

**CODE OF CONDUCT
ASSESSMENT
FOR
ANNAPURNA MAHILA MULTI
STATE CO-OPERATIVE CREDIT
SOCIETY LIMITED**



EXECUTIVE SUMMARY

The Code of Conduct report for ANNAPURNA MAHILA MULTI STATE CO-OPERATIVE CREDIT SOCIETY LIMITED (Annapurna) evaluates the company's adherence to various code of conduct parameters. The study examines and comments upon the common minimum indicators such as:

- Client Origination & Targeting
- Loan Pricing & Transparency
- Loan Appraisal
- Privacy of Client Information
- Staff Behaviour & Client Grievance Handling
- Integrating Social Values Into Operations
- Relationship Management and Feedback Mechanism
- Compliance Status of MFI vis-à-vis the Recent RBI Guidelines

SMERA believes that Annapurna exhibits an average level of adherence to all parameters and consequently complies well with the code of conduct laid out. This document details SMERA's approach and methodology for this study and gives observations of its assessment team while conducting the evaluation. The Approval; Documentation; Dissemination and Observance (ADDO) framework has been used for assessment and measuring Annapurna's adherence towards ethical operational practices.

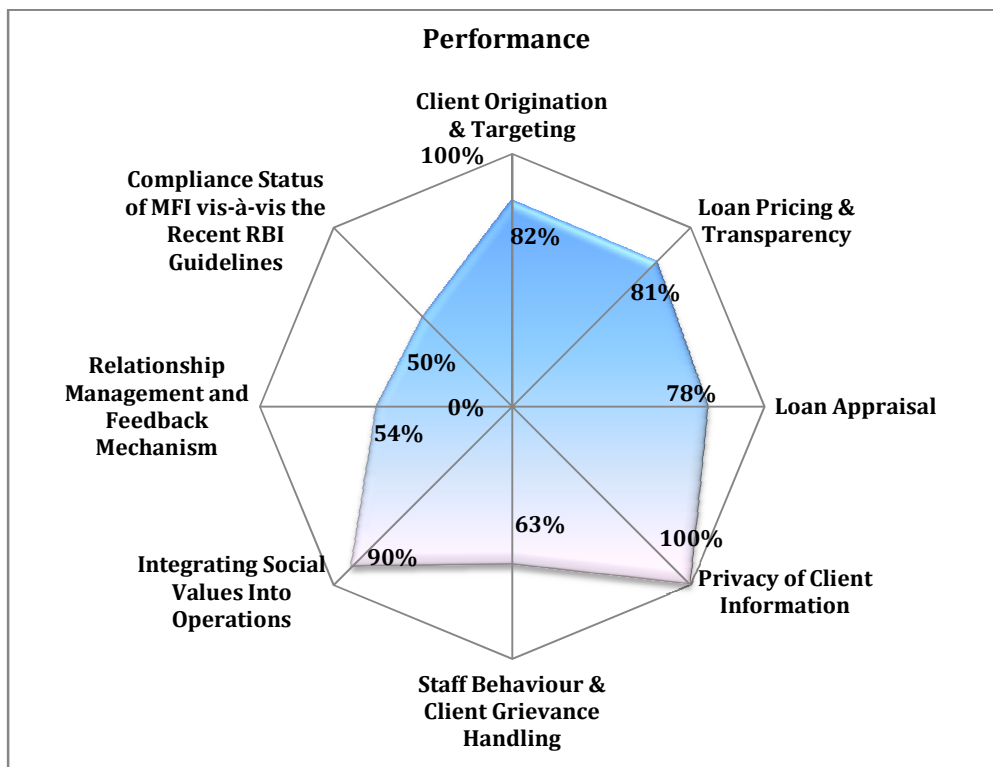
RATING

Code of Conduct Assessment Score : 68%, COCA Rating - COCA 4 (Average Level of Adherence)

RATING SCALE

Rating	Rating Definition
COCA 1	Very High Level of Adherence
COCA 2	High Level of Adherence
COCA 3	Above Average Level of Adherence
COCA 4	Average Level of Adherence
COCA 5	Below Average Level of Adherence
COCA 6	Low Level of Adherence

MATRIX



SCORES ON PARAMETERS

Code of Conduct Parameters	Obtained	Maximum Score	% Performance
Client Origination & Targeting	18	22	82%
Loan Pricing & Transparency	13	16	81%
Loan Appraisal	14	18	78%
Privacy of Client Information	8	8	100%
Staff Behaviour & Client Grievance Handling	22	35	63%
Integrating Social Values Into Operations	9	10	90%
Relationship Management and Feedback Mechanism	15	28	54%
Compliance Status of MFI vis-à-vis the Recent RBI Guidelines	16	32	50%

SNAPSHOT

D&B D-U-N-S® Number	91-612-7266
MFI Name	ANNAPURNA MAHILA MULTI STATE CO-OPERATIVE CREDIT SOCIETY LIMITED
Tradesytle	ANNAPURNA
Head Office Address	26, 'C' Wing, Shubham Heights, Mumbai - Bangalore By-pass, Service Road, Warje, Pune - 411 058 Maharashtra India
Telephone	(91) (20) (25233435) (91) (20) (88863458)
Webpage	www.annapurnapariwar.org
Email	secretary@annapurnapariwar.org dr.medha@annapurnapariwar.org
Line of Business	Microfinance services under Joint Liability Group (JLG) Model
Chief Executive	Dr. Medha Purao Samant, Secretary
Legal Form	Multi-State Cooperative Credit Society
Registration Number (under MSCS Act, 1984)	MSCS/CR/68/97
Establishment Date (Co-operative Credit Society)	16/Jan/1986
Registration Date	24/Sep/1997
Commencement of Microfinance Operations	1993
Total Employees	148
No. of Branches	15
Geographical Reach	02 cities of Maharashtra i.e. Pune and Mumbai
Visit of the Assessment Team	23 rd November, 2012 to 28 th November, 2012

BACKGROUND

Annapurna Mahila Mandal, Mumbai was established in the year 1975 by Padmashree Prematai Puroo with an objective of providing financial support to women workers.

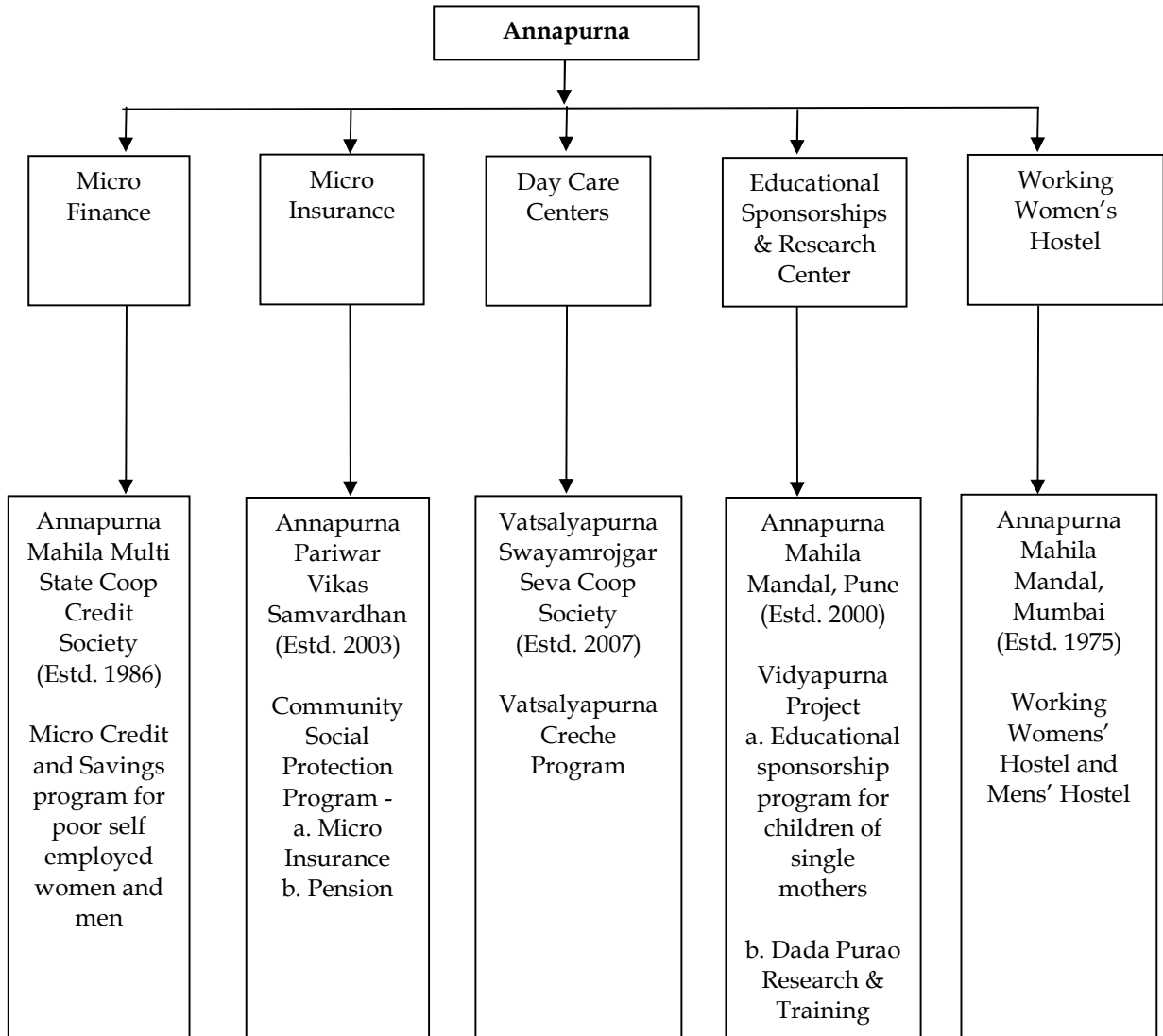
In 1993, Dr. Medha Puroo Samant (daughter of Padmashree Prematai Puroo) left her job from Bank of India to follow the footsteps of her mother. Dr. Medha Puroo Samant decided to devote her life for the upliftment of the poor, where she could deliver financial and non-financial services to women. Today, Dr. Medha Puroo Samant has been able to develop an “Annapurna Pariwar”.

Annapurna Pariwar is a group of five organizations working in slums spread across Pune and Mumbai for the upliftment of the slum dwellers and to make the poor financially and socially empowered and strong and to bring happiness in their lives. Annapurna Pariwar’s main objective is to empower the poor by providing a comprehensive solution to poverty—resulting in an all round development in terms of finance, health and education.

Annapurna Pariwar renders various types of services in the areas of microcredit, micro saving, micro insurance and other support services like day care centers for slum children, educational sponsorships to children of poor single mothers, hostel for working single women. In July 2012, Annapurna Pariwar has also tied up with LIC of India for offering Pension services to their member through the NPS-Lite Swavalamban Scheme of the Government of India regulated by Pension Fund Regulatory and Development Authority (PFRDA).

Annapurna Pariwar has also established “Dada Puroo Research Centre and Training Institute” which takes up research projects and publishes books on the subject of 'Microfinance'. It also imparts training to bank officers in the field of microfinance and micro insurance.

Annapurna Pariwar has pioneered in Maharashtra a Community Based Health Insurance Program which is owned and run by the members of AMCCSL and has been supported in the past by MACIF, France (one of the world's biggest Insurance companies), Inter Aide (France), a French NGO and Uplift (a non-profit company formed by 8 NGOs including Annapurna Pariwar Vikas Samvardhan). Presently, it is being run independently and has its own software support. Its Health Mutual Fund (HMF) product is being evaluated by Inter Aide and Life Mutual Fund (LMF) product by Microsave. The health insurance plan presently covers more than 112,000 members.



Business Model

Loan Products

Annapurna follows group based lending approach with a joint liability within the group. The group consists of five members, wherein three groups form a centre for a Joint Liability Group (JLG). The loans are provided for new business or expansion, education, house repair, repayment of old debts and asset creation. Loan amount ranges from ₹7,000-₹100,000 to both men and women on interest of 15% to 12% p.a. on flat basis. For a first cycle loan, the loan amount is ₹7,000 and it keeps on increasing on their successful repayment, group strength and business improvement.

Saving Products

Annapurna has compulsory security and voluntary savings deposit schemes for the clients. Annapurna takes 10% compulsory security deposit of the amount disbursed from the clients and in-turn gives 6% interest of the amount deposited. Annapurna also accepts voluntary monthly savings deposit from the clients on which it gives 7% interest.

Community Based Insurance Products

Insurance services are provided by Annapurna Pariwar Vikas Samvardhan (APVS). It provides insurance facilities to the clients against death, accidents and health hazards. APVS has three products under its portfolio and they are as follows:

Health Mutual Fund - It covers health related problems of the borrower and her family, for which clients has to contribute ₹120/- p.a. per person as a premium. For which APVS has tie-ups with many public, private and trust hospitals in Pune and Mumbai. Every borrower and her family are insured for ₹ 60,000 for health problems.

Life Mutual Fund - It covers insurance of the borrower to the extent of loan amount taken and also the family of the deceased borrower gets ₹15,000 as financial assistance and also the outstanding loan amount is written-off. The insurance premium varies between ₹75/- to ₹810/- as per the loan size.

Family Security Fund - It covers life insurance for the family members and also gives ₹1,000 as financial assistance at the time of the death of a family member of a borrower, for which clients has to contribute ₹ 60/- p.a. for the entire family as a premium.

OBJECTIVE OF THE STUDY

The objective is to evaluate Annapurna's adherence to the code of conduct laid down by Sa-dhan and MFIN,

The broad parameters for assessing the Code of Conduct are as follows

- Client Origination & Targeting
- Loan Pricing & Transparency
- Loan Appraisal
- Privacy of Client Information
- Staff Behaviour & Client Grievance Handling
- Integrating Social Values into Operations
- Relationship Management and Feedback Mechanism
- Compliance Status of MFI vis-à-vis the Recent RBI Guidelines

FRAMEWORK AND SCOPE

The current perception surrounding Indian microfinance paints all entities across the sector in the same shade. However the fact that microfinance organizations display significant variations is important and needs to be adequately brought out. SMERA has always comprehensively and holistically assessed the risks involved in MFI operations and the resultant social impact of MFI operations.

Besides evaluating creditworthiness of MFIs, SMERA also assess trustworthiness, operational excellence, quality of loans of MFIs, socio-economic impact and MFIs emphasis towards ethical behavior and responsible lending.

SMERA has used the following framework for assessment of MFIs - The Approval; Documentation; Dissemination and Observance (ADDO) framework for measuring adherence of MFIs towards ethical operational practices.

As part of the assessment, SMERA visited 08 branches of Annapurna in Maharashtra. The assessment was conducted as per a specific methodology and questionnaire.

LIST OF BOARD MEMBERS

List of Board Members		Years of experience in Microfinance
Mrs. Chitra Vilas Khinvasara	Chairperson	17
Mrs. Anjali Sharad Diwan Patil	Vice-Chairperson	16
Dr. Medha Purao Samant.	Secretary	31
Mrs. Priyanka Kudchikar	Asst Secretary	9
Mrs. Ujjwala Waghole	Asst Secretary	9
Mrs. Madhavi Pradeep Kolankari	Member	13
Mrs. Aarti Shinde	Member	3
Mr. Manas Bid	Member and Nominee Director from Dia Vikas Capital Private Limited	14
Mrs. B. S. Pisal	Member	6
Mrs. Bhavana Shelke	Member	3
Mrs. Alakananda Jagtap	Member	4

HIGHLIGHT OF OPERATIONS

Particulars	31/Mar/2010	31/Mar/2011	31/Mar/2012	30/Sep/2012
No. of states	1	1	1	1
No. of districts	4	4	4	4
No. of branches	13	13	14	15
No. of groups	4,022	4,587	5,405	5,224
No. of centers	1,341	1,529	1,802	1,741
No. of total members	35,680	33,323	43,613	37,705
No. of active borrowers	20,112	22,934	27,024	26,122
No. of loans disbursed during the period	19,208	21,313	25,960	12,131
No. of total employees	94	102	124	118
No. of Field officers (FO)	60	70	69	61
Loan disbursements during the period (₹ in thousands)	168,938	220,275	339,530	188,164
Net portfolio outstanding (Owned and Franchise) (₹ in thousands)	107,649	141,830	221,263	251,914
Net portfolio outstanding from Franchise (₹ in thousands)	3,985	15,695	29,601	39,211
No. of active savers	35,680	33,323	43,613	37,705
Value of compulsory savings (₹ in thousands)	38,351	56,484	88,954	94,756
Value of voluntary savings (₹ in thousands)	525	1,342	1,467	1,582
Loan per active borrower (In ₹)	5,352	6,184	8,188	9,644
Active borrowers per FO	335	328	392	428

Client origination is central to ethical microfinance operations. The code of conduct requires MFIs to practice ethical client origination while extending access to financial services. Also, an MFI's commitment to targeting low income clients demonstrates its social mission. The way an MFI identifies and grows its client base must be approved by the board. The board should also ensure that the MFI's product and services reach suitable clientele.

Loan and Saving Officer (LSO) is responsible for client origination in Annapurna. Annapurna conducts study of the potential new area and conducts survey on the basis of primary and secondary data of area to be entered. The criteria for selecting a new area for lending are: it should be a slum, residential area for low-income groups, population density, proximity to existing operational areas, sources of income, socio-economic and political features, occupational activities, other loan sources, other MFI's in the area, etc.

Eligibility criteria for membership and group formation are: age, household income, availability of know your customer (KYC) documents, no family members in the same group, members belonging to same locality, willing to take group responsibility, majorly lending for income generation purposes only.

Once the area is selected, LSO carry out the promotion in the area by distributing pamphlets (before starting group formation in a particular village). During promotion meeting, LSO provides information to the members about the organization, product & services, lending methodology, etc and invites them to attend Orientation Meeting in a large gathering.

LSO organizes Orientation Meeting to inform the members about Annapurna, objective, product & services, lending methodology, micro saving, micro insurance, and other support services, group & centre formation, etc. in a large gathering and invites them to form into group of five members. The objective of orientation meeting is to educate the members on financial and non financial aspects such as product & services, interest rate structure, repayment schedule, insurance charges, group responsibilities, how to sign, proper utilization of loan, prompt repayment, attendance, KYC documents etc. Annapurna has the policy to form the group with the members selected by themselves from the nearby vicinity. However the same was not followed in one of the group on account of which the loan got defaulted (*As per example 1*).

Once the group is formed, LSO conducts the evaluation of the members to ascertain the eligibility of customers for taking loan and to obtain complete required information of each borrower. LSO also visits the house of each member and fills the personal information form and collects KYC documents (identity proof and address proof along with the photograph) from the members and verifies the same with the

original. Further, LSO will form a center which includes 03 groups; each group selects their leader by themselves. LSO requests the members to attend the centre recognition test (CRT) to check whether the member's have understood the details provided by the LSO.

The following measures / documents are taken to ensure identity of the clients:

- Photograph of member along with spouse / guardian and family members.
- Proof of identity (Pan Card, Voter ID Card etc.) and proof of address are collected from all the applicants. *However in one of the case the assessment team has observed that membership card of a political party has considered as proof of identity.*
- Personal information form filled by LSO in the home of every prospective member.
- Member should have their own house; in case of rented house, rent receipt is to be obtained.

The identification of right target client, household income, and individual income is a challenge for Annapurna. Targeting slum poor is the approach which Annapurna follows. However, Annapurna depends on self-declaration given by the clients rather than capturing an alternative source such as housing index or asset classification. *SMERA's assessment team has observed that some of the borrowers were above the poverty line and their annual income was more than the annual household income as prescribed.*

Annapurna also takes self-declaration from the members for the loans availed from different MFIs / sources; however in most of the personal information form verified, the details were not provided by the members. *During the interaction with the member; the assessment team has observed that some of members were availing loans from other MFIs' / sources.* Further Annapurna has not entered into any tie-up with any RBI approved credit bureau for sharing clients' data to check the indebtedness of the members.

Staffs have been trained on how to apply this aspect of client origination and Annapurna also provides an incentive to the LSO on the basis of group formation.

Example 1 – Ms. Mallawa Kamble, member of - Dattawadi (Sinhagad Road) branch.

The borrower was availing loan of ₹10,000 (2nd cycle) from Annapurna. As informed by borrower, Ms. Suvarna Mahamuni (LSO) has forcefully added one member i.e. “Geeta” in the group while group formation. During the loan tenure Geeta eloped from the location without repaying loan installments and entire group was considered as defaulter.

Further, borrowers were also not issued the receipt for one of the installment paid to Ms. Suvarna Mahamuni (LSO) which was used by LSO for personal use. However borrowers were forced to pay the installment to Annapurna on account of non availability of receipt. Out of Three remaining installments, borrowers paid one installment in cash and rest installments were adjusted against savings maintained with Annapurna.

No group members are willing to avail the next cycle loan from Annapurna. Currently Ms. Mallawa Kamble is having two loans of ₹15,000 and ₹10,000 from Suryoday Micro Finance Private Limited and Ujivan Financial Services Private Limited, respectively.

The centre was also not maintained properly as informed by the borrowers; As per the policy all three groups has to be present for centre meeting at one designated place for repayment of loan; however the repayment of loan for two group were made on other location and one group on another.

Annapurna has removed Ms. Suvarna Mahamuni (LSO) from the job for not adhering to the policy of organization and fraud committed by her.

Approval	Documentation	Dissemination	Observance
<ul style="list-style-type: none"> Annapurna has approved principles of ethically originating clients. This includes ensuring identity of clients before application of loans through appropriate documentary evidences and non-involvement of unauthorised agents in the client origination process. 	<ul style="list-style-type: none"> Manuals and process notes clearly specify the directions for obtaining KYC documents from client. The procedure for conducting orientation meeting and client origination is clearly laid out. 	<ul style="list-style-type: none"> Annapurna has a moderate system of dissemination of its approved policies through training. 	<ul style="list-style-type: none"> Interviewed Staff members were aware of the client origination process and products. Membership card of a politician party has considered as proof of identity. Interference of LSO in group formation as per example 1.

Client Origination & Targeting	18	22
Approval	4	4
Documentation	3	3
Dissemination	4	5
Observance	7	10

LOAN PRICING & TRANSPARENCY

Score - 81 %

The transparency observed by the MFI in terms of pricing of loans is examined in detail. The pricing of loans covers interest rate, loan processing charges, additional charges taken if any, security deposits or advance installments, etc. Considering these costs while pricing the loans may change the effective interest rate charged to the clients. The scientific determination of loan price (interest rates) reflects well on the MFI's management and it also shows how effective the MFI is in providing loans to the clients at the least possible cost.

SMERA covers transparency by assessing honesty, communication, and accountability of the practices of MFI through sub parameters such as frequency of training given to clients, disclosure of terms and conditions of MFI, measuring awareness of the terms and conditions through client visit, language used in the disclosure and surprise visit conducted by the MFI staff.

Currently Annapurna charges interest of 15.0% per annum (on a flat basis) for the loan amount below ₹ 35,000 and 12.0% per annum (on a flat basis) for the loan amount of ₹ 35,000 and above along with processing fee of ₹ 100 on every loan. Further borrower have to deposit 10% of loan amount with Annapurna on which borrowers get interest of 6% p.a.

Annapurna bundles the credit & saving services with micro insurance through its Annapurna Pariwar Vikas Samvardhan (APVS) and also collect premiums for the same i.e. ₹ 120 per person of family for Arogya Nidhi (Health Mutual Fund), ₹ 60 for Jeevan Sahayog Nidhi (Life Mutual Fund) and ₹ 60 for Kutumb Suraksha Nidhi (Family Security Fund).

Annapurna maintains high transparency in the interest rates charged to its clients. The organisation discloses all terms & conditions of all financial products to the borrowers including interest rate on the loan, insurance premium and processing fees in written as well as verbal communication at the time of training. The details of products / services offered along with the charges such as interest, processing fee, premium etc. have been displayed in all the branches of Annapurna. The details are printed on the passbook of the borrower in the regional language. *The assessment team of SMERA has observed in few cases that the borrowers were not aware of interest rate and other fees charged; however they were familiar with the installment amount.*

Annapurna loan ranges from ₹ 10,000 to ₹ 100,000. The loan amount mainly depends on the loan cycle, community and annual meeting attended and savings amount of member. There is no uniformity of loan amount within the group. *During the visit, one of the group member, Mr. Yashwant Wagh from Mankhurd branch, who had recently closed his loan of ₹ 15,000, was complaining that there was no*

uniformity of amount of loan within the same group. He was availing the loan of ₹15,000, whereas the others were availing loan of ₹35,000.

According to its policy, Annapurna charge 2% as a penalty on the overdue principal amount and separate receipt for the same is issued.

Pre payment of loan is allowed in case a group wants to drop out or close their account. Further the complete group has to repay their loan account. On the event of pre-payment; entire interest of loan amount is collected along with the remaining principal amount.

Approval	Documentation	Dissemination	Observance
<ul style="list-style-type: none"> Annapurna board has approved principles of pricing loans and transparency in a responsible manner. 	<ul style="list-style-type: none"> The loan pricing criteria and method of charging have been clearly documented in the policy manuals of the organization. 	<ul style="list-style-type: none"> Interest rates and all other charges on the loans are mentioned clearly on the loan passbooks provided to the clients and displayed on the wall of each branch and also issue the receipt for the same. They are also told about this during the orientation meeting conducted by the LSOs. 	<ul style="list-style-type: none"> Awareness level of the clients about the interest rates and method of application and other charges was observed to be moderate. However, almost all the clients are aware of the installments size, duration.

Loan Pricing & Transparency	13	16
Approval	3	3
Documentation	1	1
Dissemination	2	2
Observance	7	10

The selection of the right kind of borrower and proper assessment is critical for the success of the MFI. The appraisal processes followed by the MFI, the checks and balances, know your customer (KYC) documents collected by the MFI to verify the genuineness of the borrowers, the process adopted by the MFI to avoid multiple lending / over-indebtedness and requirement of the loan are assessed in detail. The loan appraisal should take into account the repayment capacity of the clients given the loan sizes and the duration of the loan.

Loan appraisal is primarily the responsibility of the BOM (Branch Office Manager). Once the center is formed, BOM conducts Center Recognition Test (CRT) to check whether members have understood the Annapurna's loan product & services and services are provided only after successful completion of CRT. In CRT, BOM seek clarifications on the dynamics of the group, credit mechanisms, organizations product & services, terms & conditions, interest rate, purpose of loan etc. BOM visit member's residence on random basis to check the ownership of house, cross verification of personal information form and KYC documents with original.

BOM also interacts with borrower's spouse for confirmation on loan. After establishing the genuineness of the member; BOM gives the center recognition test report to the LSO on the same day.

After approval of center, LSO prepares loan file by filling application forms of eligible members and attach the CRT report along with PI form and KYC documents. BOM ensures that all the relevant information is correctly filled in the forms, before the forms are sent to head office to open an account in the software. Once the account of the member is created in the software, the files are forwarded to loan sanctioning committee for approval.

Annapurna has a policy of recording the monthly household income and expenditure of the borrower in the application form and the value of the loan taken from other MFIs based on the information provided by the client. On the basis of this information BOM decides the value of the loan. Loans are approved or rejected by loan sanctioning committee. The loan sanction committee at head office level (any two members from the loan sanction committee) verifies all the loan forms along with KYC documents. They will approve the loan based on CRT result, repayment history, and whether all the rule and regulations have been obeyed. After sanction committee, all the rejected files are sent to branch office with the reasons for not sanctioning the loans. All the approved files are then sent to branches along with the cheque for disbursement. *SMERA's team came across few application forms where difference between monthly household income and expenditure was either equal to or less than EMI amount (As per Example 2). Further in few instance members had also borrowed from other MFIs but the same was not recorded in the loan forms as it was not informed by the members to the respective field staff while verification of client details (As per Example 3).*

Once the loans are approved, the initial centre meeting is held, here the concerned LSO intimates members about the sanction of loan, charges to be paid, etc.

The loans of Annapurna are extended for both income generation and consumption purpose based on past repayment record and whether the borrower has attended all necessary meetings i.e. community meeting and annual meeting. Annapurna does not have a policy of conducting loan utilization check (LUC) after disbursement for the loan upto ₹ 50,000 and even does not record the details of purpose of loan on loan pass book of members. *Few of the visited borrowers have partially used the loan for the purpose other than mentioned in the loan form (As per Example 4).*

Loan disbursement usually takes place between 21st to last date of the month in branch office by way of cash or cheque; disbursements are compulsorily done in cheque, where loan amount exceeds ₹ 10,000. Annapurna has made it compulsory that all members from the centre should be present along with their spouse at the time of loan disbursements. BOM / LSO again conducts orientation meeting on the day of disbursement to give the information about the loans and insurance services that members are going to avail. Annapurna collects the charges such as security deposit, processing fees and insurance premium at the time disbursement and also issues the receipts to each member for the same.

As per the policy, centre meeting and loan repayment should be conducted at a central designated place. Annapurna issues loan passbooks to each borrower and informs them to keep the respective passbook with themselves at the time of group formation; *however in most the group visited it was observed that the passbook of the borrowers were kept with either group leader or centre leader. (As per Example 7)*

Example 2 – While going through loan file of Shashikala group of Shivaji Nagar (University Road) branch, it was observed that members were availing loan of ₹ 25,000 and ₹ 35,000. However; as per their application form the difference between monthly household income and expenditure was either equal to or less than EMI amount for the loans availed.

Example 3 – One of the member at Ghatkopar branch was availing 2nd cycle loan from Annapurna of ₹ 20,000 for saree business; she also had a shoes retail shop and operating both business from same location. While discussion, assessment team came to know that she was already availing a housing loan of ₹ 400,000 (sanctioned around two years back) from Local Patpedhi for which she was paying ₹ 500 as a loan repayment on daily basis. The field staff of Annapurna were not aware of this loan availed from other source by the member.

Example 4 – Gangubai Jamadar, borrower of Shivaji Nagar (University Road) branch was availing 3rd cycle loan from Annapurna of ₹ 15,000 for house repairing purpose. However she has partially used the loan amount to repay her old debts taken from neighbors and relatives.

Approval	Documentation	Dissemination	Observance
<ul style="list-style-type: none"> • Annapurna policy requires that adequate loan appraisal could be performed before disbursing a loan and proper examine of the repayment capacity of the borrowers. • Annapurna does not have a policy to check multiple lending / indebtedness of the borrower; however they rely on the declaration provided by the member. 	<ul style="list-style-type: none"> • The guidelines for appraising a loan application are clearly documented in the operational manual. Information pertaining to income, purpose of loan, savings and loan taken from other source is obtained at the time of PI form / loan application. 	<ul style="list-style-type: none"> • The branch staffs were found to be well aware of how to conduct the loan appraisal as per the guidelines. 	<ul style="list-style-type: none"> • All the loan applications verified contained details of household income and expenditure; however the details pertaining to loans from other lenders were not efficiently captured in application forms. • Annapurna does not conduct a LUC for loan sanctioned upto ₹ 50,000. • Monthly household income & expenditure was either equal to or less than EMI amount for the loans availed in few instances

Loan Appraisal	14	18
Approval	2	5
Documentation	4	4
Dissemination	3	3
Observance	5	6

PRIVACY OF CLIENT INFORMATION

Score - 100 %

Client confidentiality is an important function of any organization. MFI collects personal information about its clients that is either required or necessary to provide with financial products or services. The MFI should not disclose or misuse non-public personal information to affiliates or non-affiliated third parties, except as permitted by law or client privacy policy disclosure. For this, SMERA assessed whether MFI maintains physical, electronic and procedural safeguards for the client information.

Annapurna has an adequate system of storage and retrieval of documents and information collected from the clients. The files containing documents and members profile are kept at the respective branches. The relevant data is entered into the MIS software “Quantum Sampurna Software” at head office, which has well defined access rights by the staff who have their individual user ID and password.

Approval	Documentation	Dissemination	Observance
<ul style="list-style-type: none"> Annapurna’s policy requires that the information received from the clients is stored properly and unauthorised access is prohibited. 	<ul style="list-style-type: none"> Process manuals provide adequate guidelines on how the client documents and information has to be recorded and files have to be stored. Accessibility rights to the data have been defined for software “Quantum Sampurna Software” 	<ul style="list-style-type: none"> All the branches visited displayed consistent awareness of data storage processes. 	<ul style="list-style-type: none"> All the files are kept properly in all the branches. Branch staffs have access to entire data of client. Password and user ID of particular member is not known to other member in MIS department at HO.

Client data security	8	8
Approval	1	1
Documentation	2	2
Dissemination	2	2
Observance	3	3

This section evaluates the process of the MFI with respect to staff selection, appraisal and incentive mechanism, staff behavior with clients, effectiveness of the client grievance mechanism.

Staff Behaviour -

Annapurna has adopted policies that lay adequate emphasis on the conduct of its staff members towards the clients. The following are the important aspects of the expected behaviour of field staff towards the clients.

1. Staff should remain truthful to the objectives of the organisation and duty towards the members.
2. Staff should not indulge in any criminal activities such as theft, telling lies, fraud, accepting or giving bribe or any other crimes.
3. Staff should not accept any free gifts or items from the members.
4. Staff should not indulge in any vices such as tobacco, alcohol, gutkha, mataka, lottery or any other vices.
5. Staff should treat the other staff members of the organisation and the members as brothers and sisters.
6. Staff should not have any discrimination according to gender, status or any other reason.
7. Staff should behave properly with the staff / members or other women.
8. Staff should not pass any important information about the organisation to any outsider.
9. Staff should not visit clients on their leave / holidays declared by the company except during their regular business meetings.
10. All the staff should always be dressed formally and carry the ID cards along with them during their official work.
11. Staff should not accept any amount in excess of prepayment/collection or borrow any amount from members.
12. Staff should not obtain loan in the name of a member and use the amount themselves / to give the money to colleagues / to give the amount of loan in the name of one member to another.
13. Staff should not use the members' installment amounts for personal use or to give the money to anybody else. *However the instance of fraud by field staff has been observed in Dattawadi (Sinhagad Road) and Hadapsar branch. (Example 5)*
14. Staff should issue the receipt for the amount received from the members.

Annapurna has written HR manual related to selection, recruitment, training, evaluating the staff performance and promotions. LSO recruitment is done through personal interview by BOM and Jr. Manager. Annapurna has the following criteria to recruit the LSO -

- Married woman
- Having one or two children (Maternity Leave cannot be granted to the LSO, so select LSO who is having children)
- Age between 30 to 35 years
- Clear voice and clear pronunciations.
- Minimum education: 10th standard passed.
- Talkative and smart
- She should be staying within the distance of 3 bus stops from the branch office.
- Should have sound health.
- Her family background should be good. The family members will have to give her support and co-operation; hence BOM should talk with her family members about this (before appointing her).

One of the important aspects of staff's induction training is conduct towards clients. Detailed guidelines have been provided to staff in the policy documents as well as operational manual regarding the way they should interact with the clients.

Annapurna also provides incentives to the staff on performance basis i.e. number of client handling, asset quality, portfolio outstanding, file completion, punctuality etc. Promotion of staff is done in the organisation from one job position to another on the basis of the staff performance and organisation requirement. Annapurna has the policy of transferring the staff to any other project of the organization/sister company based on requirement of new job.

Loan collection and recovery process -

MFIs should develop collection practices that require all clients to be treated with dignity and respect, even when they fail to meet their contractual commitments. Clients should also be aware of the debt recovery practices of the MFI. They should be aware of what to expect in case there is a delayed payment or a default.

All the borrowers are required to meet every month at centre meeting for the purpose of repayment of their monthly installments. These meetings are conducted by the LSO, who carries collection sheets and receipt for the loan installment member-wise generated through system. The group leader collects the

installments from the respective groups and hands over the amount collected along with the loan passbook to LSO. LSO after ensuring that the amount is correct updates the client's passbook and issues the receipt to individual member. *However one of the members visited at Ghatkopar branch the passbook was not updated for the installment received for the month of October and November, 2012. (As per Example 7)*

In case one or more members of the group are unable to pay the installment, other members of the group are asked to contribute on their behalf, reminding them of the group liability. In case the amount does not come till the end of the meeting, LSO disperses the meeting and proceeds to the next meeting. She takes an appointment with the borrower and group leader as to when should she come next for collection of overdue installments. *The assessment team has observed that the LSOs or other staffs visit the house of the delinquent client for overdue installments.*

An important aspect of the recovery procedure is that although there is high degree of emphasis on timely recovery and application of peer pressure, this does not always mean that all the scheduled installments should come on the same day. In case, one or more clients of the group are not able to repay during the scheduled centre meeting, the LSO proceeds to his next meeting and comes back for the follow-up at the scheduled time. LSO visits the house of defaulted member along with her / his group and sits at clients place till they repay their overdue installment or give next date for repayment. Staff does not force the client to prepay the loan installments if they receive the delayed installment; however the same was not adhered **as per Example 6.**

If borrower is not able to pay or refused to pay then Annapurna issues one Blue Defaulter Card to the borrower and asks him/her for an appointment to collect the outstanding due. If there would be no response from the borrower then Reminder Notice has been issued and asks the borrower to pay outstanding due in certain period of time. The members group is involved in all the stage of follow-up as they are the guarantor for his/her loans. Even after the reminder notice if the member doesn't pay the overdue installments then Notice Before Action is issued to member.

Example 5 - Mrs. Sweety Shinde, Mrs. Suvarna Mahamuni, and Mrs. Vaishali Vaphgaonkar; LSO's from Dattawadi (Sinhagad Road) and Mrs. Sanjivani Podar and Mrs. Archana Gadhwe from Hadapsar Branch had indulged in fraud. They collected installment amount without issuing the receipts to the borrowers and used the collected amount either for their personal use or for settlement of old defaulted client. This fraud came into the picture during Annapurna's follow-up process from the members whom the receipt were not issued and were reflecting as the defaulter. Subsequently Annapurna terminated all the staff involved in the fraud immediately.

Example 6 – Mrs. Hirkani Kale - Member of Pune City Area branch

She has completed two cycle of loans from Annapurna in past and has also withdrawn her outstanding savings. She again enrolled with Annapurna and availed loan of ₹10,000 with the tenure of eighteen months for running small shop. She was unable to pay her installments for the month of September on account of cash flow issues in her house due to illness of her daughter. However she paid the installment of October in time and two installments in November including delayed installment of September. On the scheduled date of installment on September, all group members paid their own installment but did not contribute for the installment of Mrs. Hirkani Kale.

During this incident BOM and LSO visited her place twice along with the center members. The centre put excess pressure to repay the delayed installment and pre-close the loan. As informed by Mrs. Hirkani Kale, behavior of BOM was aggressive and had asked her to repay all the remaining installments in advance and close the loan by prepaying seven outstanding installments.

Example 7 – Mrs. Sunanda, borrower from Ghatkopar branch is availing 2nd cycle loan of ₹10,000. Though she is a group leader, she has very less knowledge regarding installment amount and interest rate. She has paid the installment for the month of October and November, 2012; however the same was not updated on her loan passbook. Further the loan passbook and receipts of all other group members were kept with herself.

Approval	Documentation	Dissemination	Observance
<ul style="list-style-type: none"> • Various policies of the organization provide adequate directions for staff to treat client with respect and dignity. Clear directions are there on how to deal with situations where one or more clients are facing problems in repayment of installments. • In case of delay or default in installment repayment, Annapurna has the policy to visits the house of borrowers with group / centre members. • Annapurna does not have any policy related to client grievance handling. 	<ul style="list-style-type: none"> • There are detailed guidelines in the policy and operational manuals on the expected conduct of the staff members with the client. 	<ul style="list-style-type: none"> • The entire branch staff members interviewed displayed moderate level of awareness on staff behaviour & client grievance handling. However there were certain exceptions in the past (example 5). 	<ul style="list-style-type: none"> • All staff was found to be aware of the rules of staff conduct and grievance handling. • Behaviour of staff towards clients was found to be professional in almost all situations encountered, except example 6 where aggressive behavior of BOM shown in the past reduces the comfort level.

Staff Behaviour & Client Grievance Handling	22	35
Approval	4	7
Documentation	5	6
Dissemination	6	10
Observance	7	12

INTEGRATING SOCIAL VALUES INTO OPERATIONS

Score - 90 %

Sustainability is an increasingly relevant issue for MFIs; accordingly sustainability management strategies and practices are significant. For example, appropriate environmental and social performance objectives, targets and indicators need to be integrated with quality, cost and other more conventional performance measures. SMERA assess governance, board composition, and area of expertise of the board, how social values are assessed by the management or board and the transparency in financial accounting.

Annapurna maintains a high standard of governance and integrity by inducting persons with good and sound reputation in the industry and understanding of microfinance as members of board of directors or governing body. Annapurna has qualified and professional board having diversified functional expertise. The board members are actively involved in policy making and approvals, fund mobilization, responsible for all decisions at a strategic level, approving business plan & new products, reviewing the performance and other important decisions pertaining to Annapurna. Board also performs functions such as review of financials and discussion on the auditor's report, committee report, etc. The senior management team updates the board regularly on operations and key developments in each department.

Annapurna maintains a high standard of integrity by adopting policies to attain the vision of the organisation to make life easier for the poor and needy women. Annapurna provides the financial support to both men and women mainly for income generation and consumption purpose to establish a sustainable business and in turn enabling them to reduce their poverty and to attain the social value.

The tenure of the loan provided to the borrower differs according to loan amount and household income to protect the poor client.

Annapurna has compulsory security and voluntary savings deposit schemes for the clients. Annapurna takes 10% compulsory security deposit of the amount disbursed from the clients and in-turn gives 6% interest of the amount deposited and accepts voluntary monthly savings deposit from the clients on which it gives 7% interest on the amount saved.

Insurance services are also provided to the member of Annapurna by APVS. It provides insurance facilities to the clients against death, accidents and health hazards through its three different products. They also have 24/7 helpline number of the doctors for consulting any health issues of the borrower or their family. APVS also issue a medical card i.e. "Nidhi Card" to the members which includes the details of insurance product and helpline number of doctor and photograph of members family who are covered

under the insurance services. Doctors' network is created by signing MOUs with hospitals (Public, Trust and Private) and health care providers; they support the organization by giving health care at low cost. *However some of the borrowers visited were not happy with the quality of services availed from affiliated hospitals.*

Annapurna also provides day care centers for the children of domestic servants and other self-employed women in slums, educational sponsorships to the children of single parents and also runs a working women's hostel-cum-destitute home.

Approval	Documentation	Dissemination	Observance
<ul style="list-style-type: none"> Annapurna has approved principles of integrating social values into operations. 	<ul style="list-style-type: none"> Annapurna maintains integrity by adopting policies or process notes to attain the vision of the organisation to improve the quality of life of the poor by providing access to financial and support service. 	<ul style="list-style-type: none"> Annapurna has a system of dissemination of its social values. 	<ul style="list-style-type: none"> Annapurna maintains a high standard of governance and integrity in operation. Few visited borrowers were complaining about the poor quality of services provided by the affiliated hospitals.

Integrating social values into operations	9	10
Approval	2	2
Documentation	2	2
Dissemination	2	2
Observance	3	4

RELATIONSHIP MANAGEMENT AND FEEDBACK MECHANISM

Score - 54 %

MFI's need to build sustainable and long term relationship with clients. Sound relationship management enhances the quality of the clients' experience with the MFI. This allows the MFI to better understand clients' needs and grievances. MFI's need to have formal mechanisms to get feedback and complaints from the clients. Customer complaints should be taken seriously, investigated and resolved in a timely manner. Responsibilities relating to receiving client grievance, feedback and action plans need to be clearly identified and allocated. SMERA evaluates these practices in detail.

Annapurna has a moderate procedure to be responsive to client feedback and to established dedicated feedback and grievance redressal mechanisms. As per the policy every branch has to have a complaint box outside the branch for clients and employees and the key to the complaint box were to be kept with the junior manager. *However in few of the visited branches; the complaint box was not placed outside the branch due to disagreement of premises owner. The number of complaints in the box was very few.*

For any grievance list, phone number of concerned BOM, Jr. Manager & Assistant Manager is displayed on main door of every branch in regional language. *Clients have been informed of this mechanism during training and group formation; however most of clients visited were not found to be aware of this mechanism and the number pasted on main door of the branch.* Further *branch office and head office phone number is pasted on the passbook provided to the clients however few members were not aware of the same.* There is no laid out procedure of receiving and responding to complaints of the members. However if any complaint is received, it is forwarded to Jr. Manager or Assistant Manager. They take the necessary step to resolve the grievance and try to resolve the complaints to the satisfaction of the client. *Annapurna does not maintain any records for the complaints received and the action taken against it.*

Annapurna has the process to call the members who are withdrawing their membership from the organization and outstanding savings. The executive call the member to get the feedback and reason behind their withdrawal of savings and membership and inform members the benefit of retaining their membership and savings in the organization.

Approval	Documentation	Dissemination	Observance
<ul style="list-style-type: none"> The policy does not provide adequate and appropriate directions for addressing complaints from clients and feedback mechanism; however have the contact numbers of seniors of operation department pasted on branch wall and complaint box are also placed outside each branch. There is no separate customer care department for registering complaints or understanding client's difficulty for microfinance. 	<ul style="list-style-type: none"> Operational manuals do not provide detailed guidelines regarding collection of feedback from client and actions to be taken upon them. However details pertaining to complaint box outside each branch and complaint number have to be displayed on main door of every branch is been maintained. 	<ul style="list-style-type: none"> Phone numbers of the concerned persons are not printed on the loan passbook provided to the clients; however the same has been pasted on the wall of the branch. Clients are informed of the same during the group formation and trainings. 	<ul style="list-style-type: none"> Most of the clients visited were not aware of the phone numbers of the concerned persons given to resolve their grievances which were pasted on branch. Generally clients said that they were satisfied overall with the services of the Annapurna. Annapurna does not maintain any records for the complaints received and the action taken against it. In few of the visited branches; complaint box was not placed outside the branch

Relationship Management and Feedback Mechanism	15	28
Approval	0	2
Documentation	4	7
Dissemination	3	6
Observance	8	13

COMPLIANCE STATUS OF MFI VIS-À-VIS THE RECENT RBI GUIDELINES

Score - 50 %

SMERA examines the adherence level of the MFIs with respect to the recent draft guidelines issued by RBI. Thus the Code of Conduct exercise involves a comprehensive review of MFIs policies and systems and whether these translate into ethical microfinance practices. However Annapurna does not fall under the purview of RBI, hence they have not complied with the most of the terms and conditions of guidelines issued by RBI. Such as -

<u>Conditions as per RBI Guidelines</u>	<u>Annapurna's Policy</u>	<u>Compliance</u>
Household annual income levels for eligible borrowers in Rural Areas not exceeding : ₹ 60,000 Non-Rural Areas not exceeding: ₹ 120,000	The company obtains the declaration from the borrowers regarding monthly household income and expenditure in loan application form.	However during the branch visit, the assessment team observed that in some of the application forms annual income of the borrower is exceeding ₹ 120,000.
loan amount does not exceed ₹ 35,000 in the first cycle and ₹ 50,000 in subsequent cycles;	Annapurna offers loan of ₹ 7,000 to ₹ 10,000 in the first cycle and subsequently increase the loan amount based on their previous loan repayment.	Annapurna meets the criteria.
Total Indebtedness of the borrowers should not exceed to ₹ 50,000	The loan offered by Annapurna ranges between ₹ 7,000 to ₹ 100,000. Annapurna takes a declaration from the client for the amount of indebtedness in the application form.	The assessment team has observed that few clients have borrowed from more than 2 MFIs or borrowed more than ₹ 50,000.
Tenure of the loan not to be less than 24 months for amounts in excess of ₹ 15,000	The maximum loan size is ₹ 100,000 repayment tenure ranges from 12 to 36 months.	The assessment team has observed that loans in excess of ₹ 15,000 are also having tenure of 12 months.
Repayment frequency should be weekly, fortnightly or monthly at the choice of the borrower	Repayment of the loan installments is monthly.	Annapurna does not meet the criteria prescribed by RBI as it offers only monthly based repayment.
Interest rate should not exceed 26% p.a. on a reducing balance basis	Annapurna charges interest @ 15% p.a. (flat basis) on a loan amount below ₹ 35,000 and @ 12% p.a. (flat basis) for loan amount of ₹ 35,000 or more.	Annapurna meets the interest rate criteria partially.

Loan pricing to include processing fee (not exceeding 1% of the loan amount)	Annapurna is charging ₹ 100 which includes loan processing fees, admission fee, annual meeting fee, emergency fund and share contribution.	Annapurna meets the processing charges criteria fully.
Collateral free loans	Annapurna does not accept any collateral for extending the credit.	No collateral have been accepted from the clients.
MFIs shall not collect any Security Deposit / Margin from the borrower.	Annapurna collects 10% of loan amount as compulsory security deposit from the borrower and in-turn gives 6% interest on the amount deposited	Annapurna does not meet the criteria prescribed by RBI.
No late payment or prepayment penalties	Annapurna does not take prepayment penalties from the clients. However they charge penalty of 2% of the overdue principal amount	Annapurna meets the criteria partially.
Share complete client data with all RBI approved Credit Bureaus, as per the frequency of data submission prescribed by the Credit Bureaus.	Currently Annapurna is not sharing any client data with any RBI approved Credit Bureaus.	Annapurna does not meet the criteria prescribed by RBI. However they are planning to have tie-up with any one of the approved Credit Bureaus.
Minimum 75% of the MFIs portfolio should be given for income generation activities	Loans are given mainly for income generation and also for education, house repair, asset creation and old debt repayment purpose.	Income generation loans constitute ~78% of total loan outstanding as on 30/Sep/2012. Annapurna does not conduct loan utilization check for the loans upto ₹ 50,000.

Approval	Documentation	Dissemination	Observance
<ul style="list-style-type: none"> The policies framed by board of Annapurna partially adherence with respect to the guidelines issued by RBI. 	<ul style="list-style-type: none"> There are guidelines in the operational manual of the organisation on moderate level of partial adherence on RBI guidelines. 	<ul style="list-style-type: none"> Policies were not updated / modified on most of the recent guidelines issued by RBI. 	<ul style="list-style-type: none"> Most of the guidelines issued by RBI were not adhered by Annapurna.

Compliance Status of MFI vis-à-vis the Recent RBI Guidelines	16	32
Approval	3	6
Documentation	3	5
Dissemination	4	9
Observance	6	12

WEIGHTS

The following matrix presents the weights given to the various parameters in the assessment tool.

Weight Matrix	Approval	Documentation	Dissemination	Observance	Total
Client Origination & Targeting	2%	2%	3%	6%	13%
Loan Pricing & Transparency	2%	1%	1%	6%	9%
Loan Appraisal	3%	2%	2%	4%	11%
Privacy of Client Information	1%	1%	1%	2%	5%
Staff Behaviour & Client Grievance Handling	4%	4%	6%	7%	21%
Integrating Social Values Into Operations	1%	1%	1%	2%	6%
Relationship Management and Feedback Mechanism	1%	4%	4%	8%	17%
Compliance Status of MFI vis-à-vis the Recent RBI Guidelines	4%	3%	5%	7%	18%
Total	18%	18%	23%	41%	100%

LIST OF BRANCHES VISITED

SMERA has used the following framework for assessment of MFIs - The Approval; Documentation; Dissemination and Observance (ADDO) framework for measuring adherence of MFIs towards ethical operational practices. The assessment requires visits to the MFI's head-office as well as branch offices.

This assessment includes:

1. Discussions with key staff members and the senior management at the head office and branch office, particularly the senior operational management team as well as the human resources team. These discussions focus on key issues of the code of conduct identified above and systems and process of MFI.
2. Review of manuals and policy documents at the head office. These are reviewed in order to assess the policy as well as documentation regarding important aspects.
3. Sampling of branches at the head office. The assessment team selected eight branches as samples, as per the size of the MFI for review. Out of eight branches three are located in Mumbai and remaining are in Pune. Care is exercised to include old & new branches as well as branches that are distant from the regional office and branches with the higher overdue.
4. Discussions with the branch staff at the branch office. Discussions with branch managers and LSO are carried out to assess their understanding of the key code of conduct principles and systems and process.
5. Selection of groups from the sample branches. A judgmental sampling is performed on the MFI's clients by the assessment team to draw respondents from the interest group. Two/three groups from each sample branches was selected for interviews. Out of which few respondents are those that have been having problems in attending meetings or making repayments. SMERA has also selected respondents those have defaulted in the past or started repaying on defaulted loans and the client availed insurance claims.
6. Interview with the clients. Information from the clients is collected ideally during the group meetings as well as visits are made to the clients' locations for collecting information.
7. Review of loan application and insurance claim settlement files at the branch office. This review focuses on loan appraisal performed before disbursing loans as well as the documents collected from the clients and the process of insurance claim settlement and duration of settlement from the date of death or death certificate received.

As part of the assessment, SMERA visited 08 branches of Annapurna in Maharashtra. The details of the branches visited are provided below.

Sr. No.	Branch Name	Region	Branch Opening date
1.	Karvenagar	Pune	1993
2.	Shivaji Nagar (University Road)	Pune	2005
3.	Hadapsar	Pune	2003
4.	Pune City Area	Pune	2006
5.	Dattawadi (Sinhagad Road)	Pune	2007
6.	Mankhurd	Mumbai	2007
7.	Kalwa	Mumbai	2005
8.	Ghatkopar	Mumbai	2011

METHODOLOGY

1. Collecting minimum documents from the MFI to understand in detail the scope of operations in terms of areas, products, borrower profile etc.
2. Sample selection of branches (sample may be decided by taking into account the loan outstanding portfolio, recency customer grievances received, different products concentration, location, type of borrowers, PAR, etc.).
3. Visit to head office and understanding the code of conduct, vision and mission statement, policies, procedures and processes of MFI pertaining to loan appraisal, loan pricing, collection mechanism, documentation, re-scheduling & write off, etc.
4. Interacting with CEO/ Managing Director and the core team and seeking relevant information.
5. Detailed review of the processes framed for selection of areas and villages, client orientation, group formation and pricing of loans.
6. Interaction with the groups to find out the extent of transparent disclosures, the MFI has made to them in terms of product & services, pricing, insurance, terms and conditions, overleveraging or multiple borrowings, frauds or corruption / commission kickbacks asked by the officers for sanctioning of loans if any. Unethical behavior of the staff, if any, would be specifically addressed.
7. Interaction with the credit officers on sample basis to assess compliance with policies and obtain their feedback / opinion on the policies and systems with specific focus of customer grievances and feedback mechanisms. The incentive structure for the staff would also be assessed.
8. Prepare detailed report and submit to management for review.
9. Prepare final report and submit to the management.

Questionnaire for the field visit

1	Name of the Member
2	How did members came to know about the MFI and who motivated to form the group
3	What Kind of training provided before sanctioning of loan?
4	Does anyone visited the house pre and post disbursement
5	Loan amount taken
6	Amount Applied for (If sanctioned is less - Reason)
7	Interest Rate and any other Charges
8	Any commission paid to anyone for availing loan
9	Purpose of Loan
10	Mode of Repayment
11	Installment amount
12	Aware of pending installments or balance outstanding
13	Any penalty charged
14	What are the KYC documents submitted?
15	Where the disbursement of loan happens and under who's presence?
16	Where collections of loan take place?
17	Any delays / default at present or in past, If Yes, what is the reason?
18	Number of Family members
19	Earning Family Member
20	Occupation of Spouse
21	Monthly Family Income
22	Number of Childers going School
23	Aware about any other MFIs operating in the area
24	Loan from Any other MFIs' / Bank / Moneylender / others
25	If Yes,
26	Name of the MFIs' / Bank / Moneylender / others
27	Amount Taken and Interest Rate
28	Is the group formed by the persons living in nearby vicinity?
29	Knows the house / name of each group member?
30	What are the responsibilities of the group?
31	Attendance of members
32	Saving habit among the group members?
33	Dominant nature of group leader?
34	Familiar with the branch manager / staff?
35	How are the interaction / behaviour of the MFI staff?
36	Process / Awareness of feedback / Complaints mechanism?
37	Have made any complaints in past?
38	Any Request / demand
39	Others if any,

*****The End*****