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# e-Sampark

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## Street Play for Financial literacy and Mass Awareness

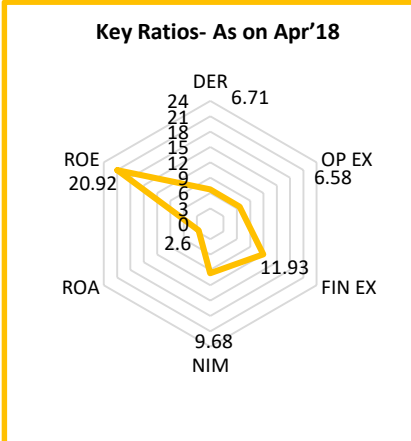
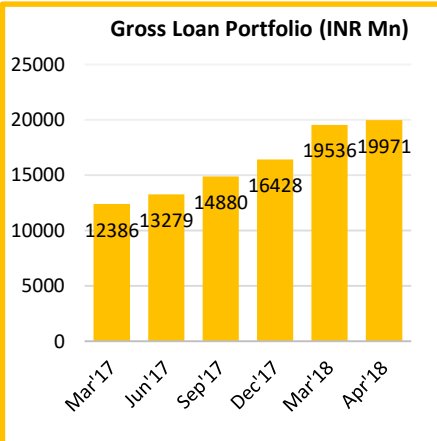


As a part of SIDBI supported Financial Literacy and Women Empowerment programme, Annapurna Finance Private Limited made people aware on a mass level through Street Plays. In these Mass Awareness campaigns, Annapurna Finance made people aware about the financial problems, importance of education, basic health maintenance and Annapurna's roles in transforming the livelihoods. During last two months, 30 street plays were performed across the branches of Central Odisha Zone.

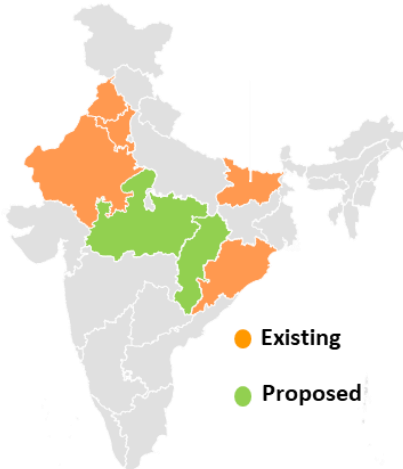
- Annapurna crossed 12 lakh clients with its operations over 400 branches covering 14 states.
- Team size of Annapurna has increased to 3770.

## Financial and Operational Updates

|                               | Dec-17 | Mar-18 | Apr-18 |
|-------------------------------|--------|--------|--------|
| States                        | 11     | 14     | 14     |
| Branches                      | 329    | 374    | 405    |
| Members ('000)                | 1143   | 1233   | 1247   |
| Gross Portfolio (INR Mn)      | 16428  | 19536  | 19971  |
| Loan Disbursed (YTD) (INR Mn) | 13648  | 20905  | 1841   |
| Total Assets (INR Mn)         | 17487  | 20647  | 20508  |
| Net Worth (INR Mn)            | 2369   | 2434   | 2480   |
| Managed Portfolio (INR Mn)    | 2288   | 3547   | 3238   |



## Dairy Development Loan started in Punjab and Rajasthan



In order to understand the demand dynamics and market potential for dairy loan product in Punjab and Rajasthan, a feasibility study was conducted, wherein the services by different financial players were analyzed in branches of Mansa, Sangrur and Falna, Reengus of Punjab and Rajasthan respectively. Findings from study reflected tremendous opportunity for the dairy products especially when the players are few in the market, so to take the advantage of demand-supply gap, Annapurna started offering Dairy loan product at competitive interest rates, thus serving huge number of clients in the process. One of the concerns expressed by the clients was the death of the cattle, which can be addressed by providing an insurance cover for same.

## All Staff Review cum Refresher Training at Udaipur and Shirdi

The all staff review cum refresher training was conducted for Udaipur zone on 21<sup>st</sup> & 22<sup>nd</sup> May, 2018 at The Jaibagh Palace Resort, Jaipur and for Aurangabad zone on 24<sup>th</sup> & 25<sup>th</sup> May, 2018 at St Lurn, Shirdi. The management appreciated the efforts of staff who are actually responsible for achieving the set goals for the company and thus decided to celebrate the moment to the fullest. The purpose of this meet was to make the gone year a happy memory and acknowledge the sincere hard work and dedication of the staff. The meeting gave them the opportunity to interact with the management and simultaneously focus on an in depth conversation about the most peculiar bottlenecks that the states and staff are facing today



## Appraisal Officer's Review Meet, 2018 at Puri



Credit & Appraisal department's Annual review meet was held in Puri on 10<sup>th</sup> & 11<sup>th</sup> May 2018. About 160 Appraisal officers and credit managers from different states have attended the meet to review and plan for coming financial year. Also training on different loan products like Housing Improvement, Dairy Development loan was conducted for appraisal officers. A dedicated session on Upcoming version of E-fimo to sensitize and equip appraisal officers with field level understanding of appraisal process was also organized.

Senior management which includes CMD, Director and CFO have highlighted their discussions on the vision of the company and their expectations from credit team.



## Risk Management in today's Industry: A conceptual note

Risk is inherent to every business and is a two-sided coin with “threat” on one side and “opportunity” on another. Risk assumes greater significance in context of microfinance, in absence of traditional risk mitigation mechanisms like collaterals and exposure to highly vulnerable client base. This makes Risk management (RM) an integral part of a financial institution's strategic decision-making process and ensures that its corporate objectives are consistent with an appropriate risk return trade-off.



Risk Management lays out the general framework for identifying, assessing, mitigating and monitoring risk in the MFI as a whole. Risk events are prioritized based on the probability of frequency and impact of occurrence and accordingly an MFI allocates its resources to manage these risk events. MFI may further accept risk exposures up to a specified level and beyond that must take further corrective action.

Business model for Microfinance Institutions broadly inherits 4 types of risks: Operational Risk, Credit Risk, Financial Risk and External Risk. With other types of risks being managed on institutional level through technological interventions like Credit Bureau Checks, cash-less disbursements and payments, Geographic Information systems for strong monitoring, Branch Software for efficient data management, Tab technology for business sourcing, external risks have emerged to be the biggest threat to industry. Be it the Andhra Crisis or the impact of Demonetization, external factors of politics have had been a major threat. MFI industry which have had managed PAR% of less than 1% before Demonetization suddenly witnessed PAR% of 9% owing to political instigation. This puts emphasis on substantial change in regulatory support and strengthened Self-Regulatory Organizations.

Further rapid growth in industry over few years have led to portfolio concentration in certain geographies. This concentration of portfolio in limited geographies have posed threat of political interference over time. Also new market, new product introductions, and major organisational and structural changes like several major MFIs converting into Small Finance Banks, trigger for proactive risk management in MFI industry.

## Story of Omm Sirini Sai SHG: Annapurna Transforming Lives

Omm Sirini Sai Self Help Group is one of the active groups of Balipatna branch of Khurda District. The group currently has eleven members. The members wanted to help their families financially and Annapurna Finance (the then Annapurna Microfinance) assisted them in same by providing a Group Loan. In the words of a group member Mrs. Tikina Raut, they started making toys and showpieces out of coconut coir and with the timely financial



assistance provided by Annapurna Finance, they scaled up their business further. They have proper market linkage to the product, as they are highly demanded in local fairs and festivals, especially in Shri Jagannath Rathayatra at Puri. After repayment of the current loan, all members want to enter in another loan cycle to further strengthen their business. Their story encourages other women of the society to be the leaders and transform the lives.

## Over 900 staff trained in 45 Induction and Refresher trainings



In between Mar-May'18 total 45 trainings have been conducted covering 940 staffs in all the operational areas of Annapurna Finance. Out of all, 40 were Induction training and approximately 798 staffs were trained in these trainings. The induction training was imparted to make the inductees familiar with the work culture and the sector in which organisation is working, also required knowledge and skills were imparted by a specialized team to ensure better performance at their job roles. The inductees were given an overview of Microfinance Sector, Operations and Functions of Annapurna, RBI Guideline for MFI's and Social Performance Management.

Apart from Induction Training, five refresher trainings were provided to equip existing employees with updated technology so that they keep pace with the technological improvements in the industry and remain competitive at their work.

## AARAMBH: Annapurna Welcomed their New Family Members

"Aarambh" – Induction program for the Management Associates/Trainees & Program Associates was conducted with an objective of attracting, developing & retaining best talents. Under YLDP program the 57 candidates from top B-Schools joined as Management Associates/Trainees and were trained in various departments. Induction program for new recruits at Annapurna Finance was held in two phases. The first phase was held from 14<sup>th</sup> to 20<sup>th</sup> May 2018 at Hotel Suryansh in Bhubaneswar. The second phase of Induction Training was held from 28<sup>th</sup> to 30<sup>th</sup> May at Hotel Aveda Chariot, Puri Odisha. The recruits were addressed by Mr.Gobinda Chandra Pattanaik, Managing Director of the company; Mr.Dibyajyoti Pattanaik, Director; Mr.Sanjay Pattanaik, COO; Mr.Satyajit Das, CFO; and other HODs.

They even got a chance to interact with prominent bankers and sector experts on different interesting topics during the week long program. After the 10 days of training, it was concluded with a session on "Strategic Management" by Mr. Dibyajyoti Pattanaik, Mr. Kumar Vaibhav and Mr. Ramkrishna Atre.

