

## Comprehensive MFI Grading

*Swayamshree Micro Credit Services*

**Comprehensive Grade Assigned: \*M3 C4**

**Date assigned: May 5, 2017**

Scale	C1	C2	C3	C4	C5
M1					
M2+					
M2					
M3+					
M3				<b>*M3 C4</b>	
M4+					
M4					
M5					

The MFI obtains comprehensive MFI grade of **\*M3 C4**. ICRA's MFI grading is a current opinion on the ability of a microfinance institution (MFI) to manage its microfinance activities in a sustainable manner is moderate.

### Grading Rationale

<b>Microfinance Capacity Assessment Grade</b>	SMCS has obtained "M3" grading from ICRA. The grading indicates that in ICRA's current opinion, the Graded MFI's ability to manage its microfinance activities in a sustainable manner is moderate.
<b>Code of Conduct Assessment Grade</b>	SMCS obtains "C4" as its Code of Conduct Assessment Grade which signifies weak performance on COCA dimensions.

\* Note: ICRA MFI grading of M3 has expired as it was done in September 2015

*Comprehensive MFI Grading provides opinion of the Rating Agency on MFI's capacity to carry out its microfinance operations in a sustainable manner and its adherence to Industry Code of Conduct. MFI Capacity Assessment Grading has been done on the dimensions of **Capital Adequacy, Governance, Management Quality and Risk Management Systems**. Assessment on Code of Conduct has been done on the indicators pertaining to **Transparency, Client Protection, Governance, Recruitment, Client Education, Feedback & Grievance Redressal and Data Sharing**. Some of these indicators have been categorized as Higher Order indicators consisting of indicators on **Integrity and Ethical Behaviour and Sensitive Indicators**.*

### Conflict of Interest Declaration

The Rating Agency has not been involved in any assignment of advisory nature with the MFI for a period of 12 months preceding the date of the comprehensive grading. None of the employees or the Board members of the Rating agency have been a member of the Board of Directors of the MFI during for a period of 12 months preceding the date of the comprehensive grading.

### Disclaimer

ICRA does not undertake unsolicited rating/gradings. The MFI grading exercise for this entity was not carried by ICRA limited and ICRA has relied on the grading report /letter provided by the MFI for the same. Therefore, the grading mentioned above does not reflect ICRA's opinion on the relative capability of the MFI concerned to manage its microfinance activities in a sustainable manner.

### Disclaimer

ICRA gradings should not be treated as recommendation to buy, sell or hold any instrument issued/to be issued by the graded entity. ICRA gradings reflects its current opinion on the graded entity/instrument and may be subject to a process of surveillance, which may lead to revision in gradings. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA gradings Outstanding. The objective of the Code of Conduct assessment exercise is to assess the extent of adherence to common Code of Conduct by MFIs during the period of assessment. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the graded entity. ICRA however has not conducted any audit of the graded entity or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than grading to the entity graded. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

### Historical Rating Grades

Date	Rating Agency	MFI Grading
September 2015	ICRA	M3
March 2014	CARE	MFI 3+

**Code of Conduct Assessment scale and definitions**

<b>C1</b>	MFIs with this grade have <b>excellent</b> performance on Code of Conduct dimensions
<b>C2</b>	MFIs with this grade have <b>good</b> performance on Code of Conduct dimensions
<b>C3</b>	MFIs with this grade have <b>average</b> performance on Code of Conduct dimensions
<b>C4</b>	MFIs with this grade have <b>weak</b> performance on Code of Conduct dimensions
<b>C5</b>	MFIs with this grade have <b>weakest</b> performance on Code of Conduct dimensions

MFI's Profile (March 2017)	
Name of the MFI	Swayamshree Micro Credit Services
Legal form	Section 25 Company
Operational Head	Shri Parashuram Nayak, Whole Time Director
Year of starting microfinance	2003
Branches	18
Active borrowers	23010
Total staff	125
Operational area	Odisha
Visit of the Assessment team	Odisha
Correspondence address	Plot No.549/2126, Patia. Bhubaneswar-31, Khurda, Odisha, India.

Details of Loan Products (March 2017)				
Product	Description	Loan size (Rs.)	Interest Rate	Processing Fees
Agri/Allied Agri & Business promotion	Small business, petty trading, Cottage Industry, Handloom, Handicraft, allied agriculture etc	Maximum Rs.50,000 per member	26% reducing balance method	1%
Housing	House repairing and renovation	Maximum Rs.1.25 lakhs per member	15.5%	1%
Water & Sanitation	Toilet construction and water connection	Rs.15,000 to Rs.30,000	15.5%	1%
Green energy	Solar home lights, solar fan, cook stove & other consumer products	Maximum Rs.10,000 per member	26%	-

Ownership/Equity Structure

Shareholding Pattern (March 2017)	
Shareholder	% Shareholding
Board/Ex-Board Members	58.10%
Staff/Ex-Staff Share Holders	41.90%
<b>Total</b>	<b>100.00%</b>

Profile of Board of Directors

<b>Sr No</b>	<b>Name</b>	<b>Education</b>
1	Shri Parashuram Nayak	M.A, C.A.I.I.B
2	Dr (Mrs) Bedabati Mohanty	M.A Ph D Economics
3	Shri Prafulla Kumar Sahoo	B.Com, MSW Diploma in Youth Work
4	Shri Jagdish Pradhan	MA in Political Science
5	Shri Prasanna Kumar Mishra	MA & PhD in Political Science
6	Shri B.K. Mahunta	M.Sc (Physics), CAIIB
7	Shri Bibhuti Bhusan Das	MA, CAIIB (both parts)
8	Ms Geeta Patnaik	G.D. Arch. B.Arch.
9	Shri Santanu Sarma Barua	A Post Graduate in Economics, MBA (Finance)

Source: Company data

<b>Key Performance Ratios</b>		
	<b>March 2016</b>	<b>December 2016</b>
Portfolio at Risk (>30 days)	1.87	1.79
Capital to Risk Weighted Capital Adequacy Ratio (CRAR)	20.63	24.78
Operating Expense Ratio (OER)	6.60	7.50
Funding Expense Ratio (FER)	12.95	12.07
Write-offs to average portfolio	0.55	0.73
Return on Assets (RoA)	23.24	22.42
Return on Equity (RoE)	3.90	8.59
Active borrowers per staff	281	233
Active borrowers per branch (Own)	1,164	1,231

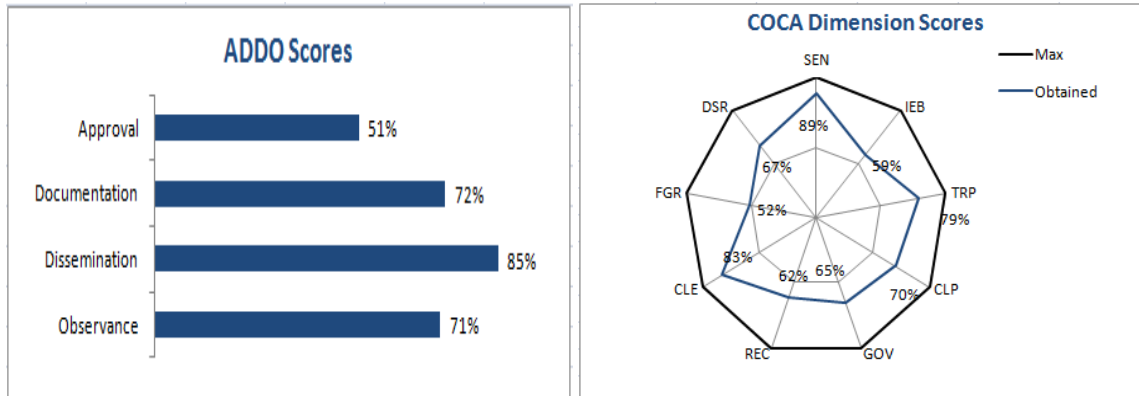
## Compliance with RBI's Directions for MFIs

Sr No	RBI's Direction	Status
1	85% of total assets to be in the nature of qualifying assets	87.28%
2	Net worth to be in excess of Rs 5 crore	Complied
3	Income of borrower not to exceed Rs 100,000 in the rural areas and Rs 160,000 in the urban and semi-urban areas*	Complied
4	Loans size not to exceed Rs 60,000 in first cycle and Rs 100,000 in subsequent cycles*	Complied
5	Total indebtedness of the borrower not to exceed Rs 100,000 (excl medical and education loans)*	Complied
6	Tenure of loans not to be less than 24 months for loan amount in excess of Rs 30,000, with prepayment without penalty*	Complied
7	Pricing guidelines are to be followed	Not applicable to Section 25 Company
8	Transparency in interest rates to be maintained	Displayed on notice boards in the branches and printed in the loan passbooks of borrowers
9	Not more than two MFIs lend to the same client	Complied

\* For the assets classified as qualifying

Source: Company data

## Section 1: Code of Conduct Assessment



SEN: Sensitive Indicators; IEB: Integrity and Ethical Behaviour; TRP=Transparency; CLP=Client Protection; GOV=Governance; REC=Recruitment; CLE=Client Education; FGR=Feedback and Grievance Redressal; DSR=Data Security

### Code of Conduct Assessment Summary

SMCS's performance on the code of conduct takes into account MFI's healthy performance on Client Education, Transparency, and Client Protection. The overall score is further enhanced by SMCS's high score on sensitive parameters. There is scope of improvement across Feedback and Grievance Redressal Mechanism, Recruitment, Governance, and Data Sharing. SMCS's overall score is impacted by low scores in Integrity and Ethical Behaviour.



## MFI Strengths and Weaknesses pertaining to Code of Conduct

### Strengths

- SMCS communicates with borrowers in a transparent and professional manner and informs the clients regarding interest rates and other costs and receipts are issued for all payments. Further, the communication is done in vernacular language.
- The operational staff is punctual and courteous towards the borrowers with none of the borrowers complaining about the operational staff's behaviour.
- SMCS disseminates a single, effective annual rate to its borrowers. The processing fees charged is 1%, which is in line with the prescribed guidelines.
- All the borrowers need to undergo compulsory group training (CGT) and group recognition test (GRT). During the training, they are informed about the products offered, terms and conditions, and responsibilities.
- No instances of collateral or security deposit being taken from the borrowers were observed. The same has been documented in the operational manual as well. Interviewed branch managers were aware regarding the guidelines.
- SMCS undertakes review of its margin regularly. The margin cap for SMCS is 12%. It gets the prevailing base rates of five largest banks from RBI. SMCS can charge upto a maximum of 2.75x of the base rates of five largest banks. The company also gets compliance with RBI pricing guidelines certified by an independent CA agency on a quarterly basis.
- The Board is chaired by an independent Director. SMCS's board consists of nine directors of which five are independent.
- SMCS has a clear policy regarding documents to be collected for identity and address proof. The credit officer collects Voter card, Aadhaar card, etc as identity proof and Ration card, Electricity bill, etc as address proof. The copy of KYC collected from clients is verified with original documents.

### Weaknesses

- Of the ADDO parameters, the company needs to improve on the approval policies, observance and documentation like updates related to Board matters, internal audit checklist to include various other parameters on RBI compliance, etc.
- During client visits, ICRA noticed that there were instances where loan classified as qualifying microfinance loan, the loan tenure was not in line with the limits defined by RBI. Loans above Rs.30,000 had less than 24 month tenures.
- Only 20% of the borrowers interviewed revealed that they had been disbursed loans within specified time limits. Rest borrowers said they received loans within a month's time.
- SMCS does not have a documented policy that when it recruits staff from another MFI, the said staff will not be assigned to the same area he/she was serving at the previous employer for a period of one year. ICRA's interview with SMCS's employees does provide evidence that staff has been placed in the same area as in their previous organization for a period of one year.
- There were instances of fine or penalty being levied or collected from the borrowers due to delay in payment.
- Clients does not get acknowledgement when they apply for a loan. A copy of loan agreement is not provided to clients.
- The company's financial statements and annual report for FY2016 are not available at the company's website.
- The code of conduct compliance report is not available in the public domain.
- The feedback and grievance redressal mechanism has scope of improvement. The borrowers were not aware of the Grievance redressal mechanism established by industry associations.
- Internal audit checklist does not include assessment of clients' awareness and understanding on aspects like interest rates and other charges, products, choices and responsibilities.
- SMCS is a member of Equifax. It is yet to become a member of other credit bureaus.
- SMCS does not perform verification tests through additional credit bureau checks on clients post loan disbursement.
- Branch managers' awareness with respect to RBI directions regarding loan size and tenures, and income level of borrowers, turnaround time limits could be improved through refresher trainings.
- Clients' awareness was particularly low on annualized interest rate, processing charges, insurance premium, grievance redressal mechanism of MFIN.

- Client awareness was very limited that their data can only be shared for authorized purposes.

## Significant observations - Higher Order Indicators

### 1. Integrity and Ethical Behavior

#### Strengths

- SMCS's credit policy which is approved by the Board includes policy on recovering delinquent loans.
- SMCS's compliance report covers seven code of conduct parameters out of eight which is presented to the board on an annual basis.
- The Board HR Committee reviews the recruitment policy from time to time. SMCS informed that HR Manual has been revised and put up to the Board for approval.
- The MFI has a policy of providing sufficient notice to employees whose employment is being terminated. The notice period for permanent employee is 3 months while that for probationary staff is 1 month.
- There is documentary evidence to suggest that MFI has honoured the notice period for all employees who have left it.
- There is documentary evidence that the MFI has provided relieving letter to all employees who have given adequate notice before quitting.
- The staff members were trained by senior branch staff on the various processes to be followed including CGT and GRT and the disclosures to be made to the borrowers.
- Around 80% of SMCS's field staff confirmed that they were given training from a senior officer regarding RBI's direction.
- Around 95% of the operational staff confirmed that they have received training on the following:
  - Conducting client meetings
  - Collecting repayments
  - Recovering overdue loans
- Around 60% of the staff members confirmed receiving training from seniors on the grievance redressal mechanism.
- Internal audit report has been reviewed by the MFI's Board, regarding appropriate vouching or by MFI staff. The staff confirmed that they had been trained on the same.
- Interviews with staff members revealed they were aware of the process to be followed with delinquent clients.
- SMCS does not have an incentive policy for monthly client enrolment targets and number of clients managed.
- The information about grievance redressal mechanism established by Industry associations is part of the training of the clients.

#### Weaknesses

- The audit committee of the Board has not reviewed whether the Internal Audit team has adequate staff strength during the previous one year.
- The audit committee of the Board has not reviewed whether the scope of Internal Audit is adequate.
- Internal audit checklist does not include non occurrence or otherwise of the following. Therefore, it has not been reviewed by the Board.
  - Abusive language or threats
  - Visiting borrowers at odd hours
  - Forcible entry into dwelling and forced seizure of property without the legal orders.
- There is no documented HR policy that shortfall in collections will not be recovered from employees, unless in proven cases of fraud. However, interviews with employees reveal that they never had to make good any shortfalls in collection from their own money.
- The internal audit does not cover staff satisfaction related to compensation and incentive.
- The total salary of field staff does not remains the same whether the repayment rate attributed to the staff is 98% or 100%. The credit policy states that the MFI pays fee at 2%, 2% and 1% of the principal to the staff if loan recovered is 95%-100%, 51%-94% and below 50% respectively.
- Around 88% of the branches visited, the contact number and address of SRO nodal official (as applicable), had been displayed in a manner that made it clear that a client could approach the official in case she is dissatisfied with the way her grievance has been handled.
- SMCS prepares reports about the number, nature and resolution of grievances and feedback received for management review but on a half yearly basis and not on monthly basis.
- Clients interviewed were unaware of the Grievance redress mechanism of the Industry Associations.

## 2. Sensitive Indicators

### Strengths

- Around 95% of borrowers were found to be aware of the amount and number of instalments they were required to pay.
- Interactions with clients revealed that they had not been made to pay for a service or product as a precondition for loan.
- SMCS's policy allows the borrowers to pre-close loans and it does not lead to a change in the effective rate of interest. SMCS charges interest only for the duration of the loan.
- No instances of the following were found:
  - Collateral or security deposit being taken from the borrowers.
  - Borrowers being charged processing fee in excess of 1%.
  - Loan size being in non-compliance with RBI directions.
  - SMCS charging clients additionally for insurance, apart from premium payable.
  - Indebtedness of borrower was more than that stipulated by RBI
  - Clients had to make payment to informal agents or bribes.
- SMCS undertakes review of its margin regularly. The margin cap for SMCS is 12%. It gets the prevailing base rates of five largest banks from RBI. SMCS can charge upto a maximum of 2.75x of the base rates of five largest banks. The company also gets compliance with RBI pricing guidelines certified by an independent CA agency on a quarterly basis.
- Clients receive group sanction letter with all terms and conditions of the loan including annualized interest rates, tenures, etc. being mentioned.
- During interviews with borrowers, loan utilisation was found to be in line with RBI's directions. Most of the loans were taken for income generation purpose.
- Not a single case was found during interview with clients and review of loan records, where a client had to make the first repayment on her loan before seven days had passed on a weekly repayment product or 14 days had passed on fortnightly repayment product or a month had passed on a monthly repayment product.
- SMCS has a clear policy regarding documents to be collected for identity and address proof. The credit officer collects Voter card, Aadhaar card, etc as identity proof and Ration card, Electricity bill, etc as address proof. The copy of KYC collected from clients will need to be verified with original documents.
- The difference between the interest rate charged on any two loan products is not more than 4%.
- Loan files reviewed also indicated that credit bureau checks have been made not more than 15 days prior to disbursement in all cases. Due to delay in process for BC portfolio, Equifax bureau check is done twice since it takes time to reach the documents to banks. Banks again demand a copy of CB report. SBI Bank (BC partner) needs CB report of not more than 7 days as per the agreement.
- Interviews with borrowers revealed that the staff did not indulge in the following:
  - Abusive language or threats
  - Visiting borrowers at odd hours
  - Forcible entry into dwelling and forced seizure of property without the legal orders
- All clients revealed that they receive accurate receipts for all transaction.
- There is evidence to suggest that client data has been shared with the concerned BC lender but consent is taken from the clients. SMCS's Fair Practices Code also mentions that an adequate disclosure shall be made in loan agreement on sharing client data with credit bureau, sister concerns and third parties and the acceptance of the borrower shall be obtained.
- There were no adverse observations in the Auditor's report for the year 2015-2016 regarding accounting standards followed by the MFI.
- SMCS has a well defined process for sharing data with Equifax and shares it on a weekly basis.

### Weaknesses

- There were instances of fine or penalty being levied or collected from the borrowers due to delay in payment.
- During client visits, ICRA noticed that there were instances where loan classified as qualifying microfinance loan, the loan tenure was not in line with the limits defined by RBI. Loans above Rs.30,000 had less than 24 month tenures.
- ~95% of the borrowers interacted with were found to be in compliance with respect to economic status and the income mentioned in the application forms was in compliance with the norms.

**Weaknesses**

- SMCS does not have written directions in manuals/circulars regarding the code that Aadhaar must be obtained for 2nd/subsequent cycle clients. For second and subsequent cycle loans, clients are not identified through their Aadhaar numbers for the purpose of credit bureau reports.

## Significant observations – Building Blocks

### 1. Transparency

#### Strengths

- SMCS's board has discussed the most recent directions from RBI regarding disclosure of terms and conditions to clients of MFIs.
- SMCS has documented the most recent RBI directions in circulars.
- Around 80% of SMCS's field staff confirmed that they were given training from a senior officer regarding RBI's direction.
- Branch managers and field staff were aware of the terms and conditions for all the products offered by their respective branches and were given training on the same.
- The borrowers confirmed that they had been communicated all terms and conditions such as interest rates, loan tenure, processing fee, etc. during the group training prior to disbursement.
- Various forms and documents used by SMCS are in the vernacular language.
- The branches visited had maintained the formats of important documents in vernacular language.
- Almost all the clients visited revealed that they or someone in their families were able to read and understand the text in documents, such as loan cards, loan agreements etc, shared by SMCS.
- All the branches visited displayed the effective rate of interest on its products in all its offices including branches.
- ~95% of the borrowers were found to be aware of the amount and number of instalments they were required to pay.
- Clients interacted with revealed that charges and price for all services (which should be voluntary) have been communicated in written.
- There is no significant difference between nominal interest rates and the APR. The processing fee charged by SMCS on own portfolio and BC portfolio is 1% and nil respectively, so the APR is only 1% higher than the nominal interest rates.
- SMCS's policy allows the borrowers to pre-close loans and it does not lead to a change in the effective rate of interest. SMCS charges interest only for the duration of the loan.
- SMCS's credit policy approved by the board states that no security deposit will be collected, or collateral will be obtained for loans meant to qualify under priority sector classification. External CA certificate certifies the same which was reviewed by the board in the past year.
- The difference between the interest rate charged on any two loan products is not more than 4%.
- SMCS has a credit policy which states that no collateral security or security deposit will be obtained from clients.
- Not a single instance of collateral or security deposit being taken from the borrowers came to ICRA's notice during the field visit. Interviewed branch managers were aware regarding the guidelines.
- SMCS undertakes review of its margin regularly. The margin cap for SMCS is 12%. It gets the prevailing base rates of five largest banks from RBI. SMCS can charge upto a maximum of 2.75x of the base rates of five largest banks. The company also gets compliance with RBI pricing guidelines certified by an independent CA agency on a quarterly basis.
- Any changes in its interest rate are documented through formal circulars and the same were found in each of the branches visited.
- Review of latest loan files revealed that the loans had been disbursed at the latest rate of interest.
- The internal audit report which is placed before the board tracks whether all clients receive the necessary loans documents.
- SMCS both own and BC portfolio has developed acknowledgement and acceptance formats for clients.
- ~85% of the branch staff had received training from a senior staff regarding the documents to be provided to clients.
- Clients receive group sanction letter with all terms and conditions of the loan including annualized interest rates, tenures, etc. being mentioned.
- SMCS has a system of documenting why a loan has not been sanctioned against an accepted loan application. The rejection details are written on the loan form.

#### Weaknesses

- Circulars with the most recent RBI directions were not available in all the branches visited.
- Board has not reviewed in the last year that the formats in use are understandable by MFI's clients

**Weaknesses**

mainly in new areas of operation.

- Loan cards issued to clients do not include their complete repayment schedules including number of installments, installment amount broken into principal and interest and due date.
- There were instances of fine or penalty being levied or collected from the borrowers due to delay in payment.
- Clients does not get acknowledgement when they apply for a loan. A copy of loan agreement is not provided to clients.
- The financial statement and annual report for 2015- 2016 was not available at the company's website.
- The code of conduct compliance report is not available in the public domain.

## 2. Client Protection

### Strengths

- During the last one year, SMCS's board has discussed the performance of the company on the following parameters based on the external CA certificate. Also, the credit policy approved by the Board has designed the products in a way that it complies with RBI guidelines.
  - proportion of qualifying loan assets to total assets
  - loan sizes of qualifying loan assets
  - loan tenure of qualifying loans
  - loan purpose of qualifying loans
  - income of borrowers of qualifying loans
- Loan size, purpose and tenure across products are documented in loan product manual which are in compliance with RBI guidelines.
- SMCS's internal audit checklist keeps track of loan purpose and utilization and whether compliance with RBI's directions is being met.
- Income guidelines have been documented in credit policy.
- No instances of the following were observed during client visits:
  - Loan size being in non-compliance with RBI directions.
  - Clients being deliberately made to pre-pay.
  - SMCS offering any un-approved product/service
  - A party other than the MFI staff or client (and her family member), was involved in filling up her loan application.
  - SMCS charging clients additionally for insurance, apart from premium payable.
  - Indebtedness of borrower was more than that stipulated by RBI
  - Clients had to make payment to informal agents or bribes.
- During interviews with borrowers, loan utilisation was found to be in line with RBI's directions. Most of the loans were taken for income generation purpose.
- Not a single case was found during interview with clients and review of loan records, where a client had to make the first repayment on her loan before seven days had passed on a weekly repayment product or 14 days had passed on fortnightly repayment product or a month had passed on a monthly repayment product.
- Borrowers were satisfied with the monthly repayment frequency of loans.
- SMCS has a clear policy regarding documents to be collected for identity and address proof. The credit officer collects Voter card, Aadhaar card, etc as identity proof and Ration card, Electricity bill, etc as address proof. The copy of KYC collected from clients will need to be verified with original documents.
- ICRA did not come across a single instance where a loan classified as qualifying microfinance loan, identity proof (verified with original declaration) had not been obtained.
- Sa-dhan code of conduct which is approved by SMCS Board states that SMCS does not collect fee on non-credit products without obtaining permission from clients. It also states do not bundle any product with loans. Branch staff interviewed was found to be aware that any non-credit product offered will be voluntary.
- Interactions with clients revealed that they had not been made to pay for a service or product as a precondition for loan.
- Kotak Mahindra Old Mutual Life Insurance and LIC are the IRDA approved agencies through which SMCS provides insurance to its clients.
- Review of insurance claims settled by the MFI revealed that above 80% of the sample claims had been settled within a period of 90 days.
- The Credit committee of Board of Directors in their meeting held in September 2016 discussed MFI's credit appraisal guidelines with respect to credit risk of the MFI.
- Branch managers interviewed were found to be aware of RBI directions with respect to loan purpose and KYC norms.
- Before entering a particular region, SMCS's conducts a primary survey and completes the Village Survey Form on the basis of information obtained and submits it to the Branch Manager. A report needs to be prepared which includes information on expected business in the areas, profile of other MFIs and key risks which are likely to be faced.
- The credit policy states how the credit officers will assess the repayment capacity of the clients. The operational staff revealed that they had been trained on how to assess repayment capacity of



### Strengths

borrowers which includes savings of the members and cash flow analysis done on the loan form. Credit policy restricts the loan in proportion to the group fund i.e. Group Fund to loan with a ratio of 1:10. However, the Credit Committee may sanction higher amount of loan if it deems fit.

- SMCS's loan application form enables it to record borrower's household income, expenses and indebtedness. All the loan forms verified had a cash flow analysis.
- The credit policy links the loan sizes and duration with the assessment of the repayment capacity. The member's total loan from the SHG (both from internal savings and from SMCS) should not be more than 6-7x of savings. However, there could be exceptions to this if all the members agree.
- SMCS's branches visited have records that state the most recent loan appraisal criteria of the MFI.
- ~80% of the sample clients interviewed, the income and expense levels broadly matched with the stated levels in the loan form.
- The indebtedness levels of the clients interviewed matched with stated levels in the loan form.
- Loan files reviewed also indicated that credit bureau checks have been made not more than 15 days prior to disbursement in all cases. Due to delay in process for BC portfolio, Equifax bureau check is done twice since it takes time to reach the documents to banks. Banks again demand a copy of CB report. SBI Bank (BC partner) needs CB report of not more than 7 days as per the agreement.
- SMCS does not have an incentive policy for monthly client enrolment targets and number of clients managed.
- SMCS has documented guidelines regarding credit bureau checks to be performed on loan applications to check indebtedness of the client.
- The document guidelines regarding maximum indebtedness include loans that a borrower may have taken from any source is as per RBI guidelines and mentioned in the credit policy.
- ~90% of the interviewed Branch Staff have been given training or orientation on RBI's guidelines regarding maximum indebtedness of clients.
- ~90% of the branch staff interviewed was aware of RBI's guidelines regarding maximum client indebtedness.
- Interviewed Branch Staff are aware of process to be followed in case credit bureau reports are found to be inaccurate.
- Around 15% of the clients interviewed had borrowing from two or fewer lenders, including loans taken from the BC channel.
- The maximum loan given by SMCS under SHG loans does not exceed Rs 60,000.
- The operational manual specifies guidelines for the following. Further, since all changes in credit policy and operational manual are approved by the board, these were reviewed by the board indirectly.
  - Informing the clients regarding the product and services of the MFI, particularly the interest rates and other costs
  - Conducting client meetings
  - Collecting repayments
  - Recovering overdue loans
- Around 95% of the operational staff confirmed that they have received training on the following:
  - Conducting client meetings
  - Collecting repayments
  - Recovering overdue loans
- Borrowers reported that MFI staff arrives on time for client meetings. The staff conduct is professional.
- Clients report that they do not find the process of making repayments inconvenient or risky.
- SMCS's Code of Conduct report clearly present guidelines to prevent the following:
  - Abusive language or threats
  - Visiting borrowers at odd hours
- The branches visited have displayed Fair Practise Code that clearly present guidelines to prevent unacceptable behaviour.
- SMCS's staff confirmed that they had received training regarding the policy of not visiting borrowers at odd hours and not to forcibly enter into dwelling and seize client property without the legal orders.
- Interviews with borrowers revealed that the staff did not indulge in the following:
  - Abusive language or threats
  - Visiting borrowers at odd hours

### Strengths

- Forcible entry into dwelling and forced seizure of property without the legal orders.
- Internal audit report has been reviewed by the MFI's Board, regarding appropriate vouching or by MFI staff. The staff confirmed that they had been trained on the same.
- All clients revealed that they receive accurate receipts for all transaction.
- SMCS's credit policy which is approved by the Board includes policy on recovering delinquent loans.
- There are written down guidelines on process for dealing with clients, at each stage of default. The credit officer makes several visits to the borrower's house and explains the overdue implications.
- Interviews with staff members revealed they were aware of the process to be followed with delinquent clients.
- SMCS takes permission in the loan application form for sharing client's data with RBI, financial institutions, etc. SMCS's Fair Practices Code also mentions that an adequate disclosure shall be made in loan agreement on sharing client data with credit bureau, sister concerns and third parties and the acceptance of the borrower shall be obtained.
- The MFI takes backup of digital data on a daily basis.
- There is evidence to suggest that client data has been shared with the concerned BC lender but consent is taken from the clients.

### Weaknesses

- During client visits, ICRA noticed that there were instances where loan classified as qualifying microfinance loan, the loan tenure was not in line with the limits defined by RBI. Loans above Rs.30,000 had less than 24 month tenures.
- Only 20% of the borrowers interviewed revealed that they had been disbursed loans within specified time limits. Rest borrowers said they received loans within a month's time.
- Internal audit report does not keep track of the following parameters and their compliance with RBI directions:
  - loan sizes of qualifying loan assets
  - loan tenure of qualifying loans
  - income of borrowers
  - KYC status of clients
- During the past year, SMCS's board has not discussed the performance of the company on the KYC norms.
- SMCS's board does not review its performance on its turnaround times for loan sanction and disbursement.
- The turn around times have not been documented in manuals or circulars.
- ~25% of branch managers interviewed were aware of the RBI's directions regarding maximum loan size. However, they were aware about SMCS's maximum loan size across products.
- ~63% of branch managers interviewed were aware of the RBI's directions regarding loan tenures
- ~75% of branch managers interviewed were aware of the RBI's directions regarding income level of borrowers.
- ~80% of the operational staff members interviewed was aware of the turnaround time limits.
- ~95% of the borrowers interacted with were found to be in compliance with respect to economic status and the income mentioned in the application forms was in compliance with the norms.
- The saturation profile of the areas where SMCS operates in was not reviewed by the board in the past one year.
- Internal audit checklist does not include indicators on whether credit bureau check has been done not more than 15 days prior to disbursement.
- Internal audit reports do not check credit bureau reports.
- In the past year, SMCS's board has not reviewed its performance with respect to indebtedness of borrowers. However, SMCS as a policy does not lend as a 3<sup>rd</sup> MFI and extends a maximum loan of Rs.50,000 for its own portfolio.
- The Board has not reviewed any exceptions that the MFI may have made on credit bureau reports in the previous quarter.
- There are no documented guidelines on overriding/not using credit bureau reports if they are inaccurate.
- Internal audit does not keep track of indebtedness of borrowers and whether compliance with RBI's directions is being met.
- During field visits, ICRA did come across instances where the total loan to a borrower exceeded Rs

**Weaknesses**

60,000.

- SMCS does not perform verification tests through additional credit bureau checks on clients post loan disbursement.
- SMCS's board has not reviewed progress made by the company in collecting Aadhaar of clients in the past year.
- SMCS does not have written directions in manuals/circulars regarding the code that Aadhaar must be obtained for 2nd/subsequent cycle clients. For second and subsequent cycle loans, clients are not identified through their Aadhaar numbers for the purpose of credit bureau reports.
- Internal audit checklist does not include non occurrence or otherwise of the following. Therefore, it has not been reviewed by the Board.
  - Abusive language or threats
  - Visiting borrowers at odd hours
  - Forcible entry into dwelling and forced seizure of property without the legal orders
- The operational manual does not have guidelines to prevent forcible entry into dwelling and forced seizure of property without the legal orders.
- The total salary of field staff does not remains the same whether the repayment rate attributed to the staff is 98% or 100%. The credit policy states that the MFI pays fee at 2%, 2% and 1% of the principal to the staff if loan recovered is 95%-100%, 51%-94% and below 50% respectively.
- There is no documented HR policy that shortfall in collections will not be recovered from employees, unless in proven cases of fraud. However, interviews with employees reveal that they never had to make good any shortfalls in collection from their own money.
- Review of Board minutes reveals that action initiated against delinquent clients was not discussed.
- SMCS does not have specific written guidelines for maintaining privacy of client's data. However, most of the client related data are kept in the custody of Branch Manager and barred from unauthorised access.
- Clients interviewed were not aware of the fact that their data can only be shared for authorized purposes.
- The operational manual does not present how client data is to be stored by the MFI.
- The operational manual does not define access rights to client data (physical as well as computerised) collected by the MFI.
- Internal audit guidelines do not require internal audit checks to be performed on whether client data has been stored with adequate security.

### 3. Governance

#### Strengths

- All the members of the existing board of the MFI have good and sound reputation and are qualified to provide direction to the MFI.
- The Board is chaired by an independent Director.
- The board meets at least once every quarter and the minutes of the meetings are maintained by the MFI.
- The policies and procedure of the MFI and any subsequent changes to the same are approved by the board. The meeting agenda contains the key operational and financial information of the MFI.
- SMCS's board consists of nine directors of which five are independent.
- The MFI has documented guidelines regarding debt-restructuring for clients facing repayment stress. The credit policy approved by the Board states that in case of emergencies at the request of the borrower and if agreed by SMCS instalments can be rescheduled.
- The audit committee has met four times over the past year. Minutes of the audit committee have been maintained.
- SMCS has a dedicated internal audit team of four members. The internal audit head directly reports to the Board committee.
- The Internal audit team conducts bi-monthly branch audits but there was some delay in the last quarter audit. ~75% of the branches visited had action taken report based on the last audit report.
- There were no adverse observations in the Auditor's report for the year 2015-2016 regarding accounting standards followed by the MFI.
- SMCS's compliance report covers seven code of conduct parameters out of eight which is presented to the board on an annual basis.

#### Weaknesses

- The MFI does not have a written policy regarding constitution of the board including the fact that board members should have good and sound reputation.
- The audited financials does not disclose the compensation of CEO.
- The MFI does not have written policy regarding constitution of the board including the fact that 1/3rd of the members are independent persons.
- SMCS has constituted an audit committee of the board with a dependent director as chairperson.
- The audit committee of the Board has not reviewed whether the Internal Audit team has adequate staff strength during the previous one year.
- There is no evidence that the MFI has restructured loans of clients facing repayment stress in the past.
- The audit committee of the Board has not reviewed whether the scope of Internal Audit is adequate.
- Around 37% of the branch staff interviewed was aware of the reschedulement policy and procedure.
- Staff satisfaction related to compensation and incentive is not covered by internal audit.

#### 4. Recruitment

##### Strengths

- The board HR committee reviews the recruitment policy from time to time. SMCS informed that HR Manual has been revised and put up to the Board for approval.
- There are documented guidelines regarding recruitment in the HR manual.
- There is documentary evidence that MFI has performed reference checks.
- There is a documentary evidence to suggest that the MFI has responded to reference check requests.
- The MFI has a policy of providing sufficient notice to employees whose employment is being terminated. The notice period for permanent employee is 3 months while for probationary staff is 1 month.
- There is documentary evidence to suggest that MFI has honoured the notice period for all employees who have left it.
- Submission of relieving letter or NOC from the previous employer is mandatory for new joiners.
- There is documentary evidence that the MFI has provided relieving letter to all employees who have given adequate notice before quitting.

##### Weaknesses

- SMCS does not have a policy of mandatorily seeking reference check while recruiting from the previous employer.
- SMCS does not have a documented system of reference checks on all its new employees.
- SMCS does not have a defined and documented process for responding to reference check requests.
- SMCS does not have a documented policy that when it recruits staff from another MFI, the said staff will not be assigned to the same area he/she was serving at the previous employer for a period of one year. ICRA's interview with SMCS's employees does provide evidence that staff has been placed in the same area as in their previous organization for a period of one year.

## 5. Client Education

### Strengths

- SMCS has documented process for raising clients' awareness of the options, choices and responsibilities regarding financial products and services. SMCS's credit policy states that groups formed are imparted trainings on record keeping, group management, leadership, etc.
- The staff members were trained by senior branch staff on the various processes to be followed including CGT and GRT and the disclosures to be made to the borrowers.
- There is documented process in its credit policy for the communication to be provided to new clients.
- Borrowers confirmed receiving detailed trainings (compulsory group training) on the product and organisation policy. The borrower's further confirmed that no payment has been made for these trainings.

### Weaknesses

- Internal audit checklist does not include assessment of clients' awareness and understanding on aspects like interest rates and other charges, products, choices and responsibilities and so on.
- Proportion of clients who were found to be aware of each of the terms and conditions is as follows:
  - Annualized Interest rate - ~66%
  - Processing fees - ~70%
  - Insurance claim settlement process - ~60%
  - Insurance charges - ~65%

## 6. Feedback & Grievance Redressal

### Strengths

- Around 60% of the staff members confirmed receiving training from seniors on the grievance redressal mechanism.
- Mechanism of grievance redress is part of the CGT training of the clients.
- SMCS provides the contact number of the client grievance redressal/feedback official to all its clients in loan cards/passbooks.
- There was a positive response when a surprise call was made on the helpline number provided.
- Around 88% of the branches visited, the contact number and address of SRO nodal official (as applicable), had been displayed in a manner that made it clear that a client could approach the official in case she is dissatisfied with the way her grievance has been handled.
- Complaints or feedback received by the MFI have been recorded diligently in the complain register. All the branches visited maintain action taken reports on the complaints received from clients.
- Clients are notified of their right to refer the matter to the grievance redressal mechanism established by the Industry associations during CGT and group meetings.
- The information about grievance redressal mechanism established by Industry associations is part of the training of the clients.
- Around 88% of the branches visited provided avenue for clients to record their complaints and this includes a designated staff to guide the clients at the branch. SMCS also provides a complaint box at all the branches.
- Grievance redressal system set up by the MFI is displayed by ~88% of its branches visited.

### Weaknesses

- SMCS policies do not state the details of the grievance redressal which includes time frames for grievance resolution as well as escalation mechanism.
- During borrower's visits, we noticed that the clients were aware of the MFI name but ~50% were aware of the branch location.
- Clients were not aware of the grievance redressal mechanism of the Industry Associations and SMCS's grievance redressal official.
- MFI does not have any documentary proof that it has provided acknowledgement to clients for the grievances reported.
- SMCS does not have a dedicated grievance redress/client feedback official. The Chief Credit Officer is the grievance redress official.
- In none of the branches visited, the MFI displays that it is responsible for the actions of its staff and that the clients will be treated fairly despite grievance being lodged.
- In its loan agreement the MFI does not make a declaration that it is responsible for the behavior of its staff.
- Clients interviewed were not aware of the existence of Grievance redress mechanism of the Industry Associations.
- SMCS prepares reports about the number, nature and resolution of grievances and feedback received for management review but on a half yearly basis and not on monthly basis.
- The grievance redressal report had been presented to the board only once in the previous year and not presented on a quarterly basis.

## **7. Data Sharing**

### **Strengths**

- SMCS has a well defined process for sharing data with Equifax and shares it on a weekly basis.
- SMCS has provided data when called for by RBI or MFIN. SMCS shares progress report on yearly basis with Sa-Dhan.

### **Weaknesses**

- SMCS is only a member of Equifax. It is yet to become a member of other credit bureaus.
- MFI does not disclose the operational and financial data on its website.



## **Annexure: Methodologies**

### **Microfinance Grading Methodology**

<http://www.icra.in/Files/Articles/mfi%20grading%20methology%20note%20for%20upload.pdf>

## COCA Methodology

The Code of Conduct Assessment (COCA) tool was developed as a response to the need expressed in a meeting of stakeholders in Indian microfinance by the Small Industries Development Bank of India (SIDBI) and the World Bank in December 2009. The code of conduct dimensions were identified by reviewing the various norms for ethical finance. These included RBI's fair practices guidelines for Non Banking Financial Companies, industry code of conduct (Sadhan-MFIN) and Smart Campaign's Client Protection Principles (CPP).

In 2016, need was felt to harmonize COCA to the most recent industry code of conduct and to standardize COCA tools of different rating/assessment agencies. This grading is based on the harmonized COCA tool. In the harmonized COCA tool, the dimensions were classified in three categories – highest order, higher order and building blocks. This grading is based on the harmonized COCA tool.

<b>Highest Order</b>	
Sensitive Indicators	
<b>Higher Order</b>	
Integrity & Ethical Behavior	
<b>Building Blocks</b>	
Governance	Client Protection, Recruitment
Transparency	Feedback/Grievance Redressal
Client Education	Data Sharing

Chart: COCA Indicators Framework

Number of indicators in each category is presented below

Higher Order Indicators	Number of Indicators
Integrity and Ethical Behaviour	32
Sensitive indicators	27
Building Blocks	Number of Indicators
Transparency	40
Client Protection	123
Governance	30
Recruitment	13
Client Education	14
Feedback & Grievance Redressal	25
Data Sharing	6
<b>Total</b>	<b>251</b>

### Methodology

This is regarding the Code of Conduct Assessment (COCA) exercise to be conducted by us. The COCA exercise is spread over 15-30 days. The first day is spent at the head office. The assessment team visits the branches over the next three to fifteen days, after

which we take around five days to share our draft report. Depending upon the size and the operational area of the MFI, up-to fifteen branches and 300 clients are sampled for primary survey.

Sampling guidelines

The following is taken as the guideline to determine the sample size for a COCA exercise.

<b>MFI Size</b>	<b>No. of branches to be visited</b>	<b>No. of borrowers to be visited</b>
Small MFI (Less than 8 branches)	All branches	15 clients per branch covering minimum two centers.
Small / Mid size MFI (up to 2,50,000 borrowers)	8 – 10 branches (geographically distributed)	60-120 clients (15 clients per branch covering minimum two centers).
Large MFI (>2,50,000 borrowers)	12 – 15 branches (geographically distributed)	240-300 clients (20 clients per branch covering minimum two centers).
Large MFIs (Loan portfolio outstanding of Rs500 crore or more, irrespective of the number of borrowers)	18 – 20 branches (geographically distributed)	360-400 clients (20 clients per branch covering minimum two centers).

The selection of branches can be done using a criteria based approach.

Step 1- High stress branches: Violations of the code of conduct are most likely to occur in areas where an MFI’s loan portfolio is experiencing stress. Hence, it is suggested that branches which have shown portfolio quality problem should be included in the sample. The maximum number of branches selected using this criteria should be 40% of the total branches that need to be sampled.

Step 2: After identifying branches based on step 1, a list of districts along with the number of branches, distance of the branches from their District Office, and the number of clients, may be prepared. We can then select districts to identify the remaining branches that need to be sampled. The districts may be selected following a methodology that gives a higher probability of selection to those districts that have higher proportion of MFI clients. In other words, the probability of selection of a district should be close to the proportion of clients that the MFI has in that district. The sampling of the district should be done without replacement. In this approach it is possible that a particular district may appear more than once in the sample. Finally, branches should be selected from the districts chosen. We may choose as many branches from a district as the number of times it appears in the sample.

Thus, we may choose one or more branch per district. This selection may be based on the following rules:

1. The branch should have been in operation for atleast six months

2. Adequate representation (around 30% of total branches sampled) should be given to branches that are at least 30 km (or farthest) away from the nearest district office.

### Selection of Clients in the Sample

In the sampled branches, two cluster of clients should be selected. These clusters could be JLG-centers or large client groups or village etc. In each of these clusters, around 10 clients should be interviewed. This will give us a sample of around 20 clients in each branch. Further, in each branch four interviews with clients (2 in each cluster) should be made at a location of the clients preference.

Code of Conduct Assessment exercise requires:

1. Review of policy documents and manuals at the head office. These are reviewed in order to assess the policy as well as documentation regarding important aspects of the code of conduct.
2. Discussions with key staff members and the senior management at the head 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 after the review of documents.
3. Sampling of branches. The assessment team samples branches for review. The branches are chosen across different states in case the MFI operates in more than one state.
4. Discussions with the branch staff at the branch office. Discussions with branch managers and the field staff is carried out to assess their understanding of the key code of conduct principles.
5. Sampling of respondents in the selected branches. A sampling is performed on the MFI's clients by the assessment team to draw respondents.
6. Interview with the clients. Information from the clients is collected primarily during the group meetings. Some clients are also met at a location of their preference. Additionally telephonic interviews are held with some clients.
7. Review of loan files. This review focuses on loan appraisal performed before disbursing loans as well as the documents collected from the clients.

As part of this assessment, we visited eight branches of the MFI. The details of the branches visited are provided below.

Sr No	Branch	State	No of clients interviewed
1	Bharatpur	Odisha	16
2	Khurda	Odisha	18
3	Bhubaneswar	Odisha	10
4	Khuntuni	Odisha	13
5	Puri	Odisha	21
6	Kanas	Odisha	24
7	Kakatpur	Odisha	16
8	Astaranga	Odisha	14
<b>Total</b>			<b>132</b>

As part of this assessment, we called up the below SMCS clients.

<b>Sr No</b>	<b>Member's Name</b>	<b>Contact</b>
1	Ritanjali Moharana	7894595959
2	Khulana Mallick	9658101528
3	Soudamini	9937447851
4	Sukati Patra	9178178373
5	Tanubala Mallick	9237077811
6	Namita Behera	9338350400
7	Kuni Behera	8018527776
8	Manasi Pradhan	9777641836
9	Susama Paramanika	9937290092
10	Kanchan Behera	9937630241

## Annexure: Board of Directors

Board of Directors (March 2017)			
Sr No	Name	Education	Brief profile
1	Shri Parashuram Nayak	M.A, C.A.I.I.B	<p>Shri P. Nayak, Whole Time Director since beginning is a former General Manager of State Bank of India (SBI). After retirement from SBI he joined CYSD, the sponsorer of SMCS as Advisor on Microfinance till SMCS was formed.</p> <p>He was founder Chairman of the KoraputPanchabatiGramya Bank (Presently UtkalGrameen Bank) an RRB sponsored by SBI, which was adjudged as one of the five good banks in the Country. As Development Manager, Lead Bank and Development Manager Agriculture in SBI, he was actively associated in implementation of agriculture &amp; priority sector lending in the State of Odisha.</p> <p>He is a resource person in Micro Finance &amp; giving training to Bankers, Govt. officials, NGOs, MFI officials in the State. He is also a resource person for Govt of Odisha in Budget prepararion. He has been a Consultant in Micro Finance for last 13 years. He is heading the not for profit Sub-group of SADHAN. He is an honorary member of the Advisory Council of the Center for Agri-Management (CAM), MBA (Agri-Business), Department of Business Administration, Utkal University, Bhubaneswar. He is a member of the pre-budget discussion group of Govt. of Odisha and also a member of Sa-dhan's Board</p>
2	Dr (Mrs) Bedabati Mohanty	M.A Ph D Economics	<p>Director of SMCS since beginning. Former Professor of Economics in Utkal University has vast experience in Rural Credit in the State of Odisha. She was associated with a number of Micro Finance Programme in the State. She is now a visiting faculty in NISWAS, one of the leading Rural Management Institute in the State. She has more</p>

Board of Directors (March 2017)			
Sr No	Name	Education	Brief profile
			<p>than 30 articles published in different journals of repute.</p> <p>Her publications among others are;</p> <ul style="list-style-type: none"> <li>• Development of women: Present status &amp; Future status.</li> <li>• Employment perspective in Rural India.</li> <li>• Violence against Women.</li> </ul> <p>She has completed several projects.</p>
3	Shri Prafulla Kumar Sahoo	B.Com, MSW Diploma in Youth Work	<p>Director of SMCS since beginning.</p> <p>He is presently the Chairman of the leading NGO, CYSD. He has 30 years of experience in the field of Social Development. He has received formal training on Total Quality Management on Team Technology, Maryland, USA. He has acquired skills on Project Monitoring and Evaluation, possess analytical skills and report writing. He has expertise in various sectors like Governance and Civil Society Building, Panchayat Raj Institutions, NGO Development and Management, Organizational Development and Institutional Building, Policy Analysis and Strategic Planning and Poverty Reduction Strategies. He has worked as Project Director of Integrated Rural and Tribal Development Projects and Trainer for NGO Management and Development. He has guided and conducted several Social Research and Evaluation Studies on Social and Community Development.</p>
4	Shri Jagdish Pradhan	MA in Political Science	<p>Director of SMCS since beginning.</p> <p>Started his carrier in the field of Social Development in OXFAM (UK). By virtue of his vast experience and his concern for the poor, has institutionalized himself as a well-known figure in the State. He has promoted and implemented successfully various Community Based Organizations in eastern and north eastern states of India. Shri Pradhan took the leading role in several campaigns concerning</p>

Board of Directors (March 2017)			
Sr No	Name	Education	Brief profile
			farmer's issues vis-à-vis GATT/WTD Environment and Ecological issues concerning Odisha and campaigns concerning rehabilitation and resettlement of Development Projects affected people in South and Western Odisha. His association with national level networks like Bharat Jan Andolan, National Campaign for Survival and Dignity, Azadi Bachao Andolan, Gandhi Smarak Nidhi etc. is worth to note. Besides, he played a promotional role and held key positions in state level NGO networks like Sanhati, ODMM for several years. At present, he is the founder president of <b>Sahabhagi Vikash Abhiyan (SVA)</b> and State convener of <b>Paschim Orissa Krishijeevi Sangha (POKS)</b> and founder Editor of <i>Gaunlivichar</i> and <i>Gram Swaraj Abhiyan</i> . He is presently a member of the National Commission on Farmers – Govt. of India.
5	Shri Prasanna Kumar Mishra	MA & PhD in Political Science,	Independent Director of SMCS since last five years. Shri Mishra is IAS (Retd), former Secy. Coal, GOI & Addl. Chief Secy. Odisha Govt. He held various important assignments both with the Govt. of India and Odisha Govt. Some of his important assignments include Chairman, Paradeep Port Trust, Chairman, National Pharmaceutical Pricing Authority, Secretary, Dept. of Coal, Chairman, Orissa Mining Corporation (OMC), Managing Director, Tribal Development Corporation of Odisha, Secretary, Housing & Urban Development, Secretary, Food & Civil supplies, Secretary, Revenue, Secretary, Agriculture, Secretary, Finance, Nodal Officer for world Bank



Board of Directors (March 2017)			
Sr No	Name	Education	Brief profile
			<p>assisted projects and Additional Chief Secretary.</p> <p>In his personal capacity he is actively engaged in an Experiment to evolve and appropriate agricultural strategy for the marginal farmers. He has promoted a state level Micro Credit Co-operative Institution collect DINABANDHU for providing timely and adequate credit to small borrowers. He is Editor of Odia news daily "Sanchar"</p>
6	Shri B.K. Mahunta	M.Sc (Physics), CAIIB	<p>Joined SMCS in January 2012.</p> <p>Former Chief General Manager, NABARD</p> <p>As Chief General Manager, NABARD looked after District Planning, Corporate Planning, issues relating to credit flow to agriculture and nodal department for dealing with Ministry of Agriculture, Ministry of Finance and Parliamentary Questions relating to Agriculture and Rural Development</p> <p>- Nodal agency for implementation of Agriculture Debt Waiver and Debt Relief Scheme-2008 for RRBs and Coop Banks, formulated draft guidelines for implementation of Agriculture Debt Waiver and Debt Relief Scheme-2008 for RRBs</p> <p>As <b>General Manager</b>, Formulated Supervision <b>Guidelines for Supervision of MFOs</b>, Formulated Supervision Guidelines for Supervision of Regional Rural Banks and Coop. Banks in Short term and Long term Structure Institution Development Department (IDD) at HO NABARD, Formulated guidelines for amalgamation of RRBs</p> <p>Looked after affairs of Andhra Pradesh RO <b>especially in Micro Finance, Supervision, Rural Infrastructure etc.</b></p>
7	Shri Bibhuti Bhusan Das	MA, CAIIB (both parts)	<ul style="list-style-type: none"> <li>Retd. Chief General Manager of State Bank of India</li> </ul>

Board of Directors (March 2017)			
Sr No	Name	Education	Brief profile
			<ul style="list-style-type: none"> <li>• General Manager (Central Recruitment &amp; Promotions Dept.)</li> <li>• MD (Nepal SBI Bank Ltd)</li> <li>• Dy. General Manager (Commercial Branch), Kolkata</li> <li>• Dy. General Manager (Zonal Office), Muzaffarpur</li> <li>• Chairman, KPGB, Koraput</li> </ul> <p><b>Key Projects Undertaken</b></p> <ul style="list-style-type: none"> <li>• Industry level wage negotiations were represented under his leadership during 2008-2010.</li> <li>• Man-power planning, recruitment &amp; induction of over 43,000 employees across levels in SBI during 2007-10.</li> <li>• Developed state-of-the-art Training System with capacity to train over 2500 employees per day, for which SBI was awarded “Golden Peacock National Training Award “ in 2009. Pioneered leadership in pipeline initiative.</li> <li>• Created centralized automated repository of all employees (2 lac+) during 2009-10. Pension, PF accounting, monthly expenses reimbursement &amp; salary processing of all employees of SBI centralized through HRMS.</li> <li>• Instrumental in launching two major HR interventions in the form of ‘Parivartan’ and ‘Citizen SBI’.</li> </ul>
8	Ms Geeta Patnaik	G.D. Arch. B.Arch.	<ul style="list-style-type: none"> <li>• B. Arch (from Sir J.J. College of Architecture, Bombay). Associate member of Indian Institute of Architects Registered, Architect under Council of Architecture. Executive Member of the Orissa Chapter, IIA.</li> <li>• Managing Director, ORIARCH (P) LTD. In this Architectural Consultancy firm she has dealt with</li> </ul>

Board of Directors (March 2017)			
Sr No	Name	Education	Brief profile
			<p>Educational, Recreational, Commercial and Residential Building projects in and out of Odisha.</p> <ul style="list-style-type: none"> <li>Working for the up-gradation of slums in and around Bhubaneswar guiding and helping the slum dwellers in the use of low-cost technology and locally available construction materials to upgrade their shelters.</li> <li>Helping CMG (Community Management Group) in improving environment, Organising training programme for the skilled /unskilled workers of the slum area Under urban Development Deptt. Of Odisha Govt.</li> <li>Motivating the slum dwellers for their own Economical, Social and Cultural improvements.</li> <li>Organizing a NGO under the banner of "SHELTER" to take care of Shelter, Health and Hygiene, Environment, Living Condition up-gradation, Training/Technology, Education &amp; Recycling and Revival of waste.</li> </ul>
9	Shri Santanu Sarma Barua	Post Graduate in Economics from Delhi School of Economics with an MBA (Finance) from NMIMS University, Mumbai	<ul style="list-style-type: none"> <li>Shri Barua is presently Deputy General Manager in SIDBI MSME International Training Institute (SITI) at Bhubaneswar. During his career with SIDBI, he has worked in Treasury Mid-Office, Market Risk, Resource Mobilisation areas at its Mumbai corporate office apart from various branch offices of SIDBI across the country.</li> </ul>