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Awards 2014



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# Microfinance India Awards 2014

The Indian microfinance industry is all set to put the Andhra Pradesh crisis behind and rebound showing more resilience. The sector is expected to grow at a compounded annual rate of 35%, to reach INR 450 billion by end-March 2016. The whole set of policy measures are also helping to provide greater legitimacy to this channel. From a very fringe idea two decades ago, Microfinance Institutions have become an important prong developing financial inclusion in the country. Several individuals and institutions have contributed in the evolution of the sector across the two decades and more.

These efforts of both institutions and individuals are recognized and rewarded through the Microfinance India Awards mechanism. The “Microfinance India Awards” instituted by ACCESS in 2009 and supported by HSBC India, have now become well established within the sector. In the five years since the Awards were instituted, they have come to be recognized and respected as an important sector initiative and have been conferred upon several eminent and respected institutions and individuals in the sector.

We are fortunate to include prominent and committed sector leaders viz. Ela Bhatt, Vijay Mahajan, Aloysius Fernandez, Y.C. Nanda, Mr. Brij Mohan, Malcolm Harper and some of the best examples of microfinance organizations, such as, Janalakshmi, Financial Services, M-CRIL, Sahayog Microfinance Limited, Ujjivan, Bandhan, SKDRDP, FWWB India as past recipients of the Awards. Based on the evolving nature of the sector, new categories are added to the awards every year.

This year’s awards categories include, SHPI of the Year, Community Owned Microfinance Organization of the Year, Microfinance Organization of the Year: Small and Medium category and, Large category; Contribution to the Sector (Enabling Institution) and, Contribution to the Sector Award (Individual). This year, given the continued focus on financial inclusion, a category on Business Correspondent (BC) has been added.

This year too, response from the microfinance community was excellent and nominations were received from credible institutions and individuals, who have shown extraordinary commitment and effort in upholding the spirit of responsible finance. This has therefore, inevitably made the selection process a rigorous one. The selection process for the “Microfinance Organisation of the Year” categories involved two rounds of assessment. After the first round of short listing nominations, three separate Technical Committees scored the nominations for different categories based on pre-designed assessment parameters. The final winner was chosen by the Awards Jury from among the Top Three institutions. Similarly, the BCNM category selection process involved two rounds of assessment, which was realised in coordination with MicroSave as the technical partner. Nominations received under the ‘contribution to the sector by

an individual' category were judged on parameters decided in consultation with the Jury. The selection process concluded very well thanks to an eminent jury. ACCESS is very pleased that the whole selection process of Microfinance India Awards has thrown up highly credible names as recipients for this year.

I'd like to acknowledge the great support from the HSBC team led by Aloka, Maneka, Jayesh and Yagneswar who contributed hugely to help with the smooth process of finalizing the awardees. And of course, the strong commitment and endorsement from Stuart from his leadership position to the whole initiative, which was highly encouraging both for the HSBC and ACCESS teams. I am also thankful to the Jury members chaired by Stuart, Y.C. Nanda as co-chair, Arvind Kumar, N.K. Maini, Janmejaya Sinha, H.K. Pradhan, Anu Gupta and N. Srinivasan, who helped to make the final decision. Most of all I'd like to acknowledge the incredible efforts of my colleagues from ACCESS ASSIST- Radhika and Sarthak who steered the whole process so efficiently and smoothly.

ACCESS is pleased that the idea of the Awards has been well received by the sector and that this has become an excellent mechanism to recognize great effort and commitment to advance inclusive finance in India.

**Vipin Sharma**  
CEO  
ACCESS Development Services



# Award Categories

## **Microfinance India MFO of the Year Award**

The Award seeks to recognise pioneering thought, product leadership and best practices followed by an institution. Representative parameters for growth achieved, potential to upscale operations and process/ product/ technological innovation towards achieving financial inclusion will be some of the important considerations. We have two sub-categories within this institutional category to provide sufficient representation to Microfinance Organisations (MFOs) with varying portfolio size and outreach:

### **A. Large Microfinance Organization (MFO) of the Year; for Institutions with Gross Loan Portfolio greater than INR 250 Crores**

This award seeks to recognise industry leaders. This award will honour an MFO which has stood the test of time, has combined high growth rates with effective and efficient delivery of responsible microfinance services.

### **B. Small & Medium Microfinance Organization (MFO) of the Year; for Institutions with Gross Loan Portfolio up to INR 250 Crores**

This award aims to recognise and encourage smaller and upcoming MFOs, who have demonstrated the potential for growth and have exhibited the ability to establish strong processes along with efficient operations.

## **Community Owned Microfinance Organization of the Year Award; for SHG Federations and Cooperatives, engaged in financial intervention**

The Award seeks to felicitate sustainable models of microfinance which are community owned and managed. The institutions are judged on financial sustainability, outreach and other qualitative parameters including governance, transparency, product innovation, community empowerment, among others.

**Self Help Group Promoting Institution (SHPI) of the Year Award; For NGOs, Government Departments / Organizations, SHG Federations / International NGOs**

The Award seeks to recognize institutions which have contributed in promoting quality Self Help Groups (SHGs) as well as sustainable SHG federations, successfully linking them with bank linkages and designing innovative practices to achieve gender and community empowerment.

**Business Correspondent Network Manager (BCNM) of the Year Award**

While the Business Correspondent model is yet to stabilize and viable business models need to emerge, bulk of the financial inclusion ambition rests on this mechanism. This new Award category recognizes good, promising models operating in a difficult and dynamic external environment. The institutions have been evaluated on the basis of performance, capacity building and financial literacy, customer protection and product and channel innovation.



**Microfinance India Award for Contribution to the Sector by an Enabling Institution**

The Award recognises contribution of enabling institutions which have been instrumental in building the microfinance sector and have supported its orderly growth. These include organisations such as capacity builders, industry associations, technical service providers, rating agencies, research agencies, investors and lenders as well as banks, government organizations, development finance institutions and donor agencies.

**Microfinance India Award for Contribution to the Sector by an Individual**

This is a lifetime achievement award to honour significant contribution and dedicated efforts of an individual towards sector building, influencing policy at the highest level, and representation in national /international forums to help strengthen the enabling environment through which financial services have reached out to un-served communities in India, towards enabling financial inclusion.

# Microfinance India Self Help Group Promoting Institution of the Year, 2014

## Hand In Hand India



Dr. Kalpana Sankar, Chairperson and Managing Trustee

Hand in Hand (HiH) India is a public charitable trust, committed to alleviating poverty through an integrated community development approach. Registered in 2002, the organization works for poverty alleviation, community development and empowerment of the disadvantaged groups, particularly women and children. Having started its operations on a humble scale in Kancheepuram district of Tamil Nadu in 2002, HiH India, has now expanded its work across *7 States in India and 10 countries across the globe* through its partners. The organization works in 5 interlinked areas (popularly known as its 5 pillars) to achieve its vision and mission.

The five interrelated pillars of HiH are:

- **Child Labour Elimination and Education** for access to sustained education and employment;
- **Self Help Groups and Microfinance** for women's empowerment and household poverty alleviation by facilitating job creation among rural women through training, capacity building and access to credit and related services;
- **Citizens' Centers** for access to information and communication technology to strengthen grassroots democracy and empower the rural poor;
- **Health** for preventive healthcare and awareness generation;
- **Environment** for promoting a clean and hygienic environment through solid waste and natural resource management.

An innovative program called the **Village Upliftment Program (VUP)** encompasses the above five development activities in a Panchayat; Hand in Hand India is on the verge of launching the 200th VUP by the end December 2014. The unique **Credit Plus Model** of HiH was developed customising the microfinance programme to empower women providing them with sustainable income-generation options. The programme mobilises rural women living below the poverty line to form self-help groups followed by capacity building through robust training programmes. Using the social capital of the group as collateral, microfinance is provided, specifically for creating or strengthening enterprises and establishing forward and backward market linkages.

Through its various efforts across the five pillars, HiH has been successful in creating 1,595,972 jobs by November 1st, 2014. The organisation has worked tirelessly to enroll 1,157,401 women in SHGs, 239,976 children in mainstream regular schools, trained 579,828 members in E-literacy. They have held 3641 medical camps that have benefitted 32768 members and encouraged 388,546 households to become environment friendly through 49 projects.

### Key Operational and Financial Figures

	FY 2011-12	FY 2012-13	FY 2013-14
Number of SHGs (cumulative)	51,766	58,669	67,018
Total SHG Savings (amt. in Lakhs)	5430.30	6242.20	6316.50
Total Number of SHG Loans Outstanding	3,520	1,918	2,388
Number of SHGs credit Linked with banks (cumulative)	22,882	24,378	26,254



The organisation has an effective team of over 1750 regular employees and 5400 volunteers; each project is managed by a competent team and headed by individuals having over 15 years of experience and expertise. The organization has a well-structured organogram with clearly defined systems and procedures of work execution, reporting and monitoring. The underlying work ethos of HiH India is firmly rooted in principles of honesty, transparency and competency.

Having achieved its previous goal of creating 1.5 million jobs for the bottom of the pyramid, the organization is working towards creating 5 million jobs by 2020! The organization looks forward to partnering with more multilateral, Government, donor and private sector organizations for poverty alleviation, community development and socio-economic empowerment of the excluded communities across the globe.

# Microfinance India Community Owned Microfinance Organisation of the Year, 2014

## Annapurna Mahila Co-op Credit Society Ltd



Dr. Medha Puroo Samant, Chairperson

Annapurna Mahila Mandal started as an organization working for the mess-runners in Mumbai in 1975 by Padmashri Prematai Puroo. The Annapurna Pariwar since 1993 has diversified and expanded after Dr. Medha Puroo-Samant resigned from Bank of India and devoted her life to it. As of now the organisation stands strong as a Group of 5 sister NGOs working in Pune & Mumbai. The organisation envisions to make life easier for the poor and needy women by empowering them socially and financially thus bringing them happiness and prosperity.

The Annapurna Pariwar has branched out into various areas of financial inclusion through its sister organisations:

- **Annapurna Mahila Multi State Coop Credit Society (Estd. 1986)** runs Micro Credit and Micro Savings programs for poor self employed women and men
- **Annapurna Pariwar Vikas Samvardhan (Estd. 2003)** runs Community Social Protection Programs involving Micro Health Insurance, Micro Life Insurance, Micro Family Insurance and Micro Pension
- **Vatsalyapurna Swayamrojar Seva Coop Society(Estd. 2007)** runs Vatsalyapurna Day Care Center Program
- **Annapurna Mahila Mandal Pune (Estd. 2000)** runs (a) Educational sponsorship programs for children of single mothers. This is named as Vidyapurna Project. (b) DadaPuroo Research & Training Institute
- **Annapurna Mahila Mandal, Mumbai (Estd. 1975)** runs (a) Working Women's Hostel and (b) Guest Hostel

These organisations together provide a plethora of financial and non financial services including credit, savings, health, life, and asset insurance; pension, day care services, educational sponsorship for children of single, destitute women and financial literacy for members. The Annapurna Mahila Credit Co-op Soc. Ltd., through 9 branches each in Mumbai and Pune has reached out to 500 slum pockets and has close to 30,0000 members in each of these regions.

The Annapurna Pariwar believes that a healthy society is the foundation for its all-round progress. The **Annapurna Pariwar Vikas Samvardhan**, therefore runs a community social protection program reaching

out to more than 14,000 families with 54,000 individuals in Pune and 8,000 families with 28,000 individuals in Mumbai. As a Micro health insurance initiative, this Organization has created an extensive network of 190 Hospitals in Pune and 90 in Mumbai, providing services like health counseling, raising awareness on health, hygiene and cleanliness etc.

### Key Operational and Financial Figures

	FY 2011-12	FY 2012-13	FY 2013-14
No. of Active Members	30,309	32,422	45,081
No. of Loan officers	69	70	73
Total Savings (in lakhs)	848.76	1,032.03	1,405.88
Total Loan Outstanding (in lakhs)	2,212.62	2,897.19	4,026.72



Annapurna Mahila Credit Co-op Soc. Ltd. provides micro loans up to a limit of Rs. 50,000 and SME loans up to Rs. 1,50,000 allowing borrowers to save 3-5 % on each loan amount up front and also during the repayment of loan. On their savings they are paid interest at 6% p.a. All the borrowers are listed as shareholders, and elect their representatives on the Managing committee. They share the profits earned by the co-operative by way of dividend and all the important decisions are taken in the Annual General Meeting.

The organisation aims to reach 15% of the total slum population in Mumbai and Pune and 20% of population in rural and semi urban Marathwada which is Drought-prone and the most backward region in Maharashtra.

# Microfinance India Organisation of the Year 2014 (Large)

## SKS Microfinance Limited



M. R. Rao, MD & CEO

SKS Microfinance Limited is among the largest microfinance companies in India and has a vision to serve 50 million households by creating a self-sustainable microfinance model, delivering high value to its customers. While serving its customers, it is guided by three core values, i) Right focus - customer first, ii) Right means - ethics always and, iii) Right ways - consistent quality.

SKS Microfinance Limited provides collateral-free loans to women belonging to economically weaker sections for income generating activities through the Joint Liability Group Model. SKS Microfinance Limited started its operation as an NGO in 1998 but turned into an NBFC in 2005. At present, the Company serves 6.09 million members, across 16 states, in more than 1,00,000 villages, through its network of 1,268 branches and a dedicated field staff of 8670 people. So far it has disbursed Rs. 35,914 crore cumulatively.

SKS Microfinance Limited believes in implementing corporate governance practices that go beyond the letter of the company law.

### Key Operational and Financial Figures

	FY 2011-12	FY 2012-13	FY 2013-14
Gross Loan Portfolio (in Lakhs)	166,890	235,901	311,284
Total Members	5,350,837	5,021,258	5,783,396
No. of Active Borrowers	4,256,719	4,308,301	4,963,046
No. of Loan Officers	10,354	6,746	5,259

Understanding the importance of member interaction, SKS Microfinance Limited has institutionalized multiple structures for continued customer interaction and training. Among these are:

- A three-day compulsory group training for members, at the time of joining on all aspects related to interactions between members and the company - products, pricing, processes and financial literacy. SKS Microfinance Limited meets every member approximately 52 times in a year. Periodical training is given on products and processes. Members are also trained on financial literacy and Customer Protection Principles by trained staff.
- Grievance Redressal Mechanism is a three-step process where a member can reach a Sangam Manager in stage 1. In case she is not satisfied with the resolution provided by the Sangam Manager, she can call SKS Microfinance Limited's Member Helpline which provides secrecy of member's identity, if so required. In case she is still not satisfied with the resolution provided by the Helpline, she can directly call the Ombudsman. The Ombudsman reviews the complaint closure performance on a regular basis. SKS Microfinance Limited has a state-of-the-art Member Helpline which receives more than 1,50,000 calls annually from members. The calls are segregated into various categories like enquiries (80%), service requests and complaints which are resolved as per a defined timeline.

SKS Microfinance Limited has a dedicated 'Voice of Customer' team which approaches members for assessing their needs, level of satisfaction and other feedback. While the Company's need assessment survey provides major inputs on new products and processes, its customer satisfaction survey provides invaluable insights on members' experience with existing ones. Such feedback is invaluable in creating a member-centric product, process and organization which continues its march towards its mission of serving 50 million members.



# Microfinance India Organisation of the Year 2014 (Small & Medium)

## Fusion Microfinance Private Limited



Devesh Sachdev, CEO

Fusion Microfinance as an organization was set-up by Mr. Devesh Sachdev, an XLRI Post Graduate and Mr. Ashish Tewari, an Economics, Law and Management Graduate having complimentary skill sets in Banking, Finance and supply chain. With a humble beginning in January 2010, Fusion as an organization has established itself as a serious player in the North-Central part of India. Fusion's strategy to be prudent in lending, good governance, consistent growth, vision clarity (not claiming to be eradicating poverty but providing access to finance), resilience of the team and support from stakeholders has helped the organization not only to tide over but also grow in midst of the microfinance crisis in India. The organisation draws strength from its vision: "Fusion microfinance has a

social vision and business orientation aiming to provide underprivileged and underserved with economic opportunities to transform the quality of their lives."

Fusion primarily works in rural and semi-urban areas providing financial services to women belonging to the economically and socially deprived section of the society. Over 85% of its active loan clients belong to the marginalized communities such as ST/SC and OBC. Fusion has expanded its branch network in 10 poorest districts under the Poorest States Inclusive Growth program funded by the UKAid Department for International Development and being implemented by SIDBI.

Fusion works on a Grameen based JLG model. The JLG model works effectively with the clients as it gives them financial push to improve their income generating activities. The organisation proudly claims to have touched the lives of more than 288,139 clients since inception. The resilience and collective experience of over 100 years of Team Fusion earned throughout all these years have been put together to make it possible. Fusion Microcredit has helped transform its key employees into entrepreneurs by providing them an opportunity to invest in the company through 'Equity Participation' plan which instills in them a sense of commitment and ownership towards the company.

Responsible finance and client protection have strengthened Fusion as a brand that strictly adheres to RBI directives and industry guidelines. Fusion invests in robust IT and MIS systems, facilitating a continuous monitoring of clients, disbursements, cash management, field officers and operating expenses.

The company data is shared with MFIN, MIX and MF Transparency. The company even earned the seal of 'Transparent Pricing' from MF Transparency and also received 83% score in 'Code of Conduct Assessment' from M-CRIL. Fusion has ensured regulatory compliances and governance commitment by having members from diverse fields on the 'Board' with an enriching governance platform, ensuring multi-level checks coupled with various Board committees to ensure adherence with institutionalized systems and processes

### Key Operational and Financial Figures

	FY 2011-12	FY 2012-13	FY 2013-14
Gross Loan Portfolio (in Lakhs)	2,179	4,144	10,276
No. of Active Borrowers	36,905	66,806	127,581
No. of Loan Officers	62	89	203
No. of Branches	20	21	41

The future looks bright with lots of opportunities emanating from the microfinance sector and the RBI coming up with draft guidelines for specialised banks and on-tap banking. Fusion is focused on building a good organisation while creating value for all stakeholders-customers, employees, investors and partners.



# Microfinance India Business Correspondent Network Manager of the Year, 2014

## Society for Advancement of Village Economy (SAVE)



Ajeet Kumar Singh, President;  
Ajay Kumar Sinha, Treasurer, and;  
Pankaj Kumar, Secretary

Society for Advancement of Village Economy (SAVE) is the National Business Correspondent for State Bank of India and Bank of India. It was registered in November 2009 as a society under Indian Societies Act, 1860. Since the last four years, SAVE has been working as a business correspondent and striving hard to play an important role in bridging the gap between access to financial services and the poor in rural India. As a Business Correspondent it provides an opportunity for creating alternate banking channels for the rural poor in their vicinity. Since 2010, SAVE has established more than 3500 Kiosks for SBI (Customer Service Point-a kind of branch network for facilitating banking transactions) throughout India and currently works in 17 States. SAVE received a license from Bank of India in 2012 and has since then, established around 750 kiosks for the Bank across the country. Through its kiosk based model, SAVE has a presence in 16 states.

The organisation has religiously followed its mission to provide financial services, specifically serving the needs of the underserved across rural and urban markets in India; through strategic and technological interventions while ensuring sustainability of the channel partners. The society aims to be the leading financial services provider to underserved in India, reaching out to one crore customers by 2016, offering a variety of products.

At the organizational level, in order to enable transactions by its Customer Service Providers (CSPs), SAVE maintains a settlement account with the bank. The individual CSPs are then mapped to this settlement account and their transactions either increase or decrease the balance in the settlement account. The staff at the head office maintains an MIS report which reconciles individual CSP activity and prepares reports for the CSP transactions. On the basis of these reports, SAVE then transfers cash to the individual CSP's account.

### Key Operational and Financial Figures

	FY 2011-12	FY 2012-13	FY 2013-14
Number of Active Customers	378,197	906,752	1,670,174
Number of Active Agents	642	964	1589
Average Value of Transactions per Month Over the Year (amt. in Lakhs)	2,975.50	2,069.70	20,380.50
Average Customer Account Balances over the Year (in Lakhs)	1,776.22	3,350.93	468.30

For CSPs, liquidity management is a bigger issue as the agents have to use their own money to transact. A routine call is placed to every CSP by the head office staff at 1 pm, to monitor the daily transactions, especially in the mornings when there is a heavier footfall for withdrawals at the CSP. In case an agent reports that he is running short of cash, SAVE transfers the requisite amount to his bank account so that he is able to continue with transactions and the CSP in charge travels to the nearest bank branch and withdraws cash. CSPs operate on the principle that all transactions should be honored and customers should not be sent away due to paucity of cash. SAVE is extremely supportive of its agents and transfers cash to the agent's account as and when the request comes in. At the end of each day, after preparing reconciliation reports, SAVE transfers cash to the agent's accounts based on the amount shown outstanding.

SAVE follows a four tiered organizational structure that has the Sub-District Coordinator at the fourth tier. The third tier is comprised of district coordinators, an accounts team, fund transfer department, human resources and quality control department and the IT team. At the second tier are the marketing, finance, operations and IT managers headed by the President, the Secretary and the Treasurer

The society aims to touch the one crore customer mark by 2016 and opening 10,000 CSP outlets by the end of 2017.

# Microfinance India Contribution to the Sector by an Enabling Institution

## National Bank for Agriculture and Rural Development (NABARD)



Dr. Harsh Kumar Bhanwala, Chairman

The National Bank for Agriculture and Rural Development, established in July 1982 is the apex institution in the country looking after development and promotion of cottage industry, small and village industry, and other rural industries. As an organisation, NABARD envisions to facilitate sustained access to financial services for the unreached poor in rural areas through various micro finance innovations in a cost effective and sustainable manner. Its financial operations and development initiatives are placed broadly on three planks, 'institutions', 'people', and 'State'.

One of the main functions of NABARD is to extend financial support to Rural Financial Institutions (RFIs) especially Regional Rural Banks and Credit Co-operatives for their on-lending operations. However, NABARD's support to RFIs extends much beyond the scope of refinance assistance. While financial support through the refinance window enhances their lending portfolio, capacity building, supervision of their

financial health, guidance in credit planning and other such aspects of NABARD's association enable the RFI's to successfully take up challenges from time to time.

The launching of its Pilot phase of the SHG (Self Help Group) Bank Linkage programme in February 1992 could be considered as a landmark development in banking with the poor. The SHG-informal thrift and credit groups of poor came to be recognised as bank clients under the Pilot phase. The strategy involved was simple: forming small, cohesive and participative groups of the poor, encouraging them to pool their thrift regularly and using the pooled thrift to make small interest bearing loans to members, and in the process learning the nuances of financial discipline. Subsequently, bank credit also became available to the Groups, to augment their resources for lending to their members. NABARD saw the promotion and bank linking of SHGs not as a credit programme but as part of an overall arrangement for providing financial services to the poor in a sustainable manner and also an empowerment process for the members of these SHGs. Strategies such as replicating Grameen, wholesaling funds through NGO-MFIs were undertaken as conscious experiments that turned out to be highly successful.

Ever since the SHG-Bank Linkage Programme was launched by NABARD, the Self Help Promoting institutions (SHPI) such as NGOs, Banks (RRBs, DCCBs), Farmers Clubs and Individual Rural Volunteers (IRV) have been extended grant support to organise and nurture SHGs of the poor. NABARD has been continuously imparting training to various partners and stakeholders of SHG- Bank Linkage Programme such as bankers, NGOs, government officials, SHG members and trainers. During 2013-14, about 1.32 lakh officials of various agencies participated in NABARD supported training programmes and exposure visits and cumulatively 31.50 lakh officials have been trained.

After the closure of Micro-finance Development and Equity Fund (MFDEF), the Financial Inclusion Fund is being utilised for promotion of various micro-finance activities such as formation and linkage of SHGs through SHPIs, training and capacity building of stake holders, livelihood propagation, studies, documentation, etc. During 2013-14, Rs.33.31 crore was released as grant support for such promotional activities.

The total financial support extended by NABARD during 2013-14 stood at Rs. 1,27,011 crore, as against Rs. 1,03,923 crore extended during 2013-13 registering an increase of 23%.

# Microfinance India Contribution to the Sector by an Individual

## Mr. N. K. Maini, Deputy Managing Director, SIDBI



Mr. N.K. Maini is the Deputy Managing Director, In-charge of Small Industries Development Bank of India (SIDBI), the premier financial institution for Micro, Small & Medium Enterprises (MSMEs). He is a graduate from St. Stephens College, Delhi and holds a Degree in Law from Delhi University. He holds a postgraduate degree in Management from the Management Development Institute (MDI), Gurgaon and another postgraduate degree in International Trade from the Indian Institute of Foreign Trade (IIFT), Delhi, besides being a Certified Associate of Indian Institute of Banking & Finance (CAIIB).

Mr. Maini has more than three and a half decades of experience in the commercial and development banking field, with UCO Bank, IDBI and SIDBI. He was also the Chief Executive Officer of the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), Mumbai, India which is in the business of providing guarantees to eligible Member Lending Institutions (MLIs)

for collateral free loans extended to micro and small enterprises.

His contribution to the micro finance sector and financial inclusion has been widely appreciated, both nationally and internationally. He has been associated with MSME Committees of various leading industry associations in the country, besides being on the Boards of leading MFI Associations. Amongst others, he was:

- On the Advisory group of the expert panel (India) of researchers of Micro Credit Summit Campaign, Washington DC, USA for its Global Advisory Committee for the Microcredit Summit, 2011;
- A member on the “Committee to Re-examine the existing classification and suggest revised guidelines with regard to Priority Sector Lending Classification and Related Issues” of the Reserve Bank of India; and
- A member of the Committee to that prepared the draft Micro-Finance (Development & Regulation) Bill, Govt. of India.

Mr. Maini had recently been nominated by the Ministry of Rural Development, Government of India as a Member on the Expert Group constituted for setting up a Development Finance Institution (DFI) for

SHGs. He has also been nominated by the Ministry of Finance, Government of India to be a member of the Committee to Examine the Financial Architecture for MSMEs. Presently, Mr. Maini serves as the Chairman of India SME Technology Services Ltd., (ISTSL), SIDBI Venture Capital Ltd., (SVCL), SIDBI Trustee Company Ltd., (STCL), India SME Asset Reconstruction Company Ltd., (ISARC) and the Credit Guarantee Trust Fund for Micro and Small Enterprises. He is a member of the Apex Committee on SIDBI's Innovation & Incubation Centre (SIIC), IIT Kanpur and also member on the Board of 'The Montreal Group' of Business Development Bank of Canada (BDC). He represents SIDBI on the Governing Board of Entrepreneurship Development Institute of India, Ahmedabad.

During his tenure as Chief General Manager and Executive Director, looking after the microfinance portfolio of the Bank; the association of SIDBI with the microfinance sector took different dimensions and a big leap.

The micro credit programme of SIDBI is designed with the objective of reaching financial services to the unbanked segment of the population as a step towards financial inclusion of the millions of poor in the country through a network of strong and vibrant financial intermediaries. SIDBI implemented the National Micro Finance Support Project (NMFSP) during 2002-2009, in collaboration with the Govt. of India, DFID, UK and IFAD, Rome which was designed to address the lack of access to financial services by the poor in India and was expected to develop a more formal, extensive and effective micro finance sector on a national scale. Mr. Maini was instrumental in up-scaling the programme as also making the micro finance operations of SIDBI, a "Credit plus" programme, with the main objective of ensuring sustainability of the entire sector. It is under his leadership that SIDBI came to be recognised as having played a pioneering role in developing the MFI sector. During a comparatively shorter existence, SIDBI has been able to create, develop and nurture a pool of about 150 MFIs.

He, very early on, recognized the need for promotion of responsible finance in the sector. The Bank has taken various initiatives towards responsible lending such as: Creation of Microfinance Lenders' Forum, Collaborating with MFIN and Sa-Dhan to put in place a unified Code of Conduct for microfinance institutions, Development of a Code of Conduct Assessment (CoCA) Tool and; Setting up of the India Microfinance Platform (IMFP), which is a global, web-based, microfinance information platform.

The initiatives relating to Lenders' Forum and a Code of Conduct Assessment Tools are a first in the entire world and have gone to define sector's maturity today. The assistance through SIDBI, under the microfinance programme, has benefited approx 317 lakh disadvantaged people, most of them being women. It was under his leadership that SIDBI conceived another programme for development in the poorest states of India popularly known as Poorest States Inclusive Growth Programme, which is currently operating in Uttar Pradesh, Bihar, Madhya Pradesh and Odisha touching the lives of hundreds of rural and urban poor.



Post announcement of the jury's decision, an interview was conducted with Mr. N. K. Maini. Following is an excerpt from the interview.

**What do you think has been the biggest concern as the sector evolved, and what do you think has been its greatest accomplishment?**

My biggest concern has always been the cost of delivery of services to the clients and ensuring client protection through adherence to responsible finance. Even when the interest rates were not regulated, the single most important agenda that we drove was reduction in rates of interest for the end-user clients through improvement in systems and processes and usage of technology. Today, MFIs are able to adhere to the interest margin requirements of RBI because SIDBI at that time counselled them to constantly drive down costs.

Responsible Finance and consequently, client protection is another area of prime observance by the MFIs in particular and all the stakeholders in general. SIDBI has over the years been a strong proponent of responsible finance practice. The Code of Conduct Assessment (COCA) Tool for MFIs has now become entrenched in the operations of the sector. I think that COCA has led to a substantial improvement in the credibility of the sector before its various stakeholders.

**In addition to the commercial opportunity of investing in MFIs, what were key development initiatives of SIDBI that helped in the growth of the sector as an alternate channel?**

SIDBI, as the pioneer institution in MFI sector has instituted Capacity Assessment Ratings (CAR) of the MFIs; which has since become ingrained in the appraisal process and created the Lenders' Forum to ensure co-operation among various lending institutions for leveraging support to MFIs to promote responsible lending practices through common loan covenants. This has also ensured that there is understanding on the importance of adherence to Responsible Lending Practices and regulatory guidelines by the MFIs on issues of governance, transparency, competitive practices and fair recovery practices, among others.

With a view to promoting transparency in the sector, SIDBI initiated setting up of the India Microfinance Platform (IMFP) with MIX (Microfinance Information Exchange), a common information platform for MFIs, a Mix Market tailored for India to provide and disseminate valuable information on the Indian MFIs. SIDBI has also been actively engaged in promoting self regulation of the sector. RBI has since accorded the SRO status to MFIN. In fact, SIDBI worked prior to the formation and recognition of the SRO on harmonising the codes of conduct of the industry bodies and ensured that a common code of conduct is adopted. SIDBI has also actively supported creation of credit bureaus for microfinance borrowers. Two credit bureaus namely Equifax and Highmark have been created and within a short period, they have built up a database of more than 75 million records of microfinance borrowers.

**As the head of SIDBI, what have been your recent priorities and challenges within microfinance?**

I think that the sector has come of age now. At this juncture, I am proud to say that new entrants are being attracted to the sector whereas large MFIs are transforming themselves into banks. I think that the sector ten years hence would be radically different from what we see it today. The single most defining feature would be adoption of technology and this would further drive down the cost of services. At this juncture, this is one of our biggest priorities. In addition to this, as clients mature in terms of their business models, microfinance also may not be sufficient to meet all their requirements. Therefore, we are creating a new category of funding known as 'Missing Middle Segment' to help people graduate from microfinance. A related issue is of financial literacy. We need financial literacy as a mass movement to accentuate the benefits of financial inclusion. Finally, a major challenge is with regard to handling of some of the large MFIs which were affected by the crisis. The task of their nurturing continues silently even today.

I think that MFIs have to enlarge their product range to cover livelihood/ enterprise financing, sanitation/ hygiene related products, education loan, etc. Another priority is propagation of usage of Aadhar in client transactions since over the long term, the benefits would be enormous in terms of credit history being available. I also feel that all stakeholders should capitalise on the synergies between the SHG and MFI movement picking up best practices from both the models enabling constant cross pollination of ideas.

In my view, the journey has just begun with somewhat visible destinations, but the goal post would need to be constantly shifted in line with the evolving needs of the beneficiaries.

# Microfinance India Awards 2014- Jury Profile



## **Anu Gupta, Head-Private Sector Team, DFID India**

Anu Gupta is Head of the Private Sector Team at DFID India. She is responsible for a range of new returnable capital projects being implemented in partnership with SIDBI, IDFC, NHB and other leading financial institutions. Anu has more than 15 years of experience of working in DFID, leading a diverse range of state, national and civil society programmes in the development sector. Anu has also led the DFID India's Finance Team and brings a unique blend of development in DFID's private sector team. Anu Gupta is a post graduate in Child Development and Education and a member of UK's Chartered Institute of Management Accountants.



## **Arvind Kumar, IAS**

Mr. Arvind Kumar graduated in Economics from St. Stephens College, New Delhi in 1987 followed by a post-graduate diploma in management (PGDM) from the Indian Institute of Management, Ahmedabad (IIMA) in 1989. He joined the Indian Administrative Service (IAS) in 1991 and has worked in various capacities in the State of Andhra Pradesh state.

He pursued Masters in Public Policy (MPP) with specialization in Health and Health policy from Woodrow Wilson School (WWS), Princeton University, USA, as a Robert McNamara scholar from 2006-07. Further, as Chevening Gurukul scholar, he did a course on Leadership and Excellence at the London School of Economics and Political Science (LSE), UK in 2010.

Since 2009, Mr. Kumar was on central deputation in the Government of India and as Joint Secretary in the Ministry of Finance, GoI; he was responsible for Insurance & pension reforms, Institutional Finance including housing finance, MSME finance & Micro Finance. Mr. Kumar has been a Government nominee Director on the Board of National Bank for Agriculture and Rural Development (NABARD), ICICI Bank Ltd, the New India Assurance Company Limited (NIACL), Small Industries Development Bank of India (SIDBI), IFCI Ltd and National Housing Bank (NHB).

His experience, spanning over twenty years, is extremely rich, wide-ranging and multi-sectoral, primarily in public policy and governance with focus on development sectors. His work in 'arresting female foeticide' and restoring sex ratio at birth is extensively acknowledged.



### **Dr. H. K. Pradhan, Professor, XLRI Jamshedpur**

Dr HK Pradhan is Professor of Finance and Economics at XLRI Jamshedpur, where he serves as the member of the Board & has chaired the Doctoral Programme. He also leads the financial inclusion initiatives and mentors the financial literacy program called SANCHETANA.

With over 30 years of experience in teaching, research and consulting, Dr Pradhan is an M Phil & Ph.D. from the University of Pune, and a Fulbright Post-Doctoral Fellow with the Columbia University Business School, New York. He is a member of the Reserve Bank of India Technical Advisory Committee (TAC) on Financial Markets, Director of the State Bank of India Mutual Fund, where he also serves as Member of the Director's Committees on Risk, Audit and CSR; a member of the Board of Micro Credit Rating International Ltd and a member of Index & Option Committee of the National Commodity and Derivative Exchange (NCDEX), Mumbai.

Dr Pradhan has worked over two years as the Pacific Advisor for the Commonwealth Secretariat, London, while serving concurrently as the Resident Advisor with the Ministry of Finance, Government of Fiji. He also acted as experts trainer for the Commonwealth Secretariat, the World Bank, the Asian Development Bank, and the Crown Agent (London).



### **Dr. Janmejaya Sinha, Chairman, Boston Consulting Group-Asia Pacific**

Dr. Sinha is Chairman of BCG's Asia Pacific Practice. He is a member of BCG's global governing Executive Committee. He works extensively with clients in the US, UK, Asia, Australia and India over a range of issues encompassing large scale organization transformation, strategy, governance, family business issues and operations turnaround. He has been a member the Reserve Bank of India (RBI), Indian Banks' Association (IBA), and Chair's Confederation of Indian Industry's Committee on Financial Inclusion. Besides that he has been a member of Chief

Minister's Bihar State Industrial & Investment Advisory Council. In 2010, the Consulting Magazine named him one of the Top 25 most influential consultants in the world. Prior to joining The Boston Consulting Group he worked with the Reserve Bank of India for several years across different departments. He has also worked briefly for the World Bank.

Dr. Sinha has a PhD from the Woodrow Wilson School of Public and International Affairs, Princeton University, US, a BA and an MA in Economics from Clare College, Cambridge University, UK and a BA and an MA in History from St Stephen's College, Delhi University, India.



### **Narasimhan Srinivasan, Sector Expert<sup>1</sup>**

After a career spanning about 30 years in RBI and NABARD, since 2007 Mr. N. Srinivasan has been pursuing his professional interests in financial inclusion, rural finance and livelihoods. He has been involved in significant initiatives in NABARD relating to institutional development, rural credit planning and development projects. He is currently active as an expert adviser and international consultant for different principals including World Bank, ADB, CGAP, IFAD, GIZ, KFW, Gates Foundation, and Microsave. He provides consulting services on a range of development finance and livelihoods initiatives in India and abroad.

He has been the author for the State of the Sector Report on Microfinance in India for four years. He has jointly authored books and contributed to edited volumes in development finance and development economics. As an independent director he contributes to three companies and three trusts that focus on rural finance and development themes. He also serves on several industry forums on the themes of financial inclusion, microfinance and responsible finance.



### **N. K. Maini, Deputy Managing Director, SIDBI<sup>2</sup>**

Mr. Navin Kumar Maini is the Deputy Managing Director In-charge at SIDBI – the apex Financial Institution for MSMEs in India. He has around 37 years of experience in the field of commercial and development banking. He was CEO of Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) and represents SIDBI on Boards of various national level organizations. He has delivered talks in various national/ international seminars and his contribution to MFI sector and increased financial inclusion are widely appreciated.

Presently, Mr. Maini is the Chairman of SIDBI Subsidiaries, viz. SIDBI Venture Capital Ltd., SIDBI Trustee Co. Ltd. and its associate units, India SME Asset Reconstruction Company Ltd. and India SME Technology Services Ltd. He also chairs the Board of CGTMSE, besides being on the Board of ‘The Montreal Group’ of Business Development Bank of Canada (BDC), Montreal.

He graduated in Science and has a Degree in Law from Delhi University. Also holds a Postgraduate Degrees in Management and International Trade, and is a Certified Associate of IIBF.

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<sup>1</sup> Mr. N. Srinivasan recused himself from the selection of Annapurna Mahila Co-op Credit Society Ltd. and Hand in Hand India as he serves on the Board of both these organisations.

<sup>2</sup> Mr. N. K. Maini was not a part of the decision making for Microfinance India Contribution to the Sector by an Individual.



### **Stuart P. Milne, Chief Executive Officer, HSBC India**

Stuart Milne is a graduate in Modern Arabic Studies. He joined HSBC Holdings plc in 1981. In his 31-year career, he has worked across businesses and geographies, including the Arabian Gulf, Hong Kong, Philippines, New York, Paris and Tokyo. In 2007, he was appointed Country Manager Japan, prior to which he was Head of Corporate and Institutional Banking Asia Pacific, based in Hong Kong.

Stuart was appointed as CEO, HSBC India in March 2012. He is also a member of the Asia Pacific Executive Committee, signifying the importance of the India business to HSBC in the region.



### **Y. C. Nanda, Chairman, ACCESS-ASSIST**

Y. C. Nanda is a post graduate from the Delhi School of Economics in 1964 securing first rank in the University. For a year, Mr. Nanda worked as a Lecturer in the Shri Ram College of Commerce, Delhi and thereafter for a short period in the State Bank of India before joining the RBI. Working in RBI till 1983, Mr. Nanda then moved to NABARD. In 2003, he retired as Chairman of NABARD. The Government of India appointed Y. C. Nanda as a member of the National Commission for Farmers in 2004, whose work was completed in November 2006. Mr. Nanda has worked as a microfinance expert with FAO, IFAD, UNOPS, and

GTZ for their projects in India and abroad. Additionally, he has also worked with NCAER and Sir Rattan Tata Trust as a consultant.

Presently, he is Director/Trustee with a number of institutions in the microfinance, rural development, and management education sectors in India.

# Microfinance India Awards 2014- Technical Committees

Three separate Technical committees were constituted for shortlisting nominations to identify top 3 candidates for the Jury's final decision. The committees comprised of sector experts and senior representatives from technical agencies and investors, who played a critical role, in reviewing the evaluation criteria and balanced assessment of nominations for arriving at a short list of credible and deserving institutions.

The composition of Technical committees for the 2014 Awards for different categories is as below:

## **MFO of the Year – Large, Small-Medium, Community based MFO and Individual Contribution to the sector**

- Dr. Alok Misra, CEO, M-CRIL
- Ragini Chaudhary, Private Sector Advisor, DFID
- Vivek Malhotra, Deputy General Manager, SIDBI
- Yagneshwar Nanduri, Vice President, Inclusive Banking Unit, HSBC India
- Pallavi Sen, Associate Vice-President, MFIN
- Saneesh Singh, Executive Director, Dia Vikas
- Sakshi Varma, Operations officer, Finance & Markets, IFC

## **Business Correspondent Network Manager of the Year**

- Satish Kumar Gupta, Chief Project Officer, NPCI
- Yagneshwar Nanduri, Vice President, Inclusive Banking Unit, HSBC India
- J. Venkatramu, Deputy Vice President-Rural Banking, Axis Bank
- Amit Arora, Technical Expert, GIZ
- Ragini Chaudhary, Private Sector Advisor, DFID

## **Self Help Group Promoting Institution of the Year**

- P. Satish, CGM, MCID, NABARD
- Sudha Kothari, Founder & Managing Trustee, Chaitanya
- C.S. Reddy, CEO, APMAS
- Girija Srinivasan, Author of Social Performance Management Report
- Meera Mishra, Country Coordinator (India), IFAD

# Microfinance India Awards – Previous Winners



## 2013

Microfinance India Self Help Group Promoting Institution of the Year	PRADAN
Microfinance India Community Owned Microfinance Organisation of the Year	Pratigya Samanvit Vikas Sakh Sahakrita Maryadit (PSVSSM)
Microfinance India Organisation of the Year (large)	Janalakshmi Financial Services, Pvt. Ltd. (Janalakshmi)
Microfinance India Organisation of the Year (medium)	Sanghamithra Rural Financial Services
Microfinance India Organisation of the Year (small and emerging)	Sahayog Microfinance Limited
Microfinance India Contribution to the Sector by an Enabling Institution	Micro-Credit Ratings International Ltd. (M-CRIL)
Microfinance India Contribution to the Sector by an Individual	Mr. Brij Mohan
Microfinance India Jury's Special Award	Prof. Malcolm Harper



## 2012

Microfinance India Organisation of the Year (large)	Cashpor Micro Credit
Microfinance India Organisation of the Year (small and medium)	Utkarsh Micro Finance Pvt. Ltd.
Microfinance India Contribution to the Sector by an Enabling Institution	MicroSave
Microfinance India Contribution to the Sector by an Individual	Mr. Rajendra Mohan Malla

## 2011

Microfinance India Organisation of the Year (large)	Ujjivan Financial Services Pvt. Ltd.
Microfinance India Organisation of the Year (small and medium)	Sanghamithra Rural Financial Services (SRFS)
Microfinance India Contribution to the Sector by an Enabling Institution	Center for Microfinance (Institute for Financial Management and Research)
Microfinance India Contribution to the Sector by an Individual	Prof. David Gibbons
Microfinance India Jury's Special Award	Mr. Y.C. Nanda



## 2010

Microfinance India Organisation of the Year (large)

Shri Kshethra Dharmasthala Rural Development Project(SKDRDP)

Microfinance India Organisation of the Year (small and medium)

Arohan Financial Services Pvt. Ltd.

Microfinance India Contribution to the Sector by an Enabling Institution

Friend of Women's World Banking (FWWB) India

Microfinance India Contribution to the Sector by an Individual

Mr. Aloysius P. Fernandez

Microfinance India Jury's Special Award

Elaben Bhatt

## 2009

Microfinance India Organisation of the Year

Bandhan Financial Services Pvt. Ltd.

Microfinance India Contribution to the Sector by an Individual

Mr. Vijay Mahajan

Microfinance India Jury's Special Award

Late Mr. Sitaram Rao



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