

ANNUAL REPORT
2019-2020

THE JOURNEY OF A DECADE

Building
a **Responsive** Ecosystem, **Responsible** Business *and* **Resilient** Sector





The Journey of a Decade

The Annual Report 2019-20 is a celebration of MFIN's journey of ten years. And as MFIN is synonymous with Microfinance, this journey reflects the evolution and growth of the industry.

This special edition aims to bring you to significant milestones of this journey starting with the stalwarts who formed MFIN. 'Leading from the Front' takes you through the people who guided this journey as Presidents, Vice-Presidents and CEOs. We then present snippets of MFIN's work and development, attractively laid out year-wise. MFIN's work in developing a Responsive Ecosystem, ensuring Responsible Business, and developing Resilience then follows with interesting perspectives from important stakeholders across the entire Microfinance Ecosystem. This ecosystem has allowed our Members to deliver their services seamlessly; and their accomplishments in these ten years are depicted through our section on 'Members' Achievements'.

This Journey ends with 'The Year That Was', an exhaustive representation of MFIN's work in the year 2019-20. This action-packed year, will set the tone for the decade to follow.



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CHAIRPERSON'S MESSAGE



Greetings,

I am truly honoured to be writing this piece as the Chair of the MFIN Governing Board on the 10th anniversary year of the association that was set up in 2009 to promote financial inclusion amongst the low-income households in India.

It was clearly the foresight of the founders to set up a NBFC focused association in the field of microfinance as early as 2009. Organised under an association, we could play a key role in addressing the AP issue in 2010 and work with the RBI on the measures taken to create the foundations for a strong microfinance sector. Post the Malegam Committee Report from Reserve Bank of India (RBI), the formation of a separate category of NBFC-MFIs with clear customer protection guidelines, strengthening the credit bureau ecosystem and recognition of MFIN as the first Self-Regulatory Organisation (SRO) in microfinance were building blocks for the sector. This ensured adequate inflow of capital and leverage of that through debt from the financial system.

The results are there for all to see : a multi-fold scale-up in credit outstanding from under Rs 11,000 Cr serving around 1 Cr clients in 2009 to over INR 2,28,074 Cr covering 6 Cr end clients in 2020 and growing, with a diverse set of regulated players. With 6 Cr end clients we impact over 300 million lives including their families! I have no doubt in my mind that amongst the microfinance associations in the world, MFIN is unmatched for its work, standards, results achieved while being completely funded and driven by the members.

In the 10th year of the association, it is but appropriate to list some key building steps to making it keep pace with the times and make it even more relevant in the future:

- The Code for Responsible lending (CRL) for Microcredit : in what is a significant global self-regulatory initiative, launched by the epitome of responsible lender, Prof (Dr) Mohd Yunus, Nobel Laureate, 109 lenders in the sector across banks and non-banks have come together to sign and adhere to the CRL. The CRL essentially seeks to create an evolving set of guidelines that all lenders in this sensitive sector will follow for the customer well-being and prudent growth. CRL is guided by a Steering Committee consisting of lender & SRO representatives and is chaired by Dr H R Khan, former Deputy Governor of the RBI. These "Responsible Lenders" also subject themselves to scrutiny and get certified with a compliance score every quarter. This is a critical and fundamental building block for the sector going forward and we seek the support of all concerned to make it a defining moment in Indian microfinance.



- Micro Finance Institutions Network (MFIN) to Financial Inclusion Network (FIN) : with changing landscape of the sector in terms of different lender types, portfolio size and client outreach, it is inevitable that we move from the restricted NBFC-MFI space to a more holistic Financial Institutions Network. We have already taken the first steps in signing up and involving Associates in the association. The associates include lenders like NBFCs, SFBs and Universal banks and non-lenders like BCs, credit bureau, rating agencies, technical assistance providers etc. The Governing Board has a seat for the Associates as of now which is proposed to be enhanced in years to come to become more inclusive.
- Customer service & protection: given the sensitive nature of our end clients, the credit origination process puts a lot of onus on the lender. Ideally a e-KYC check to establish the right identity, an updated credit bureau record, the Financial Literacy sessions and the field approval process ensures a high level of credit quality. NBFC MFIs today submit data to the credit bureau on a daily basis and we hope to get all players to do that soon. To ensure that only genuine applicants get employed and interact with the clients, we have enabled an employee database which seeks to support the lenders to avoid any wrong hire. To protect customers against unexpected risks, most lenders offer credit life insurance and the sector is also working towards getting natural calamity cover given the heightened incidence of late in the country.

Our customer grievance mechanism is now a 3 tier one: the lender customer service number; the MFIN Toll Free; the RBI local office and finally the RBI Ombudsman. This ensures that a responsive client service and protection of the highest order is available to those who need it. The MFIN Enforcement Committee (EC) and Self-Regulatory Committee (SROC) also take cognisance of issues raised and the necessary action on lenders as appropriate.

- ‘Developmental’ role of MFIN: the long runway of opportunities for an entrepreneur in the Financial Inclusion space in India is quite unique – from a Sec 8 company to NBFC to NBFC MFI to a SFB or even a Universal bank. MFIN has a key role in facilitating training, knowledge & information to the industry at large and co-creating market-wide infrastructures and utilities like credit bureaus, employee bureaus, certifications, standards, etc. It is providing more focused data and tools to support business decisions especially in the area of risk management. An example is the District Risk Index that we have developed to provide accurate intelligence to lender on which areas to go/avoid, how much to lend and what other financial services to offer to a potential borrower. We also provide the material and certification courses to members on skilling their employees



in the work they do, especially in the field. With the maturing of the sector there is a significant vintage of borrowers who are ready to graduate to bigger loans. We are enhancing a credit tool for accessing financial health of a household and their repayment capacity across borrowings.

- **MFIN organisation & governance:** given the role we do, we have an able Secretariat led by a CEO with 4 verticals on SRO & Compliance, Policy Advocacy and Research, State Initiatives and Marketing Communications/PR. The CEO is guided by a Governing Board with a good mix of practitioners elected by the members and subject matter experts as independent directors. All our sub-committees are led by independent directors and comprise of industry experts to focus on objectivity in the deliberations. In keeping with the enhanced role we are seeking and the centre stage we propose to occupy in the FI space, we will need a possible Advisory Board with a good mix of regulation, developmental economics, industry and government experience. We will need to enhance our communication strategy with media and wider community to show the right image of the industry in the work we do.

We were guided by our Vision: “To be an engine of inclusive growth for India and help provide financial services to 100 million low income households by the year 2020, in a responsible and transparent manner.”

I am told that we have managed to serve over 14 Cr households in the last 10 years clearly overachieving our earlier aspirations. Next ambition – 25 Cr households by 2025?

I wish to thank the Government of India for their focus on development at the BoP, the RBI our regulator for the focus on access to finance to the underserved, the various state governments for their local on-ground support, investor community for their confidence in the business model, the lenders for their continued support, the governing board members for their commitment and contribution, the MFIN Secretariat for their hard work and passion, the NBFC-MFI promoters/CEOs for their entrepreneurial spirit, the lacs of employees in the sector for their committed hard work on the field and of course the 60 million end clients for the opportunity to serve them.

It has been a very satisfying experience being on the board since early 2013 and the Chair twice – my gratitude to those who reposed their confidence in me. I am sure the association will grow from strength to strength in the next decade and play a key role in a quantum leap on “access to responsible finance” in the country.

Warm regards,

Manoj Kumar Nambiar

Chair of the Governing Board





CEO's MESSAGE

Dear Members and Associates,

What a remarkable year it has been; fast paced and fruitful. And even more remarkable is the decade that went by. On December 14, 2019 MFIN completed ten years of a momentous journey. A journey, which is a celebration of the success of microfinance in meeting the dreams of millions of our fellow citizens.

I thank each of you for being a part of this journey. Some of you have been with us since our inception; others joined later. At MFIN, we are proud of each of you and your many achievements and successes. We also feel immensely proud that as an SRO and an Association we could, through our many areas of work, facilitate your journey of growth.

In the formative years of MFIN, its clear mandate was to create ease of business for the industry. Our contribution in shaping policies around Microfinance and in creating frameworks for industry compliance is well established. Our work as an SRO was greatly appreciated by many of you and by the RBI. The creation of a forward-looking and regularly updated Code of Conduct at that time was demonstrative of our understanding of the industry need. We are proud to see so many of our Members today stand tall as leading Small Finance Banks.

MFIN shaped the robust ecosystem that microfinance operates in by creating the first Credit Bureau on Microfinance by partnering with HighMark. Later MFIN, along with Equifax, created and launched an Employee Bureau to address the various manpower issues faced by the industry.

Simultaneously, the Secretariat started number crunching to produce for its Members some in-depth analytical reports, starting with Micrometer, its flagship publication. Today Micrometer is regarded by all as the industry Bible. Microdive has also gained immense popularity, along with Microscope and Micromirror.

Our industry often goes through challenges faces crises. MFIN has always been there to support its members during all of them. Andhra Pradesh, demonetization, liquidity, Assam, apart from elections and natural calamities, and now COVID-19, are some of your problems that became ours. We have worked tirelessly till these concerns were addressed. And we shall continue to do so.

In our first year, we had twenty members. Today, we are proud to have ninety-four members and associates. As the industry's structure has changed, we have expanded our membership to include all classes of lenders and those whose work supports microfinance. The launch of a CRL is an effort to include other classes of lenders. Just



the MFI portfolio has jumped from a GLP of Rs 40,138 crores as on 31st March 2015 (five years ago) to Rs 74,371 Cr as on 31 March 2020. The microfinance industry has a total loan portfolio of Rs 2,31,788 Cr.

This Annual Report is dedicated to the minds that conceptualized MFIN and endeavored to create an association of this standing. If we are proud of our work today, we have them to thank! They laid a robust foundation and gave us direction. It goes without saying that their efforts could bear fruit with the vision and foresight of men of substance like Mr Y H Malegam, Mr Anand Sinha, Mr N S Vishwanathan, to name a few. I consider it my honour that we could, in this special Annual Report, capture the quotes of a few of these eminent men. Do also go through our year-wise journey and hear what our other important stakeholders have to say as we pursued our work across 3Rs – Responsive Ecosystem, Responsible Business and Resilience.

‘The Year That Was’ clearly shows what a packed year it was, ending with the pandemic, yet another crisis for the industry! MFIN was on its toes throughout the year, whether it was with state governments, the press, regulators, investors, and all other stakeholders taking a host of initiatives across all its areas of thrust. Like a shield, MFIN battled crisis in various states, created pride of place for the industry externally, advocated and developed capabilities within the industry and much more.

MFIN continues to add new members—both primary and associates. Many long-pending issues have been sorted—for instance a provisioning policy and an internal financial control system—consequently, its finance have become stronger; so has its governance with an extremely supportive board, whom I thank for their guidance.

All of us at the MFIN secretariat will continue to do our best. Our goal is to together build an even more resilient and responsible microfinance industry in the next ten years too, surmounting all the expected and unexpected challenges.

Best wishes to each of you and all your colleagues, especially in these turbulent times.

Harsh Shrivastava

And all the other twenty-three members of the MFIN secretariat





ABOUT MFIN

Microfinance Institutions Network (MFIN) is an industry association powering responsible finance in India. It was established in December 2009 under the Andhra Pradesh Societies Registration Act 2001. In June 2014, MFIN was appointed as the Self-Regulatory Organisation (SRO) for NBFC-MFI by the Reserve Bank of India.

The Microfinance sector comprises regulated entities serving close to 6 crore households, impacting over 250 million lives, and giving an impetus to the financial inclusion movement within the nation.

Today MFIN has 55 NBFC-MFI members, who during 2019-20 collectively lent Rs 74,371 crores to 3.22 crore clients across the nation. With an expansive network of 14,275 branches and over a lakh of employees, these

NBFC-MFI provide door-step micro-credit to the unserved and unbanked population of India. MFIN also has 39 Associates including Banks, SFBs, NBFCs, Banking Correspondents amongst other key stakeholders who play a critical role in the financial inclusion dialogue.

MFIN's objective is to support its Members and Associates in building their capacities and creating a favourable operating environment for them. This is achieved through its work across four verticals - SRO, Advocacy, State Initiatives and Communications. In exercising its role as an SRO, MFIN enforces high ethical standards and adherence to regulations through proper framework and processes, ensuring client protection and responsible lending. Through its constant engagement with

regulatory bodies, Central and State Governments and other key decision makers, MFIN advocates on behalf of the microfinance industry. Exhaustive work at the regional, state and district level, has enabled MFIN to build a strong ecosystem facilitating the delivery of microfinance on ground. Various communication tools are being used to build an understanding of the microfinance operations, its differentiators, achievements, and challenges while providing credit to a population, once excluded.

With these multiple initiatives, MFIN plays an invaluable role in the robust development of the microfinance sector by promoting responsible lending, client protection, good governance and a supportive regulatory environment.

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.

MISSION

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.



GOVERNANCE

MFIN adopts a collaborative, consensus-based approach to promote universal access to finance, policies and structures. This forms the backbone of MFIN's governance, ensuring healthy and creditable development of the NBFC-MFI industry.

GOVERNANCE

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 last revised in July 2020.

GENERAL BODY

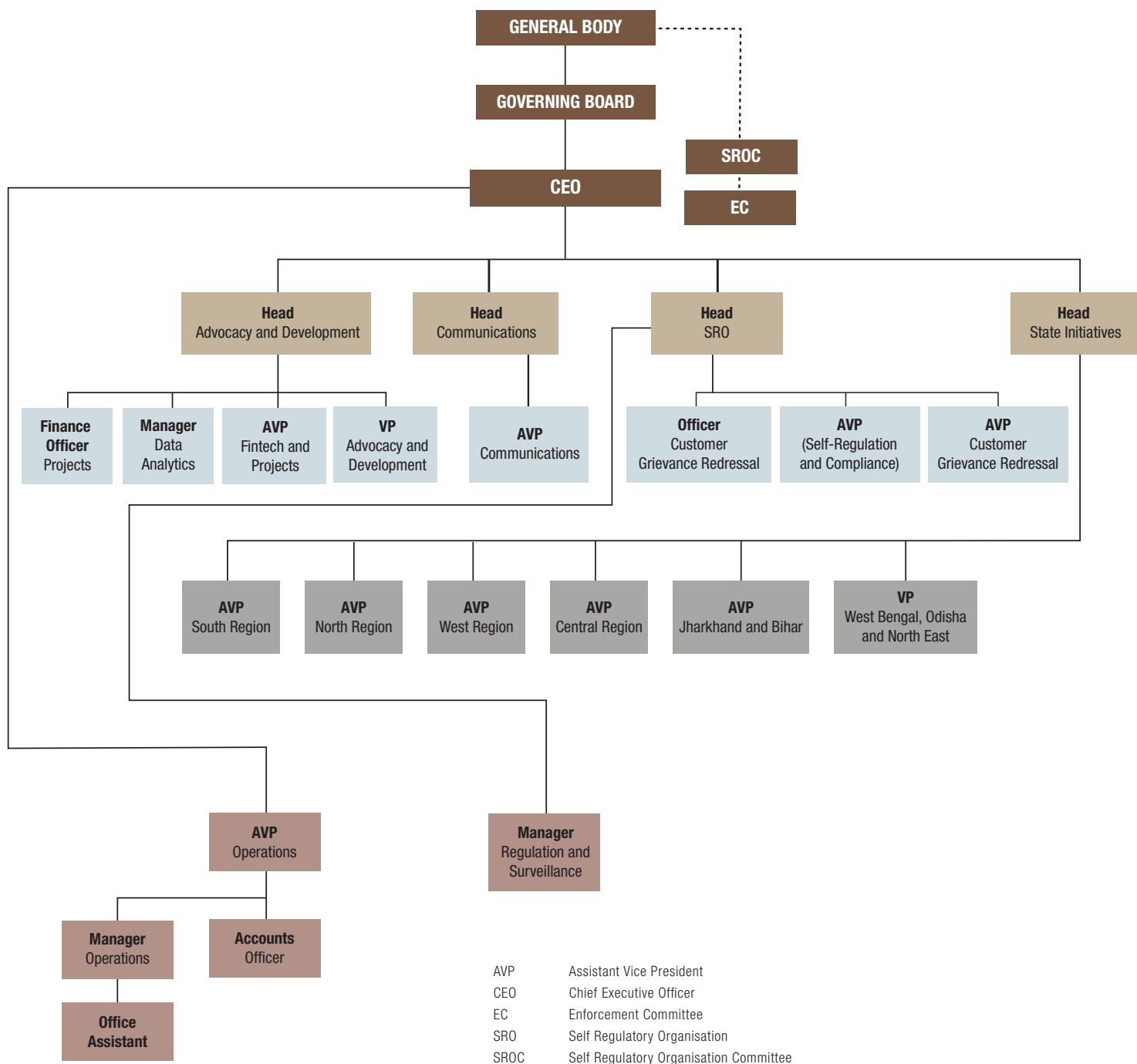
The General Body is constituted of all Members of MFIN and is the supreme governing body. The General Body meets every year and is responsible for the overall vision and direction for MFIN.

GOVERNING BOARD

MFIN receives strategic guidance in fulfilling its overarching objectives from the Governing Board. The current

bye-laws provide for a maximum of twelve members, one-third being independent members. The term for any member of the Board is for three years. Post completion of 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 a twelve member (eight elected members and four 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



MR. MANOJ KUMAR NAMBIAR
CHAIRPERSON

Managing Director
Arohan Financial Services Ltd.

Mr. Manoj Nambiar has over 32 years of working experience and is currently with the Aavishkaar Group as the Managing Director of Arohan Financial Services Limited.

He started his career with Modi Xerox in 1988 and moved into financial services with GE Countrywide in 1995. He did stints with ANZ Grindlays and ABN Amro Bank NV India and then moved to the Middle East joining National Bank of Oman as Head Retail Banking in 2002 looking after Oman, UAE, and Egypt. He became the COO of the Alhamrani - Nissan Finance company, KSA and thereafter the Deputy CEO of Ahli Bank SAOG in Muscat, Oman. He returned to India in June 2010 as MD & CEO of IntellectCash Microfinance Network Company (P) Limited (an Intellect Group company) in the business of incubating and capacity building of MFIs getting deputed as the MD of Arohan in 2012. Mr. Nambiar is a mechanical engineer by graduation from VJTI in 1986, an MBA in Marketing by post-graduation from JBIMS in 1988,

both from Mumbai University and has tertiary qualifications in insurance from III. He has also completed a "Strategic Leadership in Microfinance" course from the Harvard Business School, Boston, the US in April 2013 and "Strategy meets leadership" course from INSEAD, France in Aug'19. He joined the MFIN board first in 2013, was the President in 2015 and got re-elected in 2018. Mr Nambiar likes to listen to soft music in his free time.



MR. VINEET CHATTREE
VICE - CHAIRPERSON

Director
Svatantra Microfin Pvt. Ltd.

Mr. Vineet Chattree has over 25 years of experience spanning across Operations, financial services, Consulting and Merger & Acquisition domains in India, Middle East and US. Vineet currently heads both Svatantra Microfin Pvt Ltd and Svatantra Microhousing Finance Corporation Ltd., which make differentiated offerings to the economically weaker and low-income group segments in Rural and Tier III segments across the country. Both these businesses cater to niche segments through unique customer-centric business models with a central

purpose of making a meaningful difference in the lives of the customers – be it through financial awareness, financial inclusion, empowerment or access to basic infrastructure. Vineet is a chemical engineering graduate from Institute of Chemical Technology, Mumbai and has completed his Master of Management from IIT – B and Executive Management Program at Wharton. An avid reader, trekker, marathon runner and a firm believer in the preaching of Bhagavad Gita.



MR. K M VISHWANATHAN
MD & CEO
M Power Micro Finance Pvt. Ltd.

Mr. K M Vishwanathan is a BFSI professional with an exposure of 33 years across NBFC, Branch Banking, retail assets, credit, and risk management of which ten years have been as a microfinance practitioner. His exhaustive banking experience of nine years in the Karnataka Bank and nine years with HDFC Bank coupled with his NBFC lending experience in Chola Mandalam Finance played an invaluable role in his microfinance journey. He holds a Master's degree in Financial Management from Jamnalal Bajaj Institute of Management Studies, Mumbai University.



**MR. HARISH
VENKATA RAGHU**

Co-Founder, MD & CEO
SaGgraha Management Services

Mr. Harish Raghu has a rich and varied experience of over 24 years across Agri, Rural, Banking and Financial sector. He has previously worked as a COO of Future Financial Services Ltd. (erstwhile Fincare) and CPO at Spandana Spoorthy. He has also been associated with Fullerton Gramshakti, ICICI bank, Madras Fertilizers in the past. His core expertise includes Sales, Operations, HR, Branch banking, Communications & PR, and Marketing. Mr. Raghu pursued B.Sc. in Agriculture, PGDBM and EGMP from IIM, Bengaluru. He is well connected to various rural management institutes where he is invited for guest lectures and conducts industry workshops on HR and Operations. Harish is an avid traveller.



MR. JAGADISH RAMADUGU

Board Member
Vaya Finserv Private Ltd.

Mr. Jagadish Ramadugu is the Co-founder of VAYA Finserv

and is presently serving as a Member on the Board of Vaya. He is an Engineer with an MBA from Indian Institute of Management, Ahmedabad (IIMA) and has more than 22 years of work experience in leadership roles in diverse sectors including Financial services, Retail & Consumer goods in leading companies like Asian Paints, Coca Cola & RPG. He is passionately involved, since its inception in 2010, with a Charitable Trust which manages "Sparsh Hospice Centre" caring for terminally ill persons in a peaceful and serene environment. In his free time, Mr Ramadugu likes to play Tennis and watch movies.



MR. GYAN MOHAN

Director & CEO
Adi Chitragupta Finance Ltd.

Mr Gyan Mohan is a career banker with exposure in all facets of Banking and Finance including investment and international banking. He started his career as a Probationary Officer in SBI in 1979 and has held many important assignments in SBI including V.P. (Forex and Money market control) at SBI, Frankfurt, part of strategy team of Chairman, SBI etc. He worked with SBI Capital Market as SVP & GH (M & A) and is credited with advising on many privatization, mergers and advisory assignments. He has

held leadership positions in SBI, IDBI Capital, Power Exchange India Limited, Fortune Financial Services Limited, and SIS India Limited.

Mr Mohan has keen interest in social banking and has been associated with poverty alleviation programme during his various assignments at SBI.



MR. UDAYA KUMAR HEBBAR

MD & CEO
CreditAccess Grameen Ltd.

Mr. Udaya Kumar Hebbbar is a veteran in the financial sector with over 27 years of experience in the banking sector. He has been the main architect and driving force for the overall success and growth of CreditAccess Grameen since 2010. He has previously worked with Corporation Bank for 10 years, ICICI Bank for over 12 years and Barclays Bank Plc. for 3 years before joining CreditAccess Grameen to redeem his passion for the social sector. Mr. Hebbbar has immense exposure to all banking sector operations, including rural, agriculture and micro-banking fields. During his banking career, he has successfully implemented Six Sigma Quality Initiatives, Five-S principles for workplace management and ISO Standard. He also serves as the Chairman of Association of Karnataka Microfinance Institutions (AKMI). He holds a

master's degree in Commerce, CAIIB from the Indian Institute of Bankers and is a Graduate in banking operations and technology from BAI, USA.



MR. MOHAMMAD NOORUDDIN AMIN

MD & CEO
Adhikar Microfinance Pvt. Ltd.

Mr. Mohammad Nooruddin Amin is the promoter and the founding MD & CEO of Adhikar Microfinance. He has worked in the social development sector for the last 27 years and has an experience of 15 years within the microfinance sector. Cutting across different models of micro financial services, he is one of the pioneers in the state of Odisha in the said domain. He innovated the concept of money remittance for the migrant workers and has also played an active role in Notan activism initiating the cooperative movement in the state of Odisha. Mr. Amin has pursued his master's degree in Law from Utkal University, Bhubaneswar, Human Rights in Chulalongkorn University, Bangkok, trained in Grameen Bank and subsequently in Harvard Business School, Boston, USA. He is the recipient of the prestigious Ashoka Fellowship from Ashoka Trust, USA in 1996.

INDEPENDENT BOARD MEMBERS



DR. ARUNA LIMAYE SHARMA

Indian Administrative Service Officer (Retd.)

Dr. Aruna Sharma, a Madhya Pradesh Cadre 1982, retired in 2018 as the Secretary, Steel in the Government of India. Prior to that, she was the Secretary, Information Technology in the Government of India. She is practitioner development economist with MSc from University of Bath UK and doctorate from University of Delhi. She has worked in development and core sectors. Her publications are - Reaching the Last Beneficiary: Resource Convergence Mantra Model –2008 (UNDP), Impact of Recourse Convergence in Policy Making, Program Design and Execution – 2014 (UNDP) and latest is You@Game Changer for inclusive growth. She addressed John F Kennedy School, Harvard University on the issue of Financial Inclusion. She was member of a five-member high level committee of RBI on Deepening Digital Payment.



MR. 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 commercial and development banking in various facets of financing MSMEs & large corporates, 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.



DR. ALOK MISRA

Professor - Public Policy & Governance, MDI

Dr. Alok Misra has 28 years of professional experience in international development, rural finance, microfinance, inclusive

finance and research at both policy and implementation level. He started his career with India's apex rural development bank (NABARD) in 1992. He has been a part of the multi institutional task force (2003-2004) responsible for setting up India's first online demutualized commodities exchange (NCDEX). He is a member of Inclusive Finance India Group of Advisors and member of digital finance working group constituted by ITU, Geneva. Dr. Misra has written numerous articles and reports and has authored 'Responsible Finance India Report'. He has been awarded ADB Government of Japan scholarship for MDM programme and NZAID scholarship for his PhD. Dr. Misra holds a PhD in Development Studies from Victoria university of Wellington, master's in development management (Gold Medallist) from Asian Institute of Management, Manila. He has been trained at Harvard Business School in 'Strategic leadership for Microfinance' and was a Fellow, Fletcher Leadership Program for Financial Inclusion at Tufts University.



MR. DESH RAJ DOGRA
Ex-MD & CEO - CARE Ratings

Mr. Desh Raj Dogra has 39 years of rich experience within the financial sector in the areas of banking and credit rating. He

has maintained a high growth trajectory after taking over as acting Managing Director and made CARE the second largest rating agency. Mr. Dogra also worked closely with the Ministry of Finance, Government of India, where CARE prepared a dossier on the Indian Economy as well as white papers on both the equity and debt markets for the Ministry. Mr. Dogra holds a bachelor's and a master's degree in Agriculture from Himachal Pradesh University and MBA from Faculty of Management Studies, University of Delhi. He is a certified associate of the Indian Institute of Bankers.



MR. HARSH SHRIVASTAVA
CEO, MFIN

Mr. Harsh Shrivastava has 25 years' experience in advising businesses and governments on policy. Before joining MFIN, he was the head of corporate affairs and communication at Feedback Infra. Prior to that, he was the head of corporate

affairs for Srei Infrastructure Finance. Harsh was previously in India's Planning Commission, where he was its Consultant (Planning), managing the process of making India's 12th Plan. He has served in the Prime Minister's Office on the personal staff of Prime Minister Vajpayee as his deputy speechwriter. He has held senior posts at Reliance Capital and the Confederation of Indian Industry, where he handled agribusiness and food processing. He is currently on the board of Micro Units Development and Refinance Agency (MUDRA) and is the Chair of South Asia Micro-entrepreneurs Network (SAMN).

Harsh has been a journalist and wrote India's first book on Corporate Social Responsibility, released in 1999. Harsh taught a course on strategic public communications at IIM, Ahmedabad. He has also lectured about public policy at the Indian School of Business, both at Hyderabad and Mohali as well as at the Australian National University, Canberra. He was an Emerging Leaders Fellow at the Australia India Institute, Melbourne and selected by the US Department of State for its International Visitor Leadership Program. Harsh completed his MBA from IIM, Ahmedabad in 1995.





BOARD COMMITTEES

MFIN HAS THREE BOARD COMMITTEES

Nominations & Remuneration (NRC)

The Board Committee on Nomination & Remuneration is responsible for the overall direction on HR related issues of MFIN including HR policies, appraisal of vertical heads and to identify candidates for independent positions on the Board, SROC and the EC. Composition of the Committee during 2019–20 was as under,

- Dr. Aruna Sharma, *Chair, Indian Administrative Service Officer (Retd.)*
- Mr. Manoj Nambiar, *MD, Arohan Financial Services Ltd.*
- Mr. Navin Kumar Maini, *Retired Deputy MD, SIDBI*
- Mr. Harsh Shrivastava, *Member Secretary*

Audit

The Board Committee on 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 2019–20 was as under,

- Mr. Desh Raj Dogra, *Chair, Ex-MD & CEO, CARE Ratings*
- Mr. Harish Venkata Raghu, *Co-Founder, MD & CEO, SaGgraha Management Services*
- Mr. K M Vishwanathan, *MD & CEO, M Power Micro Finance Pvt. Ltd.*
- Mr. Gyan Mohan, *Director & CEO, Adi Chitragupta Finance Ltd.*
- Mr. Vineet Chattree, *Director, Svantra Microfin Pvt. Ltd.*
- Mr. Sharad Garg, *Member Secretary*

Associates

The Committee for Associates represents the Associate Members comprising Banks, Small Finance Banks, NBFC, Banking Correspondents, among others. The composition of the Committee during 2019–20 was as under,

- Mr. Harish Venkata Raghu, *Chair, Co-Founder, MD & CEO, SaGgraha Management Services*
- Mr. Manoj Nambiar, *MD, Arohan Financial Services Ltd.*
- Mr. Navin Kumar Maini, *Retired Deputy MD, SIDBI*
- Mr. Harsh Shrivastava, *CEO, MFIN*
- Ms. Bhavna Dayal, *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.

Task Force on Advocacy

The Task Force on Advocacy is responsible for steering and guiding the advocacy agenda within MFIN. It supports the Secretariat in drafting policy notes to various stakeholders including RBI, MoF and other

Central & State Governments. The Task Force engages with key policy makers and sector participants to create a conducive policy and business environment for the industry. The composition of the Task Force during 2019-20 was as under,

- Mr. Manoj Nambiar (Chair), *MD, Arohan Financial Services Ltd.*
- Mr. Govind Singh, *MD & CEO, Utkarsh Small Finance Bank*
- Mr. HP Singh, *Chairman & MD, Satin Creditcare Network Ltd.*
- Mr. Tapobrat Chaudhuri, *Head - Inclusive Finance, Kotak Mahindra Bank*
- Mr. Harsh Shrivastava, *CEO, MFIN*
- Mr. Swetan Sagar, *Member Secretary*

Task Force on Credit Bureau

The Task Force on Credit Bureau is responsible for strengthening the credit bureau ecosystem for the microfinance clients in the country. The composition of the Task Force during 2019-20 was as under,

- Mr. Jagadish Ramadugu (Chair), *Member Board, Vaya Finserv Private Ltd.*
- Mr. Anujeet Varadkar, *CEO, Svatantra Microfin Pvt. Ltd.*
- Mr. Malkit Singh Didyala, *Co-Founder & COO, Sindhuja Microcredit Pvt. Ltd.*
- Mr. Neeraj Sati, *VP & Product Head, RBL Bank*
- Mr. Rahul Kotabage, *DVP, Business Intelligence & Analytics, Suryoday Small Finance Bank*
- Mr. Sundar Arumugam, *Head, New Business & Innovation, CreditAccess Asia*
- Mr. Vishal Wadhwa, *EVP & Head - Rural Business, Fullerton India*
- Ms. Sugandh Saxena, *Member Secretary*

Task Force on State Initiatives

This Task Force is responsible towards the development of a comprehensive framework of MFIN's state level engagement and put in place an effective model through state chapters and associations to deepen advocacy and self-regulatory functions of MFIN at state and district level. The members of the Task Force are as under,

- Mr. Vineet Chattree (Chair), *Director, Svatantra Microfin Pvt. Ltd.*
- Mr. Anjan Dasgupta, *MD, ASA International India Microfinance Ltd.*
- Mr. Ganesh Rao, *CEO, New Opportunity Consultancy Services Pvt. Ltd.*
- Dr. Kalpana Sankar, *MD, Belstar Microfinance Ltd. & Co-Founder, Hand in Hand India*
- Ms. Achla Savyasaachi, *Member Secretary*

Task Force on Small and Medium MFIs

The Task Force on Small and Medium MFIs specifically focuses on the issues related to small and medium 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 composition of the Task Force during 2019-20 was as under,

- Mr. Gyan Mohan (Chair), *Director & CEO, Adi Chitragupta Finance Ltd.*
- Mr. KM Vishwanathan, *MD & CEO, M Power Micro Finance Pvt Ltd.*
- Mr. Ankush Golechha, *Director, Aviral Finance Pvt. Ltd.*
- Mr. Mantu Nath Sarma, *Director, Nightingale Finvest Pvt. Ltd.*
- Mr. Amit Mathur, *Member Secretary*



SRO

(SELF-REGULATORY ORGANISATION)

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 (SRO Guidelines), 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 focusing on customer protection. The 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. Ms. Sugandh Saxena is the Compliance Officer and Head of the SRO.

SELF-REGULATORY ORGANIZATION COMMITTEE (SROC) OF THE GOVERNING BOARD

The Bye-Laws of MFIN provides for an SRO Committee (SROC), which is a Board 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 two elected members of the Board, two independent members of the Board, and one 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 SROC:

#	Name	Particulars
1	Dr Alok Misra	SROC Chairperson and Independent Member (Professor, Public Policy and Governance, MDI)
2	Mr N K Maini	Independent Member (Ex-Deputy MD, SIDBI)
3	Ms Ragini Chaudhary	Independent Member (Director, Strategic Initiatives, Caspian)
4	Ms Veena Mankar	Independent Member (Founder & Chairperson, RBL Finserve)
5	Mr Jagadish Ramadugu	Industry Member (Board Member, Vaya Finserve)
6	Mr Vineet Chattree	Industry Member (Director, Svatanttra Microfin)

Details of SROC Meetings held during the year:

- 23rd September 2019
- 12th December 2019
- 18th March 2020

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:

#	Name	Particulars
1	Ms Veena Mankar	EC Chairperson and Independent Member (Founder & Chairperson, RBL Finserve)
2	Mr Arnab Roy	Independent Member (Ex-Principle CGM and Regional Director, RBI)
3	Mr Haresh Kulshrestha	Independent Member (Ex-CGM, RBI)
4	Mr Anujeet Varadkar	Industry Member (CEO, Svatanttra Microfin)
5	Mr Sadaf Sayeed	Industry Member (CEO, Muthoot Microfin)

Details of the EC Meetings calls held during the year:

- 30th August 2019
- 15th November 2019
- 28th February 2020

ANNUAL GENERAL BODY MEETING

The 11th MFIN Annual General Meeting (AGM) was conducted virtually on the 10th July 2020.

Mr. Udaya Kumar Hebbar, Mr. Mohammad Nooruddin Amin and Mr. KM Vishwanathan have retired on completing their term of three years. Mr. Jagadish Ramadugu has stepped down from the Board after serving for a year.

Mr. Devesh Sachdev, Mr. Vivek Tiwari, Mr. Dibyajyoti Pattanaik & Mr. Prashant Thakker were elected to the MFIN Board in this AGM.

The Governing Board Members are:

1. Mr. Manoj Kumar Nambiar	MD	Arohan Financial Services Ltd.
2. Mr. Vineet Chattree	Director	Svatantra Microfin Pvt. Ltd.
3. Mr. Gyan Mohan	Director & CEO	Adi Chitragupta Finance Ltd
4. Mr. Harish Venkata Raghu	MD & CEO	SaGgraha Management Services
5. Mr. Devesh Sachdev	MD & CEO	Fusion Microfinance Pvt Ltd.
6. Mr. Dibyajyoti Pattanaik	Director	Annapurna Finance Pvt. Ltd.
7. Mr. Vivek Tiwari	MD & CEO	Satya MicroCapital Ltd.
8. Mr. Prashant Thakker	MD & CEO	Centrum Microcredit Ltd.

The Independent Members are:

1. Dr. Aruna Sharma	Indian Administrative Service Officer (Retd)
2. Mr. Navin Kumar Maini	Retired Deputy Managing Director, SIDBI
3. Dr. Alok Misra	Professor - Public Policy & Governance, MDI
4. Mr. Desh Raj Dogra	Ex-MD & CEO, CARE Ratings

At the end of the AGM, the Members unanimously elected the Chairperson and the Vice Chairperson for 2020-21. They are:

Chairperson: Manoj Kumar Nambiar (re-elected)

Vice Chairperson: Devesh Sachdev



10 YEARS CELEBRATION





INTRODUCTION

Ten years is not a long time! But if one delves deeper into history to discover what the decade truly meant for an industry that prides itself in providing credit to an unserved population, that too collateral free, at their doorstep, ten years feel like a life-time!!

A coming together of like-minded people in 2009, saw the industry take fledging steps towards providing formal, for-profit credit to borrowers while adopting voluntary codes of conduct to protect their interests. Learning lessons the hard way right at the onset of the journey, the industry voluntarily strove towards a greater focus on 'self-regulation'. As the industry evolved, from it branched out, universal banks, small finance banks and business correspondents – with the borrower now having greater ease and greater access to credit in any part of the country. Not to say, there were no challenges! But the sector faced each of them and exists today as an industry that prides itself on being able to reach the grassroots of India and fulfil the dreams of millions of women and their households.

Join us as we take you down memory lane through our following sections:

STALWARTS SPEAK

Men who paved the way

LEADING FROM THE FRONT

Past Presidents, Vice Presidents, CEOs

THE JOURNEY OF A DECADE

MFIN'S 3R

Responsive Ecosystem

Responsible Business

Resilience

MEMBERS' ACHIEVEMENTS



Vijay Mahajan

MFIN's Founder President

It is hard to believe that it has only been ten years – so much has happened since MFIN was set up in mid-2010, although the process that led to setting up MFIN itself lasted over two years. As per MFIN, the Gross Loan Portfolio for microcredit had crossed Rs 2 lakh crore on 30th Sep 2019, with 9.8 crore borrowers. That is very impressive by any standards.

The fact that eight MFI members of MFIN got a small finance bank licence and one before that got a universal bank licence, speaks for the acceptance of this sector as part of mainstream finance. The fact that in 2019-20, we read almost every month about some or the other MFI raising capital from private equity investors and many SFBs doing IPOs shows that the capital market has also accepted this asset class. Finally, the fact that the recent Atma Nirbhar Bharat Abhiyan component on loans to Street Vendors – PM SVANidhi are being financed by SIDBI and routed through MFIs, is a recognition that MFIs reach those segments that no other financial institutions or banks reach.

So there is indeed a lot to celebrate as a sector, as the microfinance industry association and as the self-regulatory organisation for the sector. This is thus a good time to remember all those who pitched in to make MFIN a model industry association and SRO. The contributions of MFI members, the Board members and successive MFI EDs and staff, and the support of the GOI, DFS, RBI and SIDBI and banks are all to be appreciated in reaching this milestone.

Yet, I am also aware that due to the downturn in the economy, particularly for the lower end MSMEs and informal enterprises, coupled with RBI declaring a moratorium on repayment of instalments for six months, there is incredible stress on the cash flows of most MFIs. And if even 20 percent of the loans do not come back because the business has closed down, then the provisioning will lead to require more capital infusion to maintain regulatory adequacy. Thus, it is time to already start thinking of where the capital will come for, particularly for the smaller NBFC players, and perhaps to seek regulatory forbearance on capital adequacy norms for a period of two or three years.

But apart from dealing with the Covid triggered crisis, there are longer term structural issues that MFIN needs to address. As the upper end of MFIs have become SFBs, there is necessarily a divergence in the regulatory framework as compared to NBFCs. While the SRO role will have to be redefined by the RBI, as an industry association, MFIN should consider re-inventing itself as an association for all entities which undertake microfinance, which includes the commercial banks, BCs of Banks, the SFBs, MFI-

STALWARTS SPEAK

NBFCs and the new generation digital lenders. The sector has a long way to go in terms of coming out with new products and getting out of its face-to-face group processes. The action research-based knowledge building and thought leadership role for this can be played by MFIN.

I end with my best wishes to MFIN and its members and staff and well-wishers.



Alok Prasad

MFIN's First CEO

It was the 15th of October, 2010, a date which no microfinance professional in India will ever forget. I was in Colombo for the Asia Microfinance Forum. Evening time. Enjoying the cool breeze by the seaside. And then, the harsh ring of the cell-phone; my reverie rudely interrupted. It was the promoter of a Hyderabad based MFI. In a highly stressed voice, he asked, where are you, are you aware that the Andhra Government has promulgated an Ordinance which can destroy us? That was the start of the journey which put Microfinance Companies through a near-death experience; made MFIN a premier industry body; and put me through challenges which were life-changing. For the next five years, the Microfinance industry became my karma-bhumi, and its robust growth my lakshya.

The award of the Nobel Peace Prize to Prof. Yunus in 2006 had given enormous prestige to microfinance, globally. In India, the industry had grown at a blistering pace since 2007 and acquired something of a halo. Vijay Mahajan, the doyen of the industry, was not just highly respected but viewed as the guru of financial inclusion. The Oct 2010 Ordinance of the Andhra Government brought all this to a jarring halt. From being deified, the 'for profit' MFIs, near instantly, got demonised. But, once the initial shock had been absorbed, like the mythical Phoenix, the industry not only survived but emerged stronger.

Machiavelli, the great Renaissance political thinker reportedly said, 'never waste the opportunity offered by a good crisis'. This, in effect, became the mantra for the microfinance practitioners. For me, personally, it became the opportunity to work closely with Vijay, Samit, Ghosh-da and others to build bridges with all stakeholders; to deeply engage with the RBI and Ministry of Finance, Govt of India for creation of a supportive policy framework.





In early 2011, a revised Microfinance Bill got drafted at near lightning speed (Vijay and I worked on it through the night since Secretary, Financial Services wanted it the next day!). Towards the end of the year, on 2nd Dec, 2011, the RBI came out with the comprehensive set of regulations for the industry, based on the recommendations of the Malegam Committee. Vijay happened to be at my residence that evening. Almost in tears (of joy!), he said, this represents the culmination of the labours of over a decade.

The new regulations also provided for the creation of a new category of NBFCs, namely NBFC-MFIs. This gave to the still struggling microfinance institutions a legitimacy they had always sought. With this legitimacy, the industry got back its mojo. Overtime, this also resulted in NBFC-MFIs getting recognised as a key component of the national financial architecture.

It is a matter of immense satisfaction for me that the platform for all of the industry's initiatives was MFIN. From being a new, little known industry body in July 2010 (when I joined MFIN), by June 2014 it got formally recognised by the RBI as a 'Self-Regulatory Organisation' (SRO) - the first industry body to be accorded such a status. Soon thereafter, MFIN became a regular invitee to the RBI Governor's pre-monetary policy consultations. A full circle indeed for an industry which just 36 months earlier was being excoriated by the media and the chatterati!

The year 2014 also saw Bandhan, the largest NBFC-MFI, getting RBI's in-principle approval to become a full-fledged commercial bank. And in 2015, of the 10 Small Finance Bank (SFB) approvals given by the RBI, 8 went to MFIN member institutions. With NBFC-MFIs getting their due place in the financial firmament, it was with a feeling of mission accomplished that I moved on from MFIN in July 2015. A very full, very satisfying 5 years!

While the industry and MFIN have successfully weathered many a storm, being complacent is the greatest risk. Agility and constant reinvention are critical. To paraphrase John Maynard Keynes, like politicians, organisations will do the right thing, but only after exploring all other possibilities! I am proud of my association with MFIN from its early days. I hope to see it evolve, look beyond NBFC-MFIs, and do all the right things for promoting the national cause of financial inclusion.



Samit Ghosh

Founding Board Member, MFIN



Prince to Frog and back to a Prince.....

We started Ujjivan in Bangalore in 2005. It was akin to Siddhartha renouncing the princely world of commercial banking and taking on the selfless work of financial inclusion and poverty alleviation. When crisis struck in 2009 in Andhra, the epicentre of microfinance in India, we were a fledgling organization. Vijay Mahajan, like Abraham calling his wayward flock, beckoned us to Hyderabad. Two decisions were taken based on Vijay's foresight. He had been in discussion with HighMark, who wanted to apply for a credit bureau license in India, specializing on services to microfinance institutions. This was essential as CIBIL, the only operational credit bureau refused to service us. We agreed to contribute a token amount towards High Mark's capital, which would help them obtaining the license from RBI. Second, we were disillusioned with Sadhan to effectively work for the NBFCs and hence the need to set up our own association – MFIN.

In 2010, MFIN was established with Vijay, President, P. N. Vasudevan, Vice President & Alok Prasad as the CEO. I was one of the founding board members. After one term Vasu dropped out of the VP position and I took over. Meanwhile, the crisis in Andhra had blown out of control with the intervention of the State Government and passing of the Ordinance. MFIs were virtually banned from operating in the State. This had the potential to create bad debts of Rs. 6000 crores for banks who had funded the MFIs. The RBI finally intervened and set up the Malegam Committee to resolve the crisis. We were summoned to Hyderabad to appear before the Committee. Members of the Committee were forbiddingly seated on a stage with a long table at the end of a large room. We appeared before them single file, much akin to convicts in court for sentencing. We were reduced to frogs.

The long road to redemption started with interactions with Mr. Malegam in his office to formulate the regulations for microfinance institutions. Often based on computation on the back of used envelopes! Microfinance was a new area for Mr. Malegam and it was a pleasure working with him as he had an open mind and very clear on the principles. We established a good working relationship with him. Finally, in 2011 the Malegam Report was published and the RBI set out the guidelines to regulate the NBFCs, with our total buy in. One challenge was to get recognition for the Microfinance NBFCs, as a specialized category. This came much to our joy with the regulations, specifically directed to this new segment – NBFC-MFIs. One of the reasons for the Andhra crisis was the 'California Gold Rush' like mad craze for growth of MFIs fuelled by private equity funders. This was in a totally unregulated environment with aggressive lending & collection practices. In the absence of reliable



credit history, lending was done blindly without any idea of the debt burden of the borrower. This led to over borrowing by customers and subsequent default. Chastened by the crisis it was important for MFIs to operate with comprehensive information of the borrower using credit bureau data and under a strict set of regulations set by the RBI. A code of conduct was drawn up. However, to enforce it MFIN needed teeth. We entered a dialogue with RBI to set MFIN as a Self-Regulatory Organization (SRO). This would be a first in the world of microfinance! Both Vijay & Alok worked very hard for this to happen.

Unfortunately, BASIX which was Vijay's baby and a school for a lot of us, was badly affected by the Andhra crisis and the microfinance arm had to shut shop. Vijay decided to step down. I was slated to take over. In 2013-14, I did that with extreme trepidation, as I had big shoes to fill. I served the office for two terms including 2014-15. The SRO guidelines were issued in 2013 and MFIN along with Sadhan were recognized as the SRO for the microfinance sector. MFIN set up the entire machinery and under able guidance of board members like Sanjay Sinha of MCRIL. It became a powerful independent authority to enforce discipline. Unfortunately, over the years the SRO has lost a lot of its effectiveness.

Dr. Raghuram Rajan, a young professor from University of Chicago was appointed as the Governor of Reserve Bank in September 2013. Dr. Rajan was very strong proponent of financial inclusion even in his earlier stint as Chairman of the Committee of Financial Sector Reform in 2007. He constituted a 'Committee on Comprehensive Financial Services for Small Businesses and Low Income Households' under Dr. Nachiket Mor in 23rd September 2013. This Committee recommended setting up two categories of specialized banks: Small and Payment Banks on January 7th, 2014. MFIN had interactions with this Committee before issuing guidelines. The first draft guidelines for 'Small Bank' were issued in July 17, 2014. There was a lot of excitement, as we saw this a path to achieve our ultimate dream to convert ourselves to banks and provide full range of financial services to our financially excluded customers. These guidelines went through a series of changes based on multiple round table interactions of MFIN members and a panel set up of senior RBI officials. Alok also organized direct interactions with Mr. Anand Sinha, Deputy Governor who was overseeing the drafting of the guidelines. However, the final hurdle was the concept of 'Small Bank' which would exclude lot of NBFC-MFIs with national or regional footprint. Dr. Raghuram originally visualized the Small Bank along the lines of Community Banks in the U.S. with strong connect with local communities. Alok & I sought an appointment with Dr. Rajan. We explained to him the key imperatives for success of MFIs was to use scale to bring efficiency and reduce the cost of operations. This was a high volume business of small ticket transactions. Second the need to diversify geographically and reduce concentration risk, as this business is prone natural & manmade disasters. This was clearly apparent when major MFIs with high concentration of business in Andhra collapsed. We may be national/regional in scope, we hire managers & staff locally and our branches have strong local community connect. Dr. Rajan was convinced. This according to Vijay Mahajan was the bank for small people and hence christened 'Small Finance Bank'. Final clarification to guidelines was issued on January 1, 2015. There was high level of excitement and members of MFIN applied for the licenses which was evaluated by a Committee set up under former Deputy Governor Usha Thorat. There were 72 applicants. On September 17, 2015 RBI announced the names of the ten successful applicants. Eight out of these were NBFC-MFIs. It was a day of great joy and vindication for all of us and especially for Vijay, Alok and all the founders of MFIN. Back again from frog to a prince.

Like karma, the cycle of this transformation Frog-Prince-Frog-Prince.... continues in an unending cycle. As a famous Indian politician said: 'The joy of serving the poor goes hand-in-hand with the experience of incarnation and feeling the sting of policeman's lathi.'





LEADING FROM THE FRONT

MFIN PRESIDENTS OVER THE YEARS



Vijay Mahajan
2009 - 2013



Samit Ghosh
2013-15



R. Baskar Babu
2016-17



Rakesh Dubey
2017-18



Udaya Kumar Hebbar
2018-19



Manoj Kumar Nambiar
2015-16 • 2019-Present

MFIN VICE PRESIDENTS OVER THE YEARS



P N Vasudevan
2011-12



Samit Ghosh
2012-13



C S Ghosh
2013-14



V S Radhakrishnan
2014-15



R. Baskar Babu
2015-16



Anand Rao
2016-17



Devesh Sachdev
2017-18



Dibyajyoti Pattanaik
2018-19



Vineet Chattree
2019-20

MFIN CEOs



Alok Prasad
2010-2015



Ratna Viswanathan
2015-2018



Harsh Shrivastava
2018-2020



THE JOURNEY OF A DECADE

A Start is
Made in 2009

MFIN registers
under the Andhra
Pradesh Societies
Registration
Act, 2001

The First Board

Vijay Mahajan

Chairman, Bhartiya Samrudhhi Finance Ltd.

P N Vasudevan

MD, Equitas Microfinance India Pvt. Ltd.

Chandra Shakher Ghosh

Chairman and MD, Bandhan Financial Services Pvt. Ltd.

Samit Ghosh

CEO & MD, Ujjivan Financial Services Pvt Ltd

Suresh Gurumani

CEO & MD, SKS Microfinance Ltd.

Kishore Mangalvedhe

Business Head, L&T Finance

Kishore Kumar Puli

MD, Trident Microfin P Ltd.

*Alok Prasad takes over as
the first CEO of MFIN*



July 2010

Indian Microfinance Goes Public

SKS Microfinance, then India's largest Microfinance institution became the first MFI in India to float its shares through an initial public offering (IPO). The offering was 13 times oversubscribed attracting leading investment groups.

October 2010

Andra Crisis rocks the boat

Wave of farmer suicides. Andhra Pradesh government promulgates an ordinance



"When the organization was looking forward to register itself into a different orbit with growth figures, the Andhra Pradesh MFI Act came as a bolt from the blue and it was nightmare for me. However it also worked like blessing in disguise in the area of my learning curve as it taught me so many lifetime lessons"

Kishore Puli
Managing Director
Trident Microfin P Ltd

January 2011

Malegam Committee Report

Committee recommends that a separate category be created for NBFCs operating in the Microfinance sector, such as NBFC-MFI.

*U H Malegam appointed
Chairman of the famous Malegam
Committee (SubCommittee of
the RBI Central Board of
Directors) set up to study issues
and concerns in the MFI Sector*



Historic

A news clipping from the days
of Andra Crisis in 2010

2010-2020



MFIN Meets the RBI

Discusses the Malegam Committee recommendations and provides inputs.

December 2011

RBI announces the creation of a separate NBFC-MFI category

An outcome of the Malegam Committee's recommendations and MFIN's advocacy efforts towards this end.

MFIN establishes 6 State Chapters

To provide a common forum for MFIs to resolve State level operational issues and deal with local matters, MFIN establishes six State Chapters – Tamil Nadu, Andhra Pradesh, Madhya Pradesh, Maharashtra, Uttar Pradesh, and Odisha.

December 2011

Code of Conduct

A unified Code of Conduct (CoC) released for Members by SROs at the Microfinance India Summit 2011.

Client Grievance Redressal

MFIN establishes a helpline in Telugu for microfinance clients in Andhra Pradesh, later expanding in Tamil. Three additional languages – Marathi, Hindi and Bengali, also added to cover a larger number of clients.

MFIN partners with MIX Market and Microfinance Transparency (MFT).

These partnerships were undertaken for collecting and analysing data on members' operational, financial and social performance, as well as the product pricing.

MFIN partners with IFC for Compensation and Benefits Survey by Towers Watson

Commissioned this study to help MFIs gain better understanding of compensation levels in the industry and normalize incentive structures within their organisation.

Credit Bureau on Microfinance

MFIN facilitated the establishment of first credit bureau focused on rural markets with CRIF HighMark.

MFIN's Regional Reach **27** states



MFIN Membership **46** NBFC- MFI

January 2012

The largest
MFI in India -
Bandhan

The company receives
award for FY 2011-12
at the Skoch Financial
Inclusion Award 2012
for its initiatives in
the field of education.



December 2011

MFIN modeled
as an SRO

RBI expects industry
associations to assume
greater responsibility
in ensuring compliance.
for NBFC-MFI. MFIN
engages in a range of
activities focused
on self-regulation.

MFIN partners
with 'Social
Performance
Start-up fund'

A Ford Foundation
supported Fund.
As part of this
initiative, MFIN
conducted numerous
workshops to provide
comprehensive
training on SPM and
reporting tools to
MFI representatives,
along with an in-depth
understanding of the
CoC for MFIs.

MFIN launches
Micrometer

MFIN's flagship publication
launched, capturing industry's
first analysis of trends
and insights.

The Board Welcomes

Govind Singh, CEO and MD, Utkarsh
Microfinance, Shubhankar Sengupta, CEO,
Arohan Financial Services and Suresh K
Krishna, MD Grameen Financial Services.



2011-2012

December 2011:

'Microfinance Organisation
of the year -Ujjivan'

Ujjivan Microfinance received the
prestigious award in the large
institutions' category, at Microfinance
India Summit in Delhi.



MFIN Gets its first
Women Board Member

Padmaja Gangireddy
MD, Spandana
Sphoorty Financial
Becomes the first women
to be inducted on
the Board



May 2012

Microfinance Institutions (Development and Regulation) Bill 2012 introduced in Lok Sabha

With inputs from MFIN, the Microfinance institutions bill was introduced in Lok Sabha with modifications to the earlier Bill introduced in March 2007. MFIN ensured that the Bill facilitated the development of a robust and supportive policy ecosystem.

November 2012

MFIN approaches the Finance Minister

A formal representation was made to the Finance Minister on issues of concern to microfinance Industry - early promulgation of the Bill, allowing MFIs to become corporate insurance agents, inclusion within the Business Correspondent framework and exclusion of service tax for MFIs and recognition of MFIs for benefits under Section 36(i) of IT Act.

Modified guidelines for NBFC-MFIs

August 2012: RBI released modified guidelines for NBFC-MFIs, removing the interest rate cap of 26% and giving some regulatory dispensation on provisioning norms.

MFIN Board of Directors meet Anand Sinha, Deputy Governor

December 2012: Full range of industry issues discussed. MFIN submitted its feedback on the Microfinance Bill to the Parliamentary Standing Committee on Finance.

October 2012

Study on Small Borrowings

A study on 'Assessing the effectiveness of small borrowing in India' by NCAER, commissioned by MFIN, released by Union Minister for Rural Development, Jairam Ramesh.

October 2012

MFIN-GIZ Workshop

"MFIs as Business Correspondents"

Excerpts from RBI Speech at FICCI's Workshop on 'Strengthening Microfinance Institutions (MFIs): Good Governance and Strategic People Practices'

"At a time when financial inclusion is at the center stage of the regulatory landscape, the last mile connectivity provided by the MFIs has to be leveraged upon, to include the hitherto financially excluded. Although the MFIs are facing tough times, there is a fair degree of opportunity to build long-term sustainable business around microfinance. Balancing the interests of the vulnerable borrowers as also the microfinance institutions; effective regulations, well calibrated transition time and some breathing space to the institutions could help the microfinance sector to turn around, expand and help achieve inclusive growth."

Mr. Anand Sinha
Deputy Governor, Reserve Bank of India 2012

MFIN Enforcement Committee

In FY 2012-13, the Enforcement Committee (EC) handled more than six hundred complaints, most of them related to cases of multiple lending to single client based on Credit Bureau reports.

November 2012

Pre-monetary Policy

MFIN gets invited for the pre-Monetary Policy meeting, chaired by the Governor, RBI.

January 2013

Grameen wins Skoch Financial Inclusion Award 2013

Grameen Financial Services won the award within the microfinance category.



Credit Bureau Project

MFIN and IFC initiated the credit bureau awareness project. Micro Finance Opportunities (MFO), pioneer in financial education for the poor across the world, undertakes data research, visits MFIs and credit bureau.

'Organisation of the year (medium & small category)

Utkarsh Microfinance Awarded at Microfinance India Summit 2012 organised by Access-Assist.

January 2013

MFIN senior leadership met with Mr. Y H Malegam

MFIN meets Mr Malegam to discuss a range of industry issues.

In the year 2012-13, Swadhaar underwent rating from GIIRS (Global Impact Investing Ratings System), a comprehensive and transparent rating system for assessing the social and environmental impact of companies and investment funds. Gets a 5 star rating under the Governance section, and was placed in the highest quintile in the section.

NEW

MFIN launches Microscope

Based on audited financials, Microscope provides a comprehensive analysis for full range of operational, financial and funding related data.

NEW MEMBERS

Adhikar, Belstar and M-Power joined as new members of MFIN during the year 2012-13.



The Board Welcomes

Kishore Kumar Puli, CEO, Trident Microfinance, reappointed on the Board, along with Manoj Kumar Nambiar, MD-Arohan Financial Services and D Dasaratha Reddy, MD-Future Financial Services

Responsible Business Index

This new MFIN 'Score card' had five broad areas which were further divided into 69 sub parameters to form the maximum, total score of 100.

The RB Index comprehensively covers RBI Fair Practice Code and Industry Code of Conduct under five broad areas as under:

- Disclosures to Clients
- Client Engagement
- Institutional Processes
- Transparency
- Violation History

2012-2013

RBI guidelines for SRO released November 2013



*Samit Ghosh becomes
MFIN's President*

MFIN Introduces Associate Programme

New category of Members to be called Associates in view of their critical role in the sector. Entities to Banks, Small Finance Banks, Business Correspondents, NBFCs, Credit Bureau, among others.

January 2014

Nachiket Mor Committee Report

MFIN, in effect,
named as
industry SRO.

Banking Structure in India - The Way Forward

MFIN partakes in
the creation of RBI's
Discussion paper
on "Banking

Structure in India -
The Way Forward".

MFIN Policy Dialogues

February 2014 - The first in the series of the 'Dialogues' was a half day event to discuss the "Committee on Comprehensive Financial Services for Small Businesses and Low Income Households" (CCFS), chaired by Dr. Nachiket Mor.



NEW MEMBERS

MFIN adds 7 more Members out of which 5 - Annapurna Microfinance, Jagran Microfin, Margdarshak Financial Service, Svasti Microfinance, Varam Capital continue their journey with MFIN.

South Asia workshop on Credit Reporting

IFC in association with MFIN organizes the South Asia workshop on Credit Reporting in New Delhi.

MFIN-Dun & Bradstreet "Financial Inclusion Conclave"

August 2013

MFIN Bankers' Meet

December 30, 2013, Mumbai



Finnoviti Awards 2013 Digital Innovation on Mobile Wallet

Veena Mankar, Chairperson, Swadhaar FinServe receiving the Award.



The Board Welcomes

K Paul Thomas, MD-ESAF Microfinance and Investment, M R Rao, MD & CEO-SKS Microfinance, Sameer Nanavati, CEO-Disha Microfin, V S Radhakrishnan, CEO - Janalakshmi Financial Services.

MFIN Inducts its First Independent Member

Vinay Bajjal retired CGM, RBI





June 2014

MFIN becomes the 1st SRO in the financial services industry

MFIN received formal recognition as an SRO. The first SRO in the country to act on behalf of the Reserve Bank of India (RBI).



*R. Baskar Babu
CEO, Suryoday Micro
Finance joins the board*

NEW MEMBERS

10 Members
12 Associates

April 2014

MFIN-IFC
Smart Campaign

Roundtable on client
Protection Assessment.



Advocacy efforts with IRDA

resulted in
recognition of RBI
regulated BFC- MFIs as
microinsurance agents.



*MFIN Board Welcomes
Anand Rao
MD, Chaitanya India Fin Credit*

Three more
independent
members join
MFIN Board,
taking the total
to four.



IndusInd – one of the first Banks to become an Associate of MFIN

“We cherish the association with MFIN as we share a common vision of achieving Inclusive growth in the country in a responsible and transparent manner. The association helps connect us with the larger ecosystem of players, thinkers and doers of the sector. We were the first Bank to be associated with MFIN and we have seen a lot of merit in the association with the multiple interventions they are doing for the sector with the Regulator/State and Central Governments and Industry bodies. “

Srinivas Bonam
Head- Inclusive
Banking Group

MFIN organised a total of 33 state chapter meetings and 477 district forum meetings across all regions.

MFIN and ET Edge
Financial Inclusion
Summit

March 2015



MFIN celebrates its fifth anniversary

December 2014, MFIN



MFIN Members' Meet
on Small Finance
Bank Guidelines.

Fusion received 'Best MFI of the Year 2014 Award' at 'Microfinance India Awards' instituted by Access-Assist.

European Microfinance Award

ESAF Microfinance was one among the three finalists shortlisted for European Microfinance Award. Award received on 13th November 2014 at Luxembourg.



2014-2015



*Manoj Nambiar takes over as
MFIN President*



July 2015

MFIN launches Toll Free Number

A key initiative on GRM has been the setting up of the MFIN Toll Free Number providing direct access to microfinance clients to reach out to the SRO with their grievances.



March 2016

Financial Conclave 2016

The South Asia Micro Entrepreneurs Network (SAMN) and MFIN hosted 'Financial Inclusion to Sustainable Development: The Road Travelled in New Delhi, India. The conference was the second edition of the SAMN series, the first being held in Islamabad, Pakistan.



NEW CEO Announcement
Ratna Viswanathan



MFIN State Initiatives
covers **25 states** through
13 state Chapters
and **411 District Forums**

8 new members, **52**
Total
19 Associate
Members

Compensation and Benefits study by Aon Hewitt

MFIN in partnership with Aon Hewitt for this study where twenty-six NBFC-MFIs participated representing various sizes of organizations and regions.

2nd Edition of Code of Conduct

Including more robust standards on corporate governance, measures to reduce client over indebtedness, mandating use of MFIN Toll Free Number, strengthening grievance redressal management and enforcement of the CoC through the SRO.

MicroSpread

Inaugural edition of 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

New Board Members

HKN Raghavan

CEO, Equitas Micro Finance

Meenal Patole

Promoter and CEO, Agora Microfinance India Limited

Devesh Sachdev

Co-founder & CEO, Fusion Microfinance Pvt. Ltd.



2015-2016



Rakesh Dubey takes over as MFIN President

While being surrounded by Covid threats, when one remembers life three year ago, feel like luxury. But really was it? Current challenges always seem worse than the prior ones. Being on the Board and being the President of MFIN was a challenge undoubtedly. 10 years of MFIN witnessed three different challenges and every time so-called experts announced the sun set ...we bounced back and MFIN played a significant role every time though its data richness, response time and progressive pursuance.

After enjoying some happy moments of good business, announcement of SFBs, Demonetization was like walking in fire for us as it was the first crisis of its kind when people had to face hardships of not having the currency to repay the instalments on one hand and on the other hand getting instigated by aspiring local leaders, manipulating the women groups to stop transactions.

It was the acid test for the MFIN Secretariat, Vice President and for me as the President. To respond to every voice in the media, coordinate with RBI, local administration, and within the fraternity, was a fantastic feeling. We lived it and lived it proudly. I am sure some of us were happy, some satisfied, some dissatisfied, but in the end as a combined force we became bigger and better.

I still feel there is always room to improve, and each crisis brings the opportunity to think, accept what we have been doing wrong, prepare to do the right thing, upgrade the process, product, pricing, people and in the end public perception ...which is ultimate for industry and SRO like MFIN...

36 Associate Members

Microfinance Institutions Network (MFIN)



New Board Members

Dibyajyoti Pattanaik
Director, Annapura Microfinance

Mohammad Nooruddin Amin
MD - Adhikar Microfinance

Udaya Kumar
MD and CEO, Grameen Koota Financial Services

MFIN Organizes Roundtable for Associates



MFIN in collaboration with IFC commissioned 'Compliance Audit of MFIN Credit Bureau and KYC Norms and Observance of General Principles on Credit Bureau Reporting'.

MFIN was awarded by CNBC 18 for its pioneering effort in facilitating financial inclusion for women.

Strengthening the Credit Bureau Eco-system

One of the spectacular achievement in 2017 was members compliance with the KYC standards which mandated capturing 2 KYC IDs from 4 standard KYC, greatly helped in improving the KYC seeding in loan accounts and thereby improving the overall data quality of data submission of MFIs.



The Economic Times BFSI Best Brand 2016 Award

A recognition of the work and credibility that MFIN has been able to achieve in the last few years for its contribution within the Microfinance Industry.

MFIN Organises
Conclave 2017
- Microfinance
in Asia,
A Mosaic



Industry Code translated to
11 different languages



UNACCO Joins as a new member

Congratulating MFIN on completing 10 glorious and eventful years. Since joining MFIN (2015-16), we are having a great and fruitful association. In our journey, your role as a mentor is really appreciable in guiding and helping to solve the regional as well as common issues. The initiatives taken by MFIN in Demonetization, MFI crisis of Assam, COVID-19 Pandemic etc. have helped us to work and fight together as a sector. Through your periodical meetings, seminars and webinars with the members and highlighting issues, you have shown the right path to the MFI industry as a whole. As an SRO, MFIN has managed to reach out to every region and extend support, which has helped the sector and members to get focused on the local issues.

The Micro Finance industry along with all other sectors are facing a challenging phase currently due to the COVID-19 pandemic and crisis, but we are hopeful that we will see a better condition and even better approach to meet crisis soon. We seek your continuous support and guidance in coming days too.

UNACCO Financial Services Pvt. Ltd.

Financial Literacy
App Launched in 10
different languages -
MFIN Connect.



2016-2017



SILVER JUBILEE Micrometer edition launched

By Shri. Giriraj Singh at
MFIN Awards.



Constituted the FIRST bespoke microfinance awards "MFIN
Microfinance Awards 2018: In Pursuit of Excellence!"



MFIN at the 10th Year Foundation Celebration
of AKMI in February 2018 at Bengaluru.



Uttarakhand State First Conclave on Financial Inclusion

Shri Amit Singh Negi, Secretary
(Finance), Govt. of Uttarakhand,
delivering a personalised message
from Shri Prakash Pant, Finance
Minister, Govt. of Uttarakhand.



MP State First Conclave on Financial Inclusion

Keynote address by Shri Manoj
Govil, Principal Secretary,
Finance & Commissioner
Institutional Finance, Govt. of
Madhya Pradesh.



Lenders & Investors Meet

Keynote by N S Vishwanathan,
Former Deputy Governor, RBI

Global Business Summit 2018

MFIN partners with the Economic Times in instituting the Global Business Summit in New Delhi on the 23rd-24th February 2018.

MFIN External Engagement Task Force introduced

To actively engage with the media, other associations and networks.

MFIN Partners with HSBC in Digital Finance

MFIN undertook a Pilot on 'Incubating models of digital transactions for microfinance lending' funded by HSBC. Supported by six NBFC-MFI members in eight states across 16 branches, the project aimed at finding an appropriate model to provide a basic standard of digital engagement to facilitate cashless collection of repayments.

Udaya Kumar becomes President of MFIN



"I would like to congratulate MFIN on reaching this significant milestone of completing 10 years in serving the Industry supporting the bottom of the pyramid in the country. In the last 10 years, MFIN has played a significant role in advancing the cause of microfinance, advocacy with regulators and policy makers for conducive regulatory environment and setting highest standards for responsible financial practices among MFIs.

As we sail through critical situations like the Covid-19 pandemic and several other localised issues along with natural disasters, the role played by MFIN in steering the industry towards a progressive approach, paving the way for the industry to respond to crisis collectively has been well acclaimed. I also feel that the role of the governing body of MFIN is much more significant in these times to steer the industry with an all-encompassing approach. This will empower the industry to respond to such crises more unitedly.

In these testing times, Microfinance companies play a pivotal role in supporting and strengthening businesses which are at the bottom of the pyramid. The Microfinance industry is structured on rock solid fundamentals which makes it capable of fighting against all odds. This coupled with an energetic and robust workforce that the Microfinance industry is blessed with, I am sure we will tide through the current pandemic.

Looking forward to a continuous engagement and many more fruitful years ahead for MFIN and its members."



The Board welcomes

K.M Vishwanathan
MD & CEO - M Power Microfinance

2017-2018



Dr Aruna Sharma joins as Independent Director on MFIN Board

"MFIN is an SRO for the microfinance sector entities and therefore a thread to stream in issues of the sector and effectively resolve by constant dialogues with the authorities. MFIN has stood the test of difficult times like demonetization and COVID 19 related lock-down impact by ensuring on one hand to protect the clients from hardships and on the other hand enabling the micro finance institutions to continue to be healthy. There is still a long way to travel. This sector fulfils credit requirements at the lowest end of pyramid and hence has to have special focus of authorities to make it more and more robust."

Dr Aruna Sharma

*Manoj Nambiar
elected as Chairperson*



Associates Get a Voice - Harish Raghu joins MFIN Board

"Part of MFIN's ecosystem since inception, witnessed amazing contribution as an industry body to an SRO level, growing strength to strength in managing internal business discipline, promoting responsible lending and managing external environment, while helping members to reach out to 60MN households. Being elected as first Director on Governing Board representing associates was a defining moment in the journey of MFIN to represent all kinds of entities in MFI/Financial inclusion space."

Harish Raghu

MFIN participates in State Level Bankers' Committee Meetings and State Level Credit Conferences for the first time.

Employee Bureau

1,31,897 employees registered with 100 institutions out of which 50 percent are MFIN Members & Associates.

**First time
ever BC & Bank
Round Table**



Hon'ble Chief Minister, Shri Shivraj Singh Chouhan chaired the SLBC Meeting organised in MP.

Highest number of
Members 56
11 Associates 40
New Members
7 New Associates

Inaugural report titled Monthly Monitor released

This report is based on data sourced from Equifax on loan outstanding, portfolio quality and disbursements

Police Conclaves

Strengthening Regional Connect through UP & Bihar Police Conclave.



Securitization of a Pool of Assets for Small and Medium Members :

Raised Rs 282 crores in two securitization deals.

Lenders Round Table



PROSPER Launched

MFIN co-developed a training and certification application along with Banking Financial Services Insurance Sector Skills Council with support from the Ministry of Skill Development and Entrepreneurship (MSDE) under the Recognition of Prior Learning (RPL) scheme of Prime Minister Kaushal Vikas Yojna (PMKVY).



Financial literacy

RBI entrusts MFIN with the task of conducting 2250 workshops to educate the depositors on the various financial aspects of banking under the aegis of its Depositor Education and Awareness (DEA) Fund Cell. Based on the Pilot experience and feedback from RBI, MFIN moved to the second stage to conduct Training of Trainers (TOTs) of partner MFIs where it conducted ToTs at eight different locations in which 230 trainers of 41 MFIs were trained as master trainers.

The Board welcomes

Mr. Vineet Chattree
Director, Svatantra Microfin





MFIN'S 3R

The greatest contribution of MFIN in these ten years has been to equally represent both the industry providers on the supply side and the clients on the demand! While MFIN helped create a responsive ecosystem for the organizations to operate in, it also ensured client protection through responsible business practices. Finally, lessons and learnings led to a more resilient sector, be it the borrower, lender or any other stakeholder!

1. RESPONSIVE ECOSYSTEM

2. RESPONSIBLE BUSINESS

3. RESILIENCE

RESPONSIVE ECOSYSTEM

Years of engagement with various industry stakeholders have allowed MFIN to create a responsive ecosystem for microfinance delivery.

The regulator through creation of enabling policies, the regional stakeholders for supporting on ground, credit bureau with its expansive database of customers, the Lenders who stood by the industry to provide liquidity support, or the partnerships MFIN enjoyed across India and abroad, all contributed to this journey of Microfinance. This section presents our work across some key stakeholders who played a continuous role in our journey and their thoughts on MFIN and the sector.

INDUSTRY REGULATIONS

RESERVE BANK OF INDIA

RBI operates the credit system of the country and regulates the Microfinance sector.

MFIN's prime objective is to work closely with the regulator to address the many challenges of the industry and enable it to reach its goal of financial inclusion. Later, owing it being accorded the status of SRO, its responsibility for ensuring responsible business grew manifold.

Some of the key policy involvements of MFIN with the RBI which were historic to the extent of changing the way Microfinance operated in India, have been:

- Inputs to the Malegaon Committee in wake of the Andhra Crisis 2010.
- Creation of a new category of NBFC-MFI by the RBI and its guidelines. Thereafter revision of guidelines removing the interest rate cap of 26% and giving some regulatory dispensation on provisioning norms. This was viewed as one of the major "regulatory wins" for the sector with the RBI recognising NBFC-MFI as a separate and distinct category of financial institutions, a turning point for Microfinance.
- Dedicated efforts towards shaping a forward looking architecture for financial inclusion, MFIN shared its viewpoint on the RBI discussion paper on "Banking Structure in India – The Way Forward" which considered the desirability and practicality of having small, localised banks as preferred vehicles for financial inclusion. it is noteworthy that national financial architecture required the presence of a wide variety of institutional forms to serve the bottom of the pyramid segments.
- In the year 2011-12, MFIN was, for the first time, invited for the pre-Monetary Policy meeting chaired by the Governor, RBI and in annual meetings thereafter.
- MFIN advocated with RBI for differentiated banking licenses with RBI granting 'in Principle Approval' to an NBFC-MFI for Universal Banking License.
- MFIN advocated for NBFC-MFIs inclusion as Banking Correspondent.
- The Reserve Bank of India granted 'in-Principle Approval' to an NBFC-MFI for Small Finance Banking License which was a significant landmark sectorally. The MFIs had a head start to get these licenses despite 72 contenders in the initial line up leading to only 8 MFIs transitioning into small finance banks.

Y H MALEGAM

Former Board Member, RBI
Chairman - Malegam Committee, 2010.



Micro Finance Institutions (MFIs) play an important role in the Indian economy in providing finance at a reasonable rate to perhaps the most vulnerable segment of our society who have very few alternative sources of obtaining such finance. It is therefore most gratifying that MFIs have rebounded so well after the crisis the industry faced ten years ago. This is evidenced by the fact that not only are MFIs more stable, but several have grown to become small banks and even commercial banks. The regulatory measures introduced by RBI ten years ago had several objectives, the important ones among them being greater discipline by both the MFIs and their clients, reduction in multiple lending, control over excessive borrowing, rationalisation of interest rates, greater transparency in lending conditions and the establishment of credit bureaus. However, the key condition for the fulfilment of these objectives was the existence of self-regulatory organisations (SROs) which could supervise and enforce compliance with the regulations which, given the large MFI population, RBI was clearly not equipped to do. The fact that most of the objectives laid down in the reform process have been largely achieved is due to the excellent work which has been done by MFIN over the years and it deserves full credit for the same.

I am happy to learn that MFIN is celebrating its tenth anniversary and would like to convey to it my warmest congratulations for the excellent work it has done in the past and my best wishes for a similar stellar performance in the future."

- The increase in the household income limit for borrowers of NBFC-MFIs from Rs 1 lakh for rural areas and Rs 1.60 lakh for urban/semi urban areas to Rs 1.25 lakh and Rs 2 lakh, respectively was a significant milestone.
- MFIN sought moratorium support, forbearance on asset qualification and continued liquidity support, all of which played a crucial role in helping sustain the industry during pandemic Covid-19.

ANAND SINHA

Deputy Governor, RBI
19 January 2011 - 18 January 2014



I am very pleased that MFIN is bringing out the 10-year Anniversary Issue of the Annual Report. It is gratifying to see that in these ten years micro finance industry has indeed come a long way from the serious turbulence caused due to corporate governance related issues with some MFIs around 2010-11 to a position of strength today. From the data I have I find that microfinance now reaches nearly 6 crore borrowers and its reach is around 30 percent of the potential households across 619 districts in 36 states/UTs. The NBFC-MFIs have a contribution of around 33 percent.

Microfinance which started as a global movement in the early 1980s is recognised as a leading and effective strategy for poverty alleviation with the potential for far reaching impact in transforming the lives of poor. Given its importance in poverty alleviation, the RBI set-up the Malegam Committee in the aftermath of the turbulence faced by the sector to devise a sound regulatory framework. I believe the framework has been very effective in stabilising the sector. Subsequent regulatory developments have opened opportunities to grow into a small finance bank or even a universal bank.

I had personal involvement in the aftermath of the Malegam Committee Report in sorting out the regulatory issues and the concerns the industry had ably presented by MFIN to us at RBI. MFIN's engagement with RBI was very constructive and some of MFIN's suggestions were taken on board. I also believe that MFIN as an SRO has a very crucial role to play because it is healthy for the eco-system to self-regulate itself which provides a first line of defence to RBI for its oversight of NBFC-MFIs. Some of the areas where MFIN's role as a SRO has been critical is in devising code of conduct to balance the dual objectives of addressing social objectives of microfinance (customer protection and responsible finance) with profitability of operations and financial soundness as well as the Code of Responsible Lending (CRL) along with SRO, Sa-Dhan, for addressing over lending by MFIs. However, in my view the important issue of over lending to microfinance borrowers which can happen because the RBI guidelines on this aspect are limited to NBFC-MFIs, needs further work by the two SROs.

The SRO role becomes all the more important for engaging with the regulators and guiding the industry through the periods of financial system stress of which unfortunately there have been quite a few episodes since the framing of regulatory guidelines for NBFC-MFIs. The current stress is on account of Covid-19. Several steps have been taken by RBI and the government to facilitate flow of liquidity at lower cost, among others, to the NBFCs. I hope with these and other regulatory measures and guidance of MFIN the NBFC-MFIs will successfully navigate the stress and come out stronger.

REGIONAL STAKEHOLDERS

MFIN engages with diverse set of external stakeholders at the regional, state, district level ranging from Law Makers, Bureaucracy, Administration, Law and Order, Regulators, Inter Institutional Formal structures to create a positive understanding of mission, objective, implementation and impact of microfinance.

To strengthen the field level engagement and its information flow, MFIN has formed 13 State Chapters and over 350 District Forums across the country considering that member organizations operations are within the states and districts.

सुशील कुमार मोदी
उपमुख्यमंत्री, बिहार
Sushil Kumar Modi
Deputy Chief Minister, Bihar



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पत्रांक

दिनांक 03-07-2020

Message

Many congratulations to Microfinance Institution Network (MFIN) for celebrating its 10 years long successful journey.

MFIN's footprint on the financial landscape of India is marked with systems creating opportunities for resourceless women to be equal partners in realizing their dream of a dignified life for their families.

MFIN member institutions have believed and stood by several thousands of women entrepreneurs of Bihar, providing them with the much needed liquidity, ensuring that they rejoice creditworthiness and become the pride of their State.

I take this opportunity to congratulate leaders who envisioned MFIN and shaped its mission over these years.

I wish MFIN success in their Endeavour.


(Sushil Kumar Modi)



Dr. Rajender Pal Singh
I.P.S.

Director General of Police,
Economic Offences Wing, C.I.D.,
4th floor, 3rd Tower, Police Hqrs.
Sec.-7, Gomti Nagar Vistar, Lucknow.
(UTTAR PRADESH)

Office : 0522-2390246

Fax : 0522-2724424

Mobile : 9454400107

Dated: Lucknow: July 15, 2020

Dear Mr. Shrivastava,

I am happy to know that MFIN is celebrating its 10th anniversary. It is indeed praise worthy that in such a short span of its existence, MFIN has made an indelible mark in the Finance sector and contributed immensely to the growth of Indian economy through multiple collateral free small size loans to poor yet ambitious micro entrepreneurs specially women. It is not without reason that RBI accorded MFIN the first SRO for NBFC- MFIs in 2014.

In the state of UP, MFIN and its ancillary UPMA have been carrying on the good work towards skill development and employment generation and thus contributing substantially to the economic growth of the state and the country.

As D.G.P. E.O.W., I feel satisfied to state that I have not received a single complaint against any of the MFIN members. On the contrary, I have seen them work earnestly and with integrity towards training of law enforcement agencies and towards generating public awareness of their various schemes.

I congratulate MFIN on their excellent work and wish them more success and growth in the coming years. I am hopeful and sure that the organization and its members will help in absorbing the shocks of economic setback that has accompanied the COVID 19 pandemic, and will strive further towards strengthening the rural economy and uplifting the social status of women by enabling them to have economic self sufficiency.

With best wishes

Yours Sincerely,

(Rajender Pal Singh)



JITENDRA SINGH GANGWAR

Addl. Director General of Police, Economic Offence Unit,
Bihar, Patna.

The tenth anniversary of Microfinance Institution Network is an occasion to celebrate the many milestones it has created.

It has served people at the bottom of the economic pyramid; built stakeholders understanding of regulatory regimes for the operation of microfinance service providers and has brought to light the financial integrity of the resourceless people of Bihar.

The mandate that MFIN has taken upon itself to build bridges with all important stakeholders including law and order department of the State is humongous and it is laudable.

My best wishes are with MFIN for their endeavour to set up new milestones on the road to serving people.

INFRASTRUCTURE SUPPORT

CREDIT BUREAU ECOSYSTEM

The value of building credit information for financial inclusion is well known. Realizing this MFIN invested in developing this ecosystem immediately after its inception. Over years, MFIN:

- Facilitated the establishment of the first credit bureau focused on rural markets (HighMark) aimed at improving credit risk management and adherence to the qualifying asset criteria laid by the RBI. Other mainstream credit bureau - Equifax and Experian also commenced offering services/products to the Microfinance sector shortly thereafter.
- MFIN instituted a separate Task Force for the Credit Bureau early on.
- The credit bureau activities of MFIN aimed at: broadening coverage of the Credit Bureaus, raising awareness about the credit bureau, and improving the credit bureau data quality.
- MFIN collaborated with the Credit Bureau for standardizing reporting formats and facilitating the data collection and upload process.
- Ensured Members enrolled with the Credit Information Companies (CICs) and onboarded data as mandated by the RBI
- Ensured compliance of MFIN members to Credit Bureau Standards.
- Ensured regular and complete monthly data sharing of Members with the credit bureau, later monthly and fortnightly both.
- MFIN advocated for use of bureau reports for all lending.
- Raised awareness on credit bureau by initiating credit awareness projects, undertaking campaigns, and holding workshops.
- Another key achievement for MFIN was the enforcement of KYC standards which mandated capturing a minimum of two KYC IDs from amongst four. Benchmarks for KYC seeding were gradually increased to allow MFIs to align with the requirements. This greatly helped in improving the KYC seeding in loan accounts and thereby

NAVIN CHANDANI

Managing Director & CEO
CRIF High Mark Credit Information
Services Pvt. Ltd



I congratulate MFIN on its 10th Year Anniversary. This is a landmark year for the Indian Microfinance industry as it completes a glorious journey of 10 years of providing financial aid to the budding small businesses and entrepreneurs across India. We, at CRIF High Mark have been fortunate to work closely with the key players in this sector and to setup India's first microfinance database in March 2011 along with MFIN. Having recognized the importance of a robust ecosystem, CRIF High Mark invested in building the fundamental blocks including data acquisition, quality, easily consumable products in online/offline mechanisms and many of these were industry first that resulted in easy onboarding of MFIs into the bureau ecosystem. This microfinance bureau has helped connect millions of borrowers with lenders to fulfil their ambitions and dreams. CRIF High Mark also launched the MicroLend report that has effectively navigated the customer data by providing accurate and razor-edge information to the industry.

The advent of the microfinance bureau and SROs such as MFIN into the ecosystem allowed for a phase of responsible growth in microfinance lending landscape. During this phase -

The number of borrowers grew at CAGR of 14.5%, having grown more than 72% between Mar'2016 to Mar'2020.

The size of market in terms of total outstanding balance has grown at a CAGR of 28.5%, having grown more than 2.5 times between Mar'2016 to Mar'2020.

The average ticket size of loans has grown at a CAGR of 11.8%, having grown almost 55% between Mar'2016 and Mar'2020.

In this age of quick and early decisioning needs, with MFIN's constant engagement with its Members, microfinance bureau ecosystem took timely initiatives to be an early adopter of weekly data submission aligning to needs of competitive market space in 2017. Today, close to 11% of members submit data daily while 25% submit weekly. The digitization initiatives in MFIs and adoption of cutting-edge technology in CICs became key proponents in fueling the rapid progress from physical to daily submission of data.

improving the overall data quality of data submission of MFIs and match by CICs.

- Ensuring availability of accurate and updated record of microfinance borrowers with the CICs and in the Credit Information Report (CIR), MFIN urged Members to move from fortnightly/monthly data submission to daily data submission.

“The access to real-time customer data will empower the microfinance institutions to take well informed lending decisions, aligned to regulations and principles of customer protection.

This will also help contain multiple lending to borrowers as earlier lenders did not always have real-time view of the total leverage of the borrower as the data to the credit bureau used to be refreshed in 7 to 30 days.”

Harsh Shrivastava
CEO

EMPLOYEE BUREAU

MFIN, along with Equifax, created and launched an Employee Bureau to address the various manpower issues faced by the industry including cross movement, negligence of duties or untoward behaviour and practice.

The Employee Bureau serves as a database of non-financial information of employees, playing an important role in mitigating employee fraud.

K M NANAIAH

Managing Director
Equifax Credit Information Services
Pvt Ltd



Since launching the Microfinance Credit Bureau in 2011, Equifax has partnered with Microfinance Institutions Network (MFIN) on a host of initiatives to promote the overall cause of financial inclusion in the country. Over the years, Equifax has provided industry insights via publications like Micrometer and Microdive; performed custom analysis on the impact of natural calamities on industry portfolios in specific geographies like Assam, Kerala; undertaken bespoke analysis on themes of borrower overleverage and household indebtedness to help the member institutions understand and tailor their underwriting policy. Recently, Equifax partnered with MFIN in its Code for Responsible Lending (CRL) project by offering analytics to its members to drive responsible lending.

In 2017, we further deepened our partnership with MFIN. Equifax set out to solve a pain point amongst Members – the absence of unreliable employment data for verification for employers, slowness of the verification process and mitigating the risk of unsuitable hires. MFIN was quick to see our vision and supported in creating Equifax's Employment Exchange. Over the past 3 years, we have worked together to engage 57 MFIN Members and Associates to contribute ~ 250,000 employment records into this employment bureau and carry out instant verification checks during the hiring process. In 2019 alone, we provided over 20,000 employment reports, shortening the onboarding time significantly and ensuring the right hire. We were also able to identify ~ 3000 cases where the candidates were either absconding from their previous employment, had been terminated or had a job experience that they had failed to declare; thereby enhancing transparency in hiring.

Over the years, number of data records in our repository has grown 5X:

As we both celebrate our 10th anniversary this year, we congratulate MFIN, our partners and hope that our work together will continue to enable inclusive growth in the next decade.



G R CHINTALA

Chairman
NABARD



NABARD has been a pioneer in the promotion of the microfinance space in our country for over a quarter of a century. I am extremely happy to see that this space has beautifully blossomed over time.

The Micro Finance Institutions (MFIs) in this space have not only been instrumental in providing timely credit to the marginalised people in our country but have also played a critical role in empowering them by providing a means to their livelihoods and enhancing their income levels over a period of time. The role played by micro-finance institutions is praiseworthy and the orderly growth of the sector would not have been possible without the proactive role played by Micro Finance Institutions Network (MFIN).

I have witnessed the growth of MFIN as an active self-regulatory institution over the last decade. The self-regulation frame-work that has evolved over this period is highly laudable. The role played by MFIN by working very closely with regulators and other key stakeholders and by playing an active part in the larger financial inclusion dialogue through the medium of microfinance is also highly commendable.

I am also extremely happy to see that MFIN has increased its engagement with various stakeholders and has diversified its functions commensurate with the growth of the MFI sector to other activities like advocacy and development, communications and marketing and state initiatives.

While the COVID-19 pandemic has posed some unprecedented challenges, it is time for MFIN to play a more active role so that the MFIs remain relevant and viable. Awareness-building measures are vital elements to ensure well-informed consumption of financial products and adherence to repayment ethics. The MFIN will have to play a greater role in ensuring the resilience of the micro-finance institutions.

I take this opportunity to convey my best wishes to the new team at MFIN.

INVESTMENT CLIMATE

Over years, by ensuring Members' adherence to standards and regulations, MFIN has built credibility for the sector. The responsive ecosystem it has created in this one decade has been a large contributor in the sector's ability to bounce back after continued crisis, making it increasingly resilient. The investors' confidence in the sector remains high despite the high-risk nature of microfinance operations. Also, in times when the industry needs liquidity support, MFIN steps-up its engagement with multiple stakeholders, its objective being two-fold: 1) Customers – to ensure that micro-credit lenders can meet the increased demand for credit of customers. 2) MFIs – to enable them to tide over crisis. In this decade:

- MFIN has been in constant dialogue with investors and analysts to apprise them about the sector's growth and development.
- MFIN engaged with RBI for liquidity support to NBFC-MFI and NBFC to ensure that it reaches the end clients. Covid 19 was one such example where the need for liquidity was immense keeping in view that impacted clients needed funds for staying afloat and rebuilding their lives.
- MFIN has been advocating on cost of funds as with funds available at lower cost, loans can be offered at very low rates to microfinance borrowers, especially in crisis.
- MFIN engaged with all Commercial Banks, Cooperative Banks, All-India Financial Institutions and NBFCs in times of crisis, seeking their support to MFIs.
- Special focus is maintained on liquidity support to small and medium sized MFIs
- Arranges securitization pools for small and medium MFIs.

KSHAMA FERNANDES

Managing Director and Chief Executive Officer, Northern Arc Capital



In an existence spanning over a decade, Northern Arc has worked with MFIs through thick and thin, lending, investing and raising funds for our fellow institutions through a variety of capital market instruments supporting them as they stoically held fort through natural disasters, liquidity crises' and other volatility causing events.

In particular, the year post demonetization witnessed a liquidity crisis for NBFCs and NBFC-MFIs following a default from a large NBFC. In coordination with MFIN, Northern Arc connected with several of these MFIs and brought them together under a pooled multioriginator securitization transaction, the time-tested MOSEC structure, enabling timely debt support to them.

Despite the challenges presented by each crisis, the microfinance sector has shown great resilience and bounced back stronger than before. In large parts this is also due to the awareness generated by initiatives of SROs such as MFIN who have engaged constructively with administrators, regulators, policy makers and media on the one hand, and with microfinance borrowers on the other through a series of financial literacy workshops- in effect building a sustainable environment for the sector.

TAPOBRAT CHAUDHURI

Head - Inclusive Finance
Kotak Mahindra Bank

Heartiest congratulations to MFIN for completing an eventful decade. A decade ago, when MFIN came into being the microfinance industry was going through an existential crisis and now as MFIN completes 10 years the industry along with other sectors of the economy is emerging out of the Covid-19 crisis. The stellar role that MFIN played in steering the industry ravaged by the AP crisis gives us the confidence that this time too MFIN will guide the industry to emerge stronger from the Covid-19 induced downturn.

MFIN has been wearing two hats at the same time deftly - that of an industry body and of a self-regulatory organisation and is adroitly discharging both responsibilities. Its work in advocacy for the microfinance sector over the past decade has resulted in recognition of the sector as an important torchbearer for the national cause of financial inclusion.

MFIN's innovative thinking led to a executing a pooled loan issuance in early 2019 in the aftermath of ILFS crisis wherein they brought large & smaller MFIs together to help the smaller ones access liquidity. Kotak Mahindra Bank was a glad participant in this first of its kind instrument. Its role originating, conceptualising & advocating for the cause of responsible lending by all players is exemplary.

Wishing MFIN all the best in the days to come."

VINEET RAI

Founder, Aavishkaar Group



It was 2009 and as someone who was keenly involved in the growth of Microfinance, I could sense growing concern around the Non-Banking Finance Companies engaged in Microfinance on how the regulator and government viewed microfinance. The concept of risk management was alien to microfinance in the razzle and dazzle of equity and growth. I was keen to do a brainstorming session that brought in stakeholders who were important pillars for future growth - Banks and Equity investors, credit rating agency and development finance institutions.

In partnership with CGAP, we organized this 40-member 'invite only conference' with a risk perception question survey by participant while going in and one post conference on exit.

Meanwhile as preparation for conference I brainstormed with Mr Mahajan and Vasu and both agreed that the need of NBFC in Microfinance is different from the not-for-profit and SHG sector and needs a new support mechanism.

The Risk Conference concluded with acknowledgement of emerging risk in microfinance and agreed on a proposal to build an institutional mechanism to bring together NBFC doing Microfinance .. leading to birth of MFIN. We hosted MFIN meetings at Intelicap office in Hyderabad till late 2010 till the office was established with new Chief Executive Officer taking over.

Aavishkaar Group continues to stay in touch with MFIN through Manoj Nambiar and Arohan and is very proud of the SRO's exceptional achievement over the years and delighted we had a minor role in its birth.



SYED MOHSIN AHMED

Chief Executive Officer – PMN and SAMN

On behalf of both PMN & SAMN, I am delighted to celebrate this big accomplishment of MFIN and congratulate the team on completing 10 Years of a remarkable journey. MFIN has played a significant role in the development of the sector and made impressive contribution to financial inclusion over these years.

PMN and SMAN joined hands with MFIN since its establishment in 2009. During all this time, we have experienced ebb and flow together that overwhelmed us with mixed feelings. We have collaborated on many endeavors, and I can say with absolute confidence that it would not have been possible without the invigorating efforts by team MFIN. I would also take this opportunity to commend the admirable coordination and cooperation of MFIN during the project that made the experience distinguished. We are grateful to have MFIN as our corporate partner.

MFIN has been a perennial hope and support for the South Asia Micro-entrepreneurs Network (SAMN) playing an exemplary role to recognize the effort of financial inclusion in the region, this included hilding of the regional conference in New Delhi in March 2016 and active participation in the publication of our regional reports. I look forward to continuing our partnership to make SAMN a progress and hold the fourth round of regional conference in 2021.

PARTNERSHIPS

Over the course of ten years, MFIN has developed strong relationships with other organisations in the similar space to jointly promote the sector. Its relationship with Sa-Dhan is strong in view of both being SROs for the sector. With Access-Assist, it dates back to 2010 and with SAMN to 2014.



AMIT ARORA

Sr Financial Sector Advisor- World Bank Group

It is commendable to see how in a span of 10 years only, an industry body has also metamorphosed into a SRO, striving for a mature & responsible micro finance ecosystem. MFIN has by establishing the code of conduct for members and furthering the cause of responsible finance in India, set up an example for other countries to learn from.



VIPIN SHARMA

CEO, ACCESS Development Services

It was a prolonged, emotive, engaged, impassioned back and forth among sector leaders before conceding the need for establishing a separate industry association for the "for profit" MFIs. Thus far, Sadhan had played a huge role in building the microfinance sector in India for almost a decade. Even while the broad contours of the MFIN mandate, its governance and management structure was being designed, the sector received, perhaps its most cataclysmic jolt, freezing 80% of the portfolio in one go with the enactment of the Andhra Pradesh Govt., Ordinance. On that day, Alok Prasad, the newly appointed MFIN CEO and I happened to be in Colombo, attending a South Asia Microfinance Conference. This India news, as it reverberated through the Conference, rattled everyone.

Over the last ten years, MFIN has come a long way, starting with rebuilding the microfinance sector, almost as if, from ashes after the AP crisis; advocacy for creating a separate category of NBFCs for microfinance; facilitating an industry Code of Conduct; creation of SROs in the two Industry networks; and of course, pushing a case for MFIs to transform into Small Finance Banks. Strong and resolute efforts of MFIN have given the microfinance sector the much-needed legitimacy and credibility, and there is that much less politics around the channel.

It has been such a privilege to have closely worked with MFIN over the last one decade, planning on several important ideas and strategies, leveraging the large ACCESS Inclusive Finance India platform. Given the continuing criticality of providing financial services to poor households, I expect MFIN to keep plodding and pushing the agenda for a financially inclusive India.



P. SATISH

Executive Director
Sa-Dhan



MicroFinance Institutions Network (MFIN) came into existence in the period when the issues relating to the functioning of MFIs were building up in the state of Andhra Pradesh. From then on, the microfinance sector had been experiencing issues from the external environment at periodic intervals. In responding to these challenges Sa-Dhan and MFIN have worked together and coordinated on various aspects so that a unified voice of the sector could be presented to the stakeholders. We have collaborated on drawing up the unified Code of Conduct for the microfinance sector, which was updated and revised jointly in 2015 and, later in 2019. Sa-Dhan and MFIN together drew up the Code for Responsible Lending, taking along Banks, SFBs and NBFCs so that an environment of responsible lending is created by all lending institutions in microfinance space. Whenever and wherever problems arose we worked together and presented a joint approach from the sector—the instances in the recent past relate to Assam, Karnataka etc. The SRO wings of both the organisations collaborate on various aspects and exchange notes regularly so that arbitrage can be avoided. In the aftermath of the Covid-19 pandemic, Sa-Dhan and MFIN jointly took up the problems and issues relating to the sector with RBI, Government and other stakeholders as well as all lenders to the sector, right from DFIs like SIDBI, NABARD, MUDRA to Banks, SFBs and other financial institutions. On this occasion of Tenth Anniversary of MFIN, we hope for a continued cooperation and coordination between Sa-Dhan and MFIN for the greater good of the microfinance sector and the millions who are served by this sector.





DR HARUN R KHAN

Chairperson, Code of Responsible Lending (CRL)
Steering Committee
(Former) RBI Deputy Governor

As micro-finance scales up, its sustainability becomes critical; here the Code for Responsible Lending (CRL) assumes great importance. Fair and transparent dealings with the micro-finance customers who are often financially not literate and saving them from the sins of excessive borrowings should be the dharma of all the players in this space. Providing finance in a responsive yet responsible manner in times like the Covid-19 pandemic that we face today assumes added significance as vulnerabilities of the micro-finance customers rise sharply.

The Steering Committee on CRL will strive to bring out the collective commitment of all the players in the field of micro-finance to the philosophy and the practices surrounding the Code: protecting the interest of the customers, maintaining the health of the financial system and propelling progress of financial inclusion with prudence.

RESPONSIBLE BUSINESS

Much before MFIN became an SRO, it had laid the foundation for ensuring responsible business through a range of activities focused on self-regulation for the sector. With it being formally recognised as an SRO in 2014, MFIN assumed



RATNA VISWANATHAN

CEO-MFIN (2015-18)

MFIN is a key network that leads in the governance and responsible business domain for regulated "for profit" entities. The strong and independent SRO framework and Committee have driven structural change not only within the network but across the micro credit universe. Considering the vulnerability of the borrower group, there is a need for the network to focus on client protection. Keeping the borrower at the centre of every action not only drives responsible business but also makes great business sense. The industry has waded through one crisis after another and come back stronger. The foundation of this resilience lies in the unique lender and borrower relationship largely based on trust and the recognition of the value having access to uncollateralised funds.



DR ALOK MISRA

Chairperson - Self-Regulatory Organisation Committee (SROC) and Independent Board Member, MFIN
(Professor, Public Policy and Governance, MDI)

As Chair of SROC at MFIN, I take pride in helping the microfinance industry grow sustainably and responsibly. MFIN was the first SRO to be recognized by the RBI in 2014 and remains the largest SRO in the country. Coming in the wake of Malegam Committee recommendations and subsequently RBI putting in place the regulatory architecture for NBFC-MFIs, enormous responsibility was placed on the SRO. Over the years, the SRO function has not only overseen compliance of RBI regulations and provided periodic reports to the RBI on state of the industry, it has also gone beyond the prescribed regulations.

The regulations "plus" part includes aspects such as "Code of Conduct" for member institutions, third party evaluations, establishing a robust grievance redressal mechanism for the clients and various other directives and advisories. In the last one year, Code of Responsible Lending (CRL) initiative and daily reporting to Credit Bureaus have been paradigm change moves.

As the industry grows further, the SRO function has to continue to focus on clients and provide regulatory comfort. I am sure, MFIN as SRO based on its past work, will exceed the expectations.

greater responsibility in ensuring compliance for NBFC-MFI. Concepts of customer protection became even more intrinsic to its working. Since the inception of MFIN it has:

- Ensured compliance to the RBI Master Directions for NBFC-MFIs, RBI Fair Practices Code and other rules and standards.
- Developed a unified Code of Conduct (CoC) in 2011 and revised it thereafter to make it more encompassing.
- Facilitated the establishment of first credit bureau focused on rural markets – a major step that established the rural customer as a bankable individual.
- Worked on strengthening the credit bureau ecosystem and raise awareness among customers.
- Developed enforcement frameworks to ensure higher degree of adherence of NBFC-MFI with industry regulations and standards.
- Instituted Enforcement Committee and Self-Regulatory Organization Committee for governance.
- Set up a Client Grievance Redressal with a dedicated Toll-Free Number.
- Launched Code of Responsible Lending (CRL) to address issues of multiple lending, among others.

VEENA MANKAR

Chairperson-Enforcement Committee and Independent Member, MFIN (Founder & RBL Finserve)



It is satisfying to see that Microfinance has evolved over the last 10 years into a responsible and transparent industry with MFIN as the SRO, playing a crucial role by ensuring adherence to regulations and standards. The industry has grown significantly over the past decade and taking microfinance into every corner of the country requires a variety of institutions to flourish whilst each one maintains the guard rails for ethical and fair practices. It is here that the Enforcement Committee (EC) plays an important part, acting as a gentle reminder of the fact that compliance is being monitored and customer protection is non-negotiable. Whilst the industry remains extremely sensitive to the needs and rights of its borrowers, there is no denying the fact that the customers are amongst the most vulnerable in our society. We, as the EC, therefore, feel even more responsible, in a way, to always take an objective and impartial view of a situation, always wearing the lens of customer protection.



VINAY BAIJAL

First Chair of both the EC and the SROC, MFIN

Being a part of MFIN was a very gratifying experience. The role as the first Independent Chairman of the SRO Committee and that of Enforcement Committee had its own challenges. After MFIN became a Reserve Bank recognized SRO, the Enforcement Committee had onerous responsibility. As Independent Chairman of the Committee one had to strike a balance between the interest of members- who were also represented on the Committee - and on the other hand duty cast on the Committee to enforce the Regulations and the Code of Fair Practices. Starting from a soft touch approach the Enforcement Committee traversed a long distance to use its penal power to book the errant members.

Induction of Independent Directors to the Governing Board of MFIN as an SRO, was a sea change from the earlier All Industry Member Board. The SRO Committee, under oversight of the Board, had to play a crucial role in the new avatar of MFIN. Industry representatives on the Board and membership at large was very quick to adjust to the new realities. For the SRO Committee while Self-Regulatory framework was paramount, it had to keep focus on the interest of the Industry. A fine balance that it did achieve.

For more than a decade, MFIN has been providing leadership to the Microfinance industry in India. Its role in Financial Education, growth of Credit Bureau, Data Dissemination, designing Fair Practices Code and representation of the Industry at International fora as well as Regulatory platform has been unparalleled.

I wish MFIN continues its work with a missionary zeal and take the microfinance Industry to newer heights.

- Issued as many as 15 Directives and Advisories on various subjects.
- Created awareness material including customer videos on Moratorium, guide to employees in the context of micro-credit and CGRM among others.

RESILIENCE

Microfinance Industry draws its resilience from the grit of its resourceless clientele who do not live in a surplus economy, suffer several limitations, face frequent economic setbacks, withstand every shock-personal, societal, economic, political, natural from mainstream systems whether local, national, or transnational.

While serving this segment of the economy with formal financial services hypothesised by early thought leaders of microfinance, it was realised that any such delivery channel must be conceived to negotiate the structural requirements of the mainstream ethos, political regimes and, financial systems on the one hand with the survival needs, limitations and, aspirations of millions on the other.

The Microfinance Industry developed institutional capabilities, industry wide

standards, structures, and processes fully backed by updated technologies to stand-up to its commitment and augment the cash flows for micro enterprises and their households. Alongside it advocated for this service to become more than a public policy, a sustained economic intervention responding relentlessly to their needs and aspirations.

And there has been no looking back ever since.





MEMBERS' ACHIEVEMENTS





Adhikar Microfinance

In 2009, Adhikar Microfinance was the first organization to establish its operation in the aspirational districts and Maoist prone areas of Malkangiri and Koraput in Odisha and Bastar in Chhattisgarh.



Arohan Financial Services

In 2010, Arohan Financial Services was conferred with the 'Microfinance Organisation of the Year' award in the small and medium category by Access-Assist at Inclusive Finance India Awards.



Fusion Microfinance

Fusion Microfinance declared 'Best MFI of the year 2014' by Access-Assist at Inclusive Finance India Awards.

Margdarshak Financial Services

Margdarshak Financial Services won the Regional Flint Award in 2008 for emerging from being a facilitator to a direct implementer. The Award was presented at the 3rd Microfinance Process Excellence Awards 2008, organised by the Royal Bank of Scotland Group (RBS), and Planet Finance India.



Madura Microfinance

Teach70 Member Education Initiative : In June 2013, Teach 70 member entrepreneurship training program was launched by Madura Microfinance in partnership with NSDC. Since inception, 86,408 micro-entrepreneurs have been trained across rural and low income populations in Tamil Nadu and Karnataka. The program utilizes video led instruction along with novel QR code based testing for rapid assessments to bring uniformity in delivery and testing.

Going Digital : Being early adopters, our digital journey started in July 2011 with the launch of a cell phone app for collections. This initiative expanded to all areas of operations and culminated into a fully digital lending platform built on BPM software in 2017. This enabled cashless disbursements.

IndusInd Bank

IndusInd Bank pioneered the Business Correspondent model with 'Partnership/Collaboration' being the central theme in 2012 initially with two partners, later expanding to 12 partners across the country.

Satin CreditCare

Satin CreditCare received MIX Social Performance Reporting Award at Silver Level in 2011.



Midland Microfin

Midland Microfin was the first Punjab based techno savvy microfinance institution which conceptualized and operationalized the movement of JLG in Punjab. Also pioneered in adopting credit underwriting, cash flow and credit scoring based lending model and established in-house 'Call Centre' to build connect with the borrowers.



New Opportunity Consultancy (NOCPL)

The bellwether - In 2014, New Opportunity (NOCPL) was one of the first organizations to start microfinance under the BC model. This model has now become an established format in the industry.



Utkarsh Small Finance Bank

Utkarsh Small Finance Bank awarded as Microfinance Organisation of the Year in the Small and Medium Category in 2012 at the Inclusive Finance India Awards organised by Access-Assist.



Ujjivan Small Finance Bank

Ujjivan Small Finance Bank won the 'Best Large Microfinance Institution' Award in 2011 at the Access HSBC Annual Award Ceremony. It was a proud moment as the Award was conferred immediately post Andhra Crisis.



Suryoday Bank

Enabling Dreams and Empowering Lives' – First loan disbursements as a Micro Finance Institution on 11th May, 2009.

Vaya FinServ

Vaya FinServ disburses its first loan in Karnataka using tab based banking. This initiative, the first of its kind for BC business, was lauded by the Wall Street Journal as first step towards a paperless operations.



Adhikar Microfinance

Adhikar Microfinance was awarded for its outstanding contribution for Water & Sanitation Lending during FY 2018-19 at the Sa-Dhan Conference in 16th Sept 2019.



Adhikar Microfinance was successful in getting the highest percentage of tribal inhabitation of Thuamul Rampur block of Kalahandi district into the fold of Microfinance in 2016 by initiating the 'Cloth for work' programme.



Agora Microfinance

Ms. Meenal Patole, erstwhile CEO, Agora Microfinance receiving water and sanitation portfolio contribution award at Sa-Dhan Conference held on 16th Sep'2019.



Annapurna Finance

Annapurna Finance bags FICCI Award in the category of "Best Financial Accessibility Model in Sanitation" on 25th April, 2019. Annapurna's product SWASTH (Safe Water And Sanitation To Household) has come a long way since its inception in 2014 with constant efforts of increasing outreach for access to sanitation and safe water.



Arohan Financial Services

In 2018, Arohan Financial Services was conferred with the 'Microfinance Organisation of the Year' award in the large category by Access-Assist at Inclusive Finance India Awards.



Asirvad Microfinance

Asirvad was acquired by Manappuram Finance Limited (MAFIL) in February 2015 and has since then expanded from 5 to 16 states and increased its branch network from 85 to 943 branches across India. This was first acquisition that happened in the sector by another ADHC.



CreditAccess Grameen

CreditAccess Grameen launched its IPO and listed on the stock exchanges - The symbolic bell was rung by the founder, Mrs Vinatha M Reddy and key representatives of CreditAccess Grameen Limited to mark its listing of the share in the stock exchanges on 23rd August 2018 at BSE.



Chaitanya India Fin Credit

Chaitanya India Fin Credit got an equity infusion of INR 900 crores by Flipkart Co-founder, Mr. Sachin Bansal. This is an Indian capital and will help Chaitanya bring technological changes in the industry.



Chaitanya has bagged stable ratings from agencies like CRISIL and ICRA during the challenging COVID times. ICRA rated it BBB+/A2 and CRISIL A-(stable) in May 2020.



CreditAccess Grameen has reached a significant milestone of 1 million microfinance customers in July 2015. This is a testimony to its strong client-centric approach aimed at providing holistic financial and social services



Centrum Microcredit

Two successful acquisitions in two years 2018-19.



DBS Bank

Mr. Piyush Gupta, Group CEO, DBS Bank & Mr. Surojit Shome, CEO, DBS Bank India at the launch of DBS Bank's Wholly Owned Subsidiary – DBS Bank India in March 2019. Since then, the bank has expanded its footprint across 24 cities with 34 branches, including 7 Unbanked Rural Centers (URCs).



DBS Bank along with brand ambassador, Sachin Tendulkar illuminating a playground at a school in Thane in 2018 to enable children to play to their hearts' content.



Growing Opportunity

Growing Opportunity in association with district forest department in Tamil Nadu conducted multiple tree sapling and environmental sustainability programmes for a better environment.

Growing Opportunity was assigned a grading of M3C1 by CARE Ratings which signifies above average capacity of GO Opportunity to manage its operations in a sustainable manner along with excellent performance on code of conduct dimensions.



Adi Chitrugupta Finance (ACFL)

Inter MFI Friendship Cup - In order to encourage solidarity and spirit of friendship among all employees of the sector and promote sportsman spirit, ACFL organized an Inter-MFI Cricket tournament named "ACFL Friendship cup" in Patna in January 2020.

Special Training programme for underprivileged clients done by ACFL, covering Financial and Digital literacy, Hygiene, running their business etc.



IndusInd Bank

IndusInd Bank and Bharat Financial Inclusion Limited: The largest merger in the history of Indian Microfinance in 2017, bringing together the banking capabilities of IndusInd Bank and the large presence of BFIL in underbanked areas across the country.



Celebrating 'Power of Partnership' - 5 year milestone of Business Correspondent Model. IndusInd held an event at Mumbai during 2017 wherein the then MD, Romesh Sobti and senior management of the Bank hosted senior dignitaries of Business Correspondents.



Fusion Microfinance

Fusion Microfinance awarded with the 'Business World Digital India Summit Award' in 2017 by Union Minister of India, Shri Ravi Shankar Prasad for best usage of ICT in Rural Development.

Warburg Pincus's Investment of INR 520 crores in Fusion Microfinance in 2018.



Fusion Microfinance declared "Best Workplaces in MFI" in 2020 in its debut year of GPTW certification with 66th position in the top 100 workplaces in India.



Midland Microfin

Midland Microfin pioneered in adopting UPI based digital repayment model. The QR Code has been printed on the loan card of borrower, who can scan it and pay digitally. Midland also introduced BBPS, AEPS, E-NACH for collecting repayment digitally.



Kamal Fincap

Doubling portfolio right after a crisis like demonetisation, reason to celebrate the resilience that our team showed and the industry as a whole.



Promoting Microfinance as a career option for 12th pass students through a rural school in a tribal village of south Rajasthan, an area which is backward and has limited job opportunities.



Muthoot Microfin

Muthoot Microfin won the prestigious "Microfinance Company of the Year 2019" Award instituted by Dhanam Business Magazine.

Muthoot Microfin won the coveted 'Golden Peacock Global Award for Excellence in Corporate Governance – 2019' (Special Commendation)

Muthoot Microfin certified Great Place To Work in 2018.



Margdarshak Financial Services

Margdarshak Financial Services was nominated for "Customer Excellence and Workplace & People Development Award" by ET Now at Taj Mumbai on 16th February 2020 for exemplary excellence and leadership.



New Opportunity Consultancy (NOCPL)

Onwards and Upwards - From a humble beginning in 2014, with 1 banking partner and operations in 1 district, NOCPL is one of the largest stand alone BC's- with presence in 12 states and the highest number of banking partners.



Sambandh Finserve

In 2017, Sambandh Finserve was awarded the 'Microfinance Organisation of the Year' in the Small and Medium Category at the Inclusive Finance India Awards organised by Access-Assist.



Foreign Impact Investment: Sambandh welcomed Base of Pyramid Asia (BOPA Pte. Ltd.) as its first Foreign Impact Investor in July 2018.



Satya MicroCapital

Seen is Mr Vivek Tiwari, MD, Satya MicroCapital receiving the 'Best Micro Lending (NBFC)' Award from Shri Nitin Gadkari ji, Minister of Micro, Small and Medium Enterprises, Government of India at ASSOCHAM's 7th MSMEs National Excellence Summit & Awards for the second time in a row on 30th January 2020.



Within a span of 3 years of inception in January 2017 and a total loan disbursement of ₹1700+ crores to its name, SATYA MicroCapital has set another benchmark in the Microfinance sector by attaining ₹1000 crore worth of Assets under Management on March 7, 2020.



SagGraha Management Services

Mr Harish Raghu, Managing Director and Mr. Kishore Kumar, Chief Risk Officer, SagGraha Management Services receiving the ET Award 'Champions of Rural Market 2019', a testimony of Saggraha's unmatched contribution in fostering rural markets.



Suryoday Bank

Transformation to 'A Bank of Smiles'.. and the dream continues – The Launch of Suryoday Small Finance Bank on January 23rd, 2017.

Satin CreditCare

Satin CreditCare certified "Great Place to work" in 2020.



Ujjivan Small Finance Bank

Ujjivan Small Finance Bank went in for an IPO of Rs 750 crore on December 12, 2019 which was over-subscribed by 170 times. It was declared as the best IPO in the Banking and Financial services sector in the last four years.



Saija Finance

SAIJA, the first Bihar grown NBFC-MFI, completed 11 successful years. Saija celebrated its 10th anniversary in a very unique manner by inviting more than 5000 clients at Bapu Sabha Ghar, Patna.

A world record of largest production of Foxnut pudding was created on this day and was certified by Golden Book of World Record.

Vaya FinServ

Vaya FinServ became the first microfinance company in India to be a Certified B-Corporation joining over 2,200 Certified B-Corps from 50+ countries with 1 unifying goal – to redefine success in business on the standards of social and environmental performance, transparency, and accountability.



THE YEAR THAT WAS

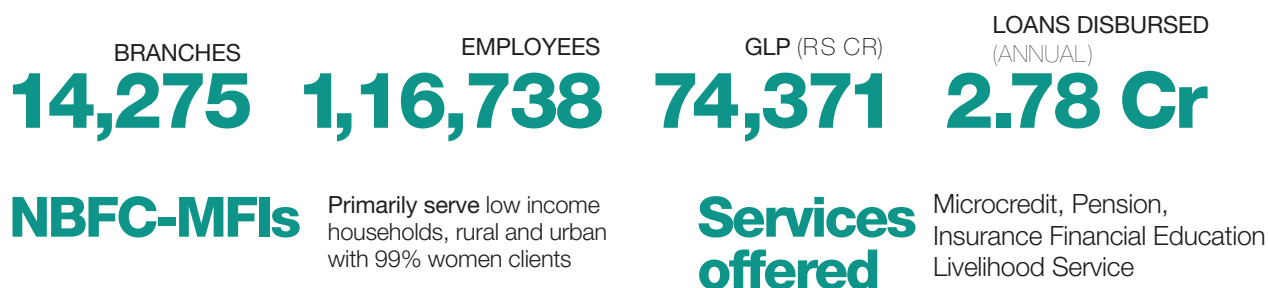




MEMBERS

The primary membership of MFIN is open to RBI regulated, NBFC-MFIs. All applications for the new membership go through a well laid out process including an on-site due diligence and a Board review. As members, NBFC-MFIs become part of the peer community that shapes the strategic directions of MFIN and the industry. As on 30th June 2020, MFIN has 55 Members.

MFIN MEMBERS' CONSOLIDATED OPERATION OVERVIEW 2020 (31ST MARCH 2020)



NBFC-MFI AS DEFINED BY THE RBI

An NBFC-MFI 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 crores (For NBFC-MFIs 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.

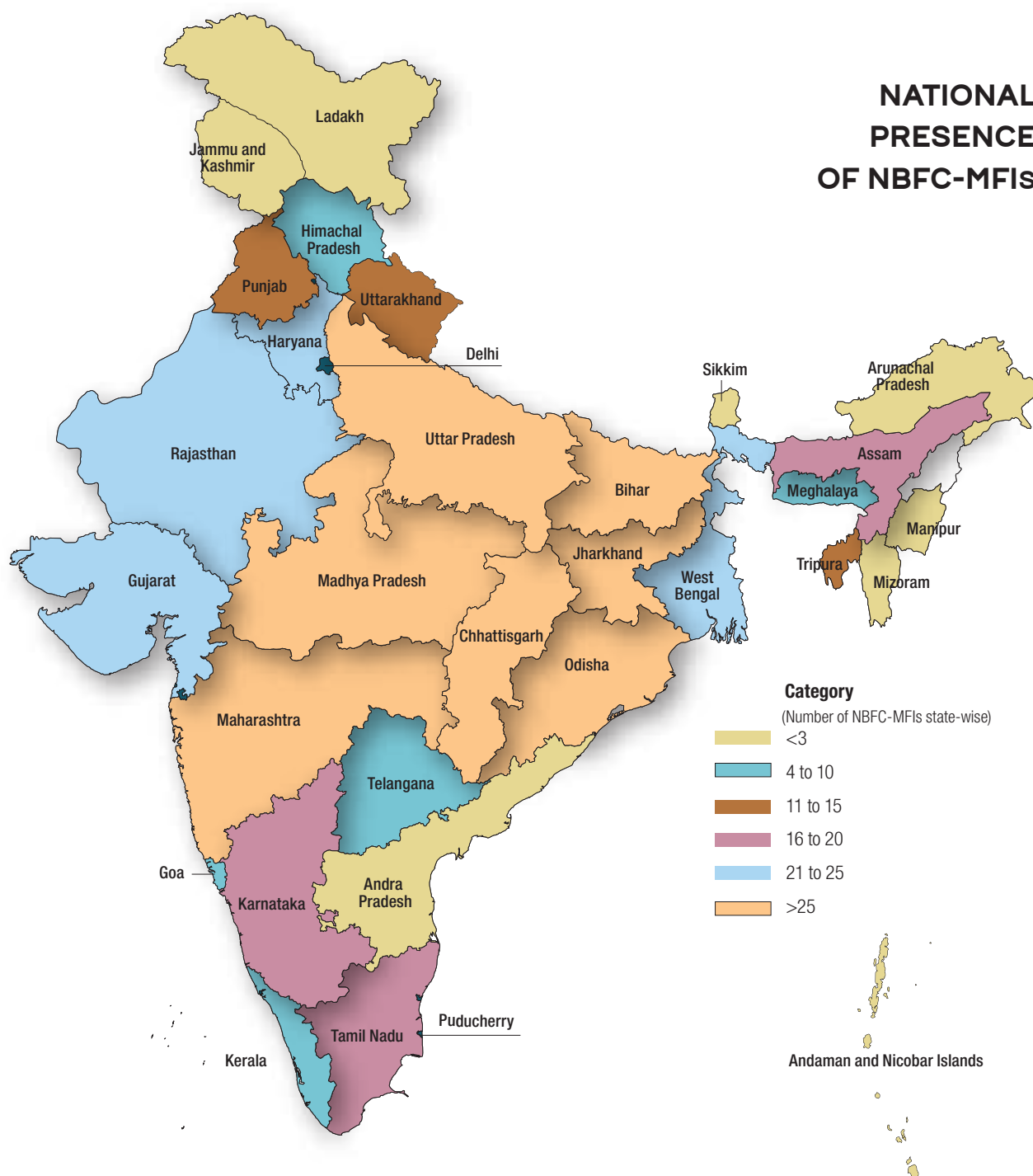
"Qualifying Assets" shall mean a loan which satisfies the following criteria:

- The loan extended to a borrower whose household annual income in rural areas does not exceed Rs. 1,25,000 while for non-rural areas it does not exceed Rs. 2,00,000. Loan amount does not exceed Rs. 75,000 in the first cycle and Rs. 1,25,000 in subsequent cycles.
- Total indebtedness of the borrower does not exceed Rs. 1,25,000 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.

OTHER GUIDELINES

- The margin cap for all NBFCs irrespective of their size was 12 per cent 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 per cent for the others.

NATIONAL PRESENCE OF NBFC-MFIs



- Only three components are to be included in pricing of loans viz. a) Processing fees not included 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: 1% of the outstanding loan portfolio or b) 50% of the aggregate loan instalments which are overdue for more than 90 days and less than 180 days and 100% 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 RBI.
- For detailed and updated guidelines please visit www.rbi.org.in and refer to guidelines pertaining to NBFC MFIs as modified from time to time.



NEW MEMBERS



Asirvad Microfinance Ltd.

Asirvad Microfinance, a subsidiary of Manappuram Finance is a Chennai based NBFC-MFI established in 2007. It provides microfinance loans to women from poor and low-income household through its network of branches across 22 States in India. The entity is led by Mr. Raja Vaidyanathan, Founder Chairman and the Managing Director with over 36 years of experience in the field of Financial Services, Infrastructure, Media, Telecom & Retail sectors.



Humana Financial Services Pvt. Ltd.

Humana Financial Services is a New Delhi based NBFC-MFI established in 2016. The entity works towards the unserved women population with its network of 24 branches in India. The entity works with a mission to make one million poor families financially independent and secure by 2022. It is led by Mr. Kailash Khandelwal, MD who is a veteran in the development sector with over 21 years of experience.



Vector Finance Pvt. Ltd.

Vector Finance is a Kolkata based NBFC-MFI established in 2019. It works towards the undeserved population across six states with 129 branches with an endeavour to enhance financial inclusion. The entity aims to empower two million families by 2024 by providing financial support for their betterment. It is led by Mr. Rahul Johri, Chairman who has over 28 years of experience across leadership roles within the BFSI sector.

ASSOCIATES

MFIN launched its Associateship programme in January 2014. The objective was to be more inclusive by taking into consideration the many businesses, apart from NBFC-MFIs, that are also lending to Microfinance borrowers or are connected with the sector. MFIN believes that all such entities along with its primary members can work together by participating in all MFIN forums particularly the State and district levels and thus achieve the larger goal of financial inclusion. MFIN Associates include Banks, Small Finance Banks, NBFCs, Credit Bureau, Housing Finance Companies, Insurance Companies, Business Correspondents, Private Equity Social Investors, Foundations, Fintech companies, among

others. The MFIN Board has one Director who is elected by the Associates to be their nominee. Mr. Harish Raghu - Co-Founder, MD & CEO of SaGgraha Management Services is the Associate Director on MFIN Board. MFIN has 39 Associates as on March 2020.



Craft Silicon Pvt. Ltd.

Craft Silicon, established in 2000, is headquartered in Nairobi with its South East Asia Centre based out of Bengaluru. It is a leading financial/technology solutions provider and recognized as one of the most tech-savvy software groups globally. As a growing institution, it has a well-structured software development house comprising various teams involved in development, support, implementation, quality assurance, report development, technical writing and help desk. In India, Craft Silicon has been working extensively within the microfinance sector for over 15 years and serving over 20 MFIs. The entity is led by Mr. Siva Kumar, CEO with over 24 years of experience.



DBS Bank

Established in India in 2018, DBS Bank is a leading multinational & financial services group headquartered

in Singapore founded in July 1968 and operates across 18 markets. A frontrunner in digital transformation, DBS Bank seeks to deliver a new kind of banking that is simple, seamless, and invisible. The geographical outreach in India is spread across Maharashtra, Gujarat, Karnataka, Tamil Nadu, Haryana, Telangana, Madhya Pradesh, West Bengal, Rajasthan, Punjab, Uttar Pradesh, New Delhi. DBS is led by Mr. Arvind Sharma, ED with over 24 years of experience within Corporate and Retail Banking in India, the Far East and USA.



Hinduja Leyland Finance

Hinduja Leyland Finance promoted by Ashok Leyland, is a Chennai based Non- Banking Finance Company (NBFC) wholesaler established in November 2008. It is one of the leading vehicle finance NBFCs with a focus on urban and semi-urban markets. The entity commenced the housing finance business in 2016 through its wholly owned subsidiary, Hinduja Housing Finance limited. The entity extends loans to other NBFCs that provide financing products including microfinance, vehicle loans, affordable housing and MSME loans. It is geographically spread

across Andhra Pradesh, Delhi, Haryana, Gujarat, Karnataka, Kerala, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttarakhand and Uttar Pradesh. It is led by Mr. Sachin Pillai - CEO who oversees all activities.



IDFC FIRST Bharat Ltd.

IDFC FIRST Bharat Limited (formerly known as Grama Vidiyal Microfinance Limited), is a wholly owned subsidiary of IDFC First Bank. IDFC FIRST Bharat is a business correspondent of IDFC FIRST Bank being one of the pioneering microfinance institutions in India offering various financial services like loans, savings accounts, payment services and insurance to the underserved rural women through a pan India network. With varied products, IDFC FIRST Bharat not only aims at achieving the economic sustainability of its women members, but also facilitates holistic empowerment of women and their families on social and cultural front. The entity is led by Mr. Arjun Muralidharan - MD & CEO who oversees all activities.



ICICI Bank Ltd.

ICICI Bank is an Indian multinational banking and financial services institution headquartered in Mumbai, with its registered office in Vadodara. It offers a wide range of banking products and

financial services for corporate and retail customers through a variety of delivery channels and specialized subsidiaries in the areas of investment banking, life, non-life insurance, venture capital and asset management. The Key Business Areas include: Retail, SME and Rural Banking, Wholesale Banking and Treasury. Mr. Avijit Saha is the Business Head for Rural and Inclusive Banking Group (RIBG).



Kaleidofin Pvt. Ltd.

Kaleidofin, established in 2017, is headquartered in Chennai. The entity is a fintech platform that propels under-banked customers towards meeting their real-life goals by providing intuitive and tailored financial solutions. The entity aims at leveraging the full India stack, existing networks, analytics, structuring and user-centred design to drive outcomes for customers, in the process, helping enrich the digital asset of each such customer. The nature of activities undertaken are partnering with NBFC-MFI & Corporates for providing goal-based saving solutions to customers and employees. The institution is led by Ms. Sucharita Mukherjee - Co-founder & CEO.

OUR WORK

CREATING A SUPPORTIVE ECO-SYSTEM

- 1.1 Advocacy at National Level
- 1.2 Advocacy at State & District Level
- 1.3 India & International Forums
- 1.4 Collaboration with Sa-Dhan
- 1.5 Investors and Lenders
- 1.6 Mutual Fund Analysts in Mumbai
- 1.7 Media

SUPPORTING MEMBERS & ASSOCIATES

- 2.1 Raising the Bar through Surveillance
- 2.2 Information & Data Hub
- 2.3 Capacity Building
- 2.4 Fintech
- 2.5 Media Visibility

PROTECTING THE CLIENT

- 3.1 Rules and Standards
- 3.2 Grievance Redressal
- 3.3 Financial Literacy Programme

CRISIS MANAGEMENT

- Covid 19
- Catastrophe management
- Political & State level crisis





1

CREATING A SUPPORTIVE ECOSYSTEM

MFIN strives to create a favourable environment wherein its Members can carry on microfinance operations with ease and ensure that their business is sustainable and profitable. MFIN invests in building strong relationships with all its stakeholders to ensure that the contribution of microfinance in the national agenda of financial inclusion is well established.

1.1 ADVOCACY AT NATIONAL LEVEL

The Advocacy Task Force is responsible for steering and guiding the advocacy agenda within MFIN. The Task Force engages with key policy makers and sector participants to create a conducive policy and business environment for the industry. The Advocacy efforts of MFIN are driven by the Advocacy Task Force, Chaired by Mr. Manoj Nambiar. MFIN CEO is currently on the Board of Micro Units Development and Refinance Agency Bank (MUDRA) and on the Governing Council of BFSI Sector Skill Council of India.

Developments in the Year:

- Chair, Vice-Chair & CEO, MFIN met with Secretary, Ministry of Corporate Affairs to discuss the representation submitted by MFIN on its opinion and feedback on personal insolvency regulations related to Fresh Start.
- MFIN engaged with the Executive Director & Chairperson, Insolvency & Bankruptcy Board of India to provide a detailed overview of the sector and the implications of fresh start.
- MFIN met with the Chief General Manager and Deputy General Manager, Department of Non-Banking Regulation to discuss and share an overview of the Quarterly SRO Report and the development within the microfinance industry.
- Chair, Vice-Chair & CEO, MFIN met with the Deputy Governor of Reserve Bank of India to discuss various subjects including Code for Responsible Lending, COF calculations, inability to share Aadhaar data with CICs, linking of 85% qualifying assets with portfolio instead of net assets, redefining small MFIs and the fresh start clause of IBC.

MFIN further met with Executive Director of Reserve Bank of India to re-emphasize the issues.

- CEO, MFIN attended the “Meeting of the Finance Minister with Private Sector Banks and Financial Institutions” which was organized by the Department of Financial Services, Ministry of Finance.
- MFIN met with CGM, Promotion and Development of APY, Swavalamban at Pension Fund Regulatory and Development Authority (PFRDA) to discuss the possibilities of allowing NBFC-MFIs to originate APY subscription for their borrower.
- MFIN senior officials met with Deputy Governor, Executive Director & Chief General Manager to share an update about the microfinance industry and discuss various issues and solutions related to CRL, COF calculation, C-KYC, qualifying asset criteria, credit bureau eco-system including changes required in UCDF, timeliness & quality of reporting, data submission by non-regulated entities & SHGs and use of Aadhaar.
- MFIN engaged with Chairperson, NABARD along with CGM, Department of Revenue and Micro Credit Innovation Department and discussed the funding support for small and medium MFIs and to pilot the NatCat insurance product.
- Representation was submitted to Additional Secretary DFS, CERSAI and Chief General Manager DBR-RBI on CYC issues and challenges.

1.2 ADVOCACY AT STATE AND DISTRICT LEVEL

MFIN's objective of creating an enabling ecosystem is met by the team's active engagement with State Governments. This is driven by the Task Force on State Initiatives, Chaired by Mr. Vineet Chattree of Svatanttra Microfin. MFIN engages with diverse set of external stakeholders at the regional, state, district level ranging from Law Makers, Bureaucracy, Administration, Law and Order, Regulators, Inter Institutional Formal structures to create a positive understanding of mission, objective, implementation and impact of microfinance. To strengthen the field level engagement and its information flow, MFIN has

INDIVIDUAL STATE CHAPTERS/COMPOSITE CHAPTERS

Regional Wise Segregation##	Name of the State Chapter
North	Delhi & Haryana Composite Chapter
	Northern Composite Chapter (Himachal Pradesh, J & K, Punjab)
	Rajasthan
	Uttarakhand
	Uttar Pradesh**
Central	Madhya Pradesh
	Chhattisgarh
Eastern & North-Eastern	North-East Composite Chapter (Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim & Tripura)
	Odisha
	West Bengal**
Bihar & Jharkhand	Bihar
	Jharkhand
Western	Gujarat
	Maharashtra
Southern	Tamil Nadu
	Karnataka**
	Kerala**
	Andhra Pradesh & Telangana

NUMBER OF DISTRICT FORUM

STATE CHAPTERS	NO. OF DISTRICTS IN THE STATE	NO. OF INDIVIDUAL DISTRICT FORUMS IN THE STATE	NO. OF COMPOSITE DISTRICT FORUMS IN THE STATE	DISTRICT COVERED
P-HP -J&k	22	16	3	21
UK	13	4	0	4
DL & HR	26	14	2	18
RJ	33	13	1	16
MP	52	40	2	44
CG	27	19	2	21
MH	36	18	7	36
GJ	33	9	2	33
OR	30	24	3	30
JH	24	9	5	24
BH	38	34	2	38
NE	86	21	1	23
TN & Puducherry	33	29	2	33
Total		250	32	341



formed 13 State Chapters and over 350 District Forums across the country considering that member organizations operations are within the states and districts. Each State chapter has identified its coordination committee members which facilitates the coordination and smooth functioning of the chapter. Similarly, each district forum has a lead MFI, responsible for district level coordination among member MFIs. MFIN regional representative closely works with the State Coordination Committee and the District Lead Coordinators.

Major Developments in the Year

STATE GOVERNMENTS: MFIN, in its continuous efforts towards establishing the legitimacy of microfinance industry before the state & district level stakeholders, successfully engaged with the State Government authorities as follows:

- MFIN delegation met Shri. Shivraj Singh Chouhan, Former Chief Minister-Madhya Pradesh, who was apprised of the SRO role of MFIN in strengthening the access of micro enterprises and their households to formal financial services nationally and in the state of Madhya Pradesh. Subsequently MFIN further engaged with Shri. Anurag Jain - Additional Chief Secretary Finance and Shri. Manoj Govil - Principal Secretary Finance.
- MFIN engaged with Shri. Chanchal Kumar IAS - Principal Secretary to the Hon'ble Chief Minister of Bihar and Shri. J S Gangwar ADGP-EOU - Government of Bihar to share an update on the microfinance sector and its operations.
- MFIN met with Shri. Vikas Kharage, Principal Secretary to the Hon'ble Chief Minister of Maharashtra to apprise him of the regulatory aspects of microfinance institutions.
- MFIN officials met with Shri. S. Krishnan, Hon'ble Finance Secretary to the Government of Tamil Nadu who was informed about the industry and the microfinance institutions operating in the state. Another important intervention was a meeting with Shri Ravi Kumar, Principal Secretary to the Government of Karnataka where he was updated on the contribution made by the sector in the flagship programme of the Prime Minister - Mudra Yojana.

- CEO, MFIN met with Shri. T.M Vijay Bhaskar, Chief Secretary to the Government of Karnataka, along with Dr. Rajneesh Goel - Additional Chief Secretary to the Government of Karnataka, Regional Director- Reserve Bank of India, GM – DNBS, Reserve Bank of India and CGM – NABARD to apprise about the prevailing field stress and seek their support and intervention in addressing the issues.
- MFIN met with Shri. Sunil Kurtkoti, Financial Inclusion Advisor to the Department of Fiscal Reforms, Ministry of Finance, Government of Karnataka to highlight the role of MFIN as an SRO and the microfinance industry.
- To respond to the complexity of the field situation in Assam caused by four local associations instigating microfinance clients to avoid repaying loan instalments, MFIN Board and CEO held series of meetings with the government - Dr. Himanta Biswa Sarma - Hon'ble Finance Minister to the Government of Assam, Shri. Samir Sinha - Principal Secretary Finance to the Government of Assam, Shri. Ranjan Chakrabarty- Secretary to Hon'ble Chief Minister of Assam, Shri. Rajiv Bora - Additional Chief Secretary Finance, Shri. Alok Kumar - Principal Secretary Finance, Shri. Manoranjan Dash - RD-RBI Assam and Shri. Shiv Kumar Yadav - DGM-DNBS as a part of a multipronged effort to address the stress. The objective of these engagements was to keep the Government duly informed on the role played by microfinance industry in strengthening financial inclusion and developing proposals which are in conformation with the expectations of the Government.

MFIN was invited to participate in the Financial Inclusion Outreach Program of SLBC in the states of Rajasthan, Assam, Jharkhand and Madhya Pradesh. Police Workshops were organised by DNBS – RBI, Kanpur and DNBS - RBI, Punjab to sensitize the state police on legal, operational and field aspects of various financial services including microfinance. MFIN attended a workshop on 'Micro Financing in Bihar: Status and Way Forward' organized by the Department of Finance - Government of Bihar.

MFIN has constantly been engaging at regional level through its advocacy efforts to inform about the regulatory and operational framework of the microfinance sector. With respect to this, MFIN held series of meetings with:

- **Bihar:** DGM - DNBS, Reserve Bank of India, Patna, and CGM-NABARD
- **Jharkhand:** Additional Chief Secretary, Reserve Bank of India, Ranchi
- **Maharashtra:** GM - DNBS and DM - DNBS, Reserve Bank of India
- **Uttarakhand:** RD and DGM - Reserve Bank of India, GM - NABARD, SLBC Convener and ADGP (L&O)
- **Odisha:** GM - DNBS, Reserve Bank of India, Bhubaneswar, Principal Secretary - Agriculture of Odisha
- **Assam:** DGM - DNBS, Reserve Bank of India
- **Gujarat:** GM - NABARD
- **Haryana:** GM - NABARD and SLBC Convener
- **Karnataka:** Reserve Bank of India, Regional office.

1.3 INDIA & INTERNATIONAL FORUMS

To further strengthen the microfinance universe and leverage from the combined learnings of various organizations in the sector, MFIN closely works with Associations and Forums in the space.

SAMN is a regional network aiming at enhancing capacity, financing, and regional dialogue in the microfinance sector of South Asia. SAMN Members include Afghanistan Microfinance Association (AMA), Credit Development Forum (CDF), Bangladesh, Centre for Microfinance (CMF), Nepal, Lanka Microfinance Practitioner's Association (LMFPA), Sri Lanka, Pakistan Microfinance Network (PMN) and Microfinance Institutions Network (MFIN) in India.

- MFIN, CEO has been elected Chair for SAMN for 2020-21
- A regional paper on Mapping Client Protection in South Asia: Current Practises and Future Roadmap was released in February 2020. This report summarizes Client Protection (CP) policies and practices in six microfinance markets in South Asia: Afghanistan, Bhutan, India, Nepal, Pakistan, and Sri Lanka.



1.4 COLLABORATION WITH SA-DHAN

MFIN has collaborated with Sa-Dhan on several occasions coming together as industry associations to put their combined learning and efforts into crisis management, exemplified in their joint working during field stress in Assam and Covid 2019. The third edition of Code of Conduct, and the Code for Responsible Lending was jointly revised and released during the Sa-Dhan National Conference held in September 2019. In addition, the Steering Committee of Code for Responsible Lending was constituted jointly. The CoC was translated in 10 vernacular languages. In addition, a Common Tool for Code of Conduct is jointly being developed based on which Third Part Evaluations.

1.5 INVESTORS AND LENDERS

LENDERS MEET IN NEW DELHI

This year, MFIN organised the seventh 'Lenders and Investors Meet' in New Delhi on 4th December 2019 in association with Access Assist at their Inclusive Finance Summit. The Meet was structured to facilitate one-to-one discussions which provided a platform for the Member MFIs, Lenders, and Investors to interact, with a focus on small and medium sized MFIs (portfolios below Rs 500 Cr.) The Meet had 54 structured meetings.

BLUEORCHARD WORKSHOP

MFIN organised a Workshop for BlueOrchard leadership officials in Gurgaon on 11th November 2019 to share an overview of the microfinance sector in India, role of MFIN as an SRO and industry wide initiatives for ensuring client protection and minimizing risk of over-indebtedness.



1.6 MUTUAL FUND ANALYSTS IN MUMBAI

CEO, MFIN participated in an interactive session for an investment conference on Microfinance organised by Centrum Institutional Equities in Mumbai on 8th January 2020. He shared insights on the MFI space, the changing dynamics therein and challenges in the current scenario.

MFIN CEO also spoke to investors and analysts about microfinance at India's largest Financial Sector Focused Investors Conference hosted by Spark Capital in Mumbai on 7th February 2020.

1.7 MEDIA

MFIN is in constant engagement with the media at the national, state and district level to build a positive and informed perception about the industry with a focus on building the sector's image, dispelling common myths around the nature of the business and emphasising the role of the sector in achieving financial inclusion.

The total coverage for both National and Regional Media was 574 which included Industry Features, Leadership Interactions & Interviews, Human Interest Stories, State-specific articles during crisis, Press Releases on important developments and achievements. MFIN also launched a special Media Newsletter: 'Microfin Bytes', a quarterly publication giving an overview of microfinance stakeholders' ecosystem explaining the scale and dynamism of the industry.



2 SUPPORTING MEMBERS AND ASSOCIATES

MFIN works to support its Members and Associates in the smooth delivery of their operations and helps them develop capabilities across different areas for them to do business in a more responsible manner.

2.1 RAISING THE BARTHROUGH SURVEILLANCE

MFIN as an SRO monitors industry compliance and acts on non-compliances as and when required. Industry and member NBFC MFIs are monitored through different sources, such as,

data from NBFC-MFIs, monitoring the progress of members on improving the fill rates of voter-Id and mobile number while submitting data to Credit Information Companies (CICs), periodic investigation, peer reporting.

MFIN monitors whether NBFC-MFIs have a robust framework to deal with issues. These initiatives also allow the NBFC-MFIs to systematically measure, manage and integrate responsible business practices through gap analysis, benchmarking, and tracking.

A well-defined Enforcement Framework guides the 'monitor and enforce' function of the SRO in order to ensure a fair, consistent, and transparent process which progressively moves the NBFC-MFIs, individually and collectively towards higher degree of adherence with industry regulations and standards.

Third-Party Evaluations: MFIN in collaboration with Sa-Dhan has engaged with SIDBI to develop a common tool for Code of Conduct (CoC) evaluations. The new tool is based on the revised CoC and builds on the existing methodology of COCA and Customer Service Index (CSI). The pilot of the Third-Party Evaluations will be executed in the upcoming months.

2.2 INFORMATION & DATA HUB

MFIN is acclaimed for a robust data collection and analytics capability. The Secretariat, conceptualized and developed a range of well-researched and data intensive publications providing in-depth analysis from state to district level, pan India with Annual Quarterly and Monthly frequency.

- **Micrometer – Quarterly**

Micrometer – is the flagship publication of MFIN. The report provides quarterly trends of key operational and financial indices for the industry and has released 32 editions since its inception, finding pride of place with every stakeholder.

- **Microscope – Annual**

An annual publication, Microscope captures the financial health of the microfinance industry.

- **MicroMirror**

MicroMirror, the erstwhile Monthly Monitor, was redesigned and upgraded to quarterly reports with a new branding and more incisive district-wise outreach analysis. The publication provides an overview of the microfinance universe and analyses the district level outreach and progress of the “Universe” to provide the required intelligence to MFIN Members and Associates to manage their district level presence in a more informed manner. The first edition was released in September 2019.

- **MicroDive**

MicroDive, one of the latest offering, was introduced last year, is the first customer-level analysis of the full customer base of 4.8 Crore, available for all microcredit lending submitted to the microfinance segment of the credit bureau. MicroDive aims to support the microcredit industry in understanding the critical industry issues through granular examination of industry data. The third edition was released in February 2020.

2.3 CAPACITY BUILDING

MFIN takes upon itself to help Members and Associates build capacity through various initiatives. Some are:

PROSPER

MFIN had co-developed a training and certification application for better orientation of customer-facing micro-credit staff along with Banking Financial Services Insurance Sector Skills Council with support from the Ministry of Skill Development and Entrepreneurship (MSDE) under the Recognition of Prior Learning (RPL) scheme of Prime Minister Kaushal Vikas Yojna (PMKVY). Prosper continued to receive enthusiastic support from lenders (MFIN members and associates) with over 5,000 enrolments leading to 3,400 certifications. As a part of Government's RPY, successful candidates were entitled to a certificate, Rs 500 benefit and two years of accidental insurance. Till lately, Rs 11.5 Lakh have been credited along with a claim of one accidental death of Rs 2 lakh reimbursed.

MFIN also developed Field Officer's Training Videos and requested lenders to introduce them as a part of their own training modules to create awareness. The seven videos can be viewed through QR Code, scan to view. _____



NATCAT INSURANCE

The change in weather patterns have become more prominent with extreme events like floods, droughts, and cyclones becoming frequent, severe, and unpredictable. PAR analysis reveals effects in MFI books. The NatCat insurance solution is designed to enhance the financial stability of its members and increase the trust of the stakeholders. The product will protect the portfolio of MFIs against potential risk of defaults by the customers facing financial stress during extreme catastrophe events. At the same time, it will strengthen the creditworthiness of customers in the long run. The insurance will cover across four risks namely flood, drought, earthquake, and cyclone.

MFIN, with the support from GIZ and WRMS, has finalized the product with Swiss Re being the insurer while Cholamandalam MS as the primary insurer. The product document is at present being finalized for filing with IRDAI for approval.

EMPLOYEE BUREAU

The micro-credit industry prides itself for employing nearly 2.5 lakh youth from hinterland with moderate education (intermediate or graduate) to reach out to a base of 5.6 Cr customers. However, there are formidable challenges that makes this a difficult task.

- Operational employees provide primary interface with the customers and shoulder responsibility on critical aspects such as risks and compliances.
- Due to scale of operations, growth, attrition rate and cross movement, recruitment is a substantial on-going task. These factors direct to a very strong case of an efficient and objective platform for reference check in the recruitment process for employers and employees.

It is in this context that MFIN and Equifax had jointly created and launched an Employee Bureau in 2017 to provide database of relevant

employment information of employees in the micro-credit sector. This platform addresses various manpower issues, enabling the employer to verify the employment records. With time and improved data, it will provide industry wide insights about recruitments such as gender, education, age, location, position, retention rate, movement, and so on for benchmarking and improving the recruitment process.

To catalyse the existing efforts, last year MFIN mandated members to sign-up with the Employee Bureau by submitting data. As of March 2020, a total of 132 employers (NBFC-MFI's, SFB's, NBFC's etc) have signed up with the bureau with nearly 7 lakh employees being registered with the bureau.

AS OF MARCH 31, 2020	TOTAL
Number of institutions signed up	132
Number of employees registered	6,72,702
No. of queries raised from Jul'19 – Mar'20	1,76,517
% Match found from Jul'19 – Mar'20	19%

Online Funding Desk for Small and Medium MFIs:

MFIN has developed a draft of the terms of reference (ToR) for establishment of an online funding desk for the Small and Medium MFIs. The principal function of the platform will be to increase visibility of the Small and Medium MFIs with the investors and the Online Funding Desk will be an "Information Sharing Platform".

Webinars :

During the year, MFIN organised several webinars on the following subjects:

- Apprenticeship Program for BFSI Sector in partnership with BFSI-Sector Skill Council (BFSI-SSC) in November 2019 to explain the associated benefits of National Apprenticeship Promotion Scheme (NAPS).
- In partnership with Equifax, a webinar was organized on Employee Bureau in November 2019 to explain and resolve the concerns pertaining to MFIN directive on Employee Bureau.
- On the revised Code of Conduct (CoC) in December 2019 for SRO co-ordinators and compliance officers.

- Equifax and MFIN organized an interactive session on Employee Database which was attended by more than 150 participants.
- Exclusive Webinars for Member NBFC-MFIs on MicroDive and on Customer Grievance Redressal Mechanism for Chief Grievance Redressal Officers and SRO Co-ordinators in February 2020 for processing customer complaints received at MFIN CGRM.
- MFIN in association with Vivriti Capital and Northern Arc Capital organized separate webinars on TLTRO 2.0 for a better understanding on pooled structures for accessing funds. It was attended by over 100 and 150 participants, respectively.
- MFIN organised a webinar on COVID-19: HR Best Practices for Microfinance Institutions in association with Michael Page on April 2020 which was attended by 248 people participants.
- 'Digital Payment Option for MFIs', attended by 100 participants, discussed the following tools: UPI (Pull and Push transactions), *99# (NUUP) – USSD for feature phone, BBPS (Bharat Bill Payment System), Debit Card based collection, BHIM Aadhaar Pay, PayTm (Bank and Wallet, others will have similar model) based collection.

2.4 FINTECH

Development of a tool to assess financial health and repayment capacity of borrowers:

MFIN engaged with IFC for technical support for the development of a tool using AI and big data for assessing repayment capacity of the borrowers. Considering IFC has an internal mandate to promote Microenterprise Lending (MEL), the idea of the credit assessment tool is pertinent. The objective of the tool is:

- Assessing financial health, creditworthiness resulting to loan absorption capacity of a microfinance borrower through a tech stack based on machine learning/artificial intelligence.
- Identify customers who are at a higher vintage and ready to graduate to the next level of MEL.

The tool will enable microfinance service providers (MSPs) to undertake financial risk assessment of a customer, thereby equipping them to take enhanced decisions and offer customised

financial products & services. The Tool will soon be piloted for further use by MSPs.

Solutions for digital KYC and C-KYC:

The microfinance industry was battling with increased concerns due to the limited use of Aadhaar. To address it, MFIN was seeking for an alternate solution of digital ID verification and hence engaged with National e-governance Services Limited (NeSL), an Information Utility under IBC that offers digital ID verification system through its entity NeIL and partner ECS. The solution will be tested with one of the partner MFIs before introducing it to the industry. Since CKYC is a mandatory compliance to be adhered to, MFIN is negotiating with NeSL through its partner ECS which offers CKYC upload, update and download services to offer collated services as a package to Members.

2.5 MEDIA VISIBILITY

Case Studies: MFIN has used Member case studies as a tool to share the impactful work of lenders at ground level. Case studies covered month-wise in the year are:

In addition to create a positive perception during crisis across states, state specific articles were released in the states of Odisha, Assam, Maharashtra, Madhya Pradesh & Karnataka.



As an SRO of the RBI regulated NBFC-MFIs, MFIN has been instrumental in supporting and implementing an effective framework for responsible lending and client protection. This is achieved through ensuring 1) Adherence to common Codes and circulating updated Directives and Advisories to Members 2) Grievance redressal mechanism providing the client direct access to MFIN helplines and 3) Client education and awareness through financial literacy programs.

3.1 RULES & STANDARDS

To ensure responsible lending in an evolving industry, within the broad framework provided by the RBI Master Directions for NBFC-MFIs, RBI

MONTH	INSTITUTION	FOCUS REGION
Jul '19	CreditAccess Grameen	Karnataka
	Pahal Financial Services	Gujarat
	Fincare Small Finance Bank	Gujarat
Aug'19	Pahal Financial Services	Gujarat
	Satin Creditcare Network	Rajasthan
	Utkarsh Small Finance Bank	UP
Sept '19	Satin Creditcare Network	Rajasthan
	Fincare Small Finance Bank	Madhya Pradesh
	Unnati Microfin	Maharashtra
Oct' 19	ESAF Small Finance Bank	Chhattisgarh
	Jana Small Finance Bank	West Bengal
	Fincare Small Finance Bank	Madhya Pradesh
Nov'19	Satin Creditcare Network	Karnataka
	ESAF Small Finance Bank	Madhya Pradesh
	Arohan Financial Services	Odisha
Dec'19	Fusion Microfinance	Madhya Pradesh
	Svasti Microfinance	Maharashtra
Jan'20	Muthoot Microfin	Madhya Pradesh
	Unnati Microfin	Maharashtra
	Samasta Microfinance	Karnataka
Feb'20	Adhikar Microfinance	Odisha
	Satin Creditcare Network	Madhya Pradesh
	Samasta Microfinance	Karnataka
Mar'20	Satya MicroCapital	Assam
	Annapurna Finance	Odisha

Fair Practices Code, Industry Code of Conduct (CoC), SRO has framed rules, standards, and benchmarks for MFIN members. Adherence to Industry CoC and MFIN Standards is mandatory for the membership of MFIN, ensuring client protection.

In 2019-20, the following steps were taken by MFIN:

Revision of the Industry Code of Conduct

The revised Code of Conduct (CoC) is a joint effort of MFIN and Sa-Dhan which defines core values and fair practices for the microfinance sector and acts as a binding and compulsory set of principles w.r.t lending practises. The two elements that have been elaborately drafted with additions include Employee Engagement



& Corporate Governance. Further Customer Engagement is largely aligned with Code for Responsible Lending (CRL).

Code for Responsible Lending

All Providers in the micro-credit space have come together to voluntarily adopt the Code of Responsible Lending (CRL). By adopting the CRL, lenders have committed themselves to universally accepted principles of customer protection. Code of Responsible Lending (CRL) is a joint effort of MFIN, Sa-Dhan & FIDC which is sector-specific, entity agnostic, uniform code for customer conduct applicable to all providers in the micro-credit space.

One of the major guidelines in CRL mandates only three microcredit entities can lend to a client at the same. NBFC-MFIs additionally are required to ensure not more than 2 NBFC-MFIs lend to a customer. Moreover, prior to sanctioning of the loan, a microcredit provider should ensure that the total indebtedness of Rs 1.25 lakh is not crossed, except for Assam where it is Rs 1 Lakh per customer. As on March 2020, 108 Providers have signed the CRL, accounting for 70% of the micro-credit business (Banks: 4, NBFC-MFIs: 79, NBFCs: 5, SFBs: 7, Section 8/non-profits: 13).

CRL is guided and overseen by a Steering Committee representing various peer groups as well as the Self-regulatory Organization (SROs), MFIN and Sa-Dhan. The Steering Committee is Chaired by Dr. Harun R Khan (Former Deputy Governor, RBI).

The adherence to CRL norms by Providers is checked through a Quarterly Adherence Report (QAR) based on independent data from a Credit Bureau. Based on the performance by the Provider on QAR, the Provider is certified as a

‘Responsible Lender’ by the Steering Committee along with an adherence score.

Directives and Advisories

MFIN issues two categories of documents, Directives and Advisories. Directives are mandatory to comply by the member NBFC-MFIs while Advisories are recommendatory in nature. In the year 2019-20, MFIN issued one advisory in the context of Covid 19 (MFIN advisory for moratorium on micro-credit loans to the customers).

Till date, MFIN has issued eleven Directives and four Advisories. A compendium of MFIN Directives and Advisories, is shared with Members and is available for viewing on the website.

3.2 GRIEVANCE REDRESSAL

MFIN has a grievance and dispute redressal mechanism for the customers of NBFC-MFIs. MFIN introduced a Customer Grievance Redressal Mechanism (CGRM) number in July 2015, giving customers direct access to the SRO to address their grievances. Today, MFIN's CGRM has evolved into a dedicated six-member team covering eleven languages. In the event of clients reaching out to MFIN, the SRO facilitates communication of client complaints to the concerned NBFC-MFI and tracks its resolution. If not resolved within the stipulated Turn Around Time (TAT), MFIN's Enforcement Committee steps in to resolve the issue and lack of compliance can lead the NBFC-MFI being penalized by the Enforcement Committee.

Developments in 2019-20

- Process of Customer Complaint: With the growing volume of customer calls, MFIN CGRM was replaced with an automated web-based solution to improve its effectiveness and efficiency.
- The toll-free number of MFIN CGRM was changed to 18001021080 from 1st March 2020.
- Short animated videos on MFIN CGRM using the new number were curated in 11 vernacular languages to familiarize the customers. Scan QR Code to view videos.



In FY 19-20, MFIN's CGRM received 46,014 lakh calls, translating into an average call volume of about 3,850 calls a month or 20 calls per day. A total of 1,037 complaints were received translating into an average complaint to loan account ratio of 0.0029%. Key reasons for complaints were related to insurance claims, customer dispute with credit information report, repayment, disbursements & third-part products.

3.3 FINANCIAL LITERACY

Financial literacy is crucial to financial inclusion and plays a critical role in client protection. An educated client can take informed decisions. As an SRO, MFIN has taken several initiatives.

Videos on Customer Awareness:

To support and complement the lender's efforts to increase awareness of micro- credit amongst customers, MFIN curated animated videos in Hindi broadly covering credit discipline, multiple/ over-lending and customer's responsibilities and rights. The series takes the customer to the story of three friends: 'Eena, Meena, Deeka ' as they embark on a journey to improve their income and lives by availing micro-credit loan.

The videos introduce the concepts rather than very specific facts (like 2 NBFC-MFIs or total indebtedness of Rs 1.25 Lakh etc.) and therefore are apt to be used by lenders across categories (NBFC-MFIs, Banks, SFBs, NBFCs and others). The videos are available on MFIN Website and Youtube.

Depositor Education and Awareness Workshops

RBI had entrusted MFIN with the task of conducting 2250 workshops to educate the depositors on the various financial aspects of banking under the aegis of its Depositor Education and Awareness (DEA) Fund Cell. The project comprised of three phases (i) Pilot, (ii) Training of Trainers (ToTs) and (iii) Delivery of workshops in selected districts by various partner MFIs of MFIN.

Based on the Pilot experience and feedback from RBI, MFIN moved to the second stage to conduct Training of Trainers (TOTs) of partner MFIs. The ToT workshops had a twin objective to:

- Prepare partner MFI staff for conducting the DEA workshops in the execution phase.
- To develop their skills as trainers for them to communicate and deliver the key messaging effectively with the not-so-educated target participants.

MFIN conducted ToTs at eight different locations in which 230 trainers of 41 MFIs were trained as master trainers. The below table illustrates the location wise number of participants and MFIs for the ToTs held :

DATE	LOCATION	NO. OF MFIS	NO. OF PARTICIPANTS
09 - 10 July	Patna	19	30
18 - 19 July	Mumbai	14	32
24 - 25 July	Chennai	10	25
01 - 02 Aug	Bhubaneswar	16	32
08 - 09 Aug	Delhi	12	31
19 - 20 Aug	Lucknow	12	28
22 - 23 Aug	Kolkata	9	28
29 - 30 Aug	Ranchi	11	24

Since the workshop delivery in the execution phase will be made in vernacular languages, it was ensured that maximum staff with proficiency in various local languages attended the ToT. The trainees were proficient in 10 different regional languages besides English and Hindi.

The first module on "Becoming a trainer" was prepared based on the training material by Consultative Group to Assist the Poor (CGAP). The second module on "Depositors' education and awareness" was developed based on the topics suggested by DEA Cell and finalised based on the Pilot experience. The final stage of executing 2,250 workshops will involve an agreement with 40 Members to explain them the requirements as prescribed by codified rules by DEA Fund Cell.

COVID-19 PANDEMIC

With the COVID-19 outbreak hitting the world hard, the pandemic stalled economic activities and India went into the world's biggest lockdown to curb its spread. Microlenders faced disruptions as their operations are highly field intensive, including home visits, conducting centre meetings and physical collection of cash.

Collections from borrowers had to be stopped with immediate effect. The Reserve Bank of India's announced an initial three-month moratorium till 31st May 2020 followed by an extension till 31st August 2020.

MFIN had to step up its work immediately after the lockdown as Members needed support with immediate interventions. Simultaneously representations had to be made to the RBI, Regulatory Authorities, Government, and other stakeholders to seek their support in addressing key industry issues. MFIN took several steps to address the emerging challenges and mitigate the adverse impacts. Efforts were broadly around three focus areas - customer-protection, employee engagement and business continuity.

Various Advisories and Directives were issued for lenders to adhere to:

- An Advisory on collection practises to be followed by members in wake of initial lockdown.
- Guidance note on safety of employees and continuity of business.
- An Advisory on moratorium to micro-credit loans to the customers Various initiatives were undertaken for creating general awareness and increasing engagement with employees and borrowers.
- Standard communication document was developed for employees' communication with customers.
- Comprehensive FAQ for the customers on moratorium was developed which explained the moratorium in the context of micro-credit loans and answered customers doubts and questions.

- A brief guide on employee engagement and collaboration, was released to support lenders.
- A short video was created to enable members to explain conceptual points on "moratorium" to their customers. The video was available in Hindi, Bengali, Oriya and Malayalam.
- A video on brief guidelines for branch employees was developed in English & Hindi.
- Online test for branch-employees was launched for loan officers and branch managers on essential of microcredit which was made available in 11 languages.
- Engagement with Media by releasing opinion articles, facilitating leadership interactions through interviews, stories etc.

MFIN proactively engaged with Reserve Bank of India, Ministry of Finance, Lenders, Sa-Dhan, State Associations, Media on a range of issues such as customer interface, business continuity, liquidity, employee engagement etc.

- Basis the RBI circular on "COVID-19 – RegulatoryPackage" DOR.No.BP. BC.47/21.04.048/2019, MFIN in collaboration with Sa-Dhan sent a joint representation to 135 lenders to the microfinance sector to extend the moratorium facility to the MFIs.
- Engagement with debt funders where the Secretariat reached out to more than a hundred debt funders to NBFC-MFI to seek their support to the industry by extending moratorium and liquidity to NBFC-MFIs.
- Representation to CGM, DNBR requesting to ease the norms for accessing TLTRO 2.0 for small and medium size MFIs to benefit.
- Representation to Finance Minister, Minister of State and Finance Secretary highlighting the need for a stimulus package including equity infusion through IMEF managed by SIDBI, further deferment of principal dues beyond May'20, relaxation in NPA recognition for additional 90 days, credit guarantee for fresh loans to NBFC-MFIs, PSL target restructuring and promoting a culture of digital payments.

As a part of the external stakeholders' engagements across multiple levels, MFIN

engaged with sensitizing key functionaries in Government, Bureaucracy and Regulatory bodies to support the revival of the economy by funding microenterprises. Stress was seen to be slowly gathering momentum with several political, non-state players and local leaders approaching authorities at the district, state and at national levels requesting interventions to prevent coercion in the field. The aim was to establish trust among State Policy Makers and Administrators with better appreciation of efforts of MFIs to remain connected with customers, provide them with adequate services and, to enable them to restart their livelihoods. One of the key activities undertaken was letters sent to Chief Ministers, Chief Secretaries, Finance Secretaries, Conveners of SLBC, GMs of (DNBS)/ RDs of RBI regional offices at state levels and Deputy Commissioners, Lead Bank Managers, SSPs at district level.

CATASTROPHE MANAGEMENT

Borrowers in Microfinance come from an unserved community and generally belong to the bottom of the pyramid. Natural calamities can be devastating for the community. MFIN from its experience of handling natural disasters in various parts of India has developed a robust crisis management Standard Operating Procedure for its Members to deal with such catastrophes. In the year that went by, MFIN provided guidance and support to the Members during:

Floods in Maharashtra

During July-August 2019, floods in Maharashtra led to severe damage to survival and livelihood in the districts of Satara, Kolhapur and Sangli followed by numerous complaints received by

Deputy Magistrates from external groups inciting borrowers for non-repayment of loans and demand of loan waivers. MFIN engaged with key stakeholders such as PS to Chief Minister, ACS Home & Finance, General Manager Reserve Bank of India (DNBS), Convenor SLBC, set-up a customer grievance redressal centre for affected customers in the affected districts thus proactively resolving issues being reported. Additionally, as a part of the industry CSR, MFIN organised medical health check-up camps and distributed medicines in flood affected areas.

Fani Cyclone Aftermath

In the state of Odisha, Post Fani cyclone fallout, critical steps were taken by a sustained engagement with district administration along with massive relief work undertaken with MFIN members. A "Disaster Relief Package was prepared and granted to the stress customers". Sustained Engagements were carried out with RBI Regional Office Bhubaneswar, DIF, CID (Police) Dept.

POLITICAL & STATE LEVEL CRISIS:

- Assam:** The state of Assam witnessed unprecedented stress due to non-state players interference in microfinance operation instigating borrowers for non-repayment of loans since September 2019 in Upper Assam districts viz. Dibrugarh, Jorhat, Charaideo, Sivasagar, Golaghat, Tinsukia, Bishwanath Chareali, Lakhimpur, Dhemaji, Goalpara, Nagaon and Dhubri. A series of sustained engagements were initiated with key stakeholders such as Finance Minister of the state to PS to Chief Minister, ACS (Finance), GM RBI (DNBS), Guwahati RO and SLBC Convener, DMs, LDMs, SSPs, representatives of agitating associations and clients. Additionally, a field survey of the affected areas was undertaken with an independent assessment of the situation.
- West Bengal:** To address the issues around CAA protest, MFIN along with state association AMFI-WB engaged with key state level stakeholders including RBI and State Police.



- **Jharkhand:** Incidents of major loan pipelining by a group of unscrupulous groups hampered the microfinance operations in the district of Giridih. An immediate engagement with relevant authorities led to the culprits being nabbed.
- **Punjab, Haryana, Uttarakhand, and Uttar-Pradesh:** MFIs faced increased challenges due to reputational damage caused by rouge elements who impersonated MFI staff and launched fake branches. The intervention with respective RBI ROs and State Police viz DG (EoW) Uttar Pradesh, ADGP (Haryana), IGP Karnal and AIG Punjab led to the stopping of these incidents.
- **Karnataka:** The issue of false rumours and assurance of loan waivers under the State Ramamurthy Act by an Advocate & Political Activist created field stress in the districts of Dakshin Kannada, Udupi, Chikmagalur & Hasan. The engagement with Chief Minister Office, RBI, SLBC, NABARD, Ministry of Fiscal Reforms, Govt. of Karnataka resulted in receiving a letter by state government addressing district authorities to take necessary action to clarify the public at large.
- **Madhya Pradesh:** Industry averse comments of a top political leader appearing in the local media potentially could have dented the image and perception of the sector. The immediate engagement with the lawmaker at Bhopal about industry apprehensions led to resolution of the issues.

KNOWLEDGE DISSEMINATION THROUGH MFIN EVENTS

MFIN East & North-East Regional Meet

MFIN East & North-East Regional Meet was organised on 19th February 2020 at Patna, Bihar. Seventy senior representatives from 39 member institutions including NBFC-MFIs, NBFCs, SFBs and Banks participated in the meeting. The dialogue focused on the states like Assam, Odisha, Bihar, Jharkhand, West Bengal & Tripura which further discussed the necessary precautions required to be



followed by the microfinance industry in these states. Members extensively participated in a comprehensive discussion on different perspectives and dimensions required for the growth of microfinance delivery. The house identified key issues confronting the Industry and moving forward, to set itself the task to focus on interventions both sectorally and by individual institutions to strengthen the ecosystem.

Investors & Lenders Meet

MFIN organised the seventh 'Lenders and Investors Meet' in New Delhi on 4th December



2019 in association with Access Assist at their Inclusive Finance Summit.

Workshops on Field Operations and HR Risks

MFIN in association with MicroSave organised a workshop in Gurugram on 11th October 2019 that brought together senior practitioners from HR, Risk and Operations (MFIN Members) and external experts to develop a deeper understanding of the key operational challenges. The discussion methodology included identifying and listing the key risks, articulating the problems, and finally mitigating strategies. The key HR Risks identified were attrition of field-staff, recruitment & training of staff commensurate with growth, lack of appropriate HR policies to enhance employee engagement, limited support to protect employee against client atrocities and ever increasing staff frauds while the Operational issues highlighted were client over-indebtedness, rising influence of ring leaders in field operations, poaching of clients and employees by competitors, risk of carrying cash in the field and dwindling of rigour in client selection processes followed by MFIs.

Workshop on Microfinance Institutional Ratings

Banker's Institute of Rural Development (BIRD), Lucknow and MFIN jointly organised a workshop on Microfinance Institutional Ratings on 29th July 2019 in Lucknow with support from NABARD. The basic premise of this roundtable was to initiate a dialogue on the need for funding support



to the small and medium sized MFIs to enable them to grow and become sustainable and contribute to financial inclusion. NABARD and SIDBI were diligent in this role of nurturing such MFIs and many of the existing large MFIs, SFBs had benefited because of their support when they were small. Therefore, the two objectives of this roundtable were:

- Sensitize the MFIs on the perspective of the lenders on aspects they look at to judge the creditworthiness of an MFI
- Discuss the feasibility of having a differentiated framework for rating of MFIs (by size) based on performance indicators that effectively captures the nuances of different size of MFIs.
- The roundtable was attended by senior officials of NABARD and BIRD, Rating Agencies and 21 MFIN members including NBFC-MFI, Bank, SFB, and Corporate BC.



A vertical strip of 12 colorful, stylized floral and geometric patterns, likely representing a traditional textile design. The patterns are arranged in a column and include various motifs such as flowers, leaves, and abstract geometric shapes in a variety of colors including red, blue, yellow, green, and black.

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MICROFINANCE INDUSTRY IN INDIA

Based on the recommendations of the Malegam Committee January 2011, RBI created a new subset under the Non-Banking Finance Companies (NBFCs) for institutions specialising in microfinance and called them NBFC-MFIs. In the decade leading up to 2009, the NBFC-MFI model proved itself to be viable and a sustainable means of providing access to finance to meet the requirements of low-income households. NBFC-MFIs have been playing a significant role in taking forward the financial inclusion vision of the Government of India. What sets the NBFC-MFIs apart is the fact that they do not depend on grants or subsidies to provide unsecured loans to people with low incomes and with negligible 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 2020, NBFC-MFIs provided credit to over 3.22 Cr. clients pan India, with a total lending more than Rs. 74,371 Cr.

Core Strength:

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

Industry Trends

There are around 170 lenders in the microfinance segment. This group comprises NBFC-MFIs, NBFCs, Banks, SFBs, and other non-profit entities. Out of these players contributing to more than 90% of microfinance lending are MFIN Members/Associates. As of 31st March 2020,

NBFC-MFIs accounted for 31.8% of microfinance lending – the second highest.

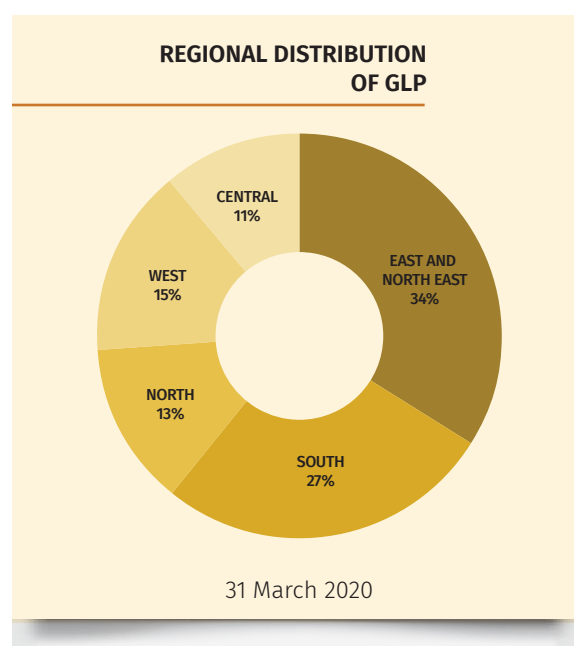
Performance of NBFC-MFIs in FY 19-20 is given below:

INDICATOR	31ST MARCH 2020
Branches	14,275
Employees	1,16,738
Clients~ (Cr)	3.22
Loan accounts (Cr)	3.91
Gross Loan Portfolio (Rs Cr)	74,371
Loans disbursed (during the year, Cr)	2.78
Loan amount disbursed (during the year, Rs Cr)	77,072

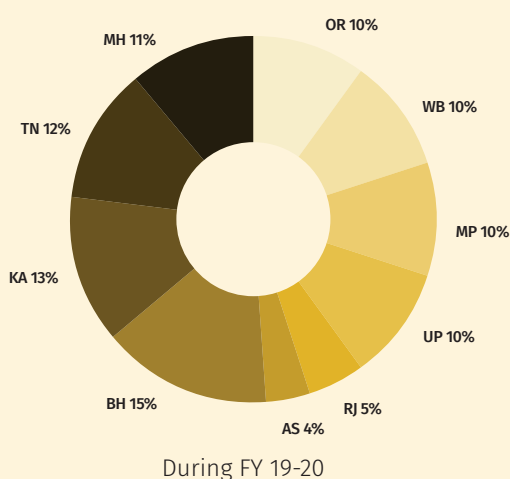
This represents a YoY growth of 31% as compared to 31 March 2019.

Pan-India presence of NBFC-MFIs

In terms of regional distribution of portfolio (GLP), East and North East accounts for 34% of the total NBFC-MFI portfolio, South 27%, North 13%, West 15% and Central contributes 11 %. Five

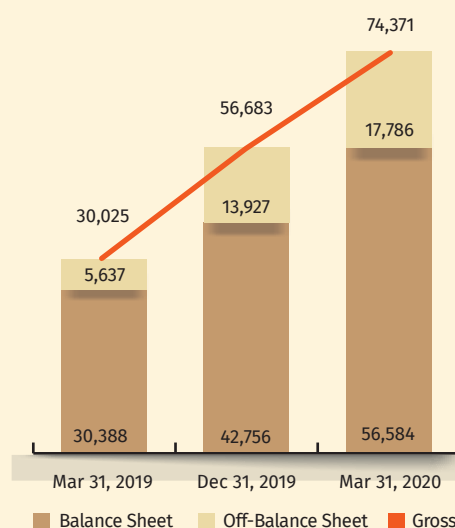


STATE WISE DISTRIBUTION OF LOAN AMOUNT DISBURSED

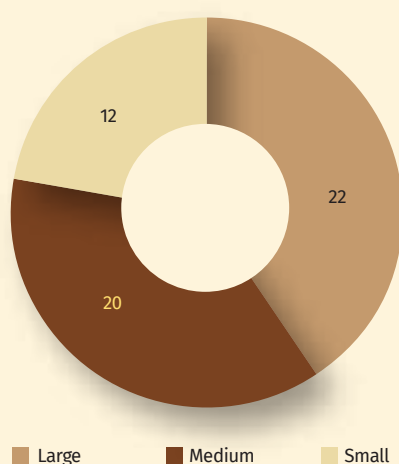


LOAN PORTFOLIO

(Rs Cr)

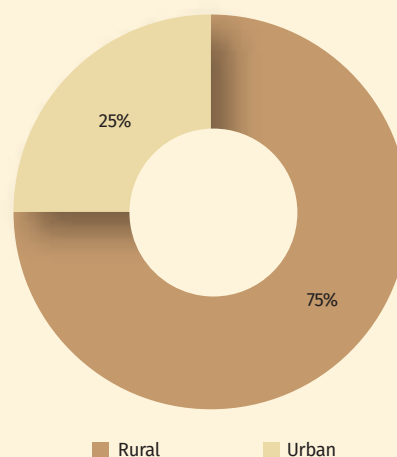


DISTRIBUTION OF MFIs AS PER SIZE



BREAK-UP OF GLP-GEOGRAPHY 31 MARCH 2020

(Rs Cr)



top states in terms of loan amount outstanding viz. Bihar, Karnataka, Tamil Nadu, Maharashtra & Odisha, account for 49% of GLP and top ten states account for 79% of the total industry loan amount outstanding.

OUTREACH

As on March 2020, MFIN Member MFIs have a network of 14,275 branches and 1,16,738 staff, of which 62% are loan officers who provide door-step credit to low-income clients served by the NBFC-MFIs. There has been a growth of 25% in employees, and 22% branches compared

with last Financial Year. As on March 2020, MFIs have reported 3.22 Cr clients with 3.91 Cr loan accounts. It may be noted that client number given here is not unique and does not factor for overlaps. Compared with FY 18-19, there has been YoY growth of 19% in clients and 24 % in loan accounts.

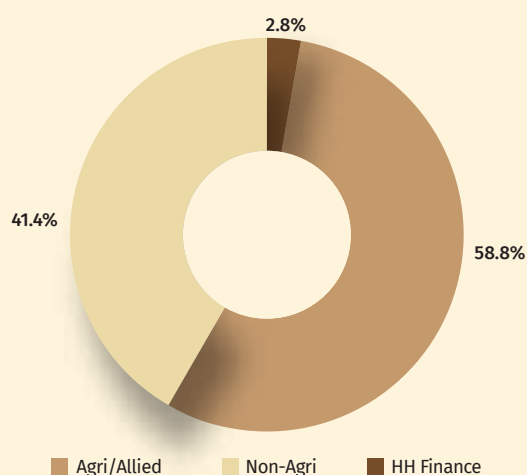
PORTFOLIO OF NBFC-MFIS INDUSTRY FUNDING

During FY 19-20, NBFC-MFIs received a total of Rs. 42,150 Cr in debt funding (from Banks



BREAK-UP OF GLP-PURPOSE
31 MARCH 2020

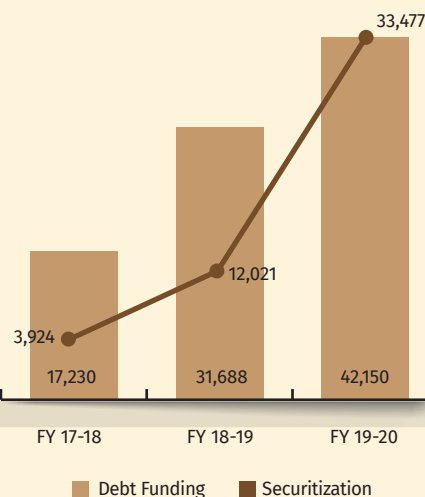
(Rs Cr)



and other Financial Institutions). This represents a growth of 33% compared to FY 18-19. Large MFIs continue to source majority of their debt from banks (77%). Medium and Small sized MFIs continue to source majority of their debt funding from Other FIs.

DEBT FUNDING & SECURITISATION

(Rs Cr)

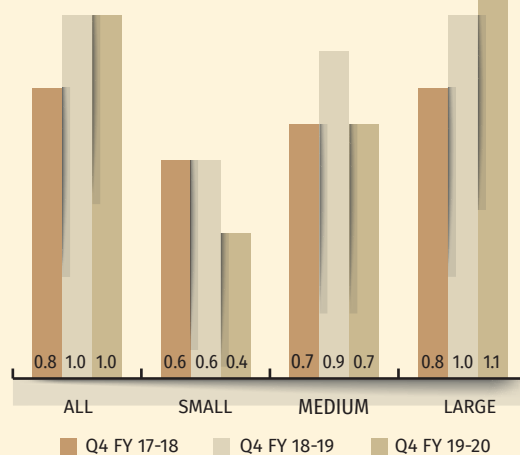


PRODUCTIVITY

On an average, a loan officer caters to 437 clients with a portfolio of Rs 1 Cr. Similarly, on an average, a branch caters to 2,257 clients with a portfolio of Rs 5.2 Cr.

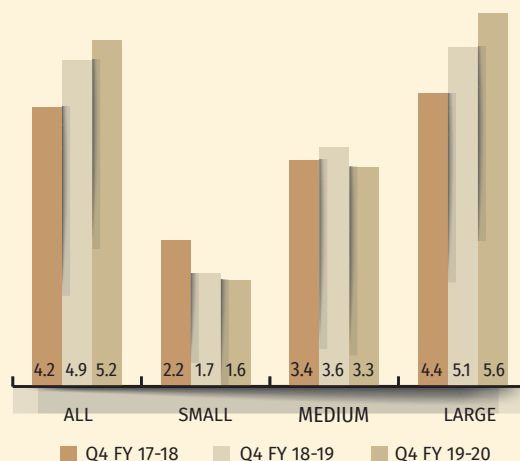
AVERAGE GLP PER LOAN OFFICER

(Rs Cr)



AVERAGE GLP PER BRANCH

(Rs Cr)

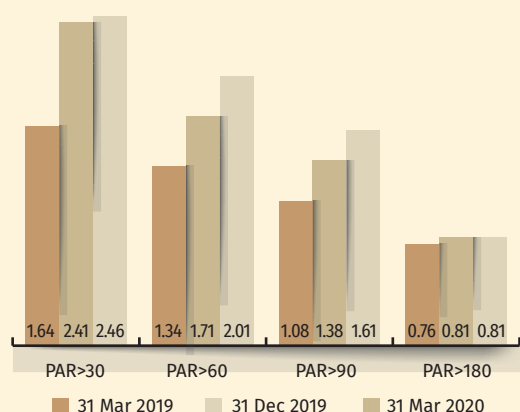


PORTFOLIO QUALITY

PAR >30 has weakened from 1.64% as on 31 March 2019 to 2.46% as on 31 March 2020.

PORTFOLIO AT RISK

(%)





AUDITED FINANCIAL STATEMENTS





INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying financial statements of Micro Finance Institutions Network [MFIN] (herein after “the Society”), which comprise the Balance Sheet as at March 31, 2020 and the Income & Expenditure account for the Period ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Society as at March 31, 2020, and of its surplus for the year then ended in accordance with the Accounting standards issued by the Institute of the Chartered Accountants of India (ICAI), to the extent applicable.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Financials Statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with the aforesaid Accounting Standards, and for such Internal control as management determines is necessary to enable the preparation of financial statement that are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibility for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit

and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

We also report as under:

- a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Society so far as appears from our examination of those books,
- c) The Balance Sheet and the Statement of Income & Expenditure dealt with by this report are in agreement with the books of account.

For Ray & Ray
Chartered accountants
Firm Registration No. 301072E

sd/-

Samir Manocha

Place: New Delhi Partner
Date: July 1, 2020 Membership No. 91479
UDIN – 20091479AAAAA R 1941

**AUDITED FINANCIAL STATEMENTS
BALANCE SHEET AS AT MARCH 31, 2020**

Amount in ₹

		As at March 31, 2020	As at March 31, 2019
	Note No.		
I. SOURCES OF FUNDS			
Corpus Fund - General	1	4,01,79,457	4,00,00,000
Corpus Fund - SRO	2	5,00,00,000	5,00,00,000
Contingency Reserves	3	1,00,00,000	1,00,00,000
Reserves and surplus	4	4,87,20,597	4,71,28,338
Total		14,89,00,054	14,71,28,338
II. APPLICATION OF FUNDS			
Fixed assets	5		
Gross block		48,72,130	36,38,399
Less: Accumulated depreciation		28,91,909	21,84,258
Net block		19,80,221	14,54,141
Investments	6	10,77,07,678	7,34,90,041
Current assets, loans and advances			
Cash and bank balances	7	6,45,26,762	5,24,23,866
Loans and advances	8	1,80,05,074	2,95,73,244
Total [A]		8,25,31,836	8,19,97,110
Less: Current liabilities and provisions	9	4,33,19,681	98,12,954
Total [B]		4,33,19,681	98,12,954
Net Current assets [A-B]		3,92,12,155	7,21,84,156
Total		14,89,00,054	14,71,28,338
Segment wise expenditure	21		
Significant Accounting Policies and Notes to Accounts	22		

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

In terms of our report of even date

For Ray & Ray

Chartered Accountants

Firm's Registration no. 301072E

sd/-

(Samir Manocha)

Partner

Membership No.: 091479

Place: Gurugram / New Delhi

Date: July 1, 2020

**For and on behalf of Board Members of
MICRO FINANCE INSTITUTIONS NETWORK**

sd/-

Manoj Kumar Nambiar
(Chairperson)

sd/-

Harsh Shrivastava
(Chief Executive Officer)

sd/-

Vineet Chattree
(Vice Chairperson)

AUDITED FINANCIAL STATEMENTS
STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED MARCH 31, 2020

Amount in ₹

		For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
	Note No.		
REVENUE			
Subscription from Members			
(i) Annual Subscription (refer Note 22 C (5))			
Primary Members		7,91,24,746	8,10,61,839
Associate Members		1,79,17,167	1,64,57,866
		<u>9,70,41,913</u>	<u>9,75,19,705</u>
(ii) Initial Subscription			
Primary Members		6,06,000	6,06,000
Associate Members		3,57,000	2,55,000
		<u>9,63,000</u>	<u>8,61,000</u>
Grant for specific projects	10	22,98,131	1,19,46,594
Income on Investments	11	2,38,35,158	13,93,623
Interest from Savings Bank Account		15,17,064	20,21,284
Other Income	12	22,41,340	21,96,006
Total		12,78,96,606	11,59,38,212
EXPENDITURE			
Human Resource Cost	13	6,34,10,275	5,26,48,101
Professional and Consulting Charges	14	1,56,33,592	1,97,37,897
Traveling Expenses	15	1,18,89,375	1,11,53,668
Conference and Meeting Expenses	16	34,67,125	95,26,658
Media and Publicity Expenses	17	69,56,592	55,36,277
Administrative & Other Expenses	18	2,21,74,638	92,92,943
Sponsorship paid by MFIN	19	19,45,115	7,78,400
Governance Expenditure	20	5,17,673	5,08,640
Depreciation on Fixed Assets	5	7,07,651	6,60,508
Total		12,67,02,036	10,98,43,091
Surplus before Provision for Taxation		11,94,570	60,95,121
Taxation			
Current Tax (refer Note 22 C (9))		3,00,000	9,00,000
Tax adjustment related to earlier years		(9,00,000)	-
Net Operating Surplus		17,94,570	51,95,121
APPROPRIATION			
Transfer to Corpus Fund - General		1,79,457	-
Surplus transferred to Reserve and Surplus		16,15,113	51,95,121
Segment-wise Expenditure	20		
Significant Accounting Policies and Notes to Accounts	22		

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

In terms of our report of even date

For Ray & Ray

Chartered Accountants

Firm's Registration no. 301072E

sd/-

(Samir Manocha)

Partner

Membership No.: 091479

Place: Gurugram / New Delhi

Date: July 1, 2020

**For and on behalf of Board Members of
MICRO FINANCE INSTITUTIONS NETWORK**

sd/-

Manoj Kumar Nambiar

(Chairperson)

sd/-

Harsh Shrivastava
(Chief Executive Officer)

sd/-

Vineet Chatterjee
(Vice Chairperson)



NOTES TO AUDITED FINANCIAL STATEMENTS AS AT MARCH 31, 2020

NOTE 5: FIXED ASSETS

Name of Assets	GROSS BLOCK				DEPRECIATION		NET BLOCK	
	As on April 1, 2019	Additions before September 30, 2019	Additions after September 30, 2019	Deductions	As on March 31, 2020	As on April 01, 2019	For the Year March 31, 2020	As on March 31, 2019
A. Tangible assets								
Furnitures and Fixtures	1,96,196	-	-	-	1,96,196	27,447	16,875	1,51,874
Computers	28,70,951	1,13,143	2,98,407	1,200	32,81,301	19,46,572	4,74,690	8,60,039
Computers -FCRA	46,600	-	-	-	46,600	20,877	10,289	15,434
Office Equipment	4,60,995	-	73,381	-	5,34,376	1,25,705	55,797	3,52,874
TOTAL [A]	35,74,742	1,13,143	3,71,788	1,200	40,58,473	21,20,601	5,57,651	13,80,221
B. Intangible assets								
Software	63,657	-	7,50,000	-	8,13,657	63,657	1,50,000	6,00,000
TOTAL [A + B]	36,38,399	1,13,143	11,21,788	1,200	48,72,130	21,84,258	7,07,651	14,54,141

NOTES TO AUDITED FINANCIAL STATEMENTS

	As at March 31, 2020	As at March 31, 2019
NOTE 1: CORPUS FUND - GENERAL		
Opening balance	4,00,00,000	4,00,00,000
Add: Amount transferred from Statement of Income and Expenditure	1,79,457	-
Closing Balance	4,01,79,457	4,00,00,000
NOTE 2: CORPUS FUND - SRO		
Opening balance	5,00,00,000	5,00,00,000
Add: Amount transferred from Statement of Income and Expenditure	-	-
Closing Balance	5,00,00,000	5,00,00,000
NOTE 3: CONTINGENCY RESERVES		
Opening balance	1,00,00,000	1,00,00,000
Add: Amount transferred from Statement of Income and Expenditure	-	-
Closing Balance	1,00,00,000	1,00,00,000
NOTE 4: RESERVES AND SURPLUS		
Income and Expenditure Account		
Opening balance	4,71,28,338	4,30,66,543
Add: Surplus transferred from Income & Expenditure A/c	17,94,570	51,95,121
Add: Capital Reserves (FCRA)	52,525	-
Less: Surplus transferred to Corpus Fund - General	1,79,457	-
Less: Interest earned on Restricted Grant (HSBC Project) - Transferred to Restricted Grant	34,704	4,22,580
Less: Interest earned on Restricted Grant (RBI Project) - Transferred to Restricted Grant	40,675	-
Less: Adjustment on account of Provision for Gratuity for earlier years	-	7,10,745
Total	4,87,20,597	4,71,28,338
NOTE 6: INVESTMENTS		
Investments:		
A: Fixed Deposits:		
Corpus Fund - General		
Axis Bank	1,50,00,000	-
Corpus Fund - SRO		
State Bank of India	2,50,00,000	-
Kotak Mahindra Bank	2,50,00,000	-
Contingency Reserves		
Axis Bank	1,00,00,000	-
SRO Compliance Charges		
State Bank of India	11,55,000	-
Short-term Investment (Operating Funds)		
RBL Bank	65,52,678	2,20,000
B: Mutual Funds:		
Corpus Fund - General		
Investment in debt-oriented Mutual Funds (Market Value Rs. 2,64,30,347, Previous Year Rs. 8,79,42,045)	2,50,00,000	7,32,70,041
Total	10,77,07,678	7,34,90,041

NOTES TO AUDITED FINANCIAL STATEMENTS

	As at March 31, 2020	As at March 31, 2019
NOTE 7: CASH AND BANK BALANCES		
Cash In Hand	6,457	13,000
Imprest Account	2,741	-
Balance with Scheduled banks		
RBL Bank	47,43,567	4,92,49,499
IDFC First Bank	5,69,49,458	-
State Bank of India	3,92,178	-
Axis Bank	4,17,697	-
Kotak Mahindra Bank	3,95,846	-
RBL Bank - Project Account	3,76,880	-
RBL Bank - FCRA Account	12,31,938	-
HDFC Bank	10,000	91,796
HDFC Bank - FCRA Account	-	30,69,571
Total	6,45,26,762	5,24,23,866
NOTE 8: LOANS AND ADVANCES		
Annual subscriptions receivable	60,51,931	87,55,454
Contribution for Special Campaign - Demonetisation		
Due from Members (refer Note 22 C (6)(iii))	66,90,706	78,46,869
Due from Ex-Members (refer Note 22 C (6)(iii))	31,42,047	43,28,535
Due from Associates (refer Note 22 C (6)(iii))	10,00,000	16,00,000
Income Tax Recoverable	49,90,638	24,17,900
Advance Income Tax	17,00,000	-
Security deposit against Rent	16,16,628	16,16,628
Salary Advance	21,67,335	-
Advance to vendors / employees	5,40,746	2,09,924
Other Debtors	5,30,770	1,67,680
Accrued Interest on FDs	1,66,030	32,221
Prepaid expenses	4,13,533	8,75,481
GST Input Credit	23,18,677	17,22,551
Sub-Total	3,13,29,041	2,95,73,244
Less: Provision for doubtful debts (refer Note 22 C (6)(iii))	1,33,23,967	-
Total	1,80,05,074	2,95,73,244
NOTE 9: CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities		
Unutilised Grant - HSBC (FCRA) (refer Note 22 B (4) (ii))	10,51,139	10,59,306
Unutilised Grant - Reserve Bank of India (refer Note 22 B (4)(iii))	3,76,880	-
Trade Payable	34,16,458	43,02,188
Tax Deduction at sources (TDS) Payables	11,51,091	11,13,907
Subscription received in Advance	3,32,06,999	4,50,000
Other Payables	4,68,963	1,97,788
Employees Provident Fund Payable	4,29,673	3,68,705
Provision for Expenditure	4,85,067	1,38,533
Audit Fee Payable	1,68,750	1,08,000
Advance Course Fee Received from Members	7,65,000	-
Total [A]	4,15,20,020	77,38,428
B. Provisions		
Gratuity	11,62,617	11,74,526
Leave Encashment (refer Note 22 C (4))	3,37,044	-
Income Tax (refer Note 22 C (9))	3,00,000	9,00,000
Total [B]	17,99,661	20,74,526
Total [A + B]	4,33,19,681	98,12,954

NOTES TO AUDITED FINANCIAL STATEMENTS

	As at March 31, 2020	As at March 31, 2019
NOTE 10: Grants for Special Projects/ activities		
Unrestricted Funds		
A: Sponsorship Income		
MFIN Awards	-	18,62,000
MFIN Tech Training	-	1,12,500
Total [A]	-	19,74,500
Restricted Funds (refer Note 22 B (4) (ii) and 22 C (8))		
A: Projects Income		
Grant from RBI's DEA Fund (Conducting Workshops on depositors' education and awareness)	22,98,131	1,27,119
	22,98,131	1,27,119
B: Grant Received		
Grant from HSBC (Incubating models of Digital Transactions for microfinance lending)	-	98,44,975
Total [B]	-	98,44,975
Total [A+B]	22,98,131	1,19,46,594
NOTE 11: INCOME ON INVESTMENTS		
Capital Gain on redemption of Mutual Funds	1,77,35,777	7,71,301
Interest on Fixed Deposits with Banks	60,99,381	18,638
Short Term Capital Gain on Mutual Funds-FCRA	-	6,03,684
Total [A]	2,38,35,158	13,93,623
NOTE 12: Other Income		
Contribution from Members and Associates for Assam Crisis Response	19,00,989	-
Sale of Publications	2,47,800	-
Miscellaneous Income	71,126	1,50,634
Honorarium received	8,475	1,01,694
Reimbursement of Travel Expenses	7,230	-
Scrap Sale	5,720	-
Contribution from Members and Associates for other Expenses	-	7,56,000
Contribution from Members and Associates for Legal Expenses for AP Case	-	6,00,000
Provision written back	-	5,52,678
Compliance Charges for Self Regulation	-	35,000
	22,41,340	21,96,006
NOTE 13: HUMAN RESOURCE COST		
Salaries, Bonus and Allowance to employees	5,85,12,364	4,73,89,025
Employees Provident Fund - Employer's Contribution	25,54,561	20,72,072
Gratuity expenses	8,14,069	5,67,245
Staff welfare	7,01,454	5,19,301
Leave encashment (refer note 22 C (4))	3,44,041	-
Staff Mediclaim Insurance Premium	3,05,416	2,45,213
Employee Training expenses	1,31,495	42,377
Recruitment Cost	31,875	18,12,868
Labour Welfare Fund	15,000	-
Total	6,34,10,275	5,26,48,101
NOTE 14: PROFESSIONAL AND CONSULTING FEES		
Professional Charges - Third Party Evaluations	2,42,372	54,85,568
Professional Charges - Surveys & Studies	3,78,456	-
Professional Charges - Projects	4,12,292	64,65,608
Professional Charges - Data Requirement	48,16,666	17,97,431
Professional Charges - Surveillance	16,04,218	14,61,026
Professional Charges - Lawyers' Fees for AP Case	43,06,815	13,11,500
Professional Charges - Conference Management	3,73,748	2,06,500
Professional charges - Others	7,89,025	6,15,264
Governing Board/Committee Meetings Sitting Fees	27,10,000	15,10,000
Professional Charges - MFIN Awards	-	8,85,000
Total	1,56,33,592	1,97,37,897

NOTES TO AUDITED FINANCIAL STATEMENTS

	As at March 31, 2020	As at March 31, 2019
NOTE 15: TRAVELING EXPENSES		
Traveling Expenses	47,67,826	47,59,968
Boarding & Lodging Expenses	46,67,068	34,48,048
Local Conveyance (Cab charges)	24,54,481	29,45,652
Total	1,18,89,375	1,11,53,668
NOTE 16: CONFERENCE AND MEETING EXPENSES		
State Chapters' Meeting Expenses	23,50,243	37,44,488
Other Conference Expenses	11,16,882	13,59,096
MFIN Awards	-	39,00,253
Project Meetings - FCRA	-	5,22,821
Total	34,67,125	95,26,658
NOTE 17: MEDIA AND PUBLICITY EXPENSES		
Public Relation (PR) Expenses	41,67,950	46,47,501
Publicity Expenses	19,23,481	5,90,000
Printing Expenses	8,65,161	2,45,098
Others	-	53,678
Total	69,56,592	55,36,277
NOTE 18: ADMINISTRATIVE & OTHER EXPENSES		
Office Rent	32,33,228	31,31,074
Office maintenance	22,88,526	17,03,005
Communication Expenses (Telephone/Internet expenses)	13,04,701	12,67,357
Repairs and Maintenance	7,02,414	8,26,174
Website Maintenance Charges	6,99,612	5,81,021
Auditor's Remuneration (refer note 22 C (7))	4,25,000	3,20,000
Miscellaneous Expenses	1,25,290	73,189
Membership Fee (SAMN)	71,900	-
Provision/ Write off - Debts/ Advances (refer Note 22 C (6) (iii))	1,33,23,967	12,04,786
Advance against Expenses no Longer Recoverable - write off	-	1,86,336
Total	2,21,74,638	92,92,943
NOTE 19: SPONSORSHIP FEES PAID BY MFIN		
Lanka Microfinance Practitioners Association	7,45,115	4,28,400
AKMI	3,00,000	1,50,000
UPMA	1,00,000	2,00,000
Access Assist	5,00,000	-
Sa-Dhan	3,00,000	-
Total	19,45,115	7,78,400
NOTE 20: GOVERNANCE EXPENDITURE		
AGM / EGM Expenses	3,57,793	3,23,738
Board Meeting Expenses	1,35,581	1,84,902
Other Meeting Expenses	24,299	-
Total	5,17,673	5,08,640

NOTES TO AUDITED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

NOTE 21: SEGMENT-WISE EXPENDITURES FOR THE YEAR ENDED MARCH 31, 2020

Amount in ₹

Description	Self-Regulatory Organization (SRO)	Mutuality Based Operations	Total 31/03/2020
EXPENDITURE			
Human Resource Expenditure			
Salaries, Bonus and Allowance to employees	1,16,34,408	4,68,77,956	5,85,12,364
Employees' Provident Fund and other funds	5,56,121	31,71,550	37,27,671
Mediclaime Insurance Reimbursement	-	3,05,416	3,05,416
Employee Training Expenses	75,163	56,332	1,31,495
Staff Welfare	-	7,01,454	7,01,454
Recruitment Cost	27,750	4,125	31,875
Travel and Conveyance Expenditure			
Traveling Expenses	5,79,309	41,88,517	47,67,826
Boarding & Lodging Expenses	3,05,010	43,62,058	46,67,068
Local Conveyance (car rental)	2,24,262	22,30,219	24,54,481
Professional Fee			
Professional Charges - Third Party Evaluations	2,42,372	-	2,42,372
Professional Charges - Survey & Study	3,78,456	-	3,78,456
Professional Fees - Project	-	4,12,292	4,12,292
Professional Charges - Data Requirement	20,75,416	27,41,250	48,16,666
Professional Charges - Surveillance	16,04,218	-	16,04,218
Professional Fees - AP Case	-	43,06,815	43,06,815
Professional Charges - Conference Management	79,776	2,93,972	3,73,748
Professional Fees - Others	-	7,89,025	7,89,025
Sitting Fees (Governance)	10,30,000	16,80,000	27,10,000
Media & Publicity Expenses	-	66,77,836	66,77,836
Website Maintenance	-	6,99,612	6,99,612
Sponsorship	-	19,45,115	19,45,115
Publications	-	2,78,756	2,78,756
Conference, Board Meeting etc.			
Board Meeting Expenses	-	1,35,581	1,35,581
Annual General Meeting Expenses	-	3,57,793	3,57,793
State Chapters Meeting / Workshop Exp.	-	23,50,243	23,50,243
SRO Committee Expenses	24,299	-	24,299
Other Conference & Workshop Expenses	3,30,399	7,86,483	11,16,882
Administration Exp and Others			
Office Rent	-	32,33,228	32,33,228
Communication Expenses	-	13,04,701	13,04,701
Annual Report Printing	-	4,00,000	4,00,000
Repairs and Maintenance	3,904	6,74,937	6,78,841
Miscellaneous Expenses	-	1,25,290	1,25,290
Office Maintenance Expenses	5,32,856	13,79,242	19,12,098
Membership Fees	-	71,900	71,900
Auditor's Remuneration	-	4,25,000	4,25,000
Provision/ Write off Debts/ Advances	-	1,33,23,967	1,33,23,967
Depreciation on fixed assets	-	7,07,651	7,07,651
Total	1,97,03,719	10,69,98,317	12,67,02,036

These expenses include travel, boarding and lodging expenses related to Governing Board Meetings of Rs. 17,80,961/-.



NOTE 22: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS:

A) GENERAL INFORMATION

Micro Finance Institutions Network (MFIN), having its registered office in Hyderabad, Telangana and its head office in Gurugram, Haryana was established on December 14, 2009 as a Society under the Andhra Pradesh Societies Registration Act 2001. The Society is also recognized as a “Self-Regulatory Organisation” (SRO) for NBFC-MFIs by the Reserve Bank of India since June 16, 2014. 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 in general, including those who are members of the Society.

The total number of members, Non-Banking Finance Companies-MFI, as on March 31, 2020, was 55. In addition, the society includes 39 institutions as Associates as per its byelaws, which are Banks, other NBFCs, SFBs, and other companies, etc.

B) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements:

The financial statements that comprises of the Balance Sheet, Statement of Income and Expenditure together with Notes, are prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with applicable Accounting Standards issued by The Institute of Chartered Accountants of India. The financial statements are prepared under the historical cost convention on going concern basis using accrual method unless otherwise stated. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year, unless otherwise stated.

2. Use of estimates:

- (i) The preparation of financial statements is in conformity with Indian GAAP which requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods.
- (ii) The Society has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables. The Society has assessed the carrying amounts based on subsequent events and the state of the business operations during the period of the pandemic and related information including economic forecasts. As a result of this assessment, and based on current estimates, the Society expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Society’s financial statements may differ from that estimated as at the date of approval of these financial statements.

3. Appropriation to Specific Funds:

(i) Corpus Fund – General

Out of the surplus earned during the year, as per the byelaws, 10 percent of the surplus, as approved by the Board, is transferred to Corpus Fund – General for future sustainability of the organisation.

(ii) **Corpus Fund – SRO**

Out of the surplus earned during the year, a specified amount as decided by the Board from time to time and as required by the society's byelaws, is transferred to Corpus Fund – SRO for specifically carrying out activities under the SRO vertical of the organisation.

(iii) **Contingency Reserve**

Out of the surplus earned during the year, a specified amount as decided by the Board from time to time, is transferred to Contingency Reserve for meeting industry requirements in emergency situations.

4. Revenue recognition:

The Revenue is recognized as follows:

(i) **Subscription from members**

Annual Subscription fee from members is accounted on the basis of invoices raised when they become due. This is recognized proportionately on accrual basis as income during the year and unrecognized part is carried as an item of liability to be recognized as income as and when they accrue.

The Initial subscription fee is recognized as and when the invoice is raised.

(ii) **Funds Received for specified projects / activities**

The Society receives funds from both local & foreign sources which are restricted in nature with regard to its utilization as per donor agreements. As such, the restricted funds received during the year are in the first instance credited directly under the "Restricted Grant" account in the Balance Sheet and is thereafter transferred to the Income & Expenditure Account to the extent of related expenditure incurred during the year. The balance amount is carried forward in the Restricted Grant account under the current liabilities in the Balance Sheet for use in future periods.

(iii) Interest income from banks is recognized on the basis of proportionate lapse of time as applied to the amount outstanding and rate applicable. Interest from income tax is recognized as and when received.

(iv) Income earned from investments in mutual funds is accounted for as & when the funds are redeemed.

(v) Other income is recognized as and when accrued.

5. Fixed Assets:

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.

6. Depreciation:

Depreciation has been provided on assets based on written down value method at the rates prescribed under the Income Tax Act 1961. Written Down Value as on 1st April 2019 has been considered to calculate the depreciation for the period from April 2019 to March 2020.

7. Valuation of Investments:

All investments are held at cost. Any diminution in value of investments, other than those which are held to maturity or withdrawn before maturity, are provided for in the accounts, while appreciation is accounted for when realized.

8. Employee Benefits:

Short-term Employee Benefit is recognized as an expense in the Statement of Income & Expenditure in the year in which related service is rendered. Performance pay is recognized as an expense in the year when the performance is analysed against the parameters and approved by the board.



Post-employment and other long-term employee benefits are provided for in the Accounts in the following manner:

- (i) **Provident Fund contribution:** Contribution are made with Provident Fund Commissioner as per the provision of the Employees Provident Funds and Miscellaneous Provisions Act, 1952.
- (ii) **Gratuity:** Maintained as a defined benefit retirement plan and contribution is made to the Life Insurance Corporation of India. Provision or write-back, if any, is made on the basis of the present value of the liability as at the Balance Sheet date determined by actuarial valuation following the Projected Unit Credit Method.
- (iii) **Leave Encashment:** Provision for liability towards encashment of leave is created on the basis of best estimates by the management.

9. Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Income and Expenditure on a straight-line basis over the lease term.

10. Recoverable from Members

Recoverable from members on account of annual subscription, initial subscription and any other recoverable, etc. are disclosed at amount less provision. The provisions are based on assumptions about the risk of default. The management estimates loss arising on amount recoverable from members as a percentage based on the life of the recoverable for each dues and a provision is created for such loss.

The position of such provision is analysed for each balance sheet date and further provision / write back, wherever applicable is created/ accounted for.

11. Impairment of fixed assets

The carrying value of assets at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of income and expenditure.

12. Taxes on Income

The Society is operating under the "Principle of Mutuality" and as a Mutual Benefit Institution no tax liability is anticipated on the mutual contributions received from members and utilized for the benefits of the members. In respect of other income, provision for taxation is made as per provision of the Income Tax Act, 1961.

13. Foreign currency transactions

- (iv) Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- (v) Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.
- (vi) Exchange differences arising on the settlement of monetary items or on reporting society's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

14. Prior period adjustments, extra ordinary items and changes in Accounting Policies:

Prior period adjustments, extraordinary items and changes in accounting policies having material impact on the financial affairs of the Society are disclosed.

15. Provision and contingent liabilities:

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.

16. Events after the Balance Sheet:

Events occurring after the date of the Balance Sheet, which affect the financial position to the material extent, are taken cognizance of.

C) NOTES TO ACCOUNTS:**1. Related Party Transactions:**

Name of the related party with whom there were transactions during the year*

Name of the party	Relationship	Nature of transaction	For the year ended March 31, 2020	For the year ended March 31, 2019
Harsh Shrivastava	Chief Executive Officer	Salary etc.	85,31,961	63,23,139
Alok Misra	Independent Board Member	Consultancy fee	1,20,000	Nil

**Note: As identified by the management*

2. Transaction in Foreign Currency**(i) Expenditure in Foreign Currency:**

Nature of Expenses	31-03-2020 (Rs.)	31-03-2019 (Rs.)
Sponsorship & Membership Fee paid	8,14,572	4,28,200
Travel costs	76,096	NIL

3. Employee Benefits:**(i) Defined Contribution Plans**

The Society makes contribution towards Provident Fund for qualifying employees. The Provident Fund plan is operated by regional Provident Fund Commissioner. The Society is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. The only obligation of the society with respect to their retirement benefit plan is to make specified contribution at specified rates.

(ii) Defined Benefit Plan**Gratuity**

The Society makes annual contribution to Employees Group Gratuity Scheme of Life Insurance Corporation of India (funded). The scheme provides for lump sum payments of an amount equal to 15 days salary (last drawn) for each completed year of service to vested employees on departure. Vesting occurs on completion of 5 years of service.

The valuation of liability has been carried out by a practicing actuary under Projected Unit Credit Method. Provisions have been made to bring gratuity liability in line with actuarial valuation. The funds are invested by LIC of India.

Disclosure relating to Defined Benefit Plan on 31st March 2020 as per Actuarial Valuation using Projected Unit Credit Method and recognized in the Financial Statements in respect of Employees Group Gratuity Scheme:

Gratuity (Funded)

S. No.	Description	As at March 31	
		2020 (₹)	2019 (₹)
1. Expenses recognized in the statement of Income & Expenditure for the year ended March 31			
a)	Current Service cost	11,26,292	10,73,504
b)	Interest Cost	2,34,835	1,82,885
c)	Expected return on plan assets	(1,40,625)	(1,04,631)
d)	Net Actuarial (Gains) / Losses	(4,06,433)	(5,84,513)
e)	Past Service cost	-	-
f)	Total Expense	8,14,069	5,67,245
2. Net Asset / (Liability) recognized in the balance sheet as on March 31			
a)	Present value of Defined Benefit Obligation as at March 31 2020	40,36,940	30,69,735
b)	Fair Value of plan assets as at March 31, 2020	28,74,323	18,95,209
c)	Funded status {Surplus / (Deficit)}	(11,62,617)	(11,74,526)
d)	Net asset / (liability) as at March 31	(11,62,617)	(11,74,526)
3. Change in Defined Benefit Obligations during the year ended March 31			
a)	Present value of Defined Benefit Obligation at the beginning of the year	30,69,735	25,19,079
b)	Service Cost	11,26,292	10,73,504
c)	Interest Cost	2,34,835	1,82,885
d)	Past Service Cost	-	-
e)	Actuarial (Gains)/ Losses	(3,93,922)	(6,00,227)
f)	Benefit Paid	-	(1,05,506)
g)	Present value of Defined Benefit Obligation at the end of the year.	40,36,940	30,69,735
4. Change in Assets during the year ended March 31			
a)	Plan assets at the beginning of period	18,95,209	14,10,124
b)	Actual Return on Plan Assets	1,53,136	88,917
c)	Contributions by Employer	8,25,978	5,01,674
d)	Actual benefits paid	-	(1,05,506)
e)	Plan assets at the end of the Year	28,74,323	18,95,209
f)	Actuarial Gains/ (Losses) on Plan Assets	12,511	(15,714)

S. No.	Description	As at March 31	
		2020 (₹)	2019 (₹)
g)	Expected return on plan assets	1,40,625	104,631
5. Major categories of plan assets as a percentage of total plan		Invested with LIC in Group Gratuity Scheme	
6. Actuarial Assumptions			
a)	Discount rate (%)	6.80%	7.65%
b)	Expected rate of return on plan assets	Invested by LIC	
c)	Mortality rate	IALM (2006-08)	
d)	Future Salary increase (%)	11%	15%

4. During the year, the Society has changed its policy with respect to leave to employees and allowed its accumulation and subsequent encashment which was hitherto not allowed and employees were encouraged to avail leaves instead of encashment. Accordingly, a sum of Rs. 3,37,044/- has been provided on best estimate basis by the management.
5. During the year the Society has changed its policy of accounting of annual subscription fee from budget year (July to June) basis to financial year (April to March) basis. Accordingly, invoices were raised when the fee becomes due and the fee pertaining to the period July 2019 to March 2020 has been recognized as income of the current financial year and the fee for the remaining period has been carried forward as liability to be adjusted against the fee for the next financial year. Had the same policy been followed, the annual membership fee would have been higher and the current liability would have been lower by Rs. 3,32,06,999.
6. (i) The balances appearing under loans and advances are subject to confirmation/ reconciliation.
- (ii) In the opinion of the Board, the value on realization of current assets, Loans and Advances in the ordinary course of business will not be less than the amount at which they are stated in the balance sheet.
- (iii) Dues from current / erstwhile members/ associates on account of Annual Membership fee from five members aggregating to Rs. 47,90,904 (previous year Rs. 87,55,454) and from four associates aggregating to Rs. 12,61,027 (previous year NIL) are pending recovery. Further, dues from 8 members aggregating to Rs. 98,32,753 (previous year Rs. 1,21,75,404) and from one associate amounting to Rs. 10,00,000 (previous year Rs. 16,00,000) are pending recovery on account of Contribution for the Special Campaign for Demonetization. Management is following up with the members for recovery of the dues. However, as a matter of abundant precaution, provision of Rs. 1,33,23,967 has been made against the outstanding dues.

7. Details of Auditor's Remuneration

Name	31-03-2020 (₹)	31-03-2019 (₹)
Statutory Audit Fee	3,75,000	3,20,000
Certification Fees	25,000	NIL
Other Expenses Reimbursement	25,000	NIL
Total	4,25,000	3,20,000

Input credit has been availed with respect to GST on audit fee.

8. The Society has a proper system of recording all direct expenses related to restricted funds which inter-alia includes expenses on account of traveling, manpower, printing and stationery, Rent, Professional fees, conference and workshop, etc. These expenses have been classified under the respective expense heads in the financial statement along with expenses related to other non-restricted grants. The details of grant received, expenses incurred and unspent balance etc. with respect to restricted grants are given below:

Particulars	31-03-2020 (₹)	31-03-2019 (₹)
Opening Balance	10,16,435	1,04,81,703
Grants received During the year (Net of GST of Rs. 4,13,664)	26,34,336	1,27,119
Interest on restricted Grants Balance	75,379	4,22,580
Total Income (A)	37,26,150	1,10,31,402
<u>Expenses Incurred</u>		
Salaries, Bonus and Allowance to employees	4,28,475	16,28,841
Traveling Expenses	3,39,204	5,07,277
Boarding & Lodging Expenses	8,18,736	3,06,557
Local Conveyance (car rental)	90,483	1,31,161
Professional Fees	80,000	62,30,046
Printing & Stationery		405
Other Conference & Workshop Expenses	5,41,233	6,12,631
Office Rent		4,07,505
Communication Expenses		14,160
Repairs and Maintenance		1,33,513
Total Expenses (B)	22,98,131	99,72,096
Unspent Grant (A - B)	14,28,019	10,59,306

9. (i) The Society is operating under the "Principle of Mutuality" and as a Mutual Benefit Institution no tax liability is anticipated on the mutual contributions received from members and utilized for the purpose to benefit the members. In respect of other activities, necessary provision has been made towards income tax liability computed in accordance with the provisions of Income Tax Act 1961.
- (ii) The Society has deferred tax assets in the form of provision for gratuity and doubtful advances etc. However, these relate to the activities undertaken for the benefits of members which is not subject to tax under the "Principle of Mutuality" concept. Accordingly, no deferred tax is recognized on these items.
10. The Society has incurred significant amount on crisis management during the year. The expenses are incurred on account of public relations agency cost, traveling, boarding, conveyance, printing & stationary, conference and sponsorship, etc. These expenses have been classified under the respective expense heads in the financial statement along with other expenses incurred under those heads. The details of expenses incurred on crisis management are given below:

Particulars	31-03-2020 (Rs.)	31-03-2019 (Rs.)
<u>Expenses Incurred</u>		
Media & Publicity Expenses	19,23,481	-
Traveling Expenses	8,59,579	34,092
Boarding & Lodging Expenses	6,74,408	69,315
Local Conveyance (car rental)	2,80,859	1,30,337
Printing & Stationery	4,50,617	-
Other Conference & Workshop Exp.	50,999	56,994
Sponsorship	3,00,000	-
Total Expenses	45,39,943	2,90,738

12. Corresponding figures of the previous year has been regrouped, wherever necessary, to make them comparable with the figures of the current period.

As our report of even date

For Ray & Ray

Chartered Accountants

sd/-

(Samir Manocha)

Partner

Firm Reg. No. 301072E

Membership No.: 091479

Place: Gurugram/New Delhi

Date: July 1, 2020

**For and on behalf of Board Members of
MICRO FINANCE INSTITUTIONS NETWORK**

sd/-

Manoj Kumar Nambiar
(Chairperson)

sd/-

Vineet Chattree
(Vice Chairperson)

sd/-

Harsh Shrivastava
(Chief Executive Officer)

ANNEXURES

BOARD ATTENDANCE

S. NO.	BOARD MEMBER	ORGANISATION	DATE OF JOINING	28 JUN 2019	09 AUG 2019	02 NOV 2019	25 JAN 2020	ATTENDANCE (%)
				Delhi	Delhi	Bengaluru	Mumbai	
1	Mr Mohammad Amin	Adhikar Microfinance Pvt. Ltd.	19 Dec. 2016	1	A	A	Retired	33%
2	Mr Udaya Kumar	CreditAccess Grameen Limited	19 Dec. 2016	A	A	1	Retired	33%
3	Mr N K Maini	Independent member	11 Jan. 2018	1	1	1	1	100%
4	Mr KM Vishwanathan	M Power Micro Finance Pvt. Ltd.	30 Jun. 2017	1	A	1	A	50%
5	Dr Alok Misra	Independent member	11 Jan. 2018	1	1	1	1	100%
6	Mr DR Dogra	Independent member	11 Jan. 2018	1	1	1	1	100%
7	Mr Harsh Shrivastava	Ex Officio Member/ Secretary	25 Apr. 2018	1	1	1	1	100%
8	Mr Manoj Nambiar	Arohan Financial Services Ltd.	28 Jun. 2018	1	1	1	1	100%
9	Mr Vineet Chattree	Svatantra Microfin Pvt. Ltd.	28 Jun. 2018	1	1	1	1	100%
10	Mr Harish Raghu	SAGGRAHA Management Services Pvt. Ltd.	06 Mar. 2019	1	1	1	1	100%
11	Dr. Aruna Sharma	Independent member	06 Mar. 2019	1	1	1	1	100%
12	Mr Jagadish Ramadugu	Vaya FinServ Pvt. Ltd.	28 Jun. 2019	1	1	1	1	100%
13	Mr Gyan Mohan	Adi Chitragupta Finance Ltd.	28 Jun. 2019	1	1	A	1	75%
				12	10	11	10	86.0%

LIST OF MEMBERS

SL. NO	INSTITUTION	WEBSITE
1	Adhikar Microfinance Pvt. Ltd.	http://adhikarindia.in/
2	Adi Chitrugupta Finance Ltd.	https://acfl.co.in/
3	Agora Microfinance India Ltd.	https://www.amil.co.in/
4	Annapurna Finance Private Ltd.	http://ampl.net.in/
5	Arohan Financial Services Ltd.	http://www.arohan.in/
6	Arth Microfinance Pvt. Ltd.	https://www.arthfinance.com/
7	ASA International India Microfinance Ltd.	http://www.asaindia.in/
8	Asirvad Microfinance Ltd.	https://asirvadmicrofinance.co.in/
9	Avanti Finance Ltd.	https://avantifinance.in/
10	Aviral Finance Private Ltd.	http://www.aviralfinance.com/
11	Belstar Microfinance Ltd.	https://www.belstar.in/
12	BWDA Finance Ltd.	http://bwdafinanceltd.com/
13	Centrum Microcredit Pvt. Ltd.	https://www.centrummicrocredit.com/
14	Chaitanya India Fin Credit Pvt. Ltd.	http://www.chaitanyaindia.in/
15	CreditAccess Grameen Limited	https://www.creditaccessgrameen.com/
16	Fino Finance Pvt. Ltd.	http://www.finofinance.in/
17	Fusion Microfinance Private Limited	http://www.fusionmicrofinance.com/
18	Growing Opportunity Finance India Pvt. Ltd.	http://www.gopportunity.net/
19	G U Financial Services Pvt. Ltd.	http://www.gufinance.com/
20	Hindusthan Microfinance Pvt. Ltd.	http://www.hindusthanmfi.com/
21	Humana Financial Services Pvt. Ltd.	http://www.humanafinancial.com/
22	Inditrade Microfinance Ltd.	http://www.inditrade.com/
23	Jagaran Microfin Pvt. Ltd.	http://www.jagaranmf.com/
24	Janakalyan Financial Services Pvt. Ltd.	http://www.janakalyan.net/
25	Light Microfinance Pvt. Ltd.	http://www.lightmicrofinance.com/
26	Madura Microfinance Ltd.	http://maduramicrofinance.com/
27	Margdarshak Financial Services Ltd.	http://www.margdarshak.org.in/
28	Midland Microfin Ltd.	http://midlandmicrofin.com/
29	Mitrata Inclusive Financial Services Pvt. Ltd.	http://www.mitrata.in/
30	M Power Micro Finance Pvt. Ltd.	http://mpowermicro.com/
31	MSM Microfinance Ltd.	http://msmmicrofinance.com/
32	Muthoot Microfin Ltd.	http://www.muthootmicrofin.com/
33	Namra Finance Ltd.	https://namrafinance.com/
34	NEED Livelihood Microfinance Pvt. Ltd.	http://needmfi.in/index.php
35	Nightingale Finvest Pvt. Ltd.	http://www.nightingalefinvest.in/

SL. NO	INSTITUTION	WEBSITE
36	Saija Finance Pvt. Ltd.	http://saija.in/
37	Samasta Microfinance Ltd.	http://www.samasta.co.in/
38	Sambandh Finserv Pvt. Ltd.	http://www.sambandhfin.com/
39	Sarala Development & Microfinance Pvt. Ltd.	https://sarala.co.in/
40	Satin CreditCare Network Ltd.	https://www.satincreditcare.com/
41	Satya MicroCapital Ltd.	http://www.satyamicrocapital.com/
42	SAVE MicroFinance Pvt Ltd	http://savemicrofinance.com/
43	Share Microfin LTD.	http://www.sharemicrofin.com/
44	Sindhuja Microcredit Pvt. Ltd.	http://www.sindhujamicrocredit.com/
45	Sonata Finance (P) Ltd.	http://www.sonataindia.com/
46	Spandana Sphoorty Financial Ltd.	http://www.spandanaindia.com/
47	SV Creditline Ltd.	http://svcl.in/
48	Svamaan Financial Services Pvt. Ltd.	http://www.svamaan.in/
49	Svasti Microfinance Pvt. Ltd.	http://www.svasti.in/
50	Svatantra Microfin Pvt. Ltd.	https://www.svatantramicrofin.com/
51	Unacco Financial Services Pvt. Ltd.	http://www.unacco.in/contact.php
52	Unnati Microfin Pvt. Ltd.	http://www.unnatimfi.com/
53	Vaya FinServ Pvt. Ltd.	http://www.vayaindia.com/
54	Vector Finance Pvt. Ltd.	https://vectorfinance.in/
55	Village Financial Services Ltd.	http://village.net.in/

LIST OF ASSOCIATES

S. NO.	INSTITUTION	WEBSITE
1	Au Small Finance Bank	https://www.aubank.in/
2	Axis Bank	https://www.axisbank.com/
3	Buldana Urban Management Services Pvt. Ltd.	http://www.bumspl.org/
4	Community Finance Pvt. Ltd.	www.communityfinance.in
5	Craft Silicon	https://www.craftsilicon.com/
6	DBS Bank	https://www.dbs.com/in/
7	Dvara KGFS	https://www.dvarakgfs.com/
8	Equifax Credit Information Services Pvt. Ltd.	https://www.equifax.co.in/
9	Equitas Small Finance Bank	https://www.equitasbank.com/
10	ESAF Small Finance Bank	https://www.esafbank.com/
11	Fincare Small Finance Bank	https://fincarebank.com/
12	Fullerton India Credit Company Ltd.	https://www.fullertonindia.com/
13	Hinduja Leyland Finance	http://www.hindujaleylfinance.com/
14	ICICI Bank	https://www.icicibank.com/
15	IDFC First Bank	https://www.idfcfirstbank.com/
16	IDFC First Bharat	http://www.idfcbharat.com/
17	IndusInd Bank	https://www.indusind.com/
18	Jana Small Finance Bank	https://www.janabank.com/
19	Kamal Fincap Pvt. Ltd.	http://www.kamalkfc.com/Default.aspx
20	Kaleidofin Pvt. Ltd.	https://kaleidofin.com/
21	Kotak Mahindra Bank	https://www.kotak.com/en.html
22	L&T Finance Ltd.	https://www.ltfs.com/
23	MAS Financial Services Ltd.	https://www.mas.co.in/
24	New Opportunity Consultancy Pvt. Ltd.	www.nocpl.in
25	Northern Arc Capital	www.northernarc.com
26	RBL Bank Ltd.	www.rblbank.com
27	RBL FinServe Ltd.	https://rblfinserve.com/
28	Religare Health Insurance Co Ltd.	www.religarehealthinsurance.com
29	SAGGRAHA Management Services Pvt. Ltd.	http://saggraha.com/
30	Sampark Fin. Services Pvt. Ltd.	https://samparkfin.in/
31	Sub-K Impact Solutions Limited	https://subk.co.in/
32	Sumeru Software Solutions	https://www.sumerusolutions.com/
33	Suryoday Small Finance Bank	https://www.suryodaybank.com/
34	Ujjivan Small Finance Bank	https://www.ujjivansfb.in/

S. NO.	INSTITUTION	WEBSITE
35	Utkarsh Small Finance Bank	https://www.utkarsh.bank/
36	Vivriti Capital	https://www.vivriticapital.com/
37	Water.Org	https://water.org/
38	Yes Bank	https://www.yesbank.in/

TEAM MFIN







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