muthoot Microfin Ltd

S.No	Name
27	Namra Finance Ltd
28	Navachetana Microfin Services Pvt Ltd
29	Nightingale Fininvest Pvt Ltd
30	Nirantara FinAcces Pvt Ltd
31	Pahal Financial Services Pvt Ltd
32	RGVN (North East) Microfinance Ltd
33	Sahyog Microfinance Ltd
34	Saija Finance Pvt Ltd
35	Samasta Micro Finance Ltd
36	Sambandh Finserv Pvt Ltd
37	Satin Credit Care Network Ltd
38	Share Microfin Ltd
39	Shikhar Micrfinance Pvt Ltd
40	Sonata Finance Pvt Ltd
41	Spandana Sphoorty Financial Ltd
42	SV Creditline Pvt Ltd
43	Svasti Microfinance Pvt Ltd
44	Svatntra Microfin Pvt Ltd
45	Unacco Finance Pvt Ltd
46	Unnati Microfin Pvt Ltd
47	Uttrayan Financial Services Private Limited
48	Varam Capital Pvt Ltd
49	Vaya Finserv Pvt. Ltd.
50	Vedika Credit Capital Ltd
51	Village Financial Services Pvt Ltd

MFIN Conclave 2017

Microfinance in Asia: A Mosaic

25th – 26th April, 2017 | Taj Palace Hotel | New Delhi | India

DAY 1 25th April 2017, Tuesday	ACTIVITY
09:00 AM - onwards	Registration & Welcome
09:45 AM - 09:55 AM	Powering Responsible Finance: The MFIN Story
09:55 AM - 11:00 AM	Inaugural Session:
09:55 AM - 10:00 AM	Lamp Lighting Ceremony
10:00 AM - 10:10 AM	Welcome Address by Ms. Ratna Vishwanathan- Chief Executive Officer, Microfinance Institutions Network
10:10 AM - 10:25 AM	Inaugural Address by Ms. Meenakshi Lekhi, Honourable Member of Parliament of India (Lok Sabha)
10:25 AM - 10:35 AM	Key Note Address by Mr. K K Jalan, Secretary, Micro, Small & Medium Enterprises
10:35 AM - 10:45 AM	Special Address by Mr. Manoj Mittal, Deputy Managing Director, Small Industries Development Bank of India (India)
10:45 AM - 10:55 AM	Launch of Literacy App from Google Play Store - Ms. Meenakshi Lekhi, Chief Guest
10:55 AM - 11:00 AM	Vote of thanks by Mr. Rakesh Dubey - President, Microfinance Institutions Network (India)
11:00 AM - 11:30 AM	Fire Side Chat: Ms. Meenakshi Lekhi, Honourable Member of Parliament of India (Lok Sabha) in conversation with Mr. Shekhar Gupta, Chairman & Editor-in-Chief of Printline Media Pvt. Ltd (India)
11:30 AM - 12:15 PM	Plenary Session I: Microfinance across Asia: A Mosaic
	Moderator:
	Prof. Alok Misra - Professor, Public Policy & Governance Area, Management Development Institute (India)
	Panelists:
	Ms. Nguyen Thi Tuyet Mai - Managing Director, Vietnam Microfinance Working Group (Vietnam)
	Ms. Sophy Pum - Head of Deposit and Branchless Banking Product Development, Angkor Microfinance Kampuchea (Cambodia)
	Dr. Pavel Shoust - Executive Director, Russian Electronic Money Association (Russia)
	Mr. Brindley de Zylva - Managing Director, LOLC Myanmar Microfinance Company Limited (Myanmar)
	Q & A

12:15 PM – 1:00 PM	Plenary Session I: Microfinance across Asia: A Mosaic - In continuation
	Moderator:
	Ms. Jamuna Rao Verghese - Lead, Inclusive Markets, Financial Services, PwC (India)
	Panelists:
	Fr. Jose Victor Lobrigo - Chairperson, Microfinance Council, Philippines (Philippines)
	Mr. Sun Tongquan - Associate Professor of Rural Development of China Academy of Social Sciences (China)
	Mr. Md Fayzer Rahman - Executive Vice President, Head of Operations, Associate for Social Advancement (Bangladesh)
	Mr. Mohamad Nazirwan - Senior Financial Sector Specialist, IFC F&M World Bank Group (Indonesia)
	Mr. Thorsten Fuchs - Project Manager, GIZ (Laos)
	Q & A
1:00 PM – 1:15 PM	Microfinance in Asia: The Big Picture
	Prof M S Sriram - IIM - Bangalore (India)
1:15 PM – 1:25 PM	Presentation 1:
	Mr. Uday Bhat - Director, Enterprise Business, Samsung (India)
	01:25 PM - 02:00 PM Grub Break
2:00 PM – 2:45 PM	Plenary Session 2: Technology in Microfinance: Are We Geared to Reach the Unbanked and Underbanked
	Moderator:
	Mr. Sudhakar Ramasubramanian - CEO, Aditya Birla Idea Payments Bank Limited (India)
	Panelists:
	Ms. Aneth Ng Lim - Director for Public Affairs and Corporate Citizenship, Citi (Philippines)
	Mr. Stephen Rasmussen - Global Head, Inclusive Markets, GGAP (Asia & Africa)
	Mr. TS Sivashankar - Managing Director, Private Equity, Rohatyn Group (India)
	Mr. Abhishant Pant - Fintech Expert (India)

2:00 PM – 2:45 PM	Mr. V. Ratnakar - AVP, Financial Inclusion & New Business, National Payments Corporation of India (India)
	Ms. Kavita Nehemiah - Co-Founder & COO, Artoo (India)
02:45 PM – 03:45 PM	Plenary Session 3: Bankers Perspective on Engagement in Microfinance
	Moderator:
	Mr. Srinivas Bonam - Head, Inclusive Banking Group, IndusInd Bank (India)
	Panelists:
	Mr. Prakash Kumar - General Manager, Small Industries Development Bank of India (India)
	Dr. Sabine Spohn - Senior Investment Specialist, Asian Development Bank
	Mr. Raul Rebello - Senior Vice President & Head, Rural Lending, Axis Bank (India)
	Mr. Nhan Phan Cu - Director of the Communication and International Co-operation Department, Vietnam Bank for Social Policies (Vietnam)
	Mr. Ajay Desai - Senior President & Chief Financial Inclusion Officer, Yes Bank (India)
	Q & A
	03:45 PM - 04:15 PM Beans and Leaves Break
4:15 PM – 05:00 PM	Plenary Session 4: Governance Structures in Microfinance
	Moderator:
	Mr. Pankaj Jain - Joint Secretary, Department of Financial Services- Government of India (India)
	Panelists:
	Mr. N S Vishwanthan - Deputy Governor, Reserve Bank of India (India)
	Mr. Phanthaboun Xayyaphet - Deputy Director General, FIS, Bank of Laos (Laos)
	Mr. Sriram Kalyanaraman, Managing Director & CEO, National Housing Bank (India)
	Ms. Sucharita Mukherjee - Vice Chair - IFMR Trust and CEO - IFMR Holdings (India)
	Mr. Nguyen Manh Cuong - Deputy Director of General Economic Department, Government Office (Vietnam)
	Q & A

5:00 PM – 05:10 PM	Presentation 2:
	Mr. Yogesh Gupta - Chief Financial Inclusion Officer, Bajaj Allianz Life Insurance Company Ltd (India)
	Plenary Session 5: Micro Insurance Models
	Moderator:
	Mr. Manoj Sharma - Managing Director - Asia, Microsave (India)
	Panelists:
	Ms. May S Dawat - Chairperson, CARD Pioneer Microinsurance Inc (Philippines)
	Ms. Sophy Pum - Head of Deposit and Branchless Banking Product Development, Angkor Microfinance Kampuchea (Cambodia)
	Mr. G. Satish Raju - Head Global Partnerships, South Asia, Swiss Reinsurance Company Ltd (India)
	Dr. Ajay Verma - Head - Rural & Non-Traditional Initiatives, Future Generali India Insurance Company Limited (India)
	Mr. Subir Jha - Associate Vice President, Bajaj Allianz Life Insurance Company Ltd (India)
06:00 PM – 07:00 PM	Mr. Neeraj Maheshwari - Senior Vice President & Head - Group & Partnership Distributions, DHFL Pramerica Life Insurance Co. Ltd (India)
	Q & A
	Session by PwC - Path to Growth; The Digital Way
07:00 PM – 10:00 PM	Cocktails & Dinner for Delegates and Guests
DAY 2 26th April 2017, Wednesday	ACTIVITY
09:00 AM – 10:00 AM	Registration
10:00 AM – 11:00 AM	Plenary Session 6- Importance of Bottom-Up Literacy Interventions to Facilitate Digital Banking
	Moderator:
	Mr. Devesh Sachdev - CEO & Director, Fusion Microfinance (India)
	Panelists:
	Mr. Rajiv Bansal - Jt. Secretary, Department of Electronics & IT, Government of India
	Mr. Ramesh Dharmaji - Chief General Manager, Small Industries Development Bank of India (India)

10:00 AM – 11:00 AM	Mr. Udaya Kumar - Managing Director & CEO, Grameen Koota Financial Services (India)
	Mr. Jayesh Modi - Head, Inclusive Banking Unit, HSBC Bank (India)
	Mr. Mohamad Nazirwan - Senior Financial Sector Specialist, IFC F&M World Bank Group (Indonesia)
	Q & A
11:00 AM - 11:30 AM Beans and Leaves Break	
11:30 AM - 12:15 PM	Plenary Session 7: Low Cost Technology Options for Affordable Service Delivery
	Moderator:
	Mr. Ramaswamy Venkatachalam - Managing Director, India/South Asia, Fidelity National Information Services Inc (India)
	Panelists:
	Mr. Alexis Lebel - CEO, OpenCBS (Hong Kong)
	Dr. Pavel Shoust - Executive Director, Russian Electronic Money Association (Russia)
	Mr. Md Fayzer Rahman - Executive Vice President, Head of Operations, Associate for Social Advancement (Bangladesh)
	Mr. Sriram Vinjamuri - Business Head, Microfinance & B2B Rural lending - VP, Axis Bank (India)
	Mr. Sagar Kirpekar - Vice President, Sales & Strategy, I-Exceed (India)
	Q & A
12:15 PM – 12:45 PM	Presentation 3:
	Importance of Cyber Security in Online Transactions: A White Hat Hacker's Perspective
	Presentation on Tackling the Future Cyber Threats by: Mr. Rahul Tyagi, Vice President - Lucideus (India)
12:45 PM - 1:30 PM Grub Break	
01:30 PM – 2:15 PM	Plenary Session 8: Need for 360-degree reporting by Credit Bureaus
	Moderator:
	Mr. R. Baskar Babu, Founder, Suryoday Small Finance Bank Limited (India)
	Panelists:
	Mr. Colin Raymond - Lead Financial Sector Specialist, Finance & Markets, World Bank Group

01:30 PM – 2:15 PM	Mr. Satish Pillai - Managing Director & CEO, TransUnion CIBIL (India)
	Mr. Sunder Arumugam - Head, Product Management, Equifax (India)
	Mr. Darshan Shah - Director, Credit Services, Experian India Credit Bureau (India)
	Mr. Ram Iyer - Director, Risk Advisory, Deloitte Touche Tohmatsu India LLP (India)
	Q & A
02:15 PM – 2:25 PM	Presentation 4
	Ms. Céline Georges Picot - Head Financial Institutions Debt APAC, responsAbility (Hong Kong)
02.25 PM – 3.10 PM	Plenary Session 9: Clean Energy Options for Low Income Households
	Moderator:
	Mr. Chandra Bhushan - Deputy Director General, Centre for Science & Environment (India)
	Panelists:
	Ms. Dinh Thi Anh Tuyet - President & Executive Director, VietED Centre (Vietnam)
	Ms. Céline Georges Picot - Head Financial Institutions Debt APAC, Responsibility (Hong Kong)
	Mr. Sateesh Kumar AV- Managing Director, Asia & Africa, D-Light (India)
	Mr. Ravish Suri - Head, Business Development - CleanTech, Evolute group (India)
	Mr. Vidya Shankar Krishna - AVP, Solar, Havells (India)
	Mr. Sahil Khanna - Sales Head, India, Greenlight Planet (India)
	Q & A
	3:10 PM - 3:30 PM Beans and Leaves Break
03:30 PM – 4:30 PM	Plenary Session 10: Building the Right Perception: Communication in Microfinance
	Moderator:
	Mr. Gautam Chikermane - Vice President, Observer Research Foundation (India)
	Panelists:
	Mr. Dilip Cherian - Founding Partner, Perfect Relations (India)
	Mr. Sukumar Ranganathan - Editor, Mint at HT Media Ltd (India)

Abbreviations

AGM	Annual General Meeting
AKMI	Association of Karnataka Microfinance Institutions
AP	Andhra Pradesh
APR	Annual Percentage Rate
BC	Business Correspondent
BCSBI	Banking Codes and Standards Board of India
CAB	College of Agricultural Banking
CB	Credit Bureau
CBDT	Central Board of Direct Taxes
CBEC	Central Board of Excise and Customs
CDR	Corporate Debt Restructuring
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGM	Chief General Manager
CII	Confederation of Indian Industry
CMD	Chairman and Managing Director
CoC	Code of Conduct
COO	Chief Operating Officer
Cr	Crore
CRAR	Capital to Risk-Weighted Assets Ratio
DBOD	Department of Banking Operations and Development
DFI	Development Finance Institutions
DFID	Department for International Development
DFS	Department of Financial Services
DNBS	Department of Non Banking Supervision
EC	Enforcement Committee
ED	Executive Director
FICCI	Federation of Indian Chambers of Commerce and Industry
FPC	Fair Practices Code
FY	Financial Year
GIZ	German Development Cooperation
GLP	Gross Loan Portfolio
GoI	Government of India
IBA	Indian Banks' Association
ICRIER	Indian Council for Research on International Economic Relations
IFC	International Finance Corporation
IIM	Indian Institute of Management

03:30 PM – 4:30 PM	Ms. Pham Thi Van - Risk Manager cum Secretary of Management Board, Vietnam Women's Union (TYM) (Vietnam)
	Mr. K. Paul Thomas - Founder and Chairman, ESAF Small Finance Bank (India)
	Mr. Vivek Sengupta - Senior Advisor, Public Affair & Advocacy,Edelman (India)
	Mr. Elliot Rosenberg - Vice President, Business Development, Awaaz De (India)
	Q & A
04:30 PM – 5:30 PM	Plenary Session 11: The Grand Debate: Will We Ever Learn
	Moderator:
	Mr. Vijay Mahajan - Founder, BASIX (India)
	Panelists:
	Ms. Ratna Vishwanathan- Chief Executive Officer, Microfinance Institutions Network (India)
	Mr. Narasimhan Srinivasan - Sector Expert (India)
	Mr. Tamal Bandyopadhyay - Consulting Editor, Live Mint (India)
	Mr. Rajeev Ahuja - Head, Strategy at RBL Bank (India)
	Mr. Alok Prasad - Sector Expert (India)
	Mr. Parag Jariwala - Vice President, Religare Capital Markets (India)
	Q & A
05:30 PM – 05:45 PM	Valedictory Ceremony
	Vote of Thanks - Mr. Anand Rao- Vice President, Microfinance Institutions Network (India)

IRDA	Insurance Regulatory Development Authority
IT	Income Tax
JLG	Joint Liability Group
KAMFI	Kerala Association of Microfinance Institutions
LIC	Life Insurance Corporation
M-CRIL	Micro Credit Ratings International Limited
MD	Managing Director
MFI	Micro Finance Institutions
MFIN	Micro Finance Institutions Network
MFT	Microfinance Transparency
MIS	Management Information System
MIX	Microfinance Information Exchange
Mn	Million
MoF	Ministry of Finance
NABARD	National Bank for Agriculture and Rural Development
NBFCMFI	Non Banking Finance Company - Microfinance Institutions
NCD	Non Convertible Debentures
NGO	Non Governmental Organization
NOF	Net Owned Funds
NPA	Non Performing Assets
PAR	Portfolio at Risk
PFRDA	Pension Fund Regulatory and Development Authority
PSB	Public Sector Banks
PSIG	Poorest States Inclusive Growth Programme
RBI	Reserve Bank of India
RRBs	Regional Rural Banks
SCB	Scheduled Cooperative Banks
SEBI	Securities and Exchange Board of India
SHG	Self Help Group
SIDBI	Small Industries Development Bank of India
SLBC	State Level Bankers' Committee
SPTF	Social Performance Task Force
SRO	Self-Regulatory Organization
TRAI	Telecom and Regulatory Authority of India
TSP	Technical Service Provider
UIDAI	Unique Identification Authority of India
VP	Vice President





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